

REMIT Quarterly

ACER's quarterly report on its activities under Regulation (EU) No 1227/2011 (REMIT)

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About this edition

In this edition, our opening article outlines the recent development on the ongoing revision of the Regulation (EU) No 1227/2011 on Wholesale Energy Market Integrity and Transparency ('REMIT'). In addition to the regular report on ACER's activities under Regulation (EU) No 1227/2011 (REMIT), we would like to highlight the following:

- ACER and the European Securities and Markets Authority ('ESMA') submitted their Market Correction Mechanism ('MCM') effect assessment reports to the European Commission on 1 March 2023, as per Council Regulation (EU) 2022/2578 of 22 December 2022. [Read more.](#)
- ACER launched the daily Liquefied Natural Gas ('LNG') price assessments on 13 January 2023 and the daily LNG benchmarks on 31 March 2023, as per Council Regulation (EU) 2022/2576 of 19 December 2022. ACER also published LNG reporting guidance and methodology documents. [Read more.](#)
- The Expert Group on LNG Price Assessment/Benchmarks ('LNG Expert Group') was established in December 2022 to offer advice and contribute to ACER's tasks under Council Regulation (EU) 2022/2576. The LNG Expert Group had two meetings in Q1 2023. [Read more.](#)
- The 2023 REMIT Forum is set for Q4 of 2023. More information will be shared with REMIT stakeholders soon.

The European Commission's proposal on REMIT amendments

This article presents the European Commission's proposal¹ to amend the current framework of the Regulation (EU) No 1227/2011 on Wholesale Energy Market Integrity and Transparency ('REMIT'), which was established 12 years ago. The Commission's amendments aim to enhance the integrity and transparency of the EU wholesale energy markets by improving the REMIT data collection process and strengthening the monitoring and enforcement regime against possible abuses in the trading of wholesale energy products.

The proposed amendments align the REMIT legal framework with other EU legislation in the financial, competition, and taxation domains. The proposal also expands the scope of REMIT to cover all markets and products referred to in the EU electricity and gas legal frameworks, such as the reporting of the full order book of organised market places ('OMPs') and new balancing markets. Furthermore, it introduces amendments to enhance the quality, reporting, transparency, and monitoring of REMIT data, such as mandatory disclosure of inside information via inside information platforms ('IIPs'). The proposal also strengthens the energy consumer protection against market abuse and aims to address the

¹ [Electricity Market Reform for consumers and annex](#) (europa.eu).

Table 1: Overview of market abuse Decisions (breaches of REMIT Articles 3, 4, 5, 8, 9) imposing sanctions (last 4 quarters)

Decision date	NRA, Member State	Market Participant	Type of REMIT breach	Fine	Status	Source
23/03/2023	DKER (BG)	Energy Supply Eood	Article 5	BGN 165,238 (approx. EUR 84,486)	Appeal Possible	Link
12/07/2022	ARERA (IT)	Enegan Gas Trading S.r.l.	Article 5	EUR 27,000	Final	Link
12/07/2022	ARERA (IT)	Joytrade S.r.l.	Article 5	EUR 20,000	Final	Link
23/06/2022	CNMC (ES)	GASELA GMBH, SOLSTAR Limited	Article 5	EUR 12,000,000	Appeal Possible	Link
14/06/2022	ACM (NL)	Pzem Energy B.V.	Article 4	EUR 150,000	Appeal Possible	Link
2022	ANRE (RO)	PREMIER ENERGY SRL	Article 5	500,000 RON (approx. 101,073 EUR)**	Under appeal	Link
2022	ANRE (RO)	TINMAR ENERGY S.A.	Article 5	500,000 RON (approx. 101,073 EUR)**	Under appeal	Link
19/05/2022	CRE (FR)	Engie SA	Article 3	EUR 80,000	Final	Link
25/04/2022	CRE (FR)	Electricité de France SA	Article 3 and Article 4	EUR 500,000	Appeal Possible	Link
25/04/2022	CRE (FR)	EDF Trading Limited	Article 5	EUR 50,000	Appeal Possible	Link
2022	ANRE (RO)	EFT FURNIZARE S.R.L.	Article 5	400,000 RON (approx. 80,954 EUR)**	Final	Link
2022	ANRE (RO)	WE POWER TEAM S.R.L.	Article 5	451,022 RON (approx. 91,272 EUR)**	Under appeal	Link
2022	ANRE (RO)	NOVA POWER & GAS S.R.L.	Article 5	400,000 RON (approx. 80,977 EUR)**	Final	Link
2022	ANRE (RO)	QMB ENERG S.R.L.	Article 5	400,000 RON (approx. 80,977 EUR)**	Final	Link
2022	ANRE (RO)	TRANSFORMER ENERGY SUPPLY S.R.L.	Article 5	400,000 RON (approx. 80,977 EUR)**	Final	Link
2022	ANRE (RO)	A ENERGY IND S.R.L.	Article 5	340,294 RON (approx. 68,893 EUR)**	Under appeal	Link

Note: Article 18 of REMIT establishes that the rules on penalties for breaches of Article 3 and 5 of REMIT are established by the Member States. The implementation regime is therefore different across Member States and some breaches of REMIT may be sanctioned under national provisions. Please consult the sources for the status of the proceedings and more information on the Decisions. Only the Decisions publicly announced by the NRAs are included. Due to this fact, there are several sanction Decisions taken in 2020 that are not part of this table.

