


Authorised Parties only

ACER

 Agency for the Cooperation
of Energy Regulators

What is REMIT?

Wholesale market monitoring under REMIT

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Market Surveillance and Conduct Department

Energy Transparency Week

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1. ACER's mission and role under REMIT
2. Core activities under REMIT
3. Summary and conclusion

*"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

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)

A new regulatory and legal framework for the surveillance of wholesale energy markets

- The global financial crisis originated in the U.S. in 2008 dictates a wide reform of the surveillance framework
- Previous regulation:
 - » Financial regulation not fully adapted to energy market
 - » Energy regulation not fully addressing monitoring of energy markets
 - » No optimal coordination and fragmented legislation in relation to cross-border cases

Transparency

Obligations for market participants to disclose inside information

Integrity

Explicit **prohibitions** of abusive practices in wholesale energy markets

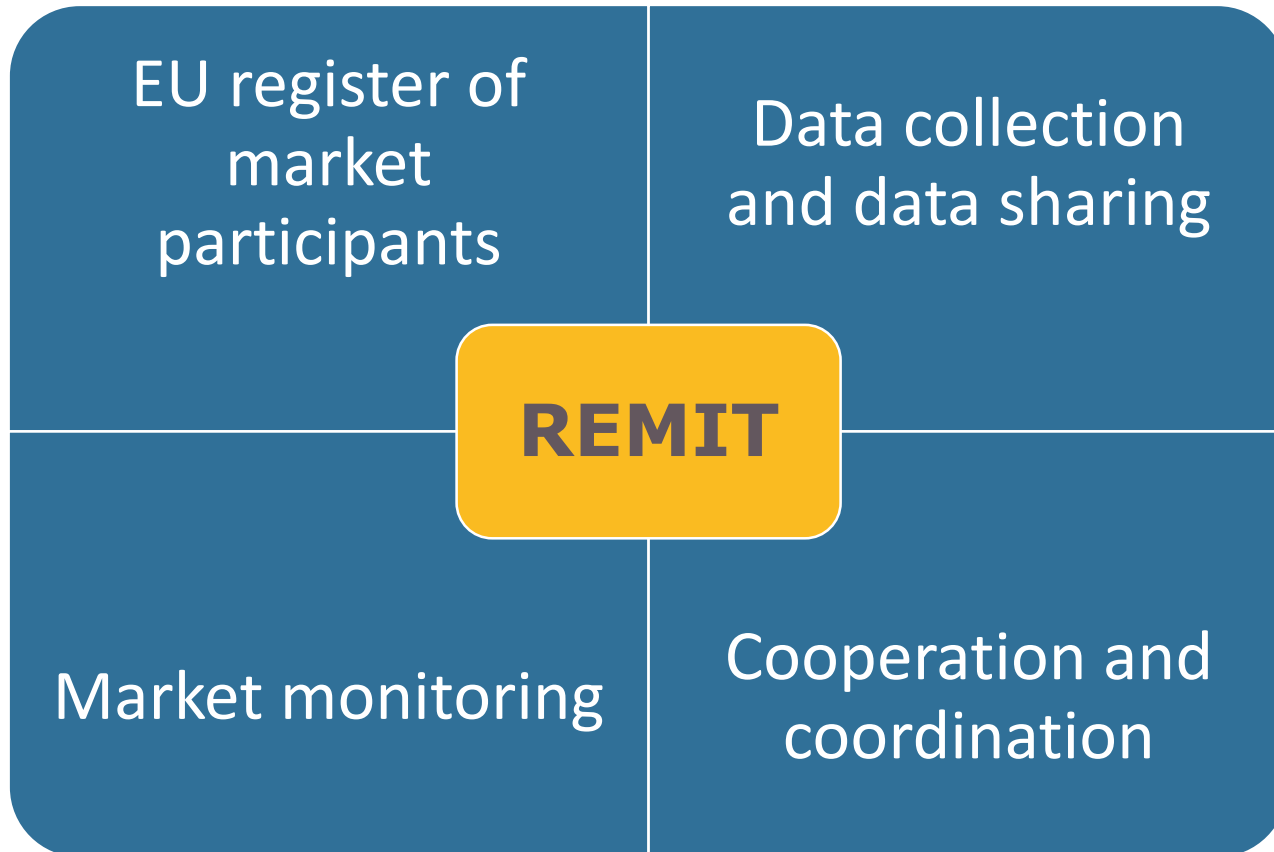
Monitoring

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

Cooperation

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

1. ACER's mission and role under REMIT
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1. ACER's mission and role under REMIT

