



2nd Energy Market Integrity and Transparency Forum

Ljubljana, 6 and 7 September 2018



2nd Energy Market Integrity and Transparency Forum – 1st day

Ljubljana, 6 September 2018

Day 1: 6 September 2018		
14h30 – 14h45	Registration	
14h45 - 15h00	Opening and welcome address	Alberto POTOTSCHNIG (ACER Director)
15h00 - 15h30	REMIT operations, transaction reporting and data quality	Marketa STUHLIKOVA and Iztok ZLATAR (ACER)
15h30 – 16h30	Panel discussion: Lessons learnt from REMIT reporting from a stakeholder's point of view and the potential use of REMIT data for transparency purposes	<u>Moderator:</u> Volker ZULEGER (ACER) <u>Panellists:</u> Tine BAX (Engie/EFET), Aviv HANDLER (ETR Advisory), Salima SAUZEAT-LEULMI (EPEX Spot/Europex), Alex MCDONALD (LEBA), Liam DUNNE (Equias/RRM)
16h30 – 16h45	Coffee break	
16h45 – 17h15	REMIT Policy	Aleksandra ZGORZAK and Biagio DE FILPO (ACER)
17h15 – 18h15	Panel discussion: Transparency on the disclosure of inside information	<u>Moderator:</u> Annegret GROEBEL (BNetzA) <u>Panellists:</u> Erik KORSVOLD (NASDAQ OMX Commodities), Volinka AUGUSTENBORG (Ørsted A/S), Volker ZULEGER (ACER)
18h15 – 18h30	Concluding remarks	Volker ZULEGER (ACER)
18h30	Dinner reception hosted by the Slovenian Ministry of Foreign Affairs	Klub Cankarjev dom, Prešernova cesta 10

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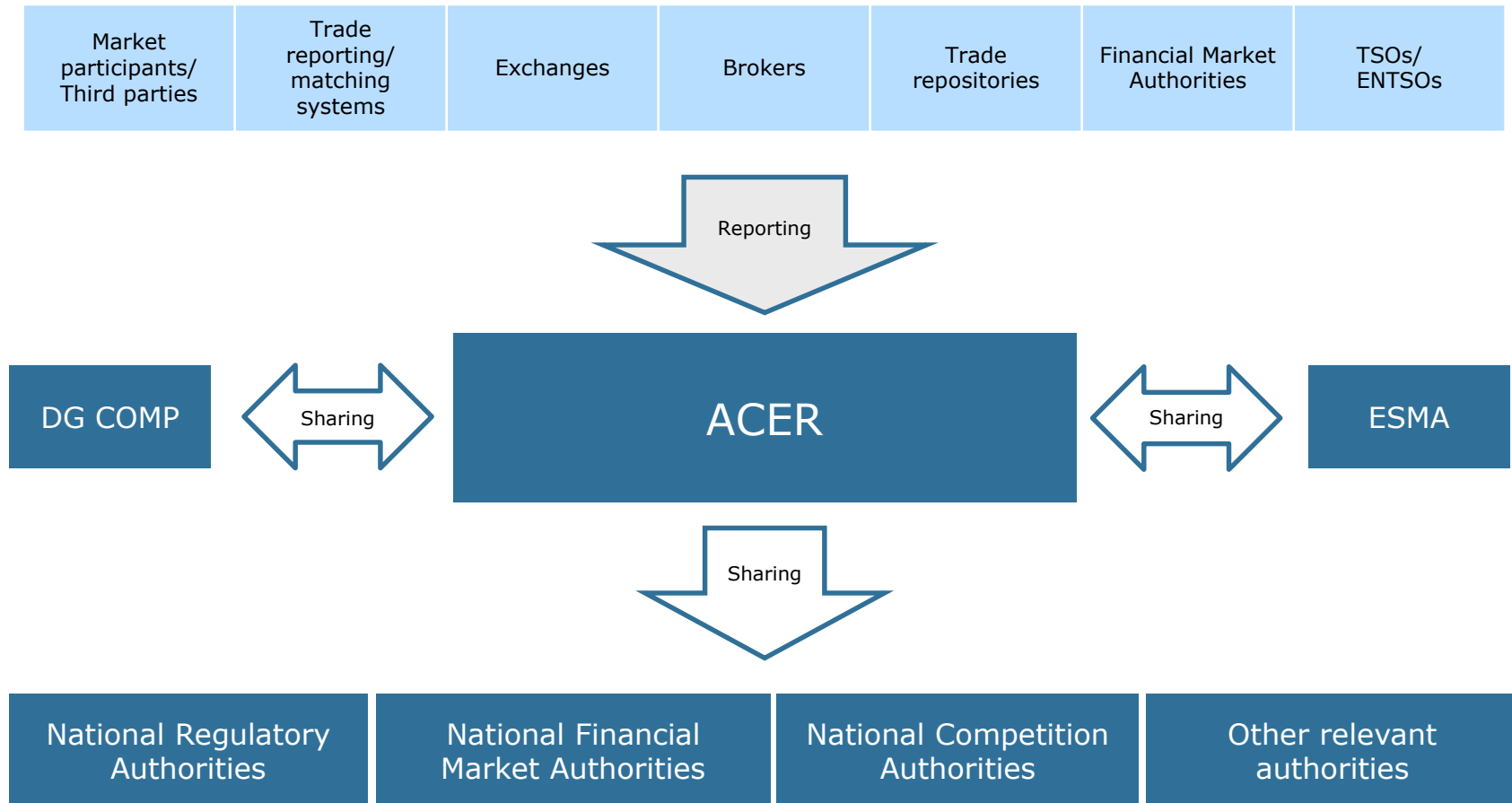