* This amount includes both the (i) fine and (ii) confiscated profit.

**The fines expressed in other currency than EURO are converted in EURO using the ECB exchange rate on the day of the Decision.

Updates on surveillance activities

REMIT data raises concern over cross-border wash trades in SIDC

ACER monitors cross-border wash trades ('CBWTs') to detect potential capacity hoarding in the Single Intraday Coupling ('SIDC'). In this article, ACER shows how the use of CBWTs may be distortive to the market.

Introduction

REMIT introduced several 'lines of defence' against market abuse, namely the traders' internal compliance and market surveillance performed by brokers, organised market places ('OMPs')⁶, ACER, and in some cases the national regulatory authorities ('NRAs'). Among these, ACER is in a unique position with its holistic EU-wide overview of cross-zonal⁷ and cross-venue⁸ trading to detect potentially abusive behaviours and, in particular, transmission capacity hoarding through cross-zonal wash trades.

Market design

The SIDC has been designed as a continuous implicit capacity allocation market that matches orders based on their time stamps, prices and available transmission capacity ('ATC'). The prices of these orders reflect the electricity supply and demand needs of market participants in their local markets, while the intraday matching reflects the needs by prioritising the 'best' orders, i.e. by eventually matching the highest buy order with the lowest sell order. The SIDC's matching principle supports marginal bidding to ensure efficient market outcomes.

However, as a side effect, it also enables market participants to move electricity across bidding zones (therefore implicitly acquiring the needed ATC) through the use of CBWTs. In other words, using CBWTs makes it possible for market participants to exploit the matching prioritisation principles of SIDC, allowing the price levels to be set by them rather than the interplay between supply and demand based on genuine orders.

While this behaviour can be useful for balancing purposes during unexpected market situations, it also opens the door to a potential distortion to the market. In fact, compared to placing 'genuine'⁹ market orders, such use of CBWTs allows market participants to circumvent the market rules (i.e. the core principles of the SIDC's continuous trading matching algorithm) by self-allocating the ATC at will¹⁰.

Assumptions and scope

ACER published a Guidance Note on Transmission Capacity Hoarding¹¹ ('Guidance') in 2018, which included several indicators of this behaviour that can help detect it. Moreover, the All NEMOs Committee published on its web page a description of the SIDC continuous matching algorithm¹². This article builds on both the Guidance and the algorithm description.

This article focuses on the following specific situation:

Market Participant 'A' ('MP A'), frequently uses CBWTs at the moment of (or soon after) the release of a new intraday ATC in the X>Y direction and contributes to a price split between the two bidding zones by acquiring the remaining share of it. As a consequence, the ATC after the CBWTs is equal to zero and MP A has a long position in Y and a short position in X; and

- After acquiring the ATC through the use of CBWTs, MP A uses inconsistent orders¹³ that fully or partially restore its balanced position in both bidding zones, i.e. MP A starts selling in the expensive Y zone and buying in the cheap X zone.

The scope of this article does not cover the following situations and/or topics:

- MP A used a CBWT in response to unexpected changes in the market (e.g. an outage or a change in forecasts) in a legitimate need for supply/demand in the respective bidding zones.¹⁴
- MP A uses a CBWT to set a price level that gives false or misleading signals (similarly as an A-to-A wash trade).

An example of a CBWT

In the following example, ACER shows the consequences of using a CBWT in SIDC where the motivation of the market participant is to make a profit by acquiring the ATC without the intention of using it effectively.

Figure 2 depicts a possible market situation on the X-Y border, where the two bidding zones experience a price divergence caused by the use of a CBWT by MP A. For simplicity's sake, ACER uses an example of only two bidding zones that do not have any other interconnections.

6 For the purposes of this article, which covers only the scope of SIDC, the term 'OMP' should have the same meaning as the Nominated Electricity Market Operator (NEMO).

7 For the purposes of this article, the terms 'cross-border' and 'cross-zonal' are interchangeable.

8 Trades in which buy and sell orders are placed on different OMPs.

9 The concept of 'non-genuine order' can be found in Section 6.2.1 of ACER Guidance on REMIT, 6th Edition. Available [here](#).

10 ACER is aware of several ways of submitting orders for the successful execution of CBWTs.

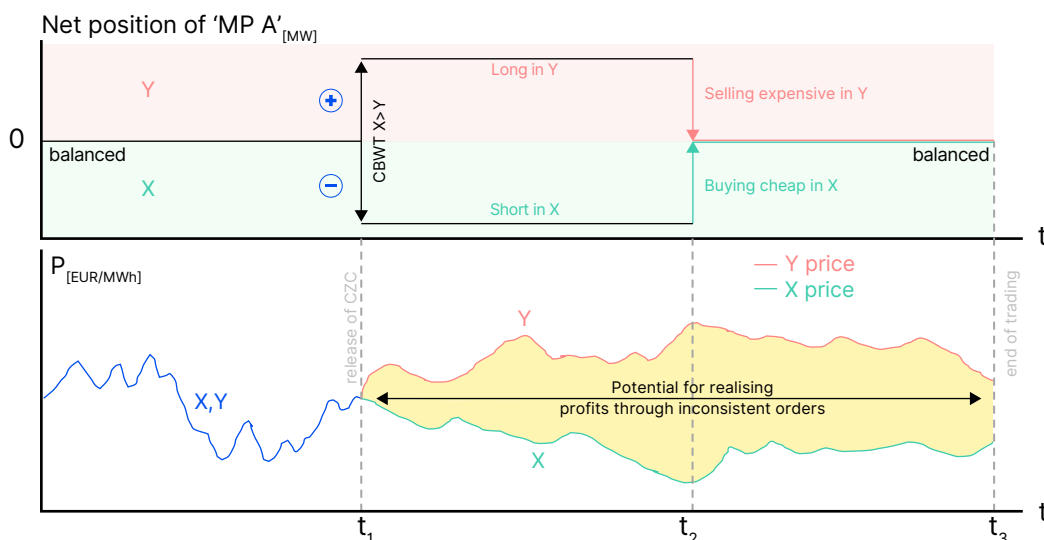
11 Guidance Note 1/2018 on the application of Article 5 of REMIT on the prohibition of market manipulation. Transmission Capacity Hoarding. 1st Edition. Available [here](#).

