ACER
Agency for the Cooperation of Energy Regulators

REMIT Implementation

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Market Monitoring Department

ERSE workshop
Lisbon, 30 January 2015

Outline

- ACER's mission and role under REMIT

- REMIT implementation
  - Registration
  - Data collection

- The way ahead

ACER's Mission
(Regulation (EC) No 713/2009)

*"The purpose of the Agency shall be to **assist** the [NRAs] in exercising, at [Union] level, the regulatory tasks performed in the Member States and, where necessary, to **coordinate** their action".*

Article 1(2)

ACER – An expanding role

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Third Energy Package
Directives 2009/72/EC and 2009/73/EC and Regulations (EC) Nos 713/2009, 714/2009 and 715/2009

Regulation (EU) No 838/2010
(on the Inter-TSO Compensation Mechanism)

Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)
(Regulation (EU) No 1227/2011)

Regulation on guidelines for trans-European energy infrastructure
(Regulation (EU) No 347/2013)

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REMIT at a Glance

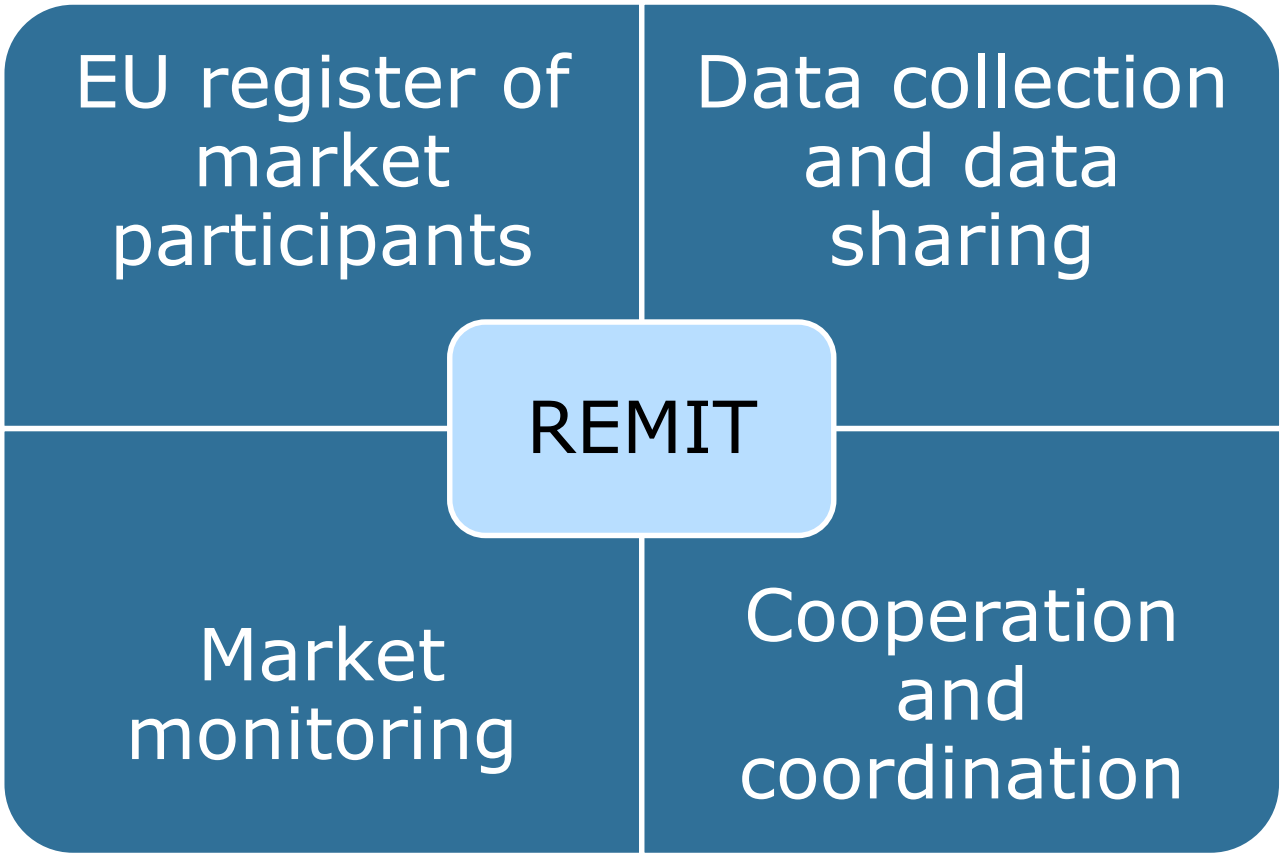
Transparency — Obligations for market participants to disclose inside information