REMIT operations, transaction reporting and data quality

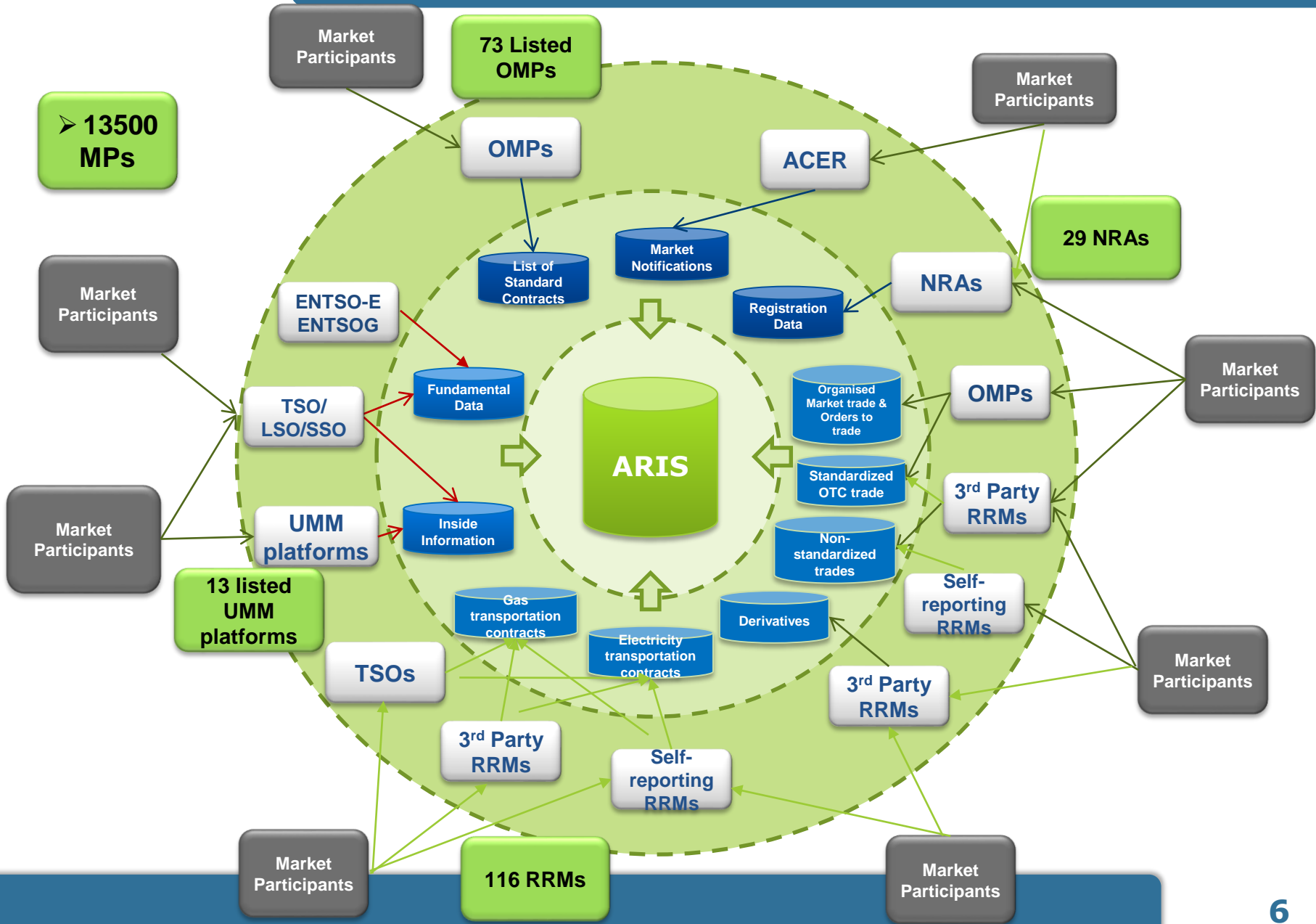
*Marketa STUCHLIKOVA and Iztok ZLATAR
Market Integrity and Transparency Department*

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Ljubljana, 6 September 2018**