12 Available here: [2022-11-11 Public Description of the Continuous Trading Matching Algorithm-86573a776dd9dfcf5a0eb977543d7951.pdf](#) (Chapters 4 and 5).

13 See Paragraph (62) of the Guidance for details.

14 See Paragraph (17) of the Guidance for details.

Figure 2: Illustrative presentation of the use of CBWTs



In this example, MP A expects a future market price split where the Y prices would increase and the X prices would decrease.

At t_1 , new ATC is released from X to Y. MP A has already placed orders in both bidding zones in a way that they get executed at the ATC release and result in one or more CBWTs. MP A 'acquires' the remaining part of the $X > Y$ ATC by using the CBWT and contributes to a market price split.

At t_2 , MP A places inconsistent orders in both bidding zones (a sell order in Y and a buy order in X), utilising the long position in Y and the short position in X that were created by the CBWT. After these inconsistent orders get matched in local markets, MP A has sold (expensive) electricity in Y and bought (cheap) electricity in X. By doing this, MP A manages to offset the CBWT, realises a profit, and finishes with a balanced position in both bidding zones.

MP A can realise a profit during the window of time between the market split (t_1) and the end of the trading session (t_3).

Such behaviour not only gives the opportunity to MP A to gain profits, but it also hurts other market participants in both bidding zones. MP A is able to obtain a profit that is calculated as the price difference at t_2 , multiplied by the volume of the CBWT. In the absence of the CBWT, this amount would be spread among the market participants that need the energy and the ATC the most, i.e. those that put to their order books the most competitive genuine buy and sell orders.

MP A creates a situation in which the genuine orders of other market participants do not win the ATC despite being the most competitive. The genuine orders are bypassed¹⁵ by the CBWT and the ATC is allocated only to MP A. As there is no more ATC, the other market participants are prevented from using it and are forced to trade in local markets. Due to the CBWT, the genuine orders of other market participants that would have won the ATC become obsolete in local markets,

forcing the buyers in Y to buy expensive and the sellers in X to sell cheap.

Acquiring the remaining ATC through CBWTs therefore creates a distortion in welfare distribution that favours MP A and is detrimental to other market participants, who have no alternative but to buy and sell at the price levels set by the inconsistent orders introduced fully or partially by MP A. Although the energy flows from X to Y, such instrumental use of CBWTs goes against the aim of the SIDC market design and introduces the risk of the ATC not being allocated in a fair interplay of supply and demand. Such use of CBWTs could qualify as the manipulative use of implicitly allocated cross-border capacity.

Moreover, MP A has the option to fully or partially reverse the CBWT before the end of the trading session in case the price split does not materialise as expected, which would render the allocated ATC 'non-used'. Such behaviour would meet the criteria for manipulative capacity hoarding.

It is further worth mentioning that the CBWTs cannot be easily prevented at the level of OMPs, given that the NEMOs are not in a position to detect cross-venue CBWTs. In addition, the NEMOs send the orders to SIDC in an anonymised form.

REMIT data statistics on the use of CBWTs

ACER monitors and records all instances of CBWTs within the EU wholesale electricity market. All the statistics presented in this section take into account only the CBWT alerts and events that were triggered on hourly products and contain inconsistent orders. Thus, this section depicts the magnitude of potentially manipulative behaviour¹⁶ in SIDC through the use of CBWTs.

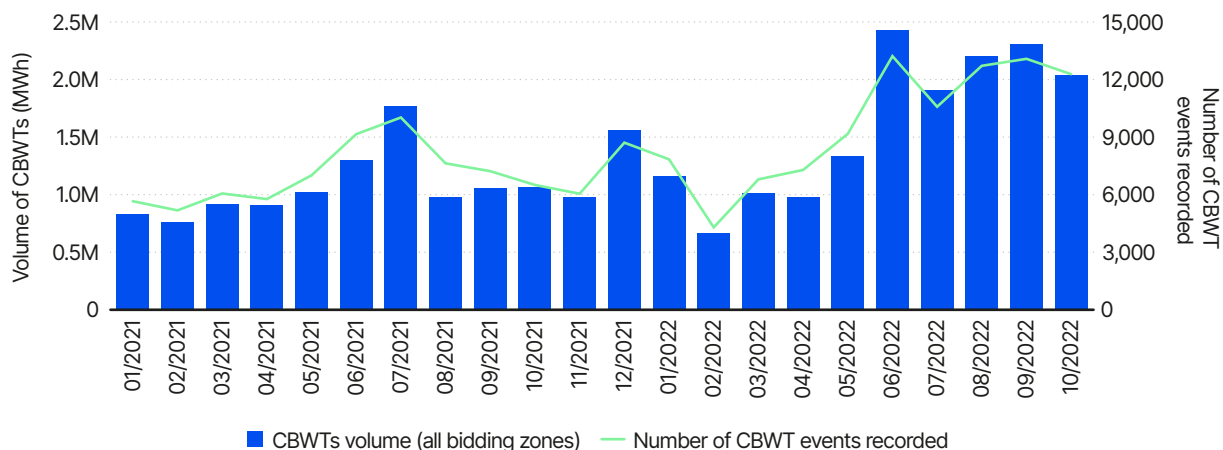
Figure 3 shows the evolution of the number of all CBWTs recorded over the past two years and the volume that market participants traded with themselves using CBWTs. Both

