


ACER

 Agency for the Cooperation
of Energy Regulators

REMIT Trade Reporting User Manual (TRUM)

**Summary of responses to the
second public consultation in
2014**

1st level

REMIT

2nd level



REMIT Implementing Acts (IAs)
on the basis of Article 8 of REMIT

3rd level



Requirements for the registration of RRM's
(Trade and Fundamental data)

Technical Specifications for RRM's

**Transaction Reporting User Manual
(TRUM)**

Manual of Procedures on Fundamental
Data Reporting

“The Agency shall explain the details of the reportable information referred to in this Article [trade data] in a user manual and after consulting reporting parties make it available to the public upon the entry into force of this Regulation”

“The Agency shall after consulting reporting parties establish procedures, standards and electronic formats based on industry standards for reporting of information referred to in Articles 6, 8 and 9 [trade and fundamental data]”

Draft implementing acts

- The purpose of the TRUM is to facilitate reporting by explaining the details of the reportable information and to provide MPs and third party RRM s with sufficient guidance to make correct decisions about their transaction reporting obligations
- ACER would expect compliance officers of MPs and third party RRM s to ensure that the TRUM is fully understood and that the necessary measures are implemented to ensure compliance with reporting obligations

Proper reporting will enable ACER and NRAs to effectively and efficiently monitor trading activities in wholesale energy markets in order to detect and deter market manipulation and insider trading

- On 31 March 2014, ACER launched a first public consultation on the TRUM which was open until 5 May also taking into account the input received during the public consultation on Technical standards in spring 2013
 - » Public workshop on 3 April
 - » 37 responses, 6 of which by European or international associations
- On 22 July 2014, ACER launched a second public consultation, which was open until 2 September
 - » Public workshop on 16 July
 - » 32 responses, 6 of which by European or international associations
- The first consultation focused on standard supply contracts – non-standard contracts and transportation contracts was covered in the second consultation

The field guidelines in the draft TRUM were based on the data fields which was expected for the Commission's IAs at the time of the consultation

Summary of feedback received in the second public consultation

- The quality of the TRUM has improved significantly – much of the feedback from the first round of consultation were taken into account
- The TRUM is evolving into a comprehensive reporting guide enabling efficient and consistent reporting which will reduce work effort for MPs, ACER and NRAs
- However, significant effort remains to clarify the reporting requirements for non-standard transactions and transportation contracts, lifecycle events for contracts executed on OMPs and the back loading requirement – this should be addressed as soon as possible to allow for sufficient time for relevant IT implementation
- ACER should clearly state whether orders on EMIR derivatives must be reported – such reporting would water down the benefits of using EMIR reports and lead to expensive double reporting
- The TRUM needs to be finalised as soon as possible to enable MPs and RRM to update their systems before reporting go-live – one respondents propose that ACER should publish some sections of the TRUM before the IA enter into force
- The legal nature and enforceability of the TRUM must be clarified
- ACER should establish a simple, transparent process for change management to help MPs to stay up to date and maintain quality and consistency of reporting

- The usability of the TRUM depends in particular of a clear distinction between standard and non-standard contracts
- If the definition in the draft IAs remains unchanged, the MPs always have to check whether their bilateral contract could be traded as well somewhere on an OMP – this is neither practical nor a helpful distinction for an automated system as needed for reporting
- The distinction between standard and non-standard contract has to be clarified in a way that makes it easily applicable for MPs
- To give real benefit to the market the definition of standard contracts should be limited to contracts traded on OMPs – everything else should be non-standard

- Reporting of standard contracts; Whilst some argue that MPs should have the option to report standard contracts concluded on an OMP, others argue that the IAs should specifically oblige OMPs to report such transactions
- Definitions; a definition of trade matching and trade reporting system would be useful
- Reporting of non-standard contracts; what is meant by “outright volume and price”? The requirement to report transactions under non-standard contract using Table 1 is suggested to be deleted – it would make sense to treat all transactions executed off OMPs as non-standard
- Transportation contracts; it is unclear whether platforms like PRISMA would be considered an OMP and if transportation contracts executed on such platforms are included in the initial reporting phase
- As regards delegated reporting, input is requested on the definition/interpretation of “reasonable steps” (Art. 11(3)) – which steps does the MP need to take to discharge the liability?
- Contracts reportable on request; please note that contracts for balancing services in electricity are typically traded on OMPs
- Clarification is requested regarding the reporting channels for lifecycle events related transactions executed on OMPs
- Article 3(1)(a)(viii) is suggested to be deleted
- Data fields; whilst some fields are suggested to be deleted (contract name, duration, confirmation), a field defined as “internal contract identifier” is suggested to be added as such a field would ensure the traceability of contracts reported with internal systems

Please provide us with your views on the scope and the objectives of this document. In particular, please provide your opinion on whether the kind of information included and the structure of the TRUM are suitable to facilitate transaction reporting. If not, please explain which additional information the TRUM should cover and/or how it should be structured.

