
**Roundtable Meeting with the Associations of Energy Market Participants
(AEMPs)**

25 November 2020 from 09:30 to 15:00

Skype session

MINUTES

(Chatham House Rules, no names in quotes during the meeting)

Represented institutions	Remarks
ACER, MIT department	
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Eurelectric	
European Federation of Energy Traders (EFET)	
IOGP - International Association of Oil & Gas Producers	
EASEE-gas	
Netherlands Authority for Consumers and Markets (ACM)	<i>observer</i>
Romanian Energy Regulatory Authority (ANRE)	<i>observer</i>

1. OPENING

1.1 Introduction and approval of the agenda

After the welcome address and the introduction of the presenters, the agenda of the meeting was approved.

2. UPDATE ON ARIS AND DATA COLLECTION

2.1 Update on ARIS operational status and software development

ACER gave a quick update on the renewal of ACER's REMIT IT system (ARIS) and on the latest ARIS releases, as well as an overview of the ongoing issues, both operational and those related to data collection and sharing, and planned issues to be fixed with the upcoming releases of ARIS. The two upcoming releases would include maintenance activities (i.e. patches, hotfixes) and a few technical changes related to Brexit.

2.2 Status of data quality analysis

In ACER's view, centralising data collection and establishing good cooperation with the reporting parties were crucial in ensuring a high level of data quality. However, the perception of data quality may vary depending on the user. ACER's horizontal data quality analysis approach consist of looking at the complete collected data sets in order to determine where the issues occur. It was pointed out at the meeting that harmonisation was the biggest challenge for ACER, but that gradual progress was being made in this respect, in part thanks to the continuous improvement of the guidance.

In relation to the 4th Open Letter on REMIT data quality, ACER presented some key areas for improvement based on recent observations, such as accuracy and completeness of the reported data controls (to be ensured by RRM's), the correct registration of market participants in CEREMP, and compliance with the transaction reporting guidance. After some practical examples gathered through data analysis were shown, OMPs suggested some improvements. Among others, it was stressed that RRM's must ensure that reported data is accurate as sourced from OMPs, and that TRUM compliance is ensured at the data source. In particular, ACER confirmed that errors were spotted in the data when values of certain fields were verified for accuracy (amounts, NCQ, prices, volumes). In addition, it was said that business or system changes should not lead to non-compliant transaction reporting, while clients (MPs) should seek guidance from RRM's.

ACER confirmed that NRAs were continuously receiving the reported data and the information gathered from the reports.

3. UPDATE ON TRANSACTION REPORTING GUIDANCE

3.1 TRUM Annex II revision

ACER presented the updated version of Annex II of the Transaction Reporting User Manual (TRUM), for which a consultation was launched in mid-November. Annex II of TRUM provides examples of transaction reporting for transactions, including orders to trades and bilateral contracts, related to contracts reportable to ACER pursuant to Article 3(1) of the REMIT Implementing Acts. The update of the xml version of the examples will be provided at a later stage, after the publication of the Annex II. The purpose of the revision was to ensure consistency between Annex II and TRUM 4.0 published on June 2020, include new examples (e.g. on market coupling), and improve the readability of the document by providing the

description of each example scenario. Furthermore, a slightly updated version of TRUM (renamed v.4.1) was shared for consultation with the participants, as the revision of TRUM Annex II also triggered some limited amendments of the main text of TRUM. ACER announced that the consultation would continue until the end of the year and that the updated TRUM Annex II was expected to be published by the end of Q1 2021. An overview of the update together with a brief guide on how to consult the documents under review was also presented to the participants.

In order to encourage feedback, both during the meeting as well as via a dedicated survey, the second part of the presentation opened a discussion with AEMPs that focused on some specific examples related to bilateral and non-standard contracts. In this framework, AEMPs provided some feedback and input for additional examples as well.

3.2 New FAQs on REMIT transaction reporting

Before the roundtable meeting, ACER shared for consultation some draft FAQs to be included in the next edition of the FAQs on transaction reporting and FAQs on inside information documents. The participants shared some of their comments in advance and had an immediate reaction to a few questions, particularly the one on capacity market, as it might be relevant to other markets as well. The participants drew attention to the fact that the proposed FAQ could be quite important for other capacity mechanisms and decisions on the obligation of transaction reporting concluding on those markets. It was suggested that ACER and NRAs assess the inclusion of capacity markets under REMIT to aim to ensure a coordinated and consistent application of REMIT. There was also a discussion on the reporting of UMMs for Virtual Power Plants and on whether secondary capacity is considered a wholesale energy product. Finally, the participants were invited to express their views on the topic by completing the dedicated survey.

