

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

26th June 2015

Consultation on Disclosure of REMIT Inside Information PC_2014_R_07

Statoil welcomes the opportunity to comment on the proposed schemas and web feeds. We support the Agency for the Cooperation of Energy Regulators (the “Agency”) in their collaborative approach towards the goal of improving transparency in an effective and timely manner. When establishing a schema to standardize market messages, we would urge the Agency to maximize the efficiency of their approach by prioritizing the use of existing inside information platforms and by seeking a common denominator that will minimize additional fields to be added by these platforms.

EXECUTIVE SUMMARY

In our response to this consultation, we ask the Agency to incorporate the existing process where Gassco, on behalf of NCS producers, uses a mechanical process to publish all events that exceed a pre-determined volumetric threshold. Although Gassco is not a market participant, their process in supporting transparency on the NCS already fulfills the main requirements outlined in your proposal. The process used by Gassco for publishing events does not consider market price effects but the threshold used is sufficiently low to include all price-affecting events and the information provided is sufficient for each market participant to determine price effect using this information. We urge the Agency to take a pragmatic approach that would enable Gassco to continue in this role, as the alternative would require each producer to separately report the same event to the Agency, which would materially increase the administrative burden on both the Agency and market participants.

Please find below, our specific responses to your consultation questions:

CONSULTATION QUESTIONS

1. 1. Would you add any other field not included in the current proposal? If so, please explain your reasoning.

Field 4b accepted values: “Import contract curtailment” and “Consumption unavailability”. Statoil welcomes the initiative to begin to focus attention on consumption events in addition to information already provided about production events. However, production events can result in consumption changes and we therefore propose that a cross reference field is available to reduce the possibility of the market double-counting the same event that has been reported separately by affected producer and consumer.

2. Would you remove any field represented in the current proposal? If so, please explain your reasoning.

Field 14 does not have a price effect and Field 10 can be derived from fields 11 and 12 (see answer to 3. below). Although optional, field 20 cannot be accurately populated in real time.

3. Would you change any of the descriptions, accepted values or applicability? If so, please explain your reasoning. Are the schemas or values that you are suggesting based on any industry standard? Which one(s)?

Please find our detailed comments below from a gas capacity view only

- Fields 7 and 9: certain reference codes (eg EIC or Balancing Zones) are not relevant to the NCS network and so will be left blank for upstream events
- Fields 10, 11, 12: if Nominal capacity is equal to Available capacity plus Unavailable capacity, then only two of these fields are necessary.
- Field 14: Decisions on how to handle potential outcomes are made pro-actively but are not acted upon until a potential event becomes certain. As field 13 would therefore equal field 14, we do not see that added value from field 14.
- Field 18: if the code is intended to “identify the entity disclosing inside information” then, currently Gassco carries out this role for all NCS producers. This process is the optimal communication arrangement with the Agency on NCS events which we would urge the Agency to retain. If only Market Participants can disclose inside information then the current single source of NCS information will have to be replaced by twenty plus producers separately deciding if their portion of an event has price significance. Statoil believes that enforcing producer-level disclosure would reduce both efficiency and transparency. Statoil would therefore urge the Agency to consider alternate ways to populate Fields 18 and 19 that would allow Gassco to continue in it’s current voluntary, transparency role.
- Field 20: we note that this field is optional. There are technical issues in determining the CO2 effect from an offshore event in real time, even from an individual field. This challenge is increased multiple times in any calculation based upon a gas processing facility receiving gas from multiple fields. Emissions certificate purchase programmes are linked more closely to longer term production plans than to short term operational incidents. The effect of a single event on emission certificate purchases may be offset by subsequent events. Emission purchase programme adjustments include the cumulative effect of events and commercial decisions made over days, weeks and months. It is unclear from your text if the CO2 effect to be considered should include the oil being produced (not within REMIT scope) or limited to the associated natural gas being produced (within scope of REMIT). It would be difficult to separate each of these effects but could be misleading not to separate them. We support the principle of “joined-up regulation”: where the process for meeting the obligations of one regulation are complimentary to the process for meeting the obligations of another regulation. In this instance however, we urge the Agency, in close collaboration with ESMA, to further mature inside information reporting for CO2 emissions and we are available to assist, if required.

4. Do you agree with the use of RSS or ATOM feeds to fulfil the requirement under Article 10(1) of the REMIT Implementing Regulation?

We have no preference but sufficient time should be provided for inside information platforms to add / configure / test the chosen “feed” technology.