¹⁵ MP A has two options to bypass the genuine orders. The first is at the time when new ATC is released and the batch matching takes place: MP A uses user-defined blocks or large specific (possibly layered) volumes with enabled partial execution very close to the local prices to gain matching priority. The second is during continuous matching, when MP A has visibility on both sides of the order book and places a specific order (e.g. with a particular volume or one that is out-of-money) in one bidding zone and aggresses (executes) it from the second bidding zone.

¹⁶ Which still needs to be additionally assessed on a case-by-case basis.

trends are increasing, as the behaviour is low risk but likely profitable.

Figure 3: Evolution of the number of potentially manipulative CBWTs recorded across all EU bidding zones (SIDC hourly products) and corresponding volume that market participants traded with themselves using CBWTs.

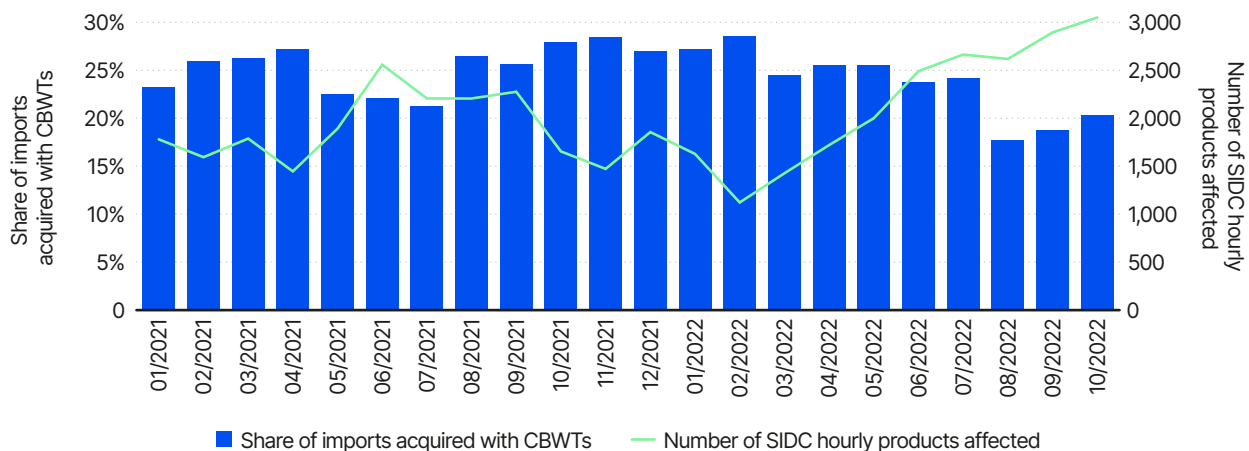


Source: ACER data (2022).

The analysed REMIT data shows (Figure 4) that CBWTs affected 10%¹⁷ of all hourly products traded in SIDC (i.e. 2,334 out of 22,873 on average, the right axis on the chart) between

January 2021 and October 2022. During the trading sessions affected by CBWTs, on average 23%¹⁸ of the electricity imported was allocated with the use of CBWTs.

Figure 4: Evolution of the number of SIDC hourly products affected by potentially manipulative CBWTs across all EU bidding zones (SIDC hourly products) and corresponding volume that market participants traded with themselves using CBWTs



Source: ACER data (2022).

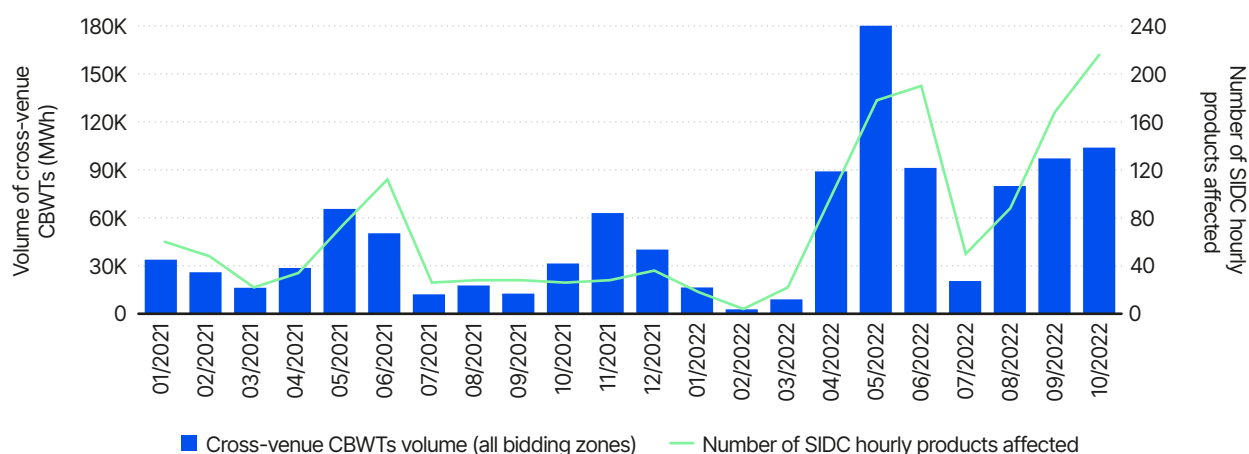
In order to identify CBWTs, some OMPs have systems in place that allow wash trades and CBWTs to be flagged to market participants in order not to provide misleading signals. However, flagging does not change the potentially distortive nature of CBWTs. Moreover, if the CBWTs are cross-venue,

