smartEn response to the ACER public consultation: Guideline on REMIT transaction reporting

General remarks:

smartEn – Smart Energy Europe is the European business association representing more than 100 business companies from the Flexible Demand Management Industry (FDMI). Our members deliver demand-side flexibility through demand response, distributed generation, energy storage, electric vehicles and aggregation.

We welcome the opportunity to comment on ACER's draft Guideline on REMIT transaction reporting, and we support the objectives of market integrity and transparency that underpin the REMIT framework.

Our comments focus on a single, decisive issue for our members: how the guidance treats local flexibility markets (LFMs). LFMs are an emerging, rapidly evolving segment that currently operates at volumes far below those of traditional electricity exchanges and Nominated Electricity Market Operators (NEMOs).

We welcome that REMIT applies to local flexibility markets insofar as wholesale energy products are traded there, as reflected in the 6.1st edition of the ACER Guidance on the application of REMIT, State-of-the-art market surveillance under REMIT is valuable in its own right: it builds trust and confidence among regulators, market participants and system operators in this nascent segment, and it is one of the most important means of mitigating the risk of increase–decrease gaming, a risk that in some countries, such as Germany, became a show-stopper for the development of local flexibility markets. Effective surveillance enables the detection, reporting and sanctioning of prohibited behaviour and ensures that all participants trade under the same rules.

At the same time applying the full REMIT reporting architecture to these markets at their current scale risks obligations disproportionate to the trading volumes (in 2025 the total activated volume across European local flexibility markets was 8.3 GWh) and to the limited systemic risk involved. Our comments therefore, concern not whether REMIT applies, but how the reporting modalities can be made proportionate for an emerging segment. We understand that the qualification of LFMs as OMPs and the traded product as WEP needs a more detailed case-by-case analysis.