Integrity — Explicit prohibitions of abusive practices in wholesale energy markets

Monitoring — A new, sector-specific, comprehensive and effective monitoring framework for wholesale energy markets

Cooperation — Close cooperation and coordination between ACER (EU-wide monitorng) and NRAs (national monitoring, investigation and enforcement)

ACER's core activities under REMIT



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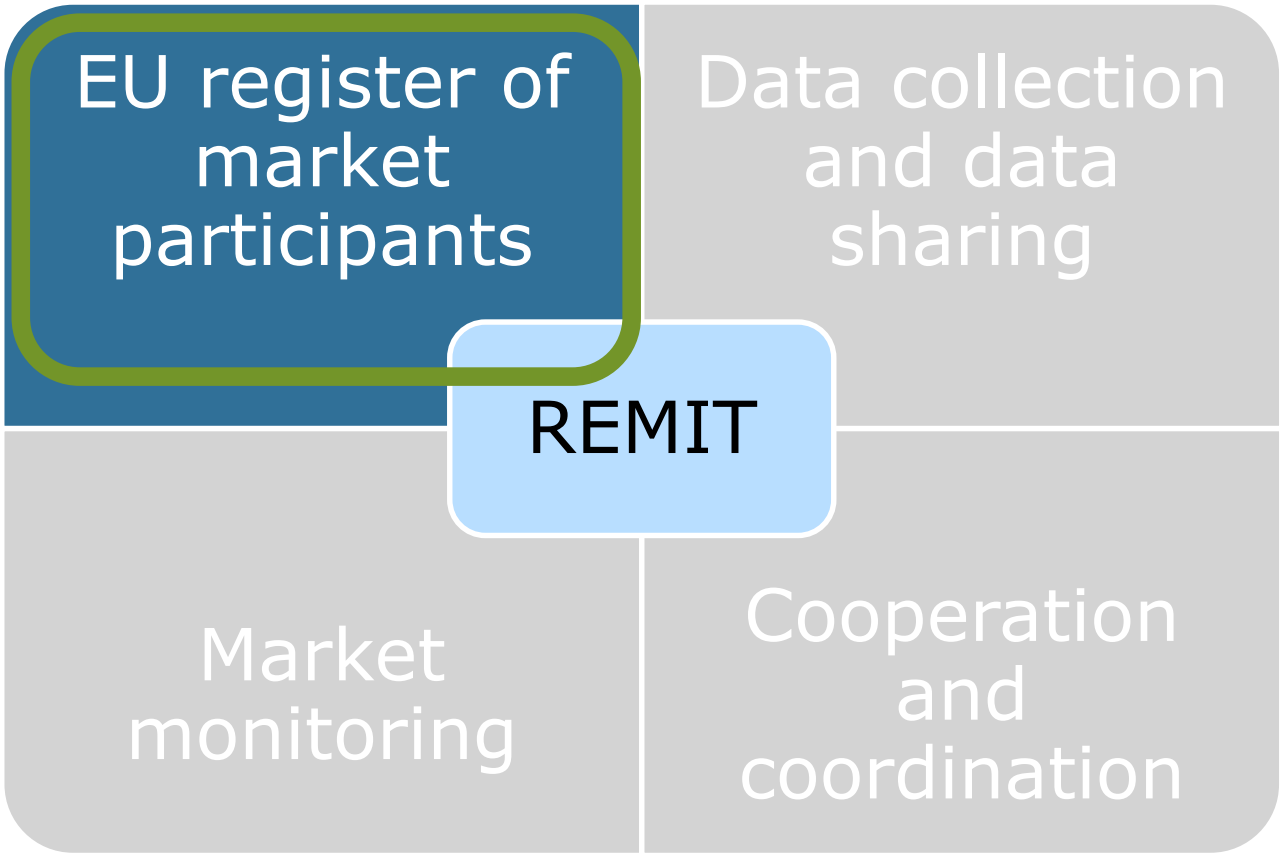
ACER's core activities under REMIT



Registration of market participants

Market participants have to register and update the information they provide to NRAs

NRAs have to set up the national registers of market participants established in their own Member State, as well as the non-EU market participants active in their Member State

The **Agency** has to set up a Centralised European Register of wholesale Energy Market Participants (CEREMP)