they cannot not be identified by a single OMP. ACER has a unique overview of the whole market, including the cross-venue trading. Figure 5 shows the evolution of the number of products affected by cross-venue CBWTs and the corresponding traded volume.

17 If all CBWTs were taken into account (not only those followed by inconsistent orders), 18% of products would be affected.

18 If all CBWTs were taken into account (not only those followed by inconsistent orders), 24% of the imported electricity would be allocated with the use of CBWTs.

Figure 5: Evolution of the number of SIDC products affected by potentially manipulative cross-venue CBWTs across all EU bidding zones (SIDC hourly products) and corresponding volume that market participants traded with themselves using cross-venue CBWTs. Source: ACER data (2022).



Source: ACER data (2022).

In order to ensure an effective detection and prevention of market abuse in SIDC, ACER Decision 01/2022 requested OMPs to report additional information, including the ATC for each border included in SIDC¹⁹. ACER started collecting this information from the All NEMO Committee on 1 November 2022, as it is a crucial element that allows a full overview of SIDC activity.

Since the beginning of surveillance in 2017²⁰, ACER has observed a rising trend in the use of CBWTs. Over the past six years, ACER received several Suspicious Transaction Reports (STRs) from OMPs and screened over 100,000 CBWT alerts, over a thousand of which were shared with the relevant NRAs. This activity resulted in ACER drafting 12 initial assessments on potentially manipulative behaviour. ACER cooperates closely with the NRAs in order to facilitate investigation on those cases. To date, two CBWT cases²¹ have been enforced.

Conclusions

The number of CBWTs has been significantly increasing over the years. ACER's REMIT data shows that nowadays CBWTs affect about one fifth of hourly products in SIDC, half of which

(i.e. one tenth in total) contains inconsistent orders.

ACER is in a unique position to scrutinise these transactions, given that OMPs only have a partial view of these types of transactions.

In certain cases, CBWTs can be a distortive element in the current design of SIDC. Not only can they bypass the SIDC algorithm's principles, which are based on genuine orders with the best prices and earliest time stamps, but they may also hamper the fair and efficient distribution of welfare among market participants if the CBWT contributes to the decoupling between bidding zones.

Since the start of market surveillance, ACER has shared with the NRAs over a thousand alerts and 12 initial assessments related to potentially manipulative CBWTs. Two cases have progressed to the enforcement phase.

Lastly, in order to mitigate such potentially harmful behaviour in the future, ACER may, in cooperation with the NRAs, look into strengthening the enforcement under REMIT or into changing the current market design.

ACER's Market Information and Transparency activities under REMIT

ACER's market information and transparency activities under REMIT are performed by the Market Information and Transparency (MIT) department and include data collection, data analysis (including data quality analysis) and data sharing.

REMIT data collection activities at ACER are based on ACER's REMIT mandate to collect records of wholesale energy

market transactions, including orders to trade from EU market participants at pan-European level. ACER currently collects, via its REMIT Information System (ARIS), more than 7.2 million records of transactions on a daily basis.

ACER's REMIT data analysis helps to promote wholesale energy market integrity and transparency by supporting

¹⁹ ACER Decision No 01/2022. Available [here](#).

²⁰ See acer.europa.eu/remit/market-surveillance/notify for historical statistics on all (aggregated) ACER market surveillance alert types.

²¹ Both cases enforced by DUR, the Danish NRA.

ACER's and NRAs' market monitoring activities and case-work according to Article 7(1) and (2) of REMIT. They provide the infrastructure necessary for the collecting, handling, processing and analysing of information reported by market participants or by entities reporting on their behalf pursuant to Article 8 of REMIT.

In accordance with Articles 7(1) and 8 of REMIT, ACER also establishes mechanisms that enable data sharing with NRAs competent financial market authorities of the Member States, national competition authorities, ESMA and other relevant authorities. For the purpose of carrying out their market monitoring of wholesale energy markets at national level according to Article 7(2) of REMIT, NRAs have access to relevant information held by ACER which it has collected in accordance with Article 7(1) of REMIT, subject to Article 10(2) of REMIT. ACER is currently sharing relevant REMIT information with NRAs on an ongoing basis and with other authorities at Union level on an ad hoc basis.

Want to know more about ACER's market information and transparency activities under REMIT?

