

**Agency for Cooperation of Energy Regulators (ACER)**  
**Trg republike 3**  
**1000 Ljubljana, Slovenia**

11th December 2014

## **Consultation on REMIT Draft List of organized market places PC\_2014\_R\_07**

Statoil welcomes the opportunity to comment on the draft list of Organized Market Places (OMPs). We support the Agency for the Cooperation of Energy Regulators (the “Agency”) in their collaborative approach towards the goal of compliance to all of the requirements of Article 3(2), first subparagraph, of the REMIT implementing acts (REMIT IA). While establishing a preliminary OMP list, we would urge the Agency to utilise the approach advised under Article 3(2), second subparagraph, of REMIT IA, to simultaneously establish an initial list of standard contracts.

### **EXECUTIVE SUMMARY**

In our response to this consultation, we have assumed that the scope of OMP is limited to exchanges and brokerage firms.

Exchanges often use one legal entity for clearing and a separate entity for the exchange platform. Similarly, brokerage firms may use one legal entity for execution services and a different legal entity for other, e.g. clearing services. In addition, both exchanges and brokerage firms change, from time to time, the legal entities used to provide specific services.

We have provided a list of legal entities, which we know to be parties to brokerage and exchange contracts, but do not appear on your list. In some cases, other legal entities that may be from the same group are on your list. As a next step, we would expect that the Agency will approach the relevant group company to determine which legal entity will be OMP.

Going forward, we would propose that the Agency consider the consequential effect of contract reclassification in determining the regularity of OMP list updates and ensure that the Agency has a robust mechanism to notify market participants (MPs) when changes have been made to the list.

In the following sections we address your specific questions:

## **CONSULTATION QUESTIONS**

**1. Please provide us with your comments on the draft list of organized market places. Do you see any omissions or errors in the list? Do you think that any organized market place or any information on organised market places is missing, that should be published in order to facilitate transaction reporting under REMIT? Please comment especially the potential organised market place status of those entities marked with an asterisk that had not registered themselves as organized market places at the time when this public consultation was launched. Please justify your reply.**

1. The Agency's draft OMP list, forms a good starting point. We have compared your list to our list of brokerage and exchange contract parties and have identified the following legal entities on our list that are not on your list:

- Marex Spectron International Limited
- ICAP Energy Limited
- ICAP Energy AS
- Tradition Dubai Limited
- BGC Broker L.P
- OTCEX SA
- SVENSK KRAFTMÅKLING AB
- TRADITION ITALIA SRL
- Enterprise Commodity Services Ltd
- Broker Affairs GmbH Energy Services (BAES)
- HWh Energimegling AS
- Cleanworld AS
- STX Services B.V.
- GFI Brokers Ltd
- Tullett Prebon Energy is a division of Tullett Prebon (Europe) Limited

**2. Virtual Trading Points (VTP's) are currently not included in the draft list of organized market places, unless they provide brokering services or are considered as an energy exchange. Do you agree with this approach? If not, please justify your reply.**

We cannot currently identify any VTP's that are party to brokerage, arranging or exchange service contracts. Statoil agrees with ACER's approach to exclude VTP's from the draft list.

**3. For reasons stated above (see point 1. In paragraph 4 of this consultation paper), the Agency currently believes that primary auction platforms for transportation contracts do not have to be listed as organized market places. Do you agree with this approach? Please justify your reply.**

If all TSOs have committed to capture all primary transportation allocations then we agree that ACER should not include the Primary auction platforms for transportation contracts. We do note, however that PRISMA (number 55) has been included. If there is to be a separate list of secondary markets for auction capacity then there are other platforms that should be added to that secondary allocation market list, including Gemini and Fluxys.

**4. The final list of organized market places is supposed to include organized market place ID's for the purpose of facilitating transaction reporting under REMIT. Do you agree that the list of organized market places should make this information publically available? If not, please justify your reply.**

While we agree that the Agency should make public OMP ID's but this is based on the assumption that adequate controls will be in place to safeguard the confidentiality of client and OMP in situations where OMP's share reporting services.

**5. The list of organized market places is supposed to be updated in a timely manner. The Agency is currently intending to update the list on a regular basis as and when required, in particular as and when the Agency is given further information on gaps. Do you agree with this approach? If not, please justify your reply.**

Statoil suggests that the Agency consider the consequential effect of contract reclassification in determining the regularity of OMP list updates. This will be particularly important in the run up to "go live" reporting when MP's will be developing and modifying software to ensure that their trading systems classify all contracts correctly. Each OMP update has the potential to reclassify a contract between standard and non-standard and therefore such changes have the potential to undo costly systems development work. We would also urge the Agency to ensure that they have a robust mechanism to notify market participants (MPs) when changes have been made to the list.