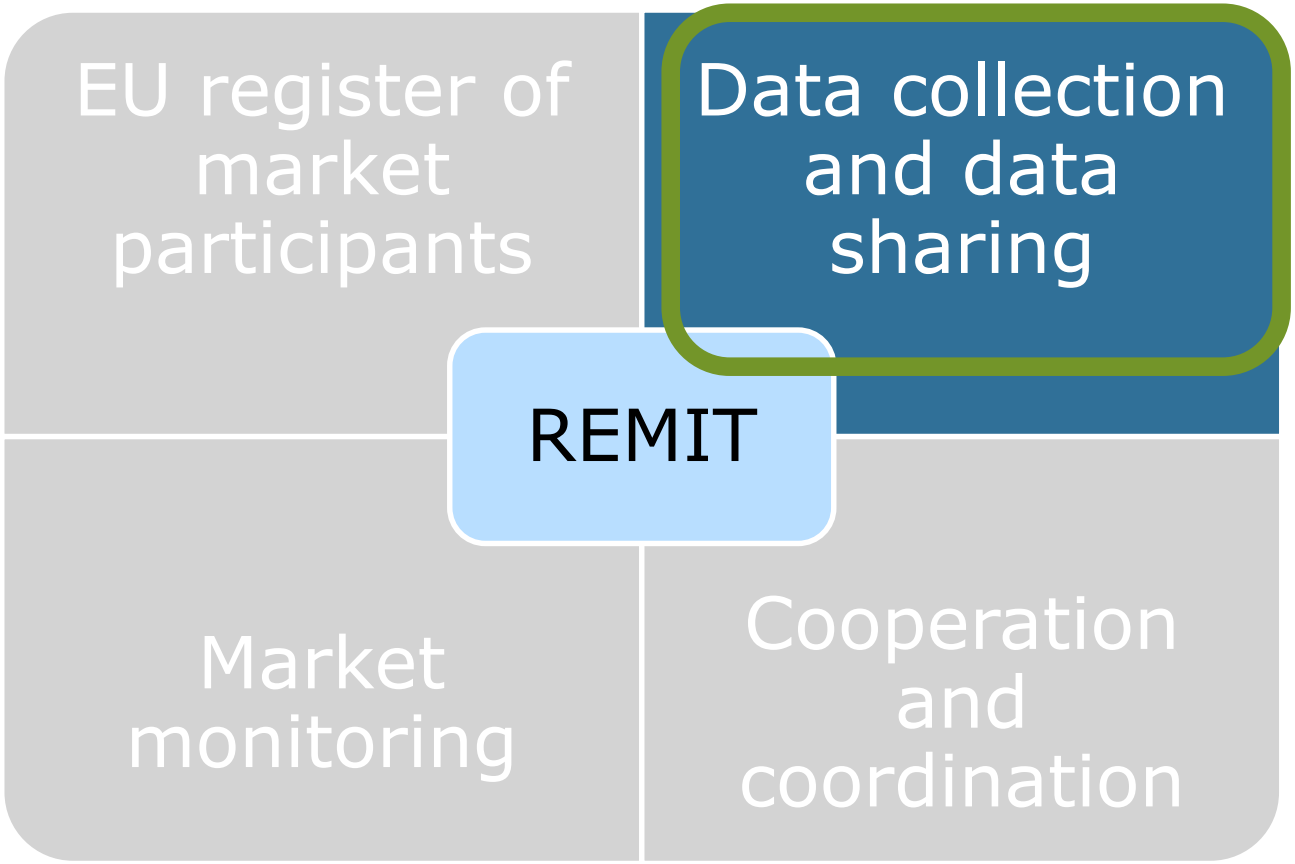
Registration of market participants

CEREMP – Centralised European Register of Energy Market Participants:

- Provides a central register of market participants based on national registers
- Ensures that each market participant has a unique identifier (ACER code)
- Allows an historical database for changes, additions and deletions
- Ensures secure access to appropriate data views to the different authorised parties

Provides NRAs with an integrated system for National registers (for NRAs not developing their own registration system)

ACER's core activities under REMIT



Hierarchy of REMIT rules

1st level

REMIT

2nd level

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

3rd level

Requirements for the registration of RRMs (Trade and Fundamental data)

Technical Specifications for RRMs

Transaction Reporting User Manual (TRUM)	**Manual of Procedures on transaction and Fundamental Data Reporting**

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Implementing Acts - Scope

- Article 8 (2) of REMIT – EC shall, by means of implementing acts:
  - draw up a **list of the contracts and derivatives**, including orders to trade;
  - lay down the **timing and form** in which that information is to be reported;
  - adopt **uniform rules** on the reporting of information.
- Implementing Acts entered into force in: **07/01/2015**

List of standard contracts

- Article 3(2) of the Implementing Acts:

*"In order to facilitate reporting, the Agency shall draw up and maintain a public **list of standard contracts** and update that list in a timely manner. In order to assist the Agency to comply with its obligations, organised market places shall submit identifying reference data for each wholesale energy product they admit to trading to the Agency. The information shall be submitted before trading commences in that particular contract in a format defined by the Agency. Organised markets shall submit updates of the information as changes occur"*

- The purpose of the list is to specify the contract types for which the standard reporting form is applicable.
- All non-listed contract types which do not have the characteristics of the standard contracts will be considered non-standard and shall be reported using the non-standard reporting form.