Reporting of transaction data, including orders to trade, and fundamental data



REMIT data collection Reporting channels

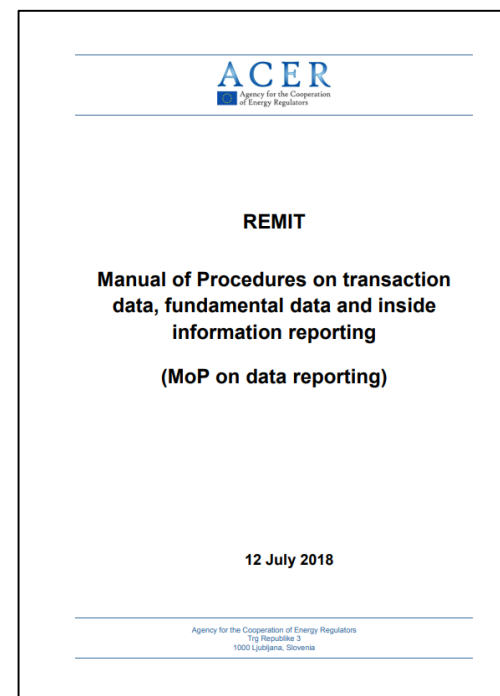
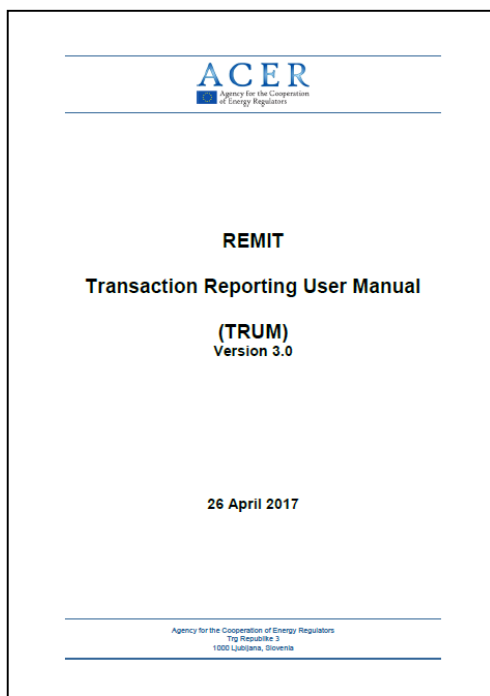


ARIS consists of several modules:

- CEREMP, Notification Platform, Central Service Desk are operational
- Data collection is operational
- Market Surveillance solution SMARTS is operational
- OBIEE Business Intelligence tool is operational
- Data Sharing with National Regulatory Authorities (NRAs) is operational
- Case-management-tool is operational

It is important that reporting parties have a clear understanding about the details of the information they are required to report. This is why REMIT and its Implementing Regulation tasked the Agency to explain the content of the reportable information in a user manual, to establish procedures, standards and electronic formats for reporting of information and develop technical and organisational requirements for submitting data through Registered Reporting Mechanisms (RRMs).

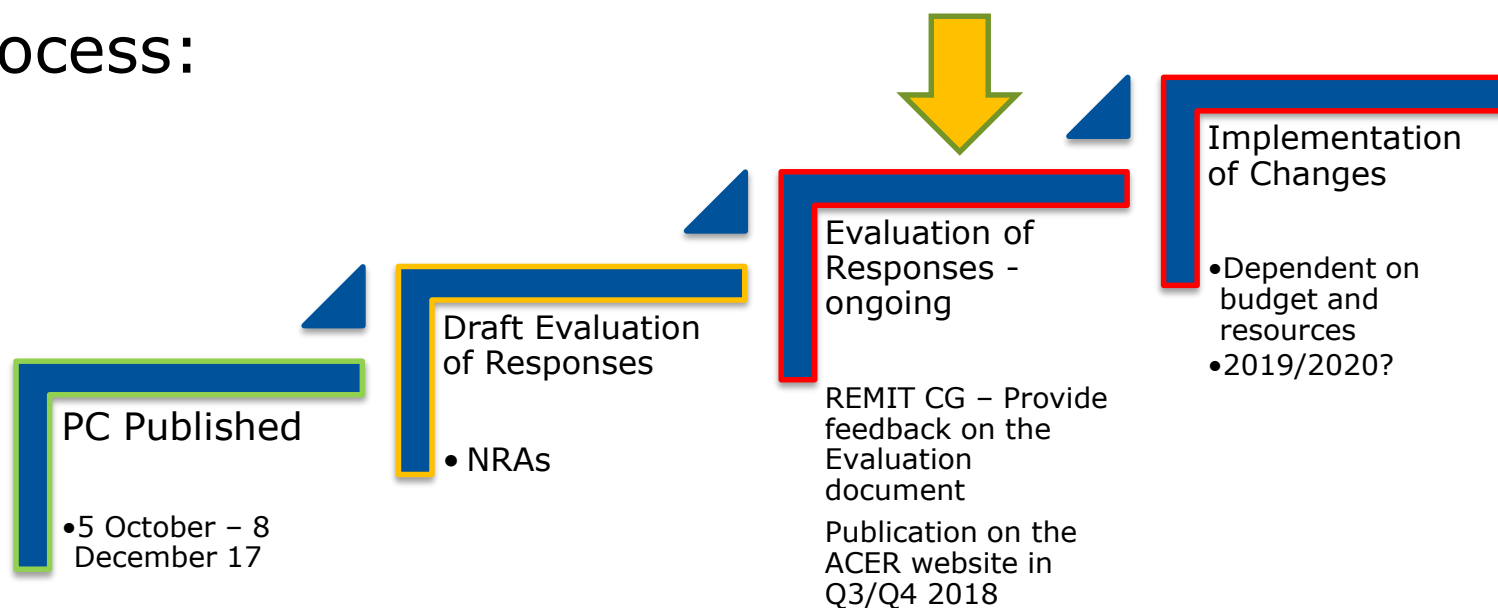
(See Articles 5(2), 10(3) and 11(1) of Commission Regulation (EU) No 1348/2014)