Please provide us with your general comments on the purpose and structure of the draft TRUM. In particular, please provide your opinion on whether the information ACER intends to include in the first edition of the TRUM is sufficient for the first phase of the transaction reporting (contracts executed at organised market places). If not, please explain which additional information should be covered.

- The new structure is considered more user friendly and provides better level of guidance – in particular the addition of examples brought extra clarification
- In general, the information provided is considered sufficient for the first phase of reporting, however, additional clarification is requested concerning
 - » backloading of existing trades (given that some of the requested fields will only be available after significant IT development)
 - » the process for reporting lifecycle events related to trades executed on an OMP
 - » XML schemas to be used for reporting

- Clarification is requested on how ACER considers to act with respect to contracts that are reported on request (format to be used, timeframe, etc.)
- Definitions of key terms (organised market place, standard contract, etc.) as well as the reporting channels and reporting timeline for all contract types should be added to avoid misunderstanding
- The TRUM should provide further information on data integrity, acceptance receipts, the matching process, and reporting procedures in case of failure of ARIS
- It would be advisable if the TRUM more clearly mentions that trades reported under EMIR do not need to be reported under REMIT
- Adding a FAQs section may provide additional practical guidance

Please provide us with your views on ACER's proposed approach for the list of standard contracts. In particular, please provide your views on whether:

- the list of standard contract types enables reporting parties to establish whether to use Table 1 or 2 of Annex I of the draft IAs when reporting information under REMIT; and
- the identifying reference data listed in ANNEX II would be sufficient and suitable to establish the list of standard contracts.

Do you agree that the list of standard contracts should also be considered sufficient to list the organised market places or would you prefer to have a separate list of organised market places?

- The list of standard contracts seems complete and sufficiently enables reporting parties to establish whether to use Table 1 or Table 2 of Annex I
- However, the required effort to distinguish between standard and non-standard contracts using the list will be significant in terms of process and IT – therefore, the definition of standard contract should be changed and limited only to contracts traded on OMPs
- A clear process must be defined for the treatment of any product which is not listed (e.g. are they automatically assumed to be “non-standard”?)

Question #3 (cont.)

- It would be useful for the TRUM to be more specific about how this list applies to financial contracts and transportation contracts
- The process to maintain the list (update, publish, etc.) need to be clarified – and the list must be updated on a regular basis
- The list should be available in a standardised format and supported by an extraction and download process so that MPs reporting systems can easily access them
- Mixed views on whether ACER should publish only one list, or two separate lists (one list of OMPs and another list of the standard contracts each OMP offers)
- The identifying reference data appears to be sufficient to create the list, however, one respondent suggests to add type of OMP (exchange, broker) and another a clarification of the meaning of “subject of the contract”
- More practical guidance is needed on bilateral contracts; perhaps a step-by-step test could be put together by ACER to guide MPs on categorising them as standard or non-standard

Please provide us with your views on the explanation of product, contract and transaction provided in this Chapter, in particular on whether the information is needed to facilitate transaction reporting.

- In general, the explanations are considered useful to better understand the various concepts used in the TRUM and the REMIT IAs (although it would have been more straightforward if not all these concepts were introduced and used in the REMIT IAs and TRUM as they potentially are still source of confusion)
- A few respondents believe that the explanations adds confusion and argue that a contract by definition is a transaction – these respondents doubt that these explanations would be fully understood by compliance teams with reporting responsibilities
- It was noted that the explanations were provided only under Chapter 4 (standard supply contracts) and not under Chapter 5 (non-standard supply contracts) – similar explanations were also requested for gas
- One respondent argues that Table 1 should be called “Reportable details of transactions in standard contracts” and not “Reportable details of standard contracts”

Please provide us with your views on the field guidelines for the reporting of transactions in standard supply contracts.