- Check out ACER's three reference lists:
 - [The List of Organised Market Places](#)
 - [The List of Standard Contracts](#)
 - [The List of approved Registered Reporting Mechanisms \(RRMs\)](#)
- Check out [ARIS downtime announcements](#)

Data collection and data sharing

Data validation rules

What are data validation rules and what purpose do they serve?

Read in conjunction with Article of 8 REMIT, Article 11(1) of the Commission Implementing Regulation (EU) No 1348/2014 ('the REMIT Implementing Regulation') empowers ACER to set technical and organisational standards for the collection of data from registered reporting mechanisms ('RRMs'). These standards ensure that the collected data is of high quality and plays a crucial role within the market monitoring process by facilitating the screening, analysis and sharing of the data with external stakeholders, for instance NRAs.

To this end, the data submitted by RRM is tested against certain data validation rules, namely technical and functional data validation checks. The technical data validation checks are initial checks of the uploaded files, for instance the file naming convention validation or schema compliance validation. The functional data validation checks consist of an in-depth analysis of the integrity of the collected data in order to verify that the respective requirements are met. For both technical and functional data validation, the schema followed and the validation rules applied depend on the data type. The analysis below aims to provide an insight into the data validation rules triggered in Q1 2023 for the reported Table 1 and Table 2 data.

Statistical Analysis

In Q1 2023, the ARIS system received approximately 2.89 million files, correlating to about 1.75 billion received records.

In terms of the REMIT Table 1 data type, out of the over 2.18 million received files, 87,837 (4%) files were not (completely) processed and triggered at least one of the validation rules. Out of the total of submitted files, 2,300 (0.1%) were fully rejected due to a technical validation rule. The analysed data shows that the large majority of files was rejected due to an invalid schema validation failure, which affected 2,224 of files. The majority of files that raised an error, specifically 85,507 (3.9%), triggered at least one functional validation rule. In most cases, this resulted from the fact that while the files passed technical validation rules, certain records raised errors due to functional validation rules. In total, around 13.8 million (0.8%) records out of the approximately 1.7 billion records received for Table 1 data were rejected.

With regard to the REMIT Table 2 data type, 1,118 (10.9%) files out of the 10,412 received files triggered one or more of the validation rule checks. These (partially) rejected files correlate to 3,194 (9.6%) rejected records out of the 33,276 total records received for Table 2 data. In total, 1,102 files triggered a functional data validation rule, while 16 files did not pass the technical validation check, primarily due to an invalid schema validation failure.

The analysis shows that for both REMIT Table 1 and 2 data, functional validation rules were triggered more frequently than technical validation rules. This affected Table 2 data in particular, as about 10.9% of received files raised errors, as opposed to approximately 4.1% of files for Table 1 data.

In accordance with Article 11(2) of the REMIT Implementing Regulation, the primary obligation to ensure the quality of the reported data, including the timeliness, completeness and accuracy of the data, lies with market participants and other persons referred to in Article 6, 8 and 9 of the REMIT Implementing Regulation. However, RRM and other third parties are responsible for any data rejections attributable to them. This is highlighted by the validation of input requirement for RRM, which requires RRM to ensure that transaction reports are complete and accurate. In particular, RRM are expected to identify omissions (missing mandatory fields) and obvious errors and to request and/or initiate the retransmission of erroneous or missing reports. Furthermore, the validation of output requirement states that RRM must have a mechanism in place to ensure that ACER's receipts are properly processed, and that in case of invalid reports, RRM are required to implement procedures in order to correct and resubmit the respective files.

Relevant updates of REMIT documents

Updated List of LNG facilities

On 14 February 2023, ACER published an updated Annex IX to the Manual of Procedures on data reporting, namely the List of LNG facilities subject to reporting according to Article 9(3) and (5) of the REMIT Implementing Regulation. The new version of the list includes four newly added LNG facilities and updated operability information.

Access the updated List of LNG facilities [here](#).

Updated ARIS Data Validation document

On 27 March 2023, ACER published a new version of ACER’s REMIT Information System

(ARIS) Data Validation document. The new version of the document contains the descriptions of three new data validation rules (AT1F25R1, AT1F25R2 and AT1F25R1) that check the reported values in Data Field (25) Fixing index or reference price submitted using Version 3 of the electronic format for the reporting of REMIT Table 1 transactions. ACER updates the data validation rules performed by ARIS on a continuous basis in order to ensure the quality of data reported by RRM’s.

For more details on data validation rules performed by ARIS, access the ARIS Data Validation Document and the ARIS Data Validation Rules Configuration Document available [here](#).

Updated List of accepted EICs (Delivery Points or Zones)

The first quarterly update of 2023 of the List of Accepted EICs was published on the REMIT section of the ACER website on 14 April. The List of accepted EICs was updated with nine new codes: three LNG Terminals (Wilhelmshaven LNG FRSU 1, Lubmin LNG Terminal and Brunsbuettel LNG Terminal), four connection points (Brunsbuettel Haffen (FSRU), Baltic Energy Gate, Eemshaven and Zeebrugge Trading point H zone), one virtual trading point (VTP Bulgaria) and one electricity zone (NPTF-DK).

Access the latest List of Accepted EICs [here](#).