- Publications:
 - » Second Open letter on REMIT data quality
 - » Open Letter on Inside Information disclosure and the use of Inside Information Platforms
 - » List of LNG facilities and LSOs operational in 2016, 2017, 2018 on the REMIT Portal
 - » Continued updates of Q&As and FAQs
- Regular meetings:
 - » Registered Reporting Mechanisms (RRMs), Organised Market Places (OMPs) and
 - » ENTSOs
 - » Associations of Energy Market Participants (AEMPs)
- Workshop on the Public Consultation (PC) on ARIS electronic formats

Public Consultation on the revision of electronic formats for transaction data, fundamental data and inside information reporting

Process:



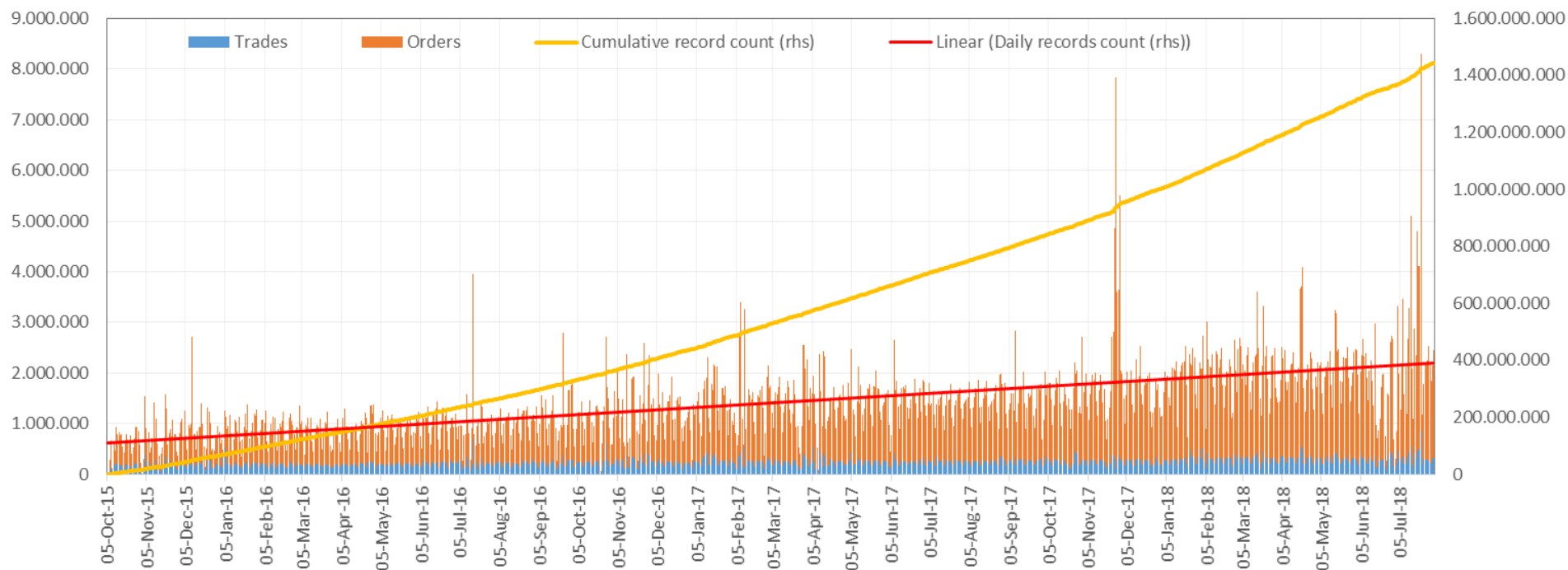
- Budget challenges
 - » Hardware, Software for data collection and sharing, specialised analytic tools
- Technical challenges
 - » Volume of data, storage, network, aging technology vs. new design and data processing approaches, change of IT providers
- Human resource challenges
 - » Insufficient number of staff for a large scale project as REMIT

EU wholesale electricity and natural gas markets:

- Standard supply contracts
 - Non-Standard supply contracts
 - Transportation contracts
 - Fundamental data
 - Inside information
- +
- FX
 - Delivery point or zone reference data
 - List of Organised Market Places
 - List of Standard contracts
 - CEREMP

