2nd Energy Market Integrity and Transparency Forum

Ljubljana, 6 and 7 September 2018
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Speaker(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14h30 – 14h45</td>
<td>Registration</td>
<td></td>
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<tr>
<td>14h45 - 15h00</td>
<td>Opening and welcome address</td>
<td>Alberto POTOTSCHNIG (ACER Director)</td>
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<tr>
<td>15h00 - 15h30</td>
<td>REMIT operations, transaction reporting and data quality</td>
<td>Marketa STUCHLIKova and Iztok ZLATAR (ACER)</td>
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<tr>
<td>15h30 - 16h30</td>
<td>Panel discussion: Lessons learnt from REMIT reporting from a stakeholder’s point of view and the potential use of REMIT data for transparency purposes</td>
<td>Moderator: Volker ZULEGER (ACER) Panellists: Tine BAX (Engie/EFET), Aviv HANDLER (ETR Advisory), Salima SAUZEAT-LEULMI (EPEX Spot/Europex), Alex MCDONALD (LEBA), Liam DUNNE (Equias/RRM)</td>
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<tr>
<td>16h30 – 16h45</td>
<td>Coffee break</td>
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<td>16h45 – 17h15</td>
<td>REMIT Policy</td>
<td>Aleksandra ZGORZAK and Biagio DE FILPO (ACER)</td>
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<td>17h15 – 18h15</td>
<td>Panel discussion: Transparency on the disclosure of inside information</td>
<td>Moderator: Annegret GROEBEL (BNetzA) Panellists: Erik KORSVOLD (NASDAQ OMX Commodities), Volinka AUGUSTENBORG (Ørsted A/S), Volker ZULEGER (ACER)</td>
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<tr>
<td>18h15 – 18h30</td>
<td>Concluding remarks</td>
<td>Volker ZULEGER (ACER)</td>
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<td>18h30</td>
<td>Dinner reception hosted by the Slovenian Ministry of Foreign Affairs</td>
<td>Klub Cankarjev dom, Prešernova cesta 10</td>
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REMIT operations, transaction reporting and data quality

Marketa STUCHLIKOVÁ and Iztok ZLATAR
Market Integrity and Transparency Department

2nd Energy Market Integrity and Transparency Forum
Ljubljana, 6 September 2018
REMIT data collection and sharing

Overview

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

<table>
<thead>
<tr>
<th>Market participants/Third parties</th>
<th>Trade reporting/matching systems</th>
<th>Exchanges</th>
<th>Brokers</th>
<th>Trade repositories</th>
<th>Financial Market Authorities</th>
<th>TSOs/ENTSOs</th>
</tr>
</thead>
</table>

- Reporting
- Sharing

ACER

- DG COMP
- ESMA
- National Regulatory Authorities
- National Financial Market Authorities
- National Competition Authorities
- Other relevant authorities
REMIT data collection
Reporting channels

- 13500 MPs
- 73 Listed OMPs
- OMPs
- ACER
- NRAs
- 29 NRAs
- Market Participants
- ENTSO-E
- ENTSO-G
- TSO/LSO/SSO
- UMM platforms
- 13 listed UMM platforms
- TSOs
- 3rd Party RRM
- 116 RRM
- Self-reporting RRM
- 3rd Party RRM
- Gas transportation contracts
- Electricity transportation contracts
- Non-standardized trades
- Standardized OTC trade
- Organised Market trade & Orders to trade
- Market Notifications
- Registration Data
- List of Standard Contracts
- Inside Information
- Fundamental Data
- ARIS
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
- Market Participants
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)
Reporting guidance
Ongoing activities

- 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:

1. **PC Published**
   - 5 October – 8 December 2017

2. **Draft Evaluation of Responses**
   - NRAs

3. **Evaluation of Responses**
   - Ongoing
   - REMIT CG – Provide feedback on the Evaluation document
   - Publication on the ACER website in Q3/Q4 2018

4. **Implementation of Changes**
   - Dependent on budget and resources
   - 2019/2020?
Ongoing challenges

Highlights

- **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
Key figures

Highlights

- 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
### Key figures
### Highlights

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

ARIS data base size: ~3 TB (raw data) + 100 GB.
ACER’s Business Intelligence capabilities

- 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
Data quality

- High priority activity
- Cooperation with Organised Market Places
- Feedback to RRM\text{s}, OMP\text{s}, NR\text{As}
- Validation rules
- ACER publications (Open letter, REMIT quarterly)
- Forums and collaboration
  - RRM 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)
Conclusions and looking ahead

- 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
Vision for the future

- 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!

www.acer.europa.eu
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 SAUZÉAT-LEULMI (EPEX Spot/Europex), Alex MCDONALD (LEBA), Liam DUNNE (Equias)
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 RRMIs 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?
REMIT Policy

Aleksandra ZGORZAK and Biagio DE FILPO
Market Integrity and Transparency Department

2nd Energy Market Integrity & Transparency Forum
Ljubljana, 6 September 2018
**REMIT Policy Overview**

### 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 RRMss 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.
Disclosure of Inside Information

- **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)
IIPs for wholesale electricity markets

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.
IIPs for wholesale gas markets

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.
## Listed IIPs usage by MPs in CEREMP

<table>
<thead>
<tr>
<th>Inside Information Platform</th>
<th>No. of MPs declaring publishing inside info on the Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elexon</td>
<td>58</td>
</tr>
<tr>
<td>EEX</td>
<td>331</td>
</tr>
<tr>
<td>Gestore Mercati Energetici</td>
<td>176</td>
</tr>
<tr>
<td>Hungarian Power Exchange</td>
<td>70</td>
</tr>
<tr>
<td>Nord Pool</td>
<td>335</td>
</tr>
<tr>
<td>Polish Power Exchange</td>
<td>13</td>
</tr>
<tr>
<td>Redes EnergéticasNacionais</td>
<td>55</td>
</tr>
<tr>
<td>Solien</td>
<td>2</td>
</tr>
<tr>
<td>Central European Gas Hub</td>
<td>10</td>
</tr>
<tr>
<td>Energinet.dk</td>
<td>11</td>
</tr>
<tr>
<td>GET Baltic</td>
<td>10</td>
</tr>
<tr>
<td>Kaasuporssi</td>
<td>19</td>
</tr>
<tr>
<td>National Grid</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>1107</td>
</tr>
</tbody>
</table>

### Summary

- **No. of registered MPs in CEREMP:** 13,498
- **No. of MPs for which UMMs are provided via Inside Information Platforms:** max. 1107 (8.2%)
Listed IIPs usage by MPs: 2018 vs 2017

Overall numbers from CEREMP

2017

- No of MPs declaring a listed IIP: 1028
- No of MPs only declaring their own website (includes ENTSO platforms): 1052
- No of MPs with no website declared (includes where NRA website is given): 10315

2018

- No of MPs declaring a listed IIP: 1200
- No of MPs declaring their own websites (includes ENTSO platforms): 1107
- No of MPs with no website declared: 11191

*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)
• 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!

www.acer.europa.eu
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!