

6th Meeting of the REMIT Expert Group on wholesale energy market trading

17 November 2022 from 14:00 to 15:30

Meeting Chair: Volker Zuleger / Martin Godfried

DRAFT MINUTES

1. MEETING OPENING

The agenda of the 6th meeting and the minutes of the 5th REMIT Expert Group meeting were approved. None of the attendees of the 6th Meeting of the REMIT Expert Group (hereafter Expert Group) raised points in advance of the topical discussions.

2. FEEDBACK FROM THE REMIT FORUM

The meeting opened with a feedback session from the 6th REMIT Forum. ACER presented to the Expert Group issues pertaining to the [6th REMIT MIT Forum](#) (held on 25 October 2022, titled: *Transparency and integrity of stressed power and gas markets*). ACER recalled that the forum was focused on the implementation and evolution of REMIT, with emphasis on the performance of market surveillance and the Expert Group discussed the feedback from the REMIT Forum and the relevance to the future work of the group.

3. EFET PRESENTATION TO THE REMIT EXPERT GROUP ON INSIDE INFORMATION THRESHOLDS

3.1

The **EFET study on inside information thresholds** was presented to the Expert Group by **Prof. Dr. Christoph Weber**, introducing a methodology for the assessment of the 100 MW threshold¹. The study departs from the REMIT requirement for the publication of inside information which inter alia '[...] would be likely to significantly affect the prices of wholesale energy products' (Article 2(1) of REMIT), as well as the provision of the REMIT Guidance on the implementation of REMIT according to which market participants should develop clear internal compliance rules on inside information, including appropriately tested thresholds².

¹ EFET Study : Quantitative assessment of a common threshold for publishing outage information, [Final Report](#).

² ACER Guidance on REMIT states that best practices for internal compliance rules may include a framework for the assessment of inside information – "This may include, for example, measures on how to identify inside information,

Accordingly, the Expert Group was informed that the purpose of the study is to provide an assessment on whether 100 MW is a robust threshold for REMIT relevance, by using a comprehensive, coherent and comprehensible methodology. The experts discussed the ultimate goal of the study, i.e. to enable the uniform and automatic application of a threshold, above which the price effect of an outage has to be deemed 'significant'.

4. REMIT LEGAL FRAMEWORK REVISION

The status of the future revision of [the REMIT Implementing Regulation 1348/2014](#) on data reporting was presented to the experts in a structured way. The scope of the REMIT revision had been introduced to the experts at previous expert group meetings. This time around, ACER presented the current status of the revision and the experts discussed several open issues pertaining to the enhancement of the uniform framework to prevent market manipulation and other REMIT breaches. The experts were also informed on the reprioritisation and the change of the sequence of the revision process. With the revision of REMIT Regulation now placed in the forefront, the consultation of the Implementing Regulation is expected to follow by the end of 2023. Therefore, the next Expert Groups are expected to focus primarily on the Commission proposal for the revision of REMIT, expected in the first trimester of 2023.

ACTION POINT 1 : Additional or updated feedback or commentary related to the questions of the [consultation](#) may be introduced until the next meeting.

5. REMIT POLICY TOPICS : FIRST APPROACH AND DISCUSSION

5.1 Secondary insiders

The ongoing work on the subject of secondary insiders (possessors of inside information behalf of a market participant) was presented and discussed. The relevant Q&A would be updated and published in 2023.

5.2 Congestion management products under REMIT

The Expert Group was introduced to the topic of the development of local flexibility markets (LFPs) aiming to provide a market-based solution to congestion management. LFPs are designed to meet the congestion management needs of TSOs / DSOs (system operators - SOs). ACER explained that congestion management market design is essential to that, insofar as LFPs are offered on markets characterised by a single buyer (the SO) against

appropriately tested thresholds, etc". In footnote the Guidance states that "appropriately tested thresholds are "(...) qualitative and quantitative (econometrical) analysis to test the likelihood of a significant price effect".

multiple sellers. Local Flexibility Products can be traded as part of auction or continuous trading and are offered within the day-ahead or intraday timeframe.

The Expert Group was asked if contracts traded in such markets consist of wholesale energy products (WEP) reportable under REMIT and in particular, insofar as they fall into the scope of Article 3 of the REMIT Implementing Regulation 1348/2014, if they are reportable (*i.e.* if LFPs are supply contracts). In addition, the Expert Group was asked if, in a situation of a third party representing multiple SOs, we are we looking at an organised market place (OMP).

ACTION POINT 2 : Feedback on the treatment of congestion management products under REMIT

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).
ACTION POINT 2 :	Feedback on the treatment of congestion management products under REMIT