

ACER welcomes adoption of REMIT Implementing Acts

Ljubljana, 17 December 2014

The Agency for the Cooperation of Energy Regulators (ACER) welcomes today's adoption of the European Commission's Implementing Acts on data collection under REMIT (the EU Regulation on wholesale energy market integrity and transparency). The European Commission's adoption follows the agreement reached in the REMIT Comitology Committee on 3 October 2014. The REMIT Implementing Acts will trigger real market monitoring at European level by ACER which is unprecedented. They will enable ACER to collect information in relation to wholesale energy market transactions and fundamentals, analyse this data and report suspicious events to the competent National Regulatory Authorities (NRAs), which are responsible for investigating these matters further and, if required, imposing sanctions. Alberto Pototschnig, the Agency's Director said: "Today the European Union has set the last cornerstone for the completion of the REMIT framework. It will enable the Agency's data collection and market monitoring at pan-European level, to detect and deter market abuse in wholesale energy markets and along with the enforcement responsibilities of NRAs to safeguard market integrity to the benefit of consumers across Europe. We would like to thank the European Commission for their effort which made the adoption of this important implementing legislation still possible in 2014."

The adoption coincides with today's 43rd ACER Board of Regulators meeting in Ljubljana. Lord Mogg, Chairman of the ACER Board of Regulators, which brings together representatives from all EU NRAs, stressed the importance of safeguarding consumers' confidence in the energy markets and highlighted the need for sufficient funding of ACER to ensure the successful implementation of REMIT. "Market participants and energy consumers must be able to have full confidence on the integrity and transparency of European energy markets. It is absolutely critical that the Agency and National Regulatory Authorities have the skilled resources necessary to deliver on these expectations. Only in this way can we be sure that we will avoid the real risk of market abuse going undetected", he said, in the margins of today's meeting.

The European Commission's Implementing Acts define the details of reporting and namely:

- draw up the list of reportable contracts and derivatives,
- lay down the details, timing and form of reporting and
- adopt uniform rules on the reporting of information to the Agency.

The Implementing Acts require several Manuals to be developed by the Agency and issued upon entry into force of the Implementing Acts. ACER staff working document versions of these Manuals were already published on 9 December 2014 and presented during a public workshop on 10 December 2014. They will be finalised and adopted by the Agency upon entry into force of the REMIT Implementing Acts twenty days following their publication in the Official Journal.

Next steps

After publication of the Implementing Acts in the Official Journal of the European Union, expected in early 2015, and their entry into force twenty days thereafter, market participants and third parties reporting on their behalf will have:

- nine months to prepare for the reporting of reportable wholesale energy contracts admitted to trading at Organised Market Places and of fundamental data from the ENTSOs central information transparency platforms, and
- fifteen months to prepare for the reporting of the remaining reportable wholesale energy contracts (OTC standard and non-standard supply contracts; transportation contracts) and of reportable fundamental data from TSOs, LSOs and SSOs.

Market participants have to register with National Regulatory Authorities prior to entering into transactions which are required to be reported under the Implementing Acts, i.e. within nine months of the Implementing Acts' entry into force if they are entering into reportable wholesale energy contracts admitted to trading at Organised Market Places or within fifteen months of the Implementing Acts' entry into force if they are only entering into other reportable wholesale energy contracts.

Background

REMIT establishes a new, unprecedented, sector-specific market monitoring framework to detect and prevent market abuse in European wholesale energy markets, where energy should be traded according to the highest transparency and integrity standards. The full implementation of REMIT is vital to guarantee well-functioning markets for the benefit of European energy consumers. It is even more important now that the single market is being completed through rules directly applicable throughout the Union and other developments such as a single day-ahead market for electricity, which operates from the Iberian Peninsula to Scandinavia and a common platform for allocating cross-border gas capacity on a growing number of interconnection points.

Despite the formidable challenge of applying this legislation, on which there is still little experience worldwide, ACER has been working steadily with National Regulatory Authorities and energy stakeholders on the implementation of REMIT, since it entered into force in December 2011. In June 2014, the Agency already opened the platform to support the Centralised European Register of Market Participants (CEREMP) to National Regulatory Authorities for the national registration of market participants. By using CEREMP, several National Regulatory Authorities were able to start the registration of market participants at national level well in advance of the deadline for establishing national registers of market participants (three months after the adoption of the REMIT Implementing Acts.) The development of the IT system for the collection and analysis of trade and fundamental data is also progressing well and will enable the Agency to register reporting parties upon entry into force of the Implementing Acts.

More information:

http://www.acer.europa.eu/remi/REMITATACER/Data_collection/Pages/default_ORIGINAL.aspx

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