2. Core activities under REMIT

- » Registration
- » Data collection
- » Market monitoring
- » Coordination and cooperation

3. Summary and conclusion

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)**



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)

- 13,292 Market Participants registered in CEREMP
- Files submitted
 - » Table 1 (Standard Contracts)– 5.5 million files
 - » Table 2 (Non-Standard Contracts) – 134,000 files
 - » Table 3 (Electricity Transportation) – 55,000 files
 - » Table 4 (Gas Transportation) – 386,000 files

 - » Electricity fundamental data – 2,9 million files
 - » Gas fundamental data – 1,3 million files

Total: around 10,423,111 files

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3. Summary and conclusion

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
(Trade and Fundamental data)

Technical Specifications for RRM

Transaction Reporting User Manual
(TRUM)

Manual of Procedures on transaction
and Fundamental Data Reporting

1st level

REMIT

2nd level



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- 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 on **07 January 2015**



List of standard contracts

- Article 3(2) of the Implementing Acts:

*"[...] the Agency shall draw up and maintain a public **list of standard contracts** [...]"*

"[...] organised market places shall submit identifying reference data for each wholesale energy product they admit to trading to the Agency.[...]"

- The purpose of the list is to specify the contract types for which the **standard reporting** form is applicable.
- All non-listed contract 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

List of standard contracts available at:
<http://www.acer-remit.eu>

- 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)
- » 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))

List of organised market places available at:
<http://www.acer-remit.eu>

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 RRM
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- Requirements for Registered Reporting Mechanisms (RRM)
 - » Technical and organizational requirements for submitting data
- Agency assesses whether reporting parties comply with the RRM Requirements
 - » subsequently registered as such by the Agency

RRM requirements available at
<http://www.acer-remit.eu>

- **116 RRM**s approved and can report **REMIT data** (47 Third party RRM
s, 56 TSO/LSO/SSO and 13 other MPs)- Number of active RRM
s

 - » 70 for standard contracts (out of 73 approved RRM
s) - » 48 for non-standard contracts (out of 56 approved RRM
s) - » 28 for electricity transportation (out of 47 approved RRM
s) - » 47 for gas transportation (out of 50 approved RRM
s)
- Number of records of transactions, including orders to trade, since October 2015
 - » More than 10,625,673 contracts, 214,662,000 trades and 1,035,000,000 orders

Hierarchy of REMIT rules

1st level

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

3rd level



Requirements for the registration of RRM
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Technical Specifications for RRM

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Manual of Procedures on Transaction
and Fundamental Data Reporting

- The purpose of the TRUM is
 - » **facilitate reporting** by explaining the **details** of the reportable information
 - » provide MPs and third party RRM s with sufficient guidance to make correct decisions about their transaction reporting obligations
- Several consultations with relevant stakeholders on the TRUM

TRUM available at
<http://www.acer-remit.eu>

- 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)

Manual of Procedures available at
<http://www.acer-remit.eu>

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3. Summary and conclusion

- Market monitoring
 - » Detection and deterrence on **market abuse**
 - » **Market surveillance**
 - Including data screening and initial assessment
 - » **Market conduct activities**
 - In-depth analysis of potential REMIT breaches
 - Ensuring National Regulatory Authorities carry out their REMIT tasks in a consistent and coordinated way

Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT)