Contract name	Delivery zone	Energy commodity type	Contract type	Load Type	Organised market place ID	Full name of organised market place	Type of organised market place

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List of organised market places

- Article 3(2) of the Implementing Acts:

" *(…) the Agency shall draw up a list of organised market places upon entry into force of this regulation. The Agency shall update that list on a timely manner.*"

- Purpose - Enable identification of organised market places for the purpose of transaction reporting under Article 6(1)

- This list will also enable organised market places to submit identifying reference data for contracts they admit to trading for the purpose of the list of standard contracts (Article 3(2))

First release of the list of organised market places published in parallel to the entry into force of the IAs and is available at: http://www.acer-remit.eu

Implementing Acts – Reporting timeline

Entry into force of the IAs

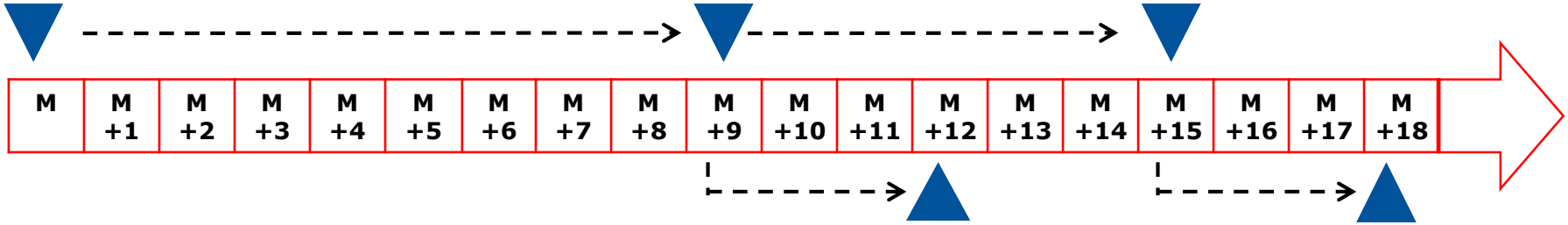
7 January 2015

Article 6(1) of the IA
Transaction reporting on WEPs traded **<u>at</u> Organised Markets**

(9 months after)
7 October 2015

Article 6(3) of the IA
Transaction reporting on WEPs traded **<u>outside</u> Organised Markets**

(6 months after)
7 April 2016



7 January 2016
(90 days after)

Article 7(4) of the IA
Back loading of outstanding contracts traded **<u>at</u> Organised markets** before the reporting obligation becomes applicable

7 July 2016
(90 days after)

Article 7(4) of the IA
Back loading of outstanding contracts traded **<u>outside</u> Organised markets** before the reporting obligation becomes applicable

Implementing Acts - Timing

Reporting cadence:

- Details of **standard contracts** and orders to trade shall be reported no later than on the **working day** following the conclusion of the contract or placement of the order
  - In the case of auction markets where orders are not made publicly visible, only concluded contracts and final orders shall be reported. They shall be reported no later than on the working day following the auction
  - Orders placed in brokers' voice operated services and not appearing on electronic screens shall be reportable only upon request of the Agency
- Details of **non-standard contracts** including any modification or the termination of the contract shall be reported **no later than one month** following the conclusion of the contract

Implementing Acts - Timing

Back loading:

- Details of wholesale energy contracts which were concluded before the reporting obligation becomes applicable and remain outstanding on that date shall be reported to the Agency within 90 days after the reporting obligation becomes applicable for those contracts.

- The reportable details shall:
  - Only include data which can be extracted from market participants' existing records.
  - At least comprise of data referred in Article 44(2) of Directive 2009/73/EC of the European Parliament and of the Council and in Article 40(2) of Directive 2009/72/EC of the European Parliament and of the Council.