- Collected organised market place trade records per day: 250.000
- Collected bilateral trade records per day: 20.000
- Collected order records per day: 1.800.000

Increasing number of trades and orders through time



Source: ARIS, MIT calculations

	In total	Per day
Number of registered OMPs	73	
Number of registered market participants	13.507	
Number of listed Standard contracts	13.673	
Collected organised market place trade records	220.000.000	250.000
Collected order records	1.200.000.000	1.800.000
Collected bilateral trade records	18.000.000	20.000
Collected non-standard contract records	662.000	500
+ Transaportation, fundamental data		
		Per month
ARIS data base size	~3 TB (raw data)	+100 GB

- ACER uses a customised Market Surveillance Solution for its market surveillance activities and a customised Business Intelligence Solution for its data analytics and data quality activities
- ACER custom feature highlights for market surveillance:
 - » Bespoke REMIT market manipulation alerts
 - » Support for bilateral trades
 - » Unit, currency conversion support
 - » UMM support

- High priority activity
- Cooperation with Organised Market Places
- Feedback to RREs, OMPs, NRAs
- Validation rules
- ACER publications (Open letter, REMIT quarterly)
- Forums and collaboration
 - » RRE live and virtual webinars
 - » OMP webinars and roundtables
 - » AEMP roundtables
 - » NRA forums, regular meetings and analysis exchange
 - » ESMA cooperation
 - » Research institutions (European Commission's Joint Research Centre (JRC), universities)

- REMIT data quality has improved, but it remains a high priority activity
- REMIT data today:
 - » reaches a high level of data quality
 - » contains plenty of useful information
 - » is useful to analyse markets and conduct surveillance
- ACER's goal is to further improve and maintain data quality


- Publication of aggregated data [REMIT Transparency Platform]
- Giving access to the data to additional competent authorities – European Commission, financial regulators, competition authorities, research institutions etc.
- REMIT II?

Thank you for your attention!



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Panel discussion: Lessons learnt from REMIT reporting from a stakeholder's point of view and the potential use of REMIT data for transparency purposes

Moderator: Mr. Volker ZULEGER (ACER)


Panellists: Tine BAX (Engie/EFET), Aviv HANDLER (ETR Advisory), Salima SAUZEAT-LEULMI (EPEX Spot/Europex), Alex MCDONALD (LEBA), Liam DUNNE (Equias)

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- What are your experiences with REMIT reporting also taking into account practices in other reporting regimes like EMIR, MiFID or MiFID II?
- Data quality should be a common interest of reporting parties and regulators. ACER is publishing Open Letters on data quality and has frequent interaction with RRM and OMPs on data quality. How could we further enhance data quality and cooperation on data quality? Should there be more focus on the enforcement of breaches of REMIT reporting breaches by NRAs?
- The Agency is currently collecting more than 2m records of transactions per day. Should this data also be used to enhance transparency on EU wholesale energy markets and if so how?
- Do you see any benefits of REMIT?



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REMIT Policy

Aleksandra ZGORZAK and Biagio DE FILPO
Market Integrity and Transparency Department

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● ACER Guidance on REMIT

- » The Agency publishes **non-binding guidance** in order to ensure that NRAs carry out their tasks in a coordinated and consistent way with regular discussions and up-dates (**ACER Guidance 4th edition**)
- » Up-dates the **Q&As** and replies to **REMIT queries** from stakeholders via REMIT portal
- » Staff letters, **REMIT Quarterly, info-flash**
- » **Open Letter on Disclosure of Inside Information** published 30th May 2018

● ACER Co-operation

- » **Reinforces ACER Guidance** through discussions and sharing of knowledge between the NRAs and the Agency – REMIT Policy Task Force under the umbrella of the AMIT Working Group
- » **Inclusive to expertise from the market** – Expert Group from July 2017 building on the previous experience with experts' engagement

- » Established in 2017 to strengthen the co-operation on Policy matters between the Agency and NRAs, continuing on the previous works carried out by the WMS TF.

- » Three **Policy goals for 2018** on the following topics:
 - Disclosure of Inside Information – review of requirements and channels for the publication
 - Notion of PPATs and their supervision
 - Common understanding on commodity products

- » Support in **up-coming REMIT policy challenges**:
 - **The notion of PPATs**, including role of **Blockchain** in energy trading
 - Co-operation with Financial Regulators on the **delineation between REMIT and Financial Legislation**
 - **Brexit**: uncertainty about hard/ soft approach towards UK leaving the EU, the position of British RRM and Market Participants vs. REMIT, etc. ACER to communicate with the market as developments come along
 - Works continue to collect ideas, including from stakeholders, on potential fields in which REMIT should be revised
 - **Impact of other legislative developments on REMIT** (e.g. Clean Energy for all Europeans package)

- » Meetings regularly as of July 2017, to include the expertise from market experts, following on the previous good practices with REMIT expert groups to reinforce the work on REMIT topics
- » **In 2018 discussion** on a number of topics, including:
 - Open letter on Disclosure of Inside Information 2018
 - Interaction of REMIT and EU financial market legislation
 - Public Consultation on the revision of electronic formats for transaction data, fundamental data and inside information reporting.