Insider Trading

Using inside info to trade or trying to trade

Disclosing inside info to 3rd parties

Recommending 3rd parties to trade based on this inside info

Market Manipulation

False/Misleading Signals

Price Positioning

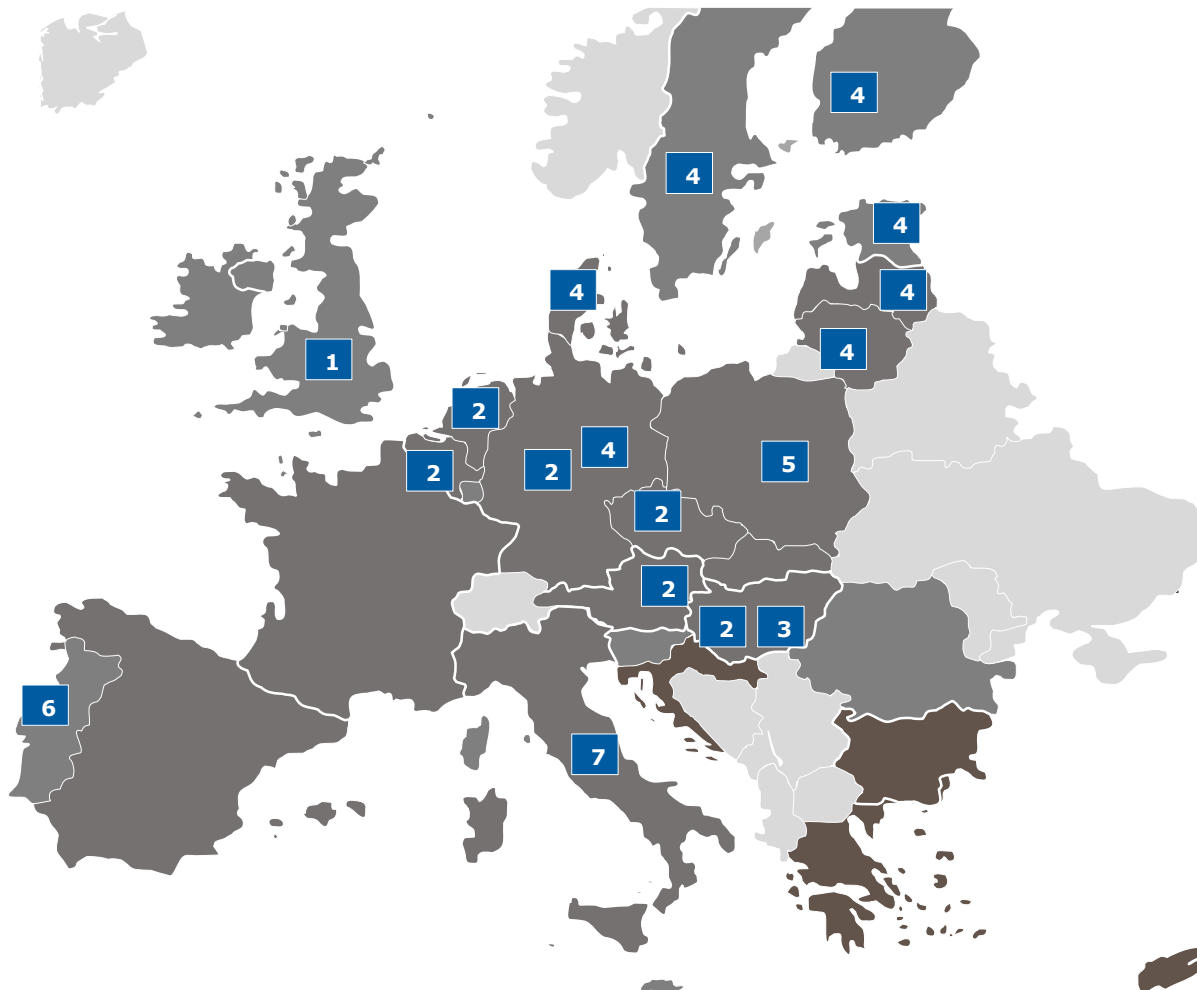
Transactions involving Fictitious Devices/Deception