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RRM Requirements

- Legal basis: Article 11 of the IAs (Technical and organisational requirements and responsibility for reporting data)
- Public consultations (March-May 2013 and July-August 2014)
- ACER involved stakeholders in the preparation of the RRM requirements:
  - Technical roundtable meeting in November with relevant stakeholders
  - Public workshop on 10 December 2014
  - Technical Specifications developed in parallel during the ACER Pilot Project

RRM requirements published in parallel to the entry into force of the IAs
http://www.acer-remit.eu

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Technical Specifications for RRMs

Transaction Reporting User Manual (TRUM)	**Manual of Procedures on Transaction and Fundamental Data Reporting**

Transaction Reporting User Manual (TRUM)

- The purpose of the TRUM is to **facilitate reporting** by explaining the **details** of the reportable information and to provide MPs and third party RRMs with sufficient guidance to make correct decisions about their transaction reporting obligations

- Several **consultations** with relevant stakeholders on the document:

	April				May				June				July				August				Sept				Oct				Nov			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Organised markets	▲						▲							▲														▲		▲		▲
Third party RRMs								▲						▲														▲		▲		▲
Associations of MPs								▲						▲									▲					▲				▲

First edition of the TRUM published in parallel to the entry into force of the IAs
http://www.acer-remit.eu

Manual of Procedures on Transactions and Fundamental Data reporting

- Legal basis: Article 10 of the IAs (Reporting procedures)
- Aim to facilitate reporting by explaining the details of the reportable information and defining electronic formats
- Focus is at keeping the document relatively short by referring to existing standards (e.g. IEC, Edigas)

First edition of the MoP published in parallel to the entry into force of the IAs
http://www.acer-remit.eu

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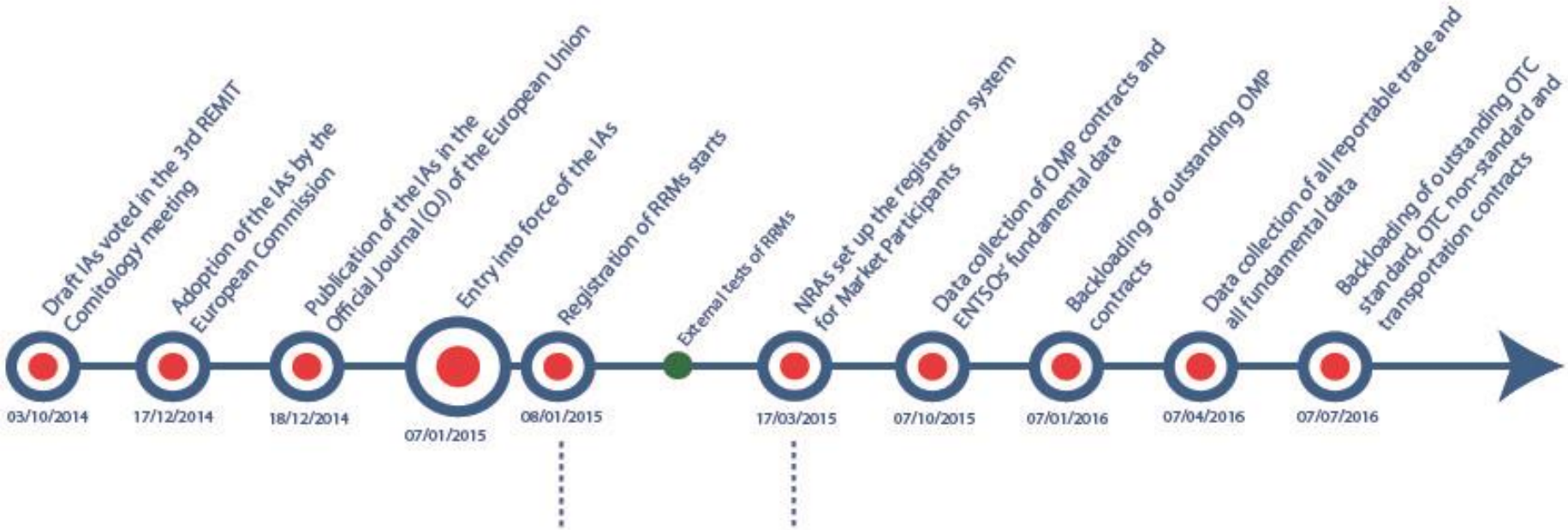
The way ahead

REMIT IMPLEMENTATION TIMELINE



Publication of:
- Manual of Procedures on Data Reporting
- RRM requirements
- List of OMP
- TRUM

Publication of:
- The European Register of Market Participants
- List of Standard Contracts

Glossary:
ENTSO - European Network of Transmission System Operators
TRUM - Transaction Reporting User Manual
RRM - Registered Reporting Mechanisms
NRA - National Regulatory Authority
OMP - Organised Market Place
IAs - Implementing Acts
OTC - Over-the-counter

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Questions?