- General comments:
 - » Sufficient detail is missing on which fields are mandatory and which are optional
 - » Orders to trade, standard contracts and options are suggested to be addressed in separate chapters to avoid misunderstandings - currently it is not very clear which fields are required to be reported for orders, standard contracts and options
 - » ACER should clarify that an order is only reportable when it has been made visible to the marketplace
 - » The TRUM should confirm whether voice brokered orders are in scope of the order reporting
 - » Reporting of blank values; will there be specific requirements where a field is not applicable and where the field is applicable but the value is not available? ACER is urged to consult the recently released ESMA guidelines on this topic

Please provide us with your views on the examples of transaction reporting listed in ANNEX III of the draft TRUM. Do you consider the listed examples useful to facilitate transaction reporting?

- The examples are considered very useful and should be maintained also after the first release of the TRUM
- The examples provided have not always been populated consistently with the field guidelines and should be carefully reviewed prior to releasing the final TRUM
- It should be made clear whether ANNEX III is for illustrative purposes only (guidance on common traded products) or whether it is meant as a comprehensive catalogue of reportable traded products
- In general, as many examples as possible should be covered
- It should be clarified in the examples which fields are mandatory and optional for each example

Question #6 (cont.)

- Alternative approach proposed to reflect similar standard contracts with different start/end delivery dates: instead of adding a template for each contract/product type (could add up to 10+ for gas only), only two templates could be published (one for spots, one for forwards) with an additional comment for the forward template stating something like “all forward baseload contracts will use the same template but with adjusted delivery start/end date fields to appropriately reflect the correct contract duration”
- The maintenance of this section needs to be addressed, including information on how to submit new trade reporting scenarios

In your view, are there any additional examples to be added in ANNEX III of the draft TRUM? Please provide a description of example(s) that in your opinion should be covered.

- Generally, the proposed list of examples seems a good basis
- Examples needed for back loading and reporting of lifecycle events (as regards the latter, ACER should clarify that clearing, netting and compression do not constitute reportable lifecycle events for cleared transactions)
- Examples can be extended further by adding examples of commonly traded products, such as;
 - » Standard contracts traded off OMPs, proprietary trading for third parties, various option contracts, balance of week/month, sleeve deals, and calendar spread, such as a spread between a June and a July electricity forward
- Would be helpful to have a description of the different stages of a transaction (order, conclusion, modification, settlement, etc)

Please provide us with your views on the field guidelines for the reporting of transactions in non-standard supply contracts.

- General comments:
 - » Difficult to provide constructive feedback as the current field guidelines for non-standard contracts mostly reflects the field guidelines for the standard supply contracts – many respondents indicate that they will provide comments to these fields when the guidelines are updated in later TRUM editions
 - » Further clarification requested on which non-standard contracts need to be reported via the standard form
 - » There is currently no way to report complex pricing formulas, including more than one index from different markets (power, gas, oil, etc.), price caps and other nonlinear mathematical function in their definition
 - » Not all fields are applicable to electricity or gas and the division of the reporting fields regarding commodities should be put into consideration
 - » Concerns raised over the requirement to report delivery profile data for nonlinear contracts – the reporting of shaped and block contracts where delivery intervals and capacities are non-linear might result to a huge data volume

Please provide us with your views on whether examples of transaction reporting should be added as regards transactions in non-standard supply contracts. If yes, please explain which scenarios these examples should cover.

- The TRUM should cover examples of non-standard contracts in a similar fashion as for standard contracts
- Some examples of transactions that could be added include e.g.;
 - » custom load shapes, index trades with additional spread premium, beach exchanges, long term supply contracts, in-store purchase, sale to aggregators and physically settled swaps (represented by two linked physical products), supply contracts to final customers, long term gas supply contracts with minimum monthly volume with option for additional volumes, multiple delivery points and a price formula based on public indexes, contracts with flexible or formula prices
- An extensive list of reporting examples is expected at least 10 months before the non-standard reporting is due to commence

- Given the fact that all scenarios cannot be covered ex-ante and that the market is a living space with new type of contracts regularly emerging, we believe that ACER should foresee one specific scenario enabling the reporting of “non -identified” contract with no mandatory fields
- Wholesale full service contracts (sales contracts) can be complex and difficult to map contract details to REMIT NSC reporting attributes. In some cases, commercial information is only available to one counterpart of the contract e.g. fixing price. This means one or both counterparties do not always have all the necessary data to report. Consequently, we recommend further clarity for such cases from ACER and that ACER allow only one counterpart to report on the contract on behalf of both parties to reduce the reporting complexity. This will mean reporting of UTI becomes redundant and can be removed or at least optional

Please provide us with your views on the field guidelines for the reporting of transactions in electricity transportation contracts.

