

**EUROGAS RESPONSE TO ACER PUBLIC CONSULTATION  
REMIT TECHNICAL STANDARDS FOR TRADE REPORTING**

## **GENERAL REMARKS**

Eurogas welcomes ACER's public consultation on REMIT Technical Standards for trade reporting and believes this process will contribute to the definition of a conducive framework for setting up the necessary practical and operational arrangements for compliance in implementing REMIT transaction reporting requirements.

As a general remark Eurogas wishes to stress a very important aspect related to the to be defined transaction reporting requirements, which is to be found, especially in the current economic and financial situation, in the need to avoid unnecessary burdens for market participants, as some operational and practical arrangements (from software to fees or changes in the operative procedures), could represent additional costs for companies, or trigger burdensome administrative procedures.

In such a perspective, due consideration should be given to those options that offer alternative, less expensive and equally effective solutions for companies, always with the aim of ensuring that a robust and reliable system for transaction reporting and data management is put in place.

A view that Eurogas has already shared with ACER, and which holds still true for this consultation, is that full consistency between REMIT and EMIR reporting requirements is necessary, especially now that EMIR obligations for non-financial counterparties have entered into force for OTC derivatives in March 2013. The envisaged technical requirements should therefore aim at harmonizing reporting frameworks under financial Regulations (MiFID and EMIR) and avoiding any risk of double reporting.

## **QUESTIONNAIRE**

### **STANDARDS AND FORMAT FOR REPORTING**

**I. Do you agree that for the reporting of energy derivatives, the same standards applicable to the values taken by each field of information should apply under REMIT as under MiFID and EMIR?**

Full consistency between the standards for reporting information on energy derivatives under REMIT and the relevant financial legislation (EMIR and MiFID) is crucial to avoid double reporting, facilitate the interoperability of the reporting systems (especially if the trade repositories as per EMIR are to report to ACER OTC transactions falling under the scope of REMIT) and their associated costs.

The harmonization of reporting obligations under REMIT and the relevant provisions in the EU financial Regulation (MiFID and EMIR), although the scope and the purpose of transaction reporting is different, should be pursued by ACER and ESMA.

**II. What single standard and single format do you think the Agency should recognise:**

- a) **For reporting of transactions from organised market places that are exchanges**
- b) **For reporting of transactions from organised market places that are not exchanges**

- c) For reporting of transactions through confirmation services**
- d) For reporting of electricity nominations / scheduling**
- e) For reporting of gas nominations / scheduling**

As regards the standard format for gas nominations / scheduling, we would suggest to consider that a wide number of European market participants is currently using EDIG@s which is also suggested as a data format in the draft European Network Code Interoperability and Data Exchange Rules for document based data exchange and integrated data exchange. As correctly highlighted also by PWC and Ponton<sup>1</sup> the use of EDIG@s-XML data format needs further standardization at European level since there are still some differences in its utilization. Nevertheless, it seems that ENTSO-G is committed to coordinate and facilitate the implementation of the data exchange solutions envisaged in the draft Network Code, so that the use of the same data format for REMIT reporting could also minimize the costs to be borne by gas TSOs.

As per points d) and e), it is worth noticing that TSOs manage electricity scheduling and gas nominations' transactions in an aggregated form that do not allow any individualization of transactions. We understood from the ACER 2<sup>nd</sup> Guidance that the reporting of such transactions will be the responsibility of the TSOs. This means the level of details regarding transactions will necessary differ at the different step of the lifecycle of the transaction.

**III. The Agency has identified a set of common standard codes which it proposes being used in the new reporting framework (see Annex I). Do you think these standards are the relevant ones?**

The standard codes developed by the International Organization for Standardization (ISO) proposed by ACER are extensively used and sufficiently widespread to be used for the transaction reporting system established by ACER to comply with the obligations set by article 8 of REMIT. Furthermore we consider the envisaged standards by ACER in Annex 1 to be coherent with those defined in the EMIR implementing Technical Standards with regard to the format and frequency of trade reports to trade repositories. As mentioned, this is of paramount importance to avoid contributing to the creation of a framework avoiding double reporting.

Nevertheless, the standard codes used to identify the market participant and its counterparty on the energy market should be added to the proposed list. ACER has already suggested a list of viable identification codes of market participants in the Annexes of its Recommendations published on October 23<sup>rd</sup> 2012. The codes proposed by ACER (LEI, BIC, EIC, GS1/GLN or ACER registration code) seem to be exhaustive and this range seems practicable, also since the Legal Entity Identifier (LEI) is not widely available yet. Once the ACER unique identifier is assigned, all the codes used by counterparties must be communicated in the registration phase in order to identify market participants with these existing codes.

**IV. If a format is recognized by the Agency, what governance provisions should the Agency require to ensure the quality persists?**

**V. Do you have comments on these standards?**

**VI. What are the practical implications of the use of these standards and formats for the energy industry?**

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<sup>1</sup> "REMIT Technical advice for setting up a data reporting framework", June 2012.

The use of new standards and formats can have financial and operational impacts on the energy industry since it implies either the update of data management software (e.g. Open Link) or specific adaptations of the internal IT systems of the concerned market operators. These last interventions may require a significant amount of time to be successfully implemented.

**VII. Are there other formats and standards the Agency should consider for recognition?**

**On the taxonomy**

**VIII. Do you think that the taxonomy proposed in Annex II is the relevant one?**

Yes, we believe that the taxonomy proposed encompasses all the relevant dimensions necessary to categorize standardized wholesale energy contracts.

**IX. Do you think the first criteria on the delivery market (as country) should rather be the delivery zone or bidding zone?**

The taxonomy should simplify as much as possible the categorization of contracts. The reference to the country as delivery market can be sufficient, since the delivery zone or bidding zone of a specific contract, where different from a country, can be included among the information items to be communicated to ACER for market monitoring purposes. The reference to the delivery zone on the other hand would allow identification of identify the TSO involved and thus helps to ensure traceability for ACER's market monitoring purposes.

**X. Does the taxonomy represent your view of the structure of the wholesale energy markets relevant to REMIT? For each dimension, are the categories given exhaustive? If not, please offer suggestions.**

As per the duration of the contract, the inclusion of quarterly contracts (distinguished from seasonal contracts) could help in better targeting these products, as their exchange is relevant on many market platforms.

The categories proposed under the "Profile type" dimensions may not reflect all the products available (e.g. the ones with delivery only on working days etc.) whereas the increasing flexibility of delivery profiles risks making the proposed categories obsolete very soon. Thus, when the categorization implies some simplifications, the criteria used to categorize contracts should be clearly defined; for this reason Eurogas believes the taxonomy should be regularly updated after consultation of market participants.

**XI. Should Regulated Information (Transparency/Inside Information) be categorized using at least the first two criteria of the taxonomy?**

The identification of the relevant market (e.g. country code) and the concerned commodity (electricity and gas) seems to be sufficient to categorize transparency and inside information.

**XII. Would you suggest any simplifications or additions to the taxonomy?**

Eurogas has nothing to suggest for now, but will give this question further thought.