The Expert Group meetings are held under the Chatham house rules, which allows the experts to openly discuss.

● **Objective**

- » To promote transparency with regard to the Disclosure of Inside Information

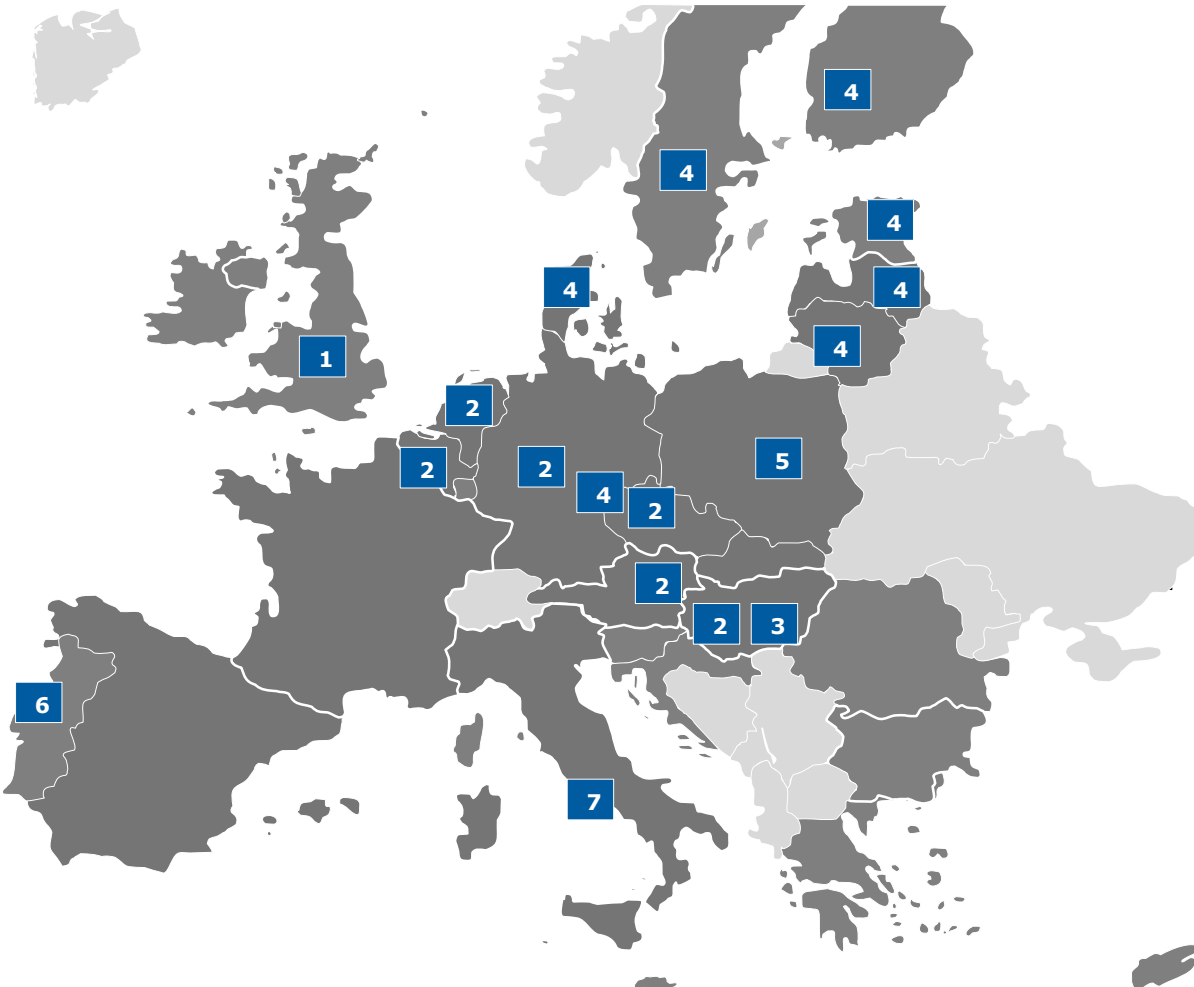
● **Issue/problem identification**

- » A relatively low number of MPs make use of existing IIPs
- » High number of publication channels might have potential negative implications in terms of:
 - Effectiveness and timely disclosure of inside information
 - Efficiency in data collection and data use
 - Quality of information: duplications and consistency

● **Review of the approach – main steps**

- » Assess the current regime, including interlinks with the Financial Legislation
- » Analyse the *status quo* (e.g. operation and performance of IIPs, market coverage, data gathering and quality, etc.)
- » Identify solutions and ways to implement them (e.g., Open Letter, ACER Guidance, MoP on Data Reporting, Q&As and FAQs)

