

5th Meeting of the REMIT Expert Group on wholesale energy market trading

12 May 2022 from 14:00 to 15:30

Meeting Chair: Volker Zuleger / Martin Godfried

DRAFT MINUTES

1. MEETING OPENING

The agenda of the 5th meeting and the minutes of the 4th REMIT expert group meeting were approved. None of the attendees of the 5th Meeting of the REMIT Expert Group raised points in advance of the topical discussions.

2. MARKET LIQUIDITY AND HIGH COLLATERALS

The unprecedented current high energy prices that came about as a result of the current geopolitical crisis were the starting point of this item. As a result, high energy prices have increased collateral requirements. It was explained that the cost of collateral depends on multiple and complex factors, including the availability of collateral, how securely it is held and how easily it can be liquidated.

It was noted that central clearing counterparties (CCP) require high-quality collateral while the collateral provision of non-financial firms to banks (clearing members) may depend on (1) credit scores (potentially linked to the economic situation of a country) assigned to non-financial counterparties and (2) risk appetite of the bank and thereby adding to the complexity.

In the ensuing discussion the experts had the opportunity to express their views on the risks (related to REMIT) and possible solutions for addressing low liquidity and high collaterals.

3. Q&A SESSION

The Expert Group members provided their feedback on the proposal for a new Q&A on **non-EU Facilities**¹ which was introduced by CRE and emerged during the 27th update of the Q&As on REMIT (Q&A III.7.12), which was published in March 2022. The proposal for a second Q&A (**External limitations and reporting obligations**²) was also discussed, with the experts

¹ Q: Under which conditions does information pertaining to **a facility located outside the EU relate** (directly or indirectly) to a **Wholesale Energy Product** (WEP) according to REMIT ?

² Q: If an **external factor** limits the production of a unit (e.g., a weather event or a congestion on the network), does this limitation qualify as inside information and must be **made public** ?

examining the conditions under which the available capacity of a production unit may be limited and how this may affect the reporting obligations.

4. REMIT IMPLEMENTATION REGULATION

The envisaged future revision of the REMIT Implementing Regulation was presented to the experts. The topic would be introduced for further debate at future expert group meetings, and emphasis was placed on the need to determine the optimal way to introduce proposals appropriately. The experts agreed on the scope of the future discussion, which would take into account the future progress on the revision of the REMIT Implementing Regulation. The relevant topics of the REMIT Implementing Regulation were presented per article, while numerous inputs already collected on a voluntary basis by some stakeholders were also presented.

The experts were invited to focus in particular on the reasons necessitating potential changes and proceed in proposing concrete improvements, additions or simplifications, as necessary (both in respect to each of the particular articles of the Implementing Regulation, as well as in respect to specific issues they deem necessary to address).

5. TOPICS FOR THE REMIT FORUM

The experts brought forward issues pertaining to the 6th REMIT MIT Forum (scheduled for 25 October 2022, titled: ***Transparency and integrity of stressed power and gas markets***). The 2022 forum would focus on the implementation and evolution of REMIT, with emphasis on the performance of market surveillance.

The next REG shall discuss the feedback from the REMIT Forum and the relevance to the future work of the group.

AGREED ACTION POINTS	
ACTION POINT 1:	Additional or updated feedback or comments related to the questions and topics of the new Implementing Regulation to be provided by the experts via email until the next meeting (REMIT.expertgroup@acer.europa.eu).