Thank you for your attention!

www.acer.europa.eu

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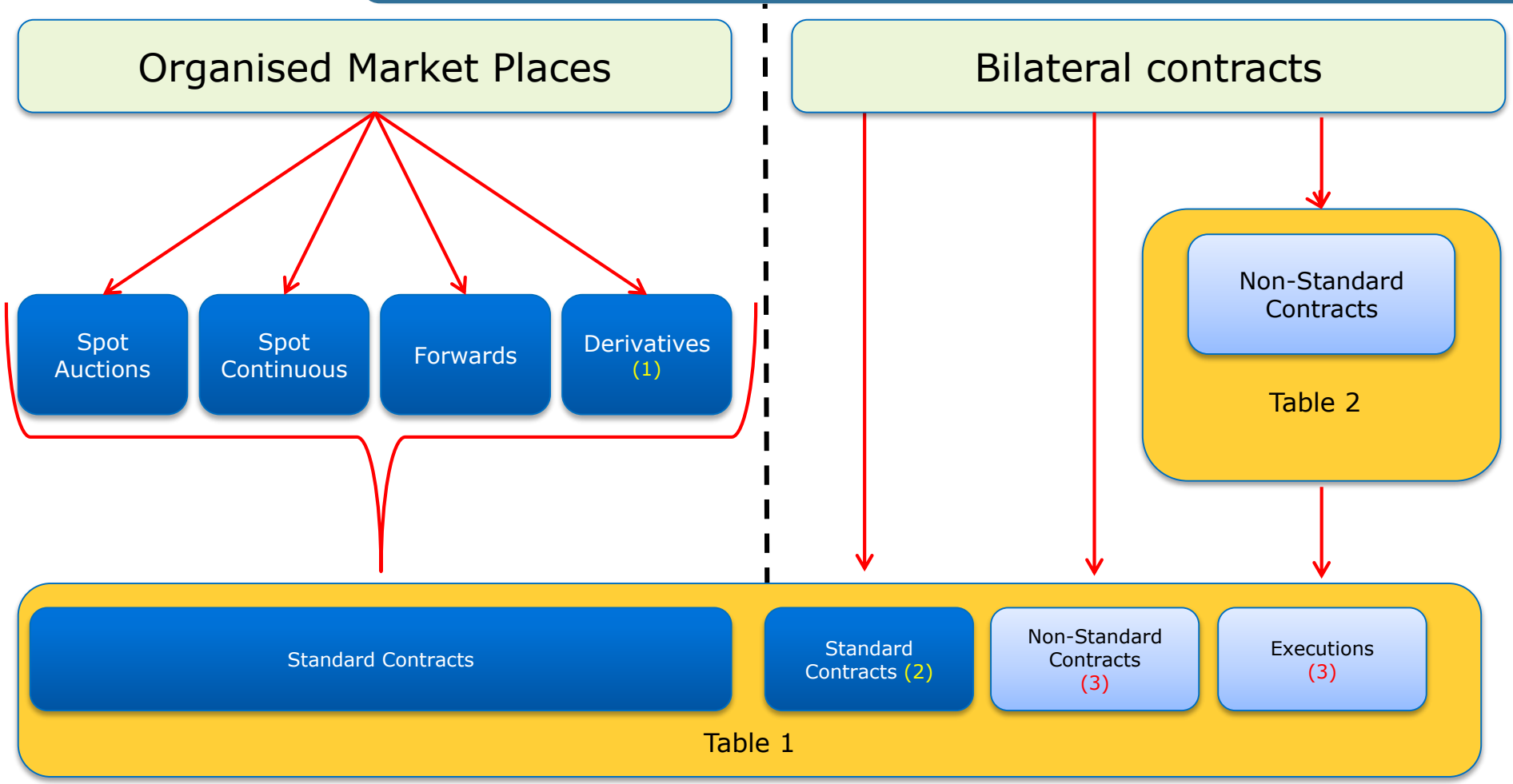
Implementing Acts – Reporting obligations

Reporting of trade data

	MPs through OMPs	TRs	MPs	Third-party RRMs	When?
WEPs (supply, transportation, derivatives contracts), including matched and unmatched orders, executed at OMPs	√			√	9 months following the IA's entry into force
Derivatives reportable under EMIR		√			Within 9 months following the IA's entry into force
WEPs (supply, transportation and derivatives contracts not reportable under EMIR) executed outside OMPs			√	√	15 months following the IA's entry into force

