REMIT Quarterly
ACER guidance on the application of REMIT and transaction reporting

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REMIT reporting – Halfway between 1st and 2nd phase of data reporting

Data reporting under REMIT has exceeded all expectations with more than 1 million data records submitted to the Agency daily for the 1st phase of data reporting since 7 October 2015. The issues that appeared during the first weeks of operations have been solved and ARIS is collecting data in a stable manner ever since. The Agency is now preparing for the 2nd phase of data collection under REMIT as of 7 April 2016. The experience gained and the lessons learned will then be instrumental for both the Agency and the reporting parties.

Data reporting to the Agency as of 7 October 2015

Data collection under the EU Regulation on wholesale energy market integrity and transparency (REMIT) for the purpose of market monitoring of EU wholesale energy markets started in October 2015. By that time, the Agency had approved 33 Registered Reporting Mechanisms (RRMs) and National Regulatory Authorities (NRAs) had registered nearly 4 000 market participants. In the meantime additional RRMs and market participants have been registered. The number of data received ever since has exceeded all expectations. However, the Agency’s IT systems are performing well and successfully coping with the high volumes of data. The Agency is now receiving more than 1 million data records per day. 35 RRMs have been actively submitting records on a daily basis. There were some hiccups with data collection in the first weeks of operations, but without any significant impact on the data collection process. However, they were solved in early November and the Agency’s REMIT Information System (ARIS) has been functioning well in terms of performance and accuracy ever since.

Data reporting to the Agency as of 7 April 2016

The Agency and NRAs are currently preparing for the final stage of data collection as of 7 April 2016. In parallel to the ongoing registration of market participants by the NRAs, the Agency has approved 40 RRMs, including the first reporting parties which are required to start reporting data as of 7 April 2016. The Agency is also managing more than 700 RRM applications, mostly from self-reporting market participants, for the next stage of data collection.

*The statistics contain only records of transactions, including orders to trade. In addition, the Agency receives additional fundamental data.
More than 4500 market participants registered in the European Register of Energy Market Participants

Currently, more than 4 500 market participants are registered in the European Register of Energy Market Participants. The Agency’s Centralised European Register of Energy Market Participants (CEREMP) has proved to be an efficient solution enabling Market Participants, NRAs and ACER to comply with their REMIT obligations and the publication of the European Register of Energy Market Participants has improved the transparency of wholesale energy markets.

The Agency established the Centralised European Register of Energy Market Participants (CEREMP) on 16 June 2014. The platform (CEREMP) was designed to maintain the European Register of Market Participants, based on national registers established by National Regulatory Authorities (NRAs). In addition to using CEREMP for the establishment of the European Register of Energy Market Participants by the Agency, the platform is also made available to NRAs for the establishment and management of their national registers.

This work has been done in collaboration with various stakeholders, in particular through public workshops and the Agency’s roundtable meetings with stakeholder representatives.

At the same time, the Agency received many questions from its stakeholders in 2015. The majority of the issues raised were actually already addressed by the aforementioned existing documentation. The high number of general queries did not always allow the Agency to resolve newly raised questions as rapidly as desirable due to its limited resources.

Thus, a lesson learned for the RRM}s and the market participants is that, before contacting the Agency with their queries, it is crucial that they make a strong effort to ensure that their staff have read and understood the available documentation, and that they are up-to-date with all new material the Agency publishes.

The Agency, on the other hand, publishes, since the beginning of 2015, a regular update of its REMIT Q&A document and of its FAQs on transaction reporting where relevant questions and answers are published. The Agency will continue to provide such updates on a regular basis.

Conclusion

The Agency will continue to work together with its stakeholders to ensure a smooth data collection in the 2nd phase of data reporting under REMIT. It will continue to arrange roundtable meetings with its stakeholders in 2016. An open call for the establishment of such roundtables in 2016 will be launched in January. It is a priority to the Agency, with its limited resources, to make sure that its stakeholders are able to fulfill their reporting obligations, that data collection and market surveillance activities work as planned and that the work done together with the stakeholders will contribute to a fair and well-functioning energy market in Europe.
First REMIT breach cases sanctioned in Europe

First economic sanctions have been applied by the Spanish and Estonian NRAs on REMIT breach cases in those countries. The Agency is currently reviewing 47 potential REMIT cases.

In the end of 2015 the Spanish NRA (CNMC) fined the Spanish energy group, Iberdrola, EUR 25m for a breach of Article 5 of REMIT. According to the CNMC, Iberdrola had manipulated prices over three weeks starting from 30 November 2013 from its Duero, Sil, and Tajo hydroelectric power plants. Together the three plants account for around half of the country’s total hydroelectric capacity.

In Estonia, the country’s Competition Authority fined the Estonian Transmission System Operator (TSO), Elering EUR 10 000 for non-compliance with Article 4 obligations. According to the regulator, Elering did not inform the market in “sufficient time” of maintenance work, which would disrupt supply for a longer period than initially expected, on the 650 MW Estlink 2 subsea electricity cable that links Estonia with Finland.

At the end of the third quarter of 2015, the Agency had 47 REMIT cases under review. REMIT cases are potential breaches of REMIT that are either notified to the Agency by external entities or discovered by the Agency through its surveillance activities. A case could, after a thorough investigation by the relevant national authority, lead to sanctions. A case could also be closed without sanctions, for instance if the suspicions were unfounded.

The table below shows the number of cases that were under review by the Agency in the last four quarters.

The Agency is responsible for monitoring the wholesale energy markets and aims at ensuring that NRAs carry out their tasks in a coordinated and consistent way, but it is not responsible for the investigation of potential breaches of REMIT. The EU Member States have the obligation to ensure that their National Regulatory Authorities have the required investigatory and enforcement powers to accomplish their responsibilities.

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Guidance on REMIT
Query Statistics

The Agency publishes the REMIT Q&A normally every month on the REMIT Portal. The REMIT Q&A is one of the Agency’s main tools to respond to queries addressed by stakeholders. Over the last quarter of 2015, the Agency received a constant significant inflow of questions through various communication channels. The chart below illustrates the total number of queries received and answered by the Agency in 2015. The Agency uses the REMIT Q&A paper, which is updated on a monthly basis, as its main tool for responding to the queries. However, depending on the urgency and the scope of the queries received, the Agency selectively responds on a one to one basis. Incoming queries concerning transaction data reporting are covered by the publication of the Frequently Asked Questions (FAQ) document on transaction data reporting.

Timeline

Below is the current timeline for REMIT implementation:

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