Attempted Market Manipulation

Dissemination of False or Misleading Information

Disclosing inside info to 3rd parties - Central platforms for electricity

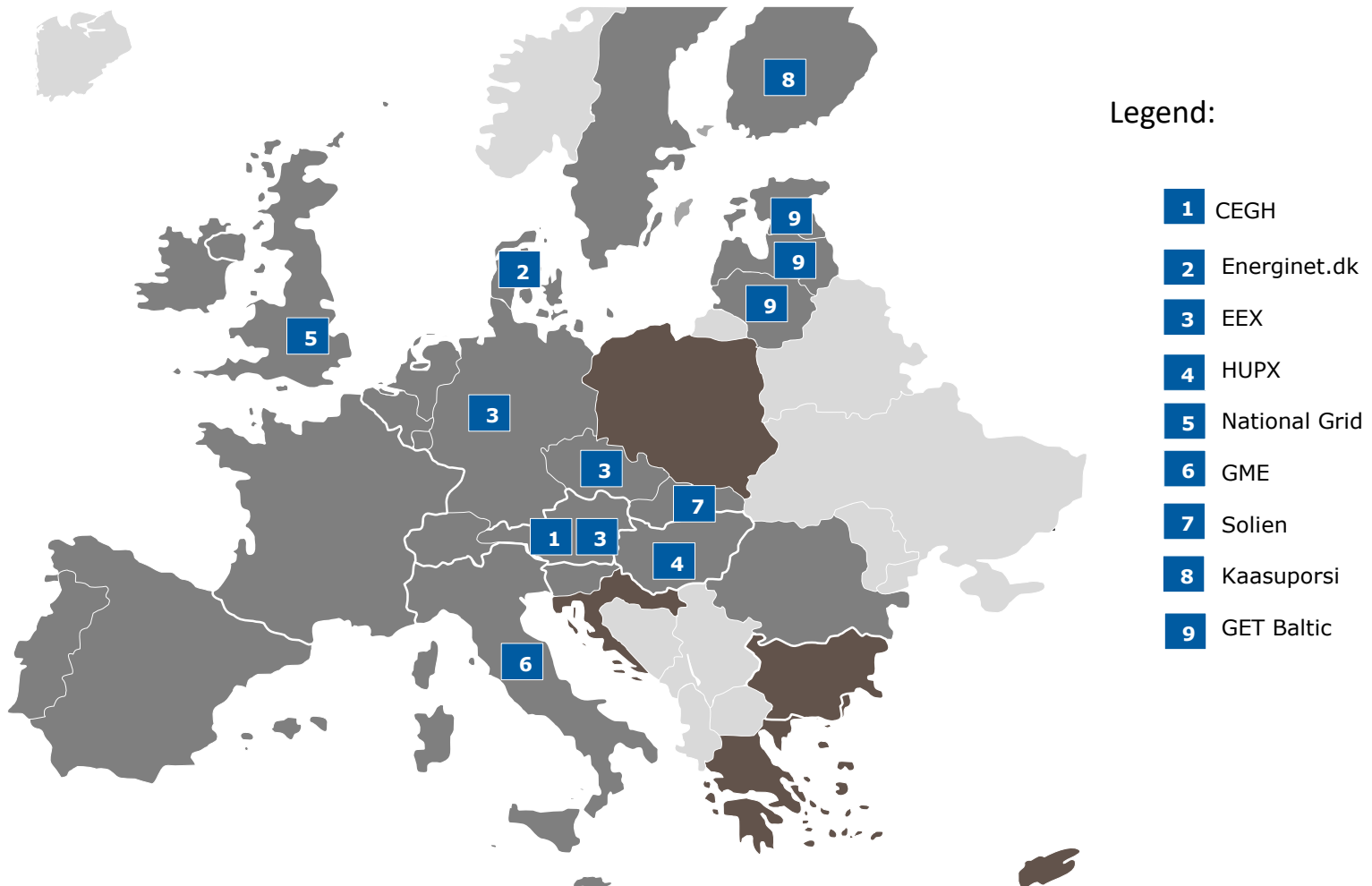
8 Solien – all EU



Legend:

- 1 ELEXON
- 2 EEX
- 3 HUPX
- 4 Nord Pool
- 5 Polish Power Exchange
- 6 REN
- 7 GME
- 8 Solien

7 Solien – all EU



- Suspicious transaction reports (STRs)
 - » Notifications from Organised Market Places and other PPATs
 - » Notifications from National Regulatory Authorities
 - » Notifications from Market participants or third parties
- Market information
 - » Market news
 - » ACER's market observations and regular monitoring
 - » Reference data (Data providers)
- **REMIT data reporting**
 - » Transaction reporting
 - » Fundamental data reporting
 - » Urgent Market Messages (UMMs)

Do you have any suspicion on the breach of REMIT?
You can notify the Agency and the relevant NRA(s) through the
Notification Platform: <https://www.acer-remit.eu/np/home>

NOTIFICATION PLATFORM [Home](#)

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Welcome to the Notification Platform

[Notify transactions to cover the immediate physical loss \(Article 3\(4\)\(b\) of REMIT\) ?](#)

[Notify exceptional delay in the public disclosure of inside information \(Article 4\(2\) of REMIT\) ?](#)

