
REMIT Forum 2021

25-28 October 2021

Conclusions

REMIT Forum 2021: Plenary session: “10 years of REMIT – what is next?”

The Forum was opened by ACER Director, Mr Christian Zinglensen, who underlined the importance of markets and REMIT to achieve the ambitious goals of the energy transition and the European Green Deal at minimal costs for society. Mr Peter Geršak, the Slovenian State Secretary in the Office of the Government of the Republic of Slovenia for Digital Transformation, provided a welcome address on behalf of the Slovenian Government, explaining the connection between REMIT, ACER and the aims of the Slovenian presidency of the European Council in the second half of 2021.

The subsequent panel discussion opened with Ms Leigh Hancher, Professor at Tilburg and with the Florence School of Regulation, providing an overview of the 10 years of REMIT with decisions and insightful takeaways. The panellists Ms Annamaria Marchi (Deputy Head of Unit DG ENER), Ms Annegret Groebel (President at CEER), Mr Martin Godfried (Head of Department at ACER), Mr Mark Copley (CEO EFET), Mr Peter Claes (General Manager FEBELIEC), Mr Pieter Schuurs (Chairman EUROPEX) and Mr Volker Zuleger (Head of Department at ACER) touched upon three key topics: cooperation, data, and future challenges for REMIT.

The importance of intensified cooperation among all REMIT stakeholders was accentuated by all panellists. Additionally, ACER should further enhance the collaboration with other institutions, such as ESMA, with regard to the monitoring of emission markets, as well as with neighbouring non-EU countries organisations for example, through the Energy Community Secretariat.

Looking ahead, ACER is seen by the panellists as a fully data-driven Agency. Regarding data collection, the panel saw scope for less fragmentation of the reporting and potential for further improvement of data quality. Since markets evolve quickly, REMIT, and in turn ACER, could benefit from more flexibility in data collection. For example, more flexibility in the scope, underlying definitions and how data are reported, would enable REMIT to better keep up with market developments, which are partly driven by more market integration, such as market coupling and the emergence of balancing market platforms. A more flexible implementing regulation could be a promising way forward. In general, panellists agreed that data collection is delivering, but saw room for simplification of the reporting and reminded ACER to keep costs and carbon footprints of transactions to the necessary minimum.

The third important topic of the discussion was about the future challenges for the different roles of stakeholders within the REMIT regime while facilitating decarbonisation in Europe. A lively discussion ensued around the question of whether an increased centralisation of enforcement powers and a harmonisation of penalties are needed, an avenue that financial legislation and regulation appear to pioneer. The panel agreed that REMIT demonstrated its value in an environment of high prices and stressed markets. Nevertheless, REMIT needs to further evolve to preserve trust in the markets. ACER will in the future be asked to explain more and to educate stakeholders and political decision-makers. The whole regime needs to carefully balance the proportionality between the administrative burdens

put upon market participants and the security it produces for market participants, tax payers and consumers.

The discussion ended with a clear statement echoed by all panel participants that REMIT is delivering and is here to stay – the stakeholders are looking forward to the next 10 years of ensuring market integrity and transparency.

Special session - Special session: “REMIT data and technology”

The session started with ACER staff members updating the forum about REMIT data collection, reporting, data features, information management and technology. The presenters reflected on the path taken so far and expressed the challenges for the future.

The panellists Mr Alex McDonald (LEBA CEO), Mr Christian Baer (Europex Secretary General), Mr Karl-Peter Horstmann, (EFET Chair of Market Supervision Committee), Mr Rafael Gómez-Elvira González (All NEMO Committee Chairperson) and Mr Johannes Mayer (E-Control Head of Competition and Regulation) discussed REMIT data collection so far and the expectations for the future.

The panel agreed that the REMIT reporting regime is working, but that perfect data quality would be difficult to achieve. Very good data quality is essential for efficient data analysis. REMIT relies on transaction and fundamental data, as well as information, such as the STRs, and inside information reporting, which is key. The stakeholders would welcome a simplification of the reporting regime in the future (e.g. allowing Single side reporting from OMPs), possibly via a refit similar to the one for EMIR. In case of a REMIT Implementing Regulation refit, a consultation with the industry would take place in order to ensure a “market-sounding” regulation, where reporting would be flexible enough to allow for market developments. In general, every change to the reporting should be properly justified and synergies with other financial regulators and/or instrumentation should be explored. From the guidance point of view, an improved definition of an OMP and the introduction of clear thresholds for the disclosure of inside information would be welcome. From the transparency and reconciliation aspect, market participants would benefit from being able to verify the data reported to ARIS on their behalf. In addition, post-trade transparency provided by ACER would be useful. With regard to ACER REMIT IT services, the audience expressed a need to further improve the communication with stakeholders. Lastly, more agility and progress is needed with technological innovations to enhance ARIS. The digitalisation would certainly support better services, while also assuring cybersecurity.

Special session: “The 6th Edition of the ACER Guidance”

In this session, ACER staff members introduced the background, the scope and the content of the revision of the ACER Guidance that led to the publication of its 6th Edition in July this year. An overview of the new Chapters 2, 5 and 6 of the Guidance, respectively on the scope of REMIT, the prohibition of insider trading and the prohibition of market manipulation, was presented to the participants.

These presentations were followed by a Panel discussion gathering Ms Camilla Berg (Nord Pool General Counsel), Ms Esther Espeja (CNMC’s Director for Energy Derivatives Markets), Ms Kseniya Khromova (CRE’s Director of Wholesale Markets Surveillance), Mr Alexis Poullain (AMF Commodity Analyst) and Ms Violeta Sliskovic (Uniper Senior Legal Counsel). The panellists shared their perspectives on the usefulness of the Guidance in their daily work, on the improvements brought on by the 6th Edition, and identified areas for future developments of the document.

Overall, it was underlined that the Guidance, as a result of regulatory cooperation, represents the common views of all EU regulators, which is extremely valuable to the national regulatory authorities, the surveillance experts and the market participants. Among other things, it was noted that, although non-binding, the Guidance is extremely helpful in the investigations and surveillance processes, as well as in responding to the queries of the market participants.

The 6th Edition of the Guidance was found to be more accessible to the reader and more comprehensive, while the practical examples were highlighted as important additions to the text. The insider trading chapter and the relevant indicators therein were deemed to be of particular importance.

Regarding the possible evolution of the Guidance, it was mentioned that since REMIT is not only about integrity but also transparency, an important aspect to consider is that, apart from the prohibitions, the transparency obligations of actors, such as transmission system operators, also deserve further attention. Finally, it was noted that the cases finalised by the NRAs could form interesting case studies to enrich the Guidance.

ACER thanked the NRA experts, Expert Group members and other consulted stakeholders, such as financial regulators and surveillance experts from OMPs, who have significantly contributed to the 6th Edition of the ACER Guidance.

During the sessions, ACER provided answers to many questions, which was much appreciated by the participants.