8 Solien – all EU*



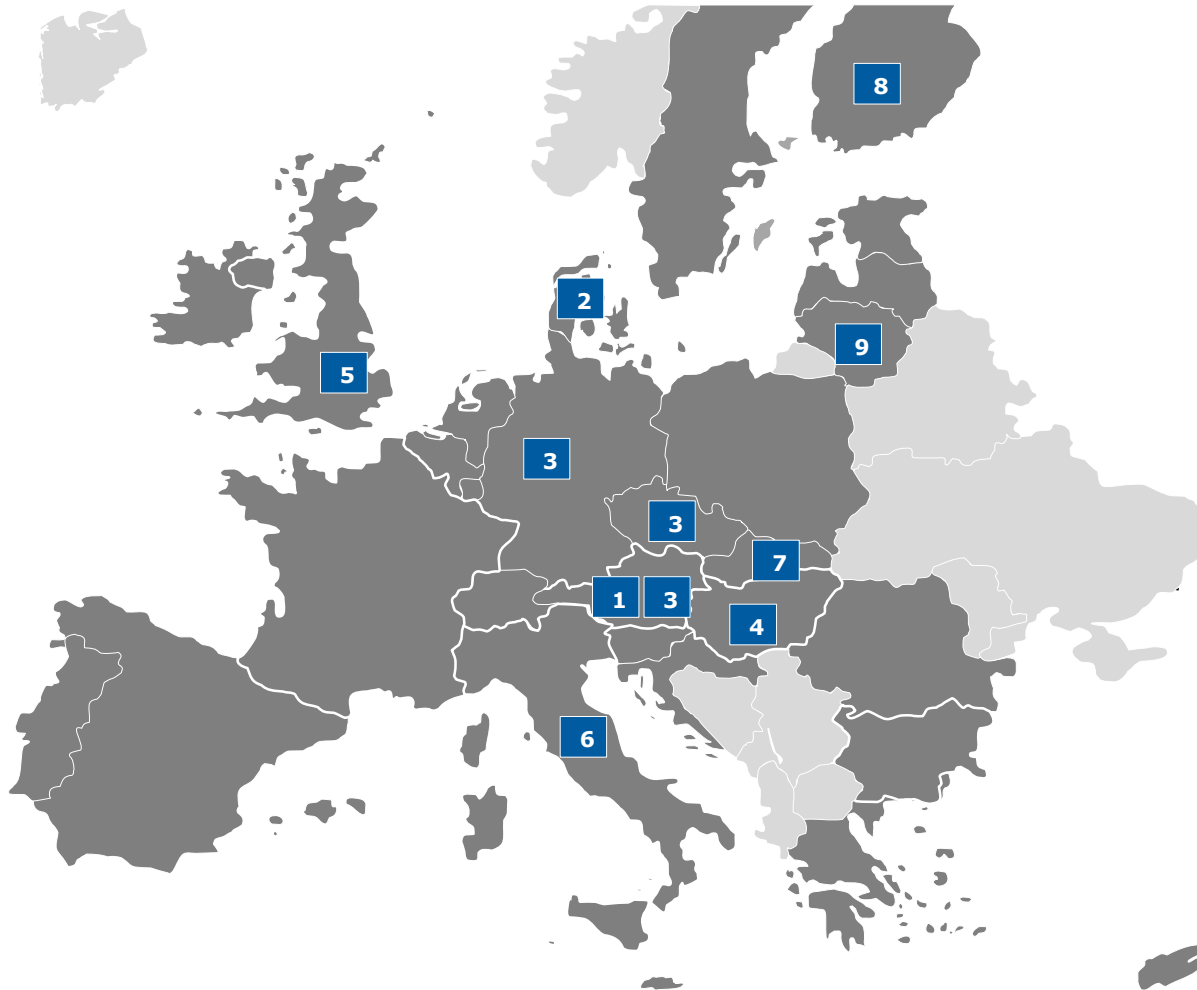
Legend:

- 1** ELEXON
- 2** EEX
- 3** HUPX
- 4** Nord Pool
- 5** Polish Power Exchange
- 6** REN
- 7** GME
- 8** Solien

As of 20 Aug 2018

Does not include ENTSO platforms – see ACER Guidance regarding timeliness, thresholds and examples of inside information.

7 Solien – all EU



Legend:

- 1** CEGH
- 2** Energinet.dk
- 3** EEX
- 4** HUPX
- 5** National Grid
- 6** GME
- 7** Solien
- 8** Kaasuporsi
- 9** GET Baltic (NEW)