Standard vs non-standard contracts

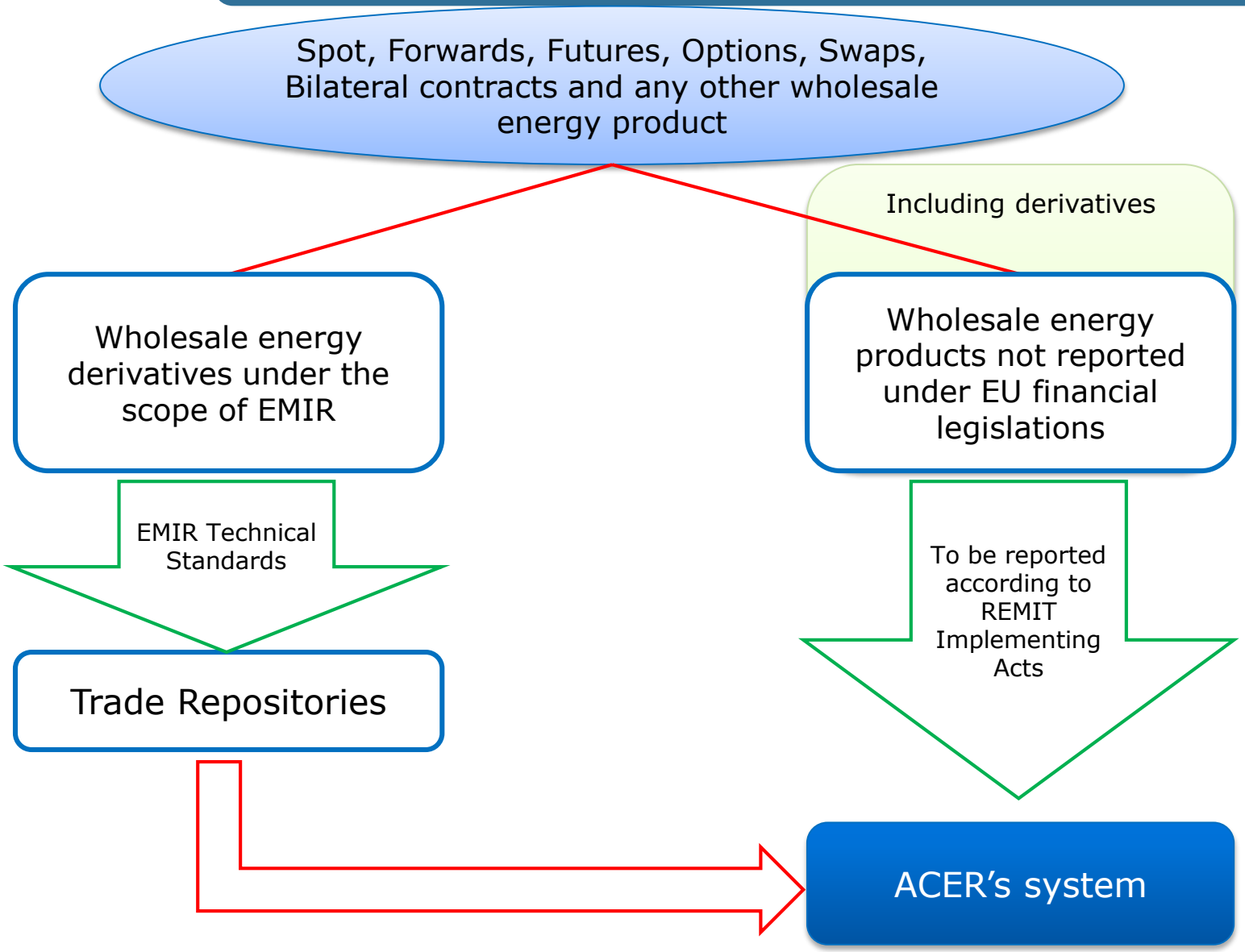


(1) Trades not reported under EU financial legislations

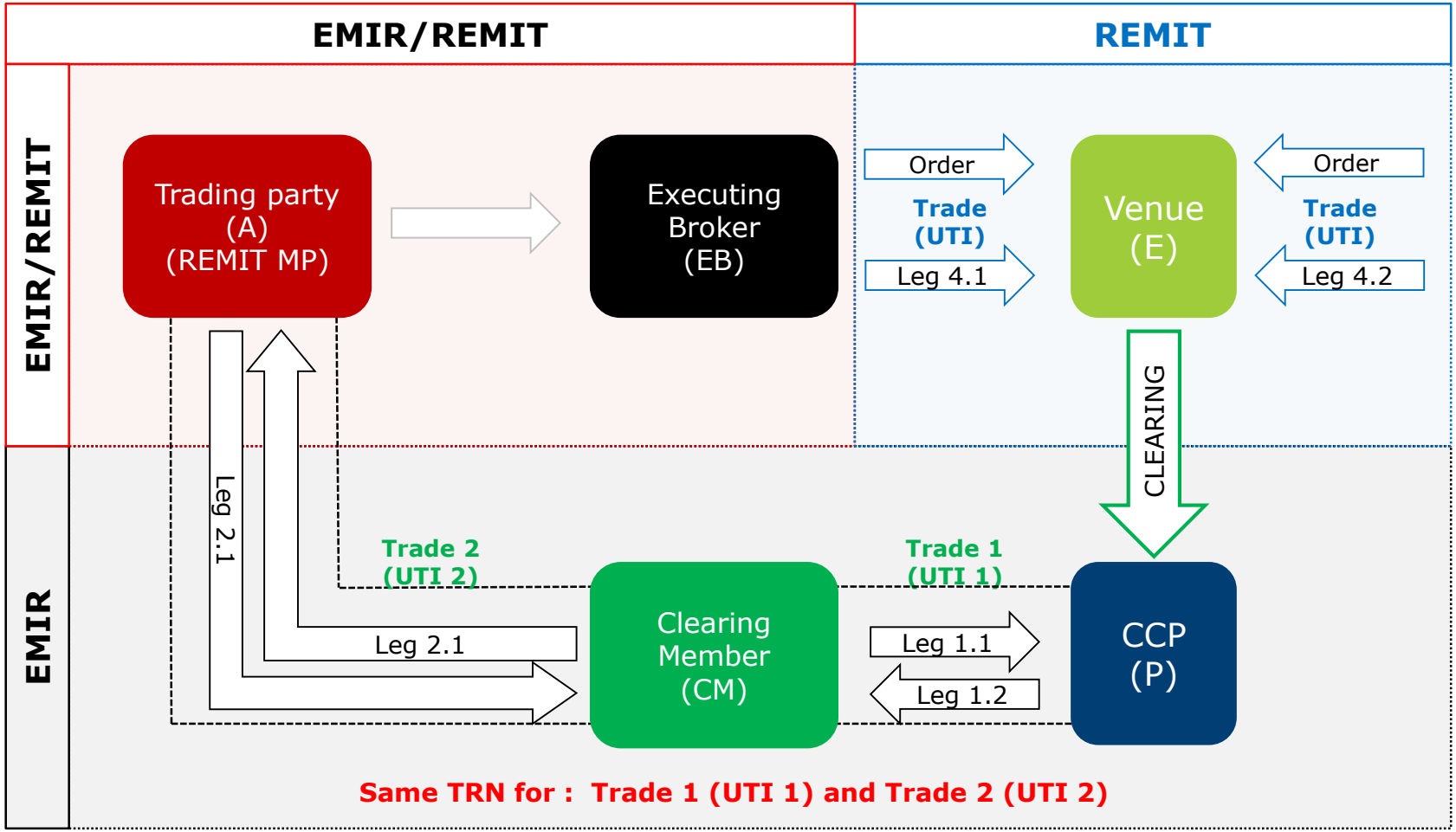
(2) Contracts that are admitted to trade at Organised Market Places

(3) Details of transactions executed within the framework of non-standard contracts specifying at least an outright volume and price shall be reported using Table 1 of the Annex to the IAs.

Transaction reporting: REMIT vs EMIR according to the EC's draft IAs



ETDs reported under EMIR: the investment firm is not itself a counterparty and is trading on the account of and on behalf of a client (*agency transactions and trades given up for clearing)*



Reported under EMIR:

- Counterparty ID (LEI) to identify (A), REMIT market participant
- Venue of execution, to identify Venue (E)
- Broker ID to identify the Executing Broker (EB), REMIT market participant
- Trade ID (or UTI) to identify the trade
- Transaction Reference Number (TRF) to identify the trade flow

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Structure of the TRUM

1. Introduction
   - Legal framework, scope, version history, etc.

2. Reporting obligations
   - What to report? Who shall report? How to report, when and reporting frequency

3. Reporting of standard supply contracts
   - Field guidelines

4. Reporting of non-standard supply contracts
   - Field guidelines

5. Reporting of electricity transportation contracts
   - Field guidelines

6. Reporting of gas transportation contracts
   - Field guidelines

ANNEX – Data fields included in the draft implementing acts

ANNEX – Identifying reference data for the list of standard contracts and organised market places

ANNEX – Trading scenarios for the reporting of standard and non-standard contracts

ANNEX – Reporting of REMIT derivatives under EMIR

ANNEX – Guidance on UTI generation

ANNEX – Abbreviations

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Additional guidance foreseen for the TRUM

1. Life cycle events
2. Definition of orders to trades
3. Back loading
4. Standard vs non-standard contracts
5. Unique Transaction ID
6. Clarification on outright volume and price
7. Guidance on timestamp for bilateral trades
8. Guidance on reporting EMIR derivatives