Registered reporting mechanisms

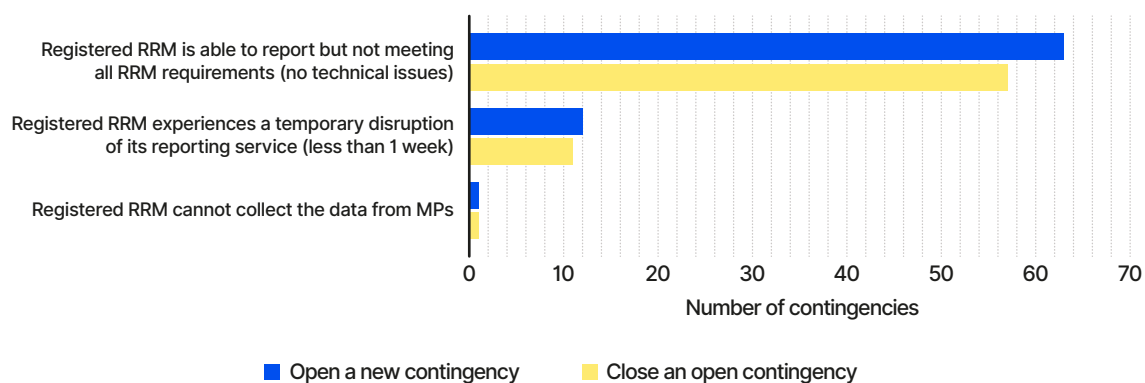
Overview of contingency reports opened by registered reporting mechanisms (‘RRMs’)

Every quarter, ACER communicates the number and status of contingency reports opened by registered reporting mechanisms (RRMs), as well as the most common reasons for which RRM’s resort to contingency in the first place. A contingency report is a notification by an RRM to ACER on issues related to data reporting (e.g. delayed reporting or temporary suspension in reporting, data quality issues, etc.).

The statistics for Q1 2023 show that 15 different RRM’s opened 76 contingency reports between January and March 2023. The most common contingency scenario indicated by RRM’s in this period is that an RRM is able to report but is not meeting all of the RRM requirements (such as completeness of data, timeliness of submission, accuracy of data, and validity). In particular, most of the incidents affect the reporting of the standard supply contract data type, as defined by REMIT and the REMIT Implementing Regulation.

Out of the 76 contingency reports opened during the quarter, 69 have already been closed (RRM’s needed two working days on average to close them). The other seven reports remain open.

Figure 6: Number of contingencies opened and closed in Q1 divided by scenario



Source: ACER (2023).

Disclosure of inside information

There were no updates related to the disclosure of inside information in Q1 2023.

Assessment of the operation and transparency of different categories of market places and ways of trading

Overview of trading on organised market places

In the first quarter of 2023, market participants reported trading 38,208 terawatt-hours ('TWh') on 29 energy exchanges and 18 broker exchanges, which represents a 17.5% drop compared to the first quarter of 2022. As usual, the majority of trading volumes were done in natural gas forward

markets (83%) and on energy exchanges (75%). The number of market participants entering energy markets through both main types of organised market places ('OMPs') is similar to previous years, amounting to 1,840 in the first quarter of 2023. A total of 83% of these market participants were active on electricity markets and 41% were active on natural gas markets.

Table 2: Traded volumes and active market participants (MPs) per market segment (time frame) and OMP type

	Total contract quantity (TWh)					Active MPs				
	2021	2022	YTD 2023	Q1 2022	Q1 2023	2021	2022	YTD 2023	Q1 2022	Q1 2023
EL	27,071	17,321	4,685	5,847	4,685	1,748	1,757	1,527	1,577	1,527
Forward	24,084	14,392	3,897	5,083	3,897	602	555	416	451	416
Day-ahead	2,595	2,515	657	669	657	1,525	1,530	1,350	1,385	1,350
Intraday	391	414	131	95	131	1,171	1,171	949	1,014	949
NG	147,799	118,136	33,523	40,483	33,523	797	822	747	710	747
Forward	143,795	111,068	31,687	38,951	31,687	567	553	375	412	375
Intraday	4,004	7,068	1,837	1,531	1,837	632	665	619	558	619
EL	27,071	17,321	4,685	5,847	4,685	1,748	1,757	1,527	1,577	1,527
Energy Broker Platform	9,511	4,664	1,094	1,631	1,094	314	271	211	247	211
Energy Exchange	17,559	12,657	3,591	4,216	3,591	1,703	1,726	1,507	1,550	1,507
NG	147,799	118,136	33,523	40,483	33,523	797	822	747	710	747
Energy Broker Platform	72,170	39,842	8,600	14,526	8,600	262	227	177	194	177
Energy Exchange	75,630	78,294	24,924	25,957	24,924	748	784	725	673	725
Total	174,870	135,457	38,208	46,329	38,208	2,072	2,093	1,840	1,869	1,840

Source: ACER based on REMIT data (2023).

Disclaimer: The analysis uses the data reported by reporting parties under REMIT. The REMIT data may not be complete, fully accurate and/or reported in a timely manner. ACER thus reserves the right to update the figures and outcomes of the analysis in the event of newly identified data quality issues. Traded volumes are calculated as a sum of total contract quantity bought and total contact quantity sold in the given time period. Market segments/time frames are assigned based on the contract type, estimated time to delivery and duration of the contract traded. Besides energy exchanges and brokers, trading also took place on two OMPs of the 'Other OMP' type, however the amount of this trading was negligible and is not captured in the table for readability purposes.