4. BREXIT

ACER provided an overview of the Open letter on Brexit published in January 2019 and the related RRM Brexit Infosheet from 2019, which RRMAs were invited to share with MPs. ACER also announced that an updated Open Letter on the implications for REMIT related to the withdrawal of the UK from the EU was in preparation and would presumably be published in early December. ACER described the re-registration process for UK market participants, specifying which UK MPs would have to re-register, which functionality would be used, the timeline of this process, and the impact this would have on EU market participants. The second part of the presentation was dedicated to data reporting instructions, applicable to both UK and EU MPs.

5. TOPICS SUGGESTED BY THE AEMPS

An AEMP presented a slide on REMIT reporting obligation after Brexit as a follow-up to the discussion under agenda item 4. The discussion focused on Brexit implications for the reporting of electricity and gas transportation contracts.

6. MARKET SURVEILLANCE AND CONDUCT TOPICS SUGGESTED BY THE AEMPS

The afternoon session was dedicated to market surveillance and conduct topics presented by the participants. The first presentation focused on the effective disclosure of inside information on Inside Information Platforms, emphasising the need for a reasonable timeframe for the implementation of IIP publication. Moreover, the presenting AEMPs asked about how

unavailability was defined in this context and whether there was any transition period between officially obtaining the IIP status and market participants being technically able to submit data. In addition, another AEMP had a presentation on this topic, which focused on the importance and need of inside information thresholds. After supporting ACER's decision not to include a 100 MWh threshold in the new version of the ACER Guidance on the application of REMIT published in 2020, the AEMP stated that they were working on a model which would identify appropriate thresholds by taking into consideration the different circumstances that can affect markets in different periods of time. A third AEMP stated that, due to the absence of a common threshold, they were also planning to develop a *de minimis* size threshold for the assessment of inside information. This AEMP also expressed their were in favour of adding less factors in the analysis of likely to significantly impact the prices. Finally, they drew the attention to the concepts of intermediate steps and internal 'insider lists' as best practice, but also questioned the related background under REMIT regulation. ACER explained that the REMIT criterion is indeed 'likely to significantly affect prices' and that it is therefore not possible to establish thresholds at the level of ACER Guidance, also taking into account ACER's current legal mandate in this respect. ACER welcomed the initiatives of market participants to use econometrical analyses to measure the likelihood of a significant price impact of certain types of information, and suggested that these studies should try to model as comprehensively as possible all different types of situations that can occur in the markets (this was also the reason ACER extended the list of relevant factors to be taken into consideration in the new Guidance). ACER explained that the ACER Guidance does not prescribe a regime that is identical to the one on the financial regulations on the framework of insiders list, but instead supports, as best practice, the identification of the persons that are likely to deal with inside information as per the workflow of this type of information, which is a process that is part of the compliance regime of market participants. This is important not only for compliance with the obligations under Article 4(1), but also for compliance with the prohibitions of insider trading in the form of disclosing information outside of the 'normal course'. Regarding the concept of intermediate steps, ACER explained that this is to be used in lengthy processes (as stated in the Guidance) when some intermediate steps (not all) interfere with the likelihood of some event to come into existence.

The focus then shifted towards algorithmic trading, since an AEMP asked about how MPs can remain compliant with REMIT while developing algorithmic trading. Various questions were raised, such as what standard should be kept and who is responsible in case of a breach, strongly indicating that this topic should be further discussed and some rules established.

AEMPs acknowledged the benefits of publishing by ACER the information regarding decisions on Article 3 and Article 5 REMIT breaches. However, it would be beneficial for MPs and especially their compliance units to learn more about decisions or at least statistics on other REMIT breaches. ACER acknowledged the intention to provide such information in the near future.

The participants asked for an update on the no-action relief letter on the Application of Article 4 of the REMIT Implementing Regulation. ACER clarified that no-action relief letters are not published since 2017 (referred to 2018 data), as the practice of not requesting data based on Article 4 is indicated in the relevant ACER programming document.

7. ANY OTHER BUSINESS

No other business to discuss.