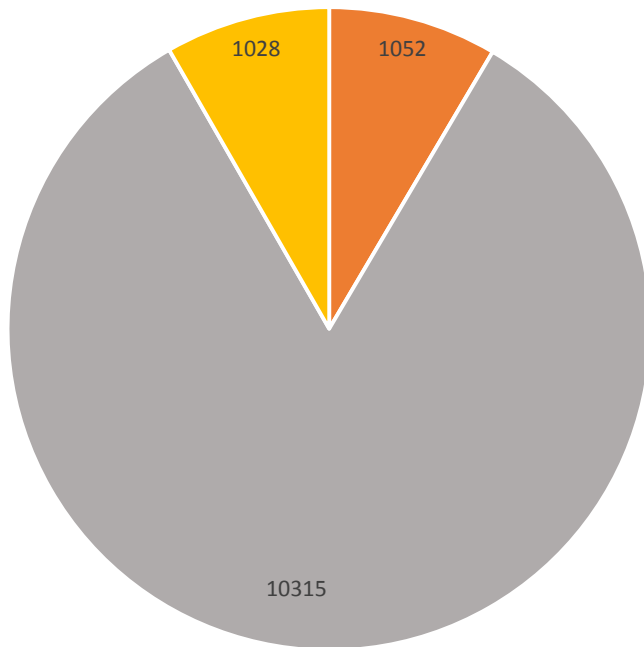
As of 20 Aug 2018

Does not include ENTSO platforms – see ACER Guidance regarding timeliness, thresholds and examples of inside information.

No. of registered MPs in CEREMP	13498
No. of MPs for which UMMs are provided via Inside Information Platforms	max. 1107 (8.2%)
Inside Information Platform	No. of MPs declaring publishing inside info on the Platform
Elexon	58
EEX	331
Gestore Mercati Energetici	176
Hungarian Power Exchange	70
Nord Pool	335
Polish Power Exchange	13
Redes Energéticas Nacionais	55
Solien	2
Central European Gas Hub	10
Energinet.dk	11
GET Baltic	10
Kaasuporssi	19
National Grid	17
Total	1107

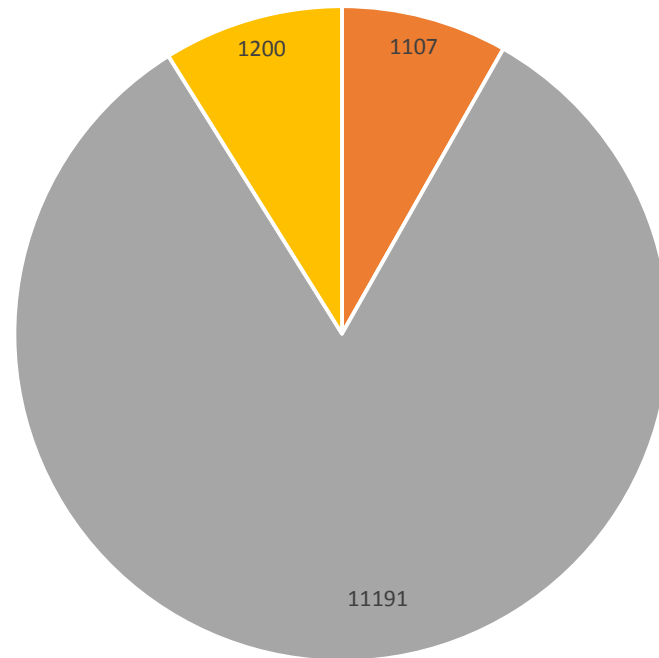
2017

Overall numbers from CEREMP



2018

Overall numbers from CEREMP



- No of MPs declaring a listed IIP *
- No of MPs only declaring their own website (includes ENTSO platforms)
- No of MPs with no website declared (includes where NRA website is given)

- No of MPs declaring a listed IIP
- No of MPs declaring their own websites (includes ENTSO platforms)
- No of MPs with no website declared


- Published on 30 May 2018 to make sure legal obligations concerning disclosure of II are fulfilled
- The Agency doubts that the disclosure of II on a multitude of company websites can be considered particularly “effective”, while MPs were assured that, by using IIPs, they publish II in an effective way
- The Agency informed the market about possible changes to the current approach in order to promote transparency, including by revising existing documents and guidance
- Publishing behaviours of MPs will be monitored by the Agency and, in cases of non effective and non timely disclosure, they will be referred to the relevant NRA for possible enforcement action

Thank you for your attention!



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Panel discussion: Transparency on the disclosure of inside information

Moderator: Ms. Annegret Groebel (Bundesnetzagentur)

**Panellists: Erik KORSVOLD (NASDAQ OMX Commodities), Volinka
AUGUSTENBORG (Ørsted A/S), Camilla Berg (Nord Pool), Volker
ZULEGER (ACER)**

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- Do you see any improvements in wholesale energy market transparency since the introduction of REMIT? What could be done to [further] improve transparency on the disclosure of inside information?
- The Agency currently allows a dual approach for the disclosure of inside information, through company websites or inside information platforms. However, the Agency doubts that the disclosure of inside information on a multitude of different company websites can be considered particularly 'effective' and aims at reviewing the current practice. What's your view?
- Should there be more focus on the enforcement of effective and timely disclosure of inside information? Is there also a need for more training on how to disclose inside information correctly where the Agency or NRAs could play an educational role?
- What's your vision for the disclosure of inside information by 2021 (i.e. 10 years after the entry into force of the obligation to disclose inside information)?

Thank you for your attention!



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