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REMIT – Trade Reporting User Manual (TRUM)

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E.ON welcomes the public consultation from the Agency for the Cooperation of Energy Regulators (ACER) to express our comments on the first release of the Trade Reporting User Manual (TRUM) in the implementation of the wholesale Energy Market Integrity and Transparency (REMIT) regulation.

This document lists the questions for which ACER would like to know the opinions of market participants and finishes with some additional points E.ON would like to share with ACER.

Consultation questions

- 1. The Agency currently understands that the attached data fields (see Annex I of the draft TRUM) for the reporting of transactions in standardised and non-standardised contracts will be included in the Commission's implementing acts. Please provide us with your views on the attached data fields.**

At the moment there is a significant level of discrepancy between the data fields provided in Annex 1 of the ACER consultation document (and explained in Chapter 6 of the Draft TRUM) as compared to the September 2013 and December 2013 draft REMIT Implementing Acts ("IAs") from the European Commission. It is vitally important that market participants ("MPs") receive clarity regarding which fields will ultimately need to be reported as soon as possible, i.e. that the current ACER and



Commission drafts are harmonised. ACER explained that the fields contained in the Draft TRUM are based on the Agency's "expectations" of on the Commission IA – does this mean that ACER knows more than MPs do at the moment, i.e. should MPs rely more on the ACER version of the fields than the Commission's version of the fields?

Focusing on particular fields:

Standardised Supply Contracts

Field 1 – the Draft TRUM states *"A participant must supply **only one** of these codes and it must be the same code as supplied to ACER upon registration or the ACER code provided by ACER at registration."*¹ Does the Agency have a (strong) preference as to what specific code should be prioritised and used by MPs? It would be highly preferable to expand the use of the already established LEI, especially in order to ensure the harmonisation between EMIR and REMIT and in order to limit the implementation burden on MPs.

Field 2 - Under EMIR, "Type of code used" were reported as "LEI" for example. Under REMIT, ACER wants to have "L" to represent LEI when identifying an entity type reported. The Agency should align and follow ESMA format as much as possible to ensure MPs' reporting solution maintain same data format where same information is intended/requested.

Field 4 – How will the "Trader ID" be determined? It is the MPs' prerogative to decide what number/username is entered in this field, such as for instance the VAT number or company name? Could the Organized Market Place report all transactions entirely (not only orders)?

Field 5 – How would we acquire this ID of the other MP or counterparty ("CP")? Would we need to approach and liaise with that MP/CP bilaterally, or could we eventually consult the CEREMP?

Field 23 – The Agency should at least define a common format based on a name space approach (i.e. LEI + n digits).

Field 24 - Since the "Contract type" used to be the product taxonomy, we would recommend to align this as closely as possible with the EMIR product taxonomy. We realized that the scope of both is different, but from an IT perspective it would be helpful to have a common format and a common overarching structure/method.

Field 26 – This field could cause significant trouble for MPs when it relates to OTC bilateral trades. For instance, in our company the traders have up to 60 minutes to enter the executed trade(s) in the system for the back office check and confirmation, and asking them to note down and also enter the

¹ See p. 15 of the Draft TRUM (emphasis added).



actual time of the transaction would entail a heavy additional burden on the traders, who are already under significant time pressure during working hours.

Could the Agency please confirm that the following sentence is to be interpreted as a concession from ACER that the timestamp of "entry into the system" rather than timestamp of "transaction" is acceptable and REMIT compliant?

Where reporting firms are unable to meet the requirement to populate the trading time field with the actual trading time, and instead give the time at which the trade is entered into their system (when this is not materially different from the actual trading time), market participants should make best efforts to minimise any discrepancy between the trading time and the booking time.²

Furthermore, in Annex 1 of the ACER Consultation paper, the reference to "field 65" is made³ – there is no such field, so this reference must be erroneous, correct?

Field 41 – As correctly identified during the ACER workshop on 3 April, this field would require further detailed explanation in the TRUM in order for MPs to be able to complete it properly.

Field 43 – Again, as correctly highlighted in the ACER workshop on 3 April, any cash settlement would already have been reported under EMIR. Will the Agency ensure that there is full alignment with EMIR and ESMA?

Non-standardised Supply Contracts

Field 27 – Is the "Price or Price formula" a yes/no kind of field or does it require to model complex contracts in terms of a price formula? We do not think that stating a price formula for some of our complex contract would yield meaningful results within the limits of reasonable effort.