- Very limited feedback received on the field guidelines
- Field guidelines currently not detailed enough; same detailed data field descriptions is needed as for standard contracts
- Additional details are required, similar to the level of information for the standard contracts
- Some respondents indicate that they will provide comments to these fields when the guidelines are updated in later TRUM editions

Please provide us with your views on whether examples of transaction reporting should be added as regards transactions in electricity transportation contracts. If yes, please explain which scenarios these examples should cover.

- Considered useful to add examples
- Especially examples based on relevant CASC-CAO scenarios would be welcomed
- Some respondents indicate that they will provide comments to these fields when the guidelines are updated in later TRUM editions

Please provide us with your views on the field guidelines for the reporting of transactions in gas transportation contracts.

- Very limited detailed feedback received on the field guidelines
- Field guidelines currently not detailed enough; same detailed data field descriptions is needed as for standard contracts
- Some respondents indicate that they will provide comments to these fields when the guidelines are updated in later TRUM editions
- Important that the units and temperature of reference are defined in advance in order for the data collected by ACER to be comparable (the units and temperature should be aligned with the Transparency Guidelines and the future gas NC on Interoperability and Data Exchange)
- Further clarification is requested on the borderline between standard and non-standard transportation contracts in conjunction with the definition of OMP
- Secondary capacity markets are always bilateral (OTC) and not concluded on a TSO platform

Please provide us with your views on whether examples of transaction reporting should be added as regards transactions in gas transportation contracts. If yes, please explain which scenarios these examples should cover.

- Considered useful to add examples
- Some respondents indicate that they will provide comments to these fields when the guidelines are updated in later TRUM editions
- Especially examples for secondary capacity contracts (such as used by PRISMA) would be welcomed

Do you agree that, if organised market places, trade matching or reporting systems agree to report trade data in derivatives contracts directly to the Agency they must do so in accordance with Table 1 of Annex I of the draft IAs as regards contracts referred to in Article 3(1)(a)(9) and Table 3 or 4 as regards contracts referred to in Article 3(1)(b)(3)?

- The same principle as for physical trades should apply. Any trade concluded on an OMP is reportable by the OMP (primary obligation), including derivatives not yet reported under EMIR, whilst using the same formats
- Given the no double reporting principle, organised market places should not need to report derivatives already reported under EMIR.
- The requirement to report derivative contracts in the “REMIT” format will only add a level of complexity to the regulatory reporting environment. To have derivatives reported directly to ACER would require the data to be manipulated to fit the data fields established under REMIT – this is unlikely to be a straight-forward process

In your view, are Tables 1, 3 and 4 of Annex I of the draft IAs suited for the reporting of contracts referred to in Article 3(1)(a)(9) and Article 3(1)(b)(3) respectively?

- Yes, but it may happen that counterparties involved in a particular deal, will capture this deal differently in their IT system (due to different IT systems and their constraints) and therefore cannot report them in same way - Overall, more a general approach for standard contracts would be to report just Load Delivery Intervals (54), Delivery capacity (55) and Price/time interval quantity (57) for all contracts, instead of fields Duration (51), Load Type (52) and Days of the week (53)
- It must be clear that data already reported under EMIR does not have to be reported again to ACER - if a derivative is reported under EMIR, there is no obligation to report this derivative again under the REMIT regime

- ACER is expected to dedicate adequate resources and make staff available to solve any potential issues MPs may encounter during the preparation of their reporting
- Parallel reporting obligations to NRAs should be avoided – NRAs should only access relevant data from ARIS, otherwise there is a significant risk that MPs are asked to set up additional reporting channels also towards NRAs
- Concerns raised about the ability of OMPs to provide the required data reporting services, on time and/or in completeness. In case they would fail to do so, the TRUM should clearly specify how the MPs will be relieved from their obligation during the period, as intended in article 11.3 of the current IA draft
- A critical issue will be the negotiation of the service agreements for delegated reporting by OMPs as there will be only a short time frame for the negotiation and hence these agreements could be very one-sided
- Clarification requested on how ACER intends to link orders to trades and what is the minimum data that is needed to match trades?
- Several respondents would like ACER to confirm that bilateral trades off OMPs should be reported using Table 1, but these will not be in scope for the initial go-live of reporting

- First edition of the TRUM will be made public upon the entry into force of the IAs
- Further bilateral consultation with relevant stakeholders
- Consultation of XML schemas
- Public workshop in October/November depending on the timing of the adoption of the IAs

Questions?

Thank you for your attention!



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