The following key updates to the List of Organised Market Places, the List of Standard Contracts and the List of accepted Delivery Point or Zone (EIC Codes) took place in Q1 2023:

- At the end of Q1 2023, the List of Organised Market Places contained 67 OMPs. One OMP was added (FGSZ RBP Platform) and two were delisted (SCB & Associates Limited and PVM Oil Futures Ltd). In addition, Towarowa Gięda Energii S.A. changed their MIC code.

- The List of Standard Contracts, which previously contained 18,329 contracts, has now expanded to include 18,504 standard contracts. Most contracts were added by FGSZ RBP Platform, a newly added OMP.

Access the List of Organised Market places [here](#).

Access the List of Standard Contracts [here](#).

Recommendations to the Commission

On 14 February 2023, ACER, jointly with CEER, [responded to the European Commission's public consultation on the EU's electricity market design revision and the revision of REMIT](#).²² In light of REMIT not being changed since its adoption in 2011, ACER and CEER jointly recommended to harmonise the REMIT legal framework with the EU financial market legal framework, whilst taking due account of the specificities of wholesale energy markets; to adapt the scope of REMIT to current and evolving market circumstances; to harmonise the levels of fines imposed under REMIT at national level; to strengthen the enforcement regime under REMIT; and to

enhance REMIT reporting and data quality, transparency and monitoring under the REMIT legal framework. In the meantime, the Commission has adopted its proposal to amend REMIT²³. ACER welcomes this proposal by the Commission and looks forward to a timely adoption, which will take into account the recommendations expressed in the public consultation, to bring REMIT up to date – 12 years following its adoption. ACER is available to assist and consult the Commission and the legislative bodies during the legislative procedure of the REMIT revision as required.

Annex I – Background

The REMIT Quarterly provides updates on REMIT-related activities, guidance on the application of the REMIT framework, and assessments of the operation and transparency of different categories of organised market places and ways of trading. It is produced by the **Market Information and Transparency ('MIT')** and the **Market Surveillance and Conduct ('MSC')** departments of the [European Union Agency for the Cooperation of Energy Regulators \('ACER'\)](#).

The two departments work closely together and share joint responsibility for tasks under [Regulation \(EU\) No 1227/2011 on Wholesale Energy Market Integrity and Transparency \('REMIT'\)](#).

REMIT came into force in 2011 to support open and fair competition in the European wholesale energy markets. By prohibiting any trading based on inside information and deterring market manipulation, REMIT sets the ground for increased market transparency and integrity, and ultimately protects the interests of companies and consumers. REMIT is

supplemented by the [Commission Implementing Regulation \(EU\) No 1348/2014](#) ('the REMIT Implementing Regulation'), which was adopted on 17 December 2014 and entered into force on 7 January 2015. The Implementing Regulation defines both the scope and timeline for REMIT implementation. ACER is legally mandated to collect all relevant trading data in wholesale energy markets, to surveil the European wholesale energy markets, and to coordinate the follow-up of any possible REMIT breach to ensure consistency at European level.

The MIT department is responsible for general REMIT policy matters, market data reporting, data quality, data sharing, BI tools and market data management tasks under REMIT. The MSC department performs market surveillance to deter market abuse and foster confidence in the well-functioning of energy markets.

If you have any queries about this quarterly report, please contact remit@acer.europa.eu.

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²² [ACER-CEER_Response_EC_PC_EMD.pdf \(europa.eu\)](#).

²³ [Electricity Market Reform for consumers and annex \(europa.eu\)](#). For details, please refer to the article on "The European Commission's proposal on REMIT amendments" above.

Annex II – Abbreviations

ACER/Agency	European Union Agency for the Cooperation of Energy Regulators
AEMP	Association of energy market participants
ANUG	ARIS NRA User Group
ARC	ACER REMIT Committee
ARIS	ACER's REMIT Information System
BoR	Board of Regulators
CBWT	Cross-border wash trade
CEREMP	Centralised European Registry of Wholesale Energy Market Participants
CMT	Case Management Tool
DSO	Distribution System Operator
DQ	Data quality
EC	European Commission
EG	Expert Group
EMIR	European Market Infrastructure Regulation (Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories)
ENTSO-E	European Network of Transmission System Operators for Electricity
ENTSO-G	European Network of Transmission System Operators for Gas
ESMA	European Securities and Markets Authority
IIP	Inside Information Platform
LNG	Liquefied natural gas
MCM	Market correction mechanism
MD SC	Market Data Standing Committee
MiFID	Directive 2004/39/EC on Markets in Financial Instruments
MiFID II	Directive 2014/65/EC on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast)
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (Text with EEA relevance)
MM SC	Market Monitoring Standing Committee
MoU	Memorandum of Understanding
MP	Market Participant
NP	Notification Platform
NRA	National Regulatory Authority
OMP	Organised Market Place
OTC	Over The Counter
PPAT	Person Professionally Arranging Transactions
REMIT	Regulation (EU) No 1227/2011 on Wholesale Energy Market Integrity and Transparency
REMIT Implementing Regulation	Commission Implementing Regulation (EU) No 1348/2014
RPTF	REMIT Policy Task Force
RRM	Registered Reporting Mechanism
SIDC	Single Intraday Coupling
STR	Suspicious Transaction Report
TP	Transparency Platform
TRUM	Transaction Reporting User Manual
TSO	Transmission System Operator
UMM	Urgent Market Message

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