2. Please provide us with your general comments on the purpose and structure of the draft TRUM, annexed to the consultation paper.

The efforts of the Agency to establish the TRUM is warmly welcomed, as it will provide much needed clear support for MPs when setting up and starting the transaction reporting. The structure is clear, and once Chapter 6 has been i) fully aligned with the Commission IA, and ii) all fields have been fully clarified, it will be an essential document for MPs.

² See Draft TRUM, p.21.

³ See ACER Consultation Paper, p.15.



- 3. The Agency has currently identified a set of standard formats to be used in the reporting framework (see Chapter 5 of the draft TRUM). Do you consider these standard formats relevant? Are there any other standards that the Agency should consider?**

The use of these established international standards for the purpose of reporting is welcomed and will facilitate harmonised reporting on behalf of MPs from a wide range of countries and backgrounds.

- 4. Please provide us with your views on the field guidelines for the reporting of transactions in standardised supply contracts (see Chapter 6 of the draft TRUM).**

Please see answers to Q1 and Q2 above, which address both the Annex 1 of the ACER Consultation Paper and Chapter 6 of the Draft TRUM.

- 5. Do you agree that for the reporting of energy derivatives, the same standards that apply under EMIR and MiFID should apply under REMIT (see Chapter 7 of the draft TRUM)?**

Yes this is of essential importance, especially in order to ensure that MPs do not have to double report transactions.

- 6. The Agency intends to include in the TRUM guidance on how trade reports shall be reported for different trading scenarios (see Chapter 8 of the draft TRUM). Please provide us with your views on which trading scenarios you would consider useful to cover in the TRUM.**

Scenario A

A MP has chosen the third party approach to publishing inside information and sending information to ACER, TSOs and ENTSO-E, i.e. by means of using a third party service provider / platform. The MP is an asset-backed trading house that optimises a significant part of its portfolio via market specific energy exchanges.

A few minutes before the gate closure of the day-ahead exchange auction the MP comes into possession of information regarding an availability change of above 100 MW. The MP responds by immediately sending this information to the third party provider, which acknowledges the receipt of the information. However, due to technical issues the third party provider is *not* able to publish this information in an effective and timely manner.



Question to ACER:

Would the MP be allowed to send its important Sell- and Purchase-Order to the exchange before gate closure, upon which a significant part of the portfolio is hedged?

- If "No", what is the proposed alternative conduct?
- If "Yes", does the MP need to consider or reply on any additional required processes (e.g. REMIT Hedging Exemption)?

Scenario B

Two registered MPs enter into a bilateral OTC trade that they accordingly need to ensure is reported to ACER, either by themselves if they are registered RRM, or by their appointed 3rd party RRM. Do *both* counterparties need to report the transaction, or could they agree between each other that only *one* of them reports the transaction?

7. Please provide us with your views on the section in the draft TRUM related to data integrity (see Chapter 9 of the draft TRUM).

There is a perceivable conflict between ACER stating that organised market places ("OMPs") and 3rd party RRM can and should report transactions *on behalf of* MPs, but that the MPs nevertheless have the obligation to ensure the accuracy and completeness of the data submitted to ACER. How would the MPs be able to ensure this, without system access to these external RRM? Similarly, expecting MPs to consolidate all the input they receive from their various external RRM in order to confirm the completeness would place an enormous burden on the MPs.

Furthermore, if an MP is a self-reporting RRM, how could it verify the correctness of the details from the OTC counterparty without similar reconciliation like under EMIR?

Additional comments

Aside from the specific questions addressed by ACER, E.ON would like to express some further concerns regarding the TRUM:

- The technical requirements for self-reporting RRM should be **more lenient** than those placed on 3rd party RRM.
- ACER should add further detail as to how MPs that are counterparties to OTC bilateral reportable transactions should **generate the UTI** for Field 28 of the Draft TRUM. ACER could for instance propagate the following hierarchy of UTI generation:
 - i) UTI is generated at the beginning of the trade cycle, e.g. via Trayport
 - ii) UTI is generated at the electronic confirmation stage
 - iii) UTI is generated in accordance with the ISDA Seller Convention, meaning that the seller of the transaction 'produces' the UTI, and the buyer 'consumes' it



- iv) If there is no clear seller or buyer, the UTI is generated by the counterparty with the highest LEI value in accordance with the ASCII standard.