[Suspicious Transaction Report \(STR\) ?](#)

NOTIFICATION PLATFORM [Home](#)

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Other Suspicious Transaction Report (STR) Restricted+

Basic Information	<input checked="" type="checkbox"/>	Category of REMIT breach *	<div>Insider Trading (Art. 3) Market Manipulation (Art. 5) PPAT obligation (Art. 15) Data Reporting obligation (Art. 8)</div>
Notifying parties	<input checked="" type="checkbox"/>	Sub-category of REMIT breach	<div>Nothing selected</div>
Parties involved in the potential breach	<input checked="" type="checkbox"/>	Member State affected	<div>Austria Belgium Bulgaria Croatia</div>
Description of the potential breach	<input checked="" type="checkbox"/>		
Attachments and submission	<input checked="" type="checkbox"/>		

Legend

Union wide market monitoring by ACER

Investigation and Enforcement by National Regulatory Authorities (NRAs)*

Automatic screening
of data

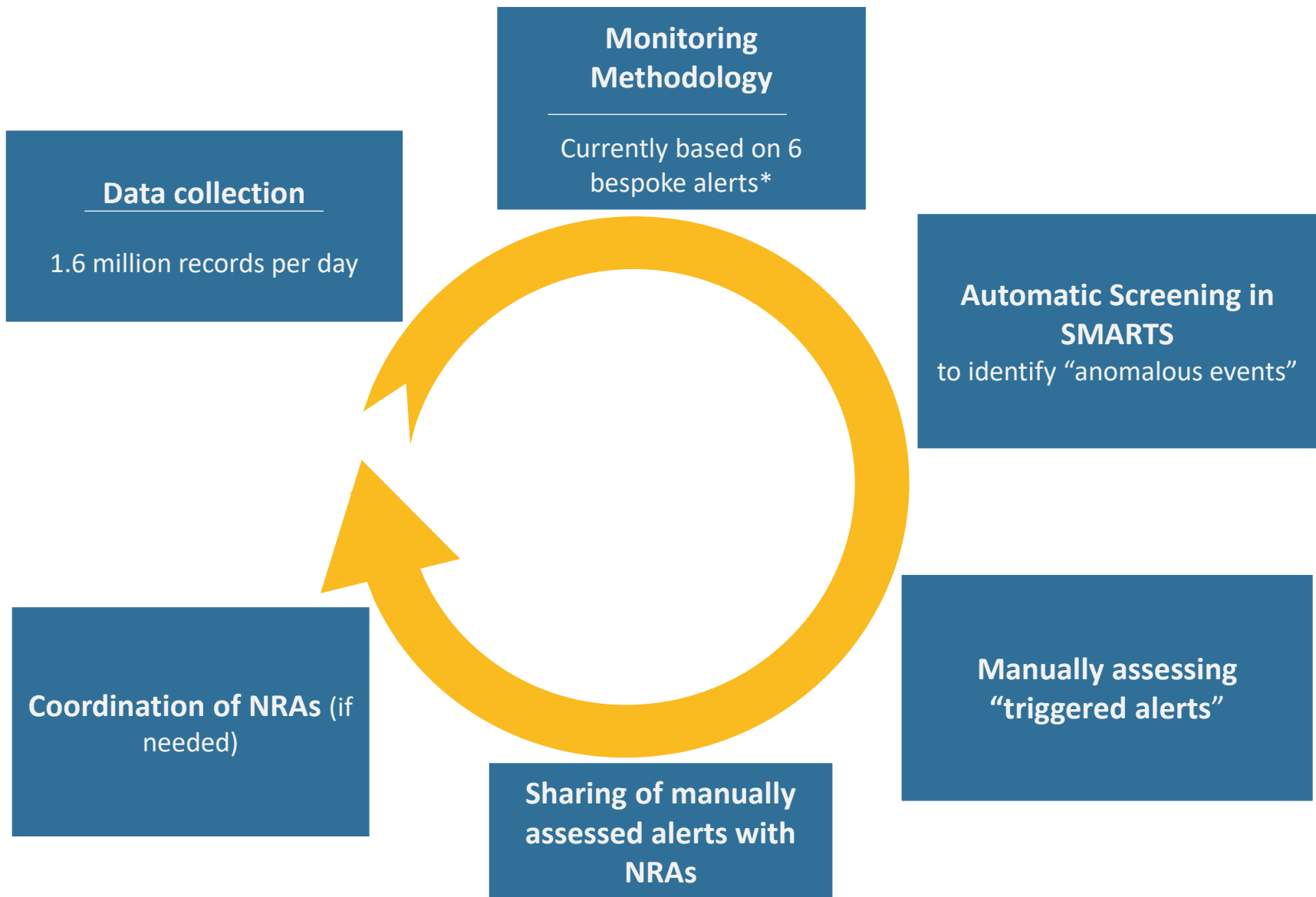
Initial assessment
and analysis

Investigation of
suspected breaches

Enforcement



Surveillance: From data to alerts to cases

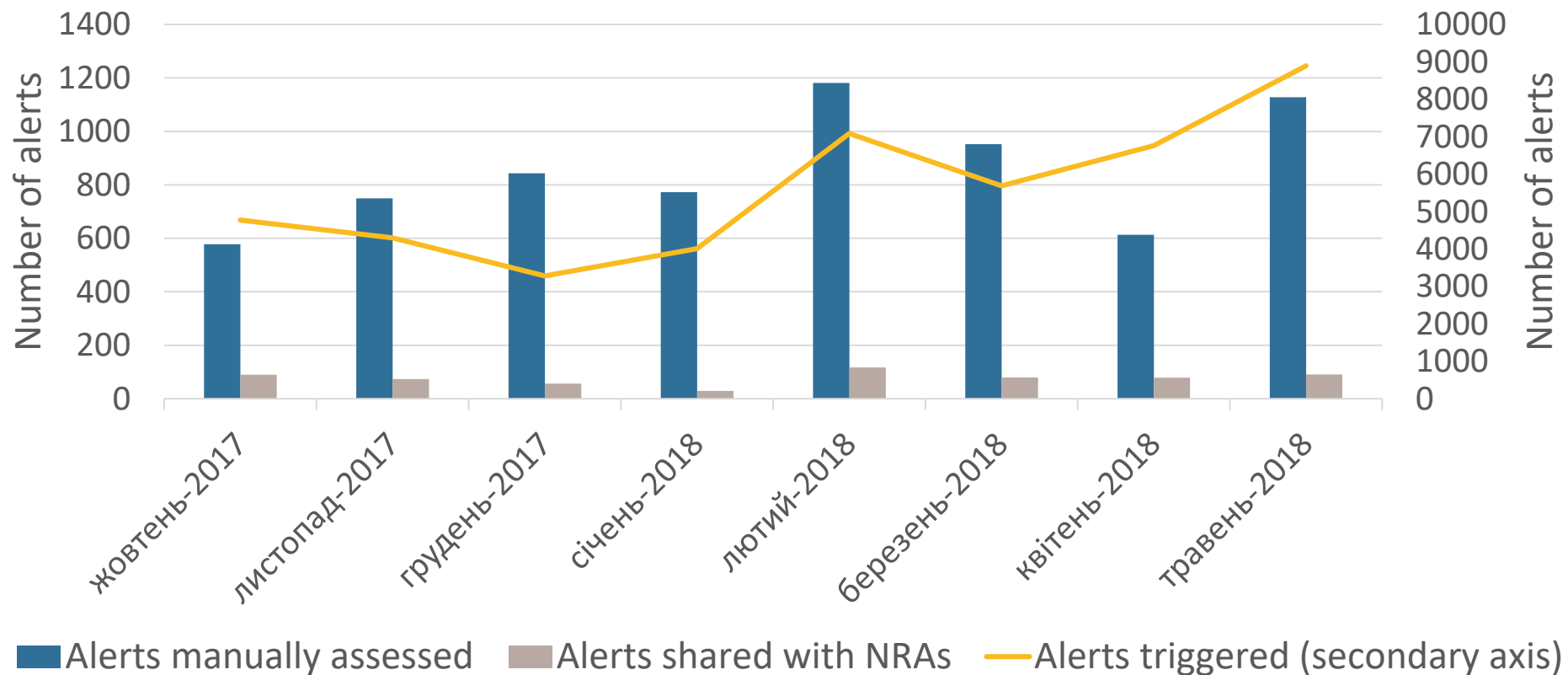


*An alert is a set of conditions coded in the alert logic that define the trading behaviour. If these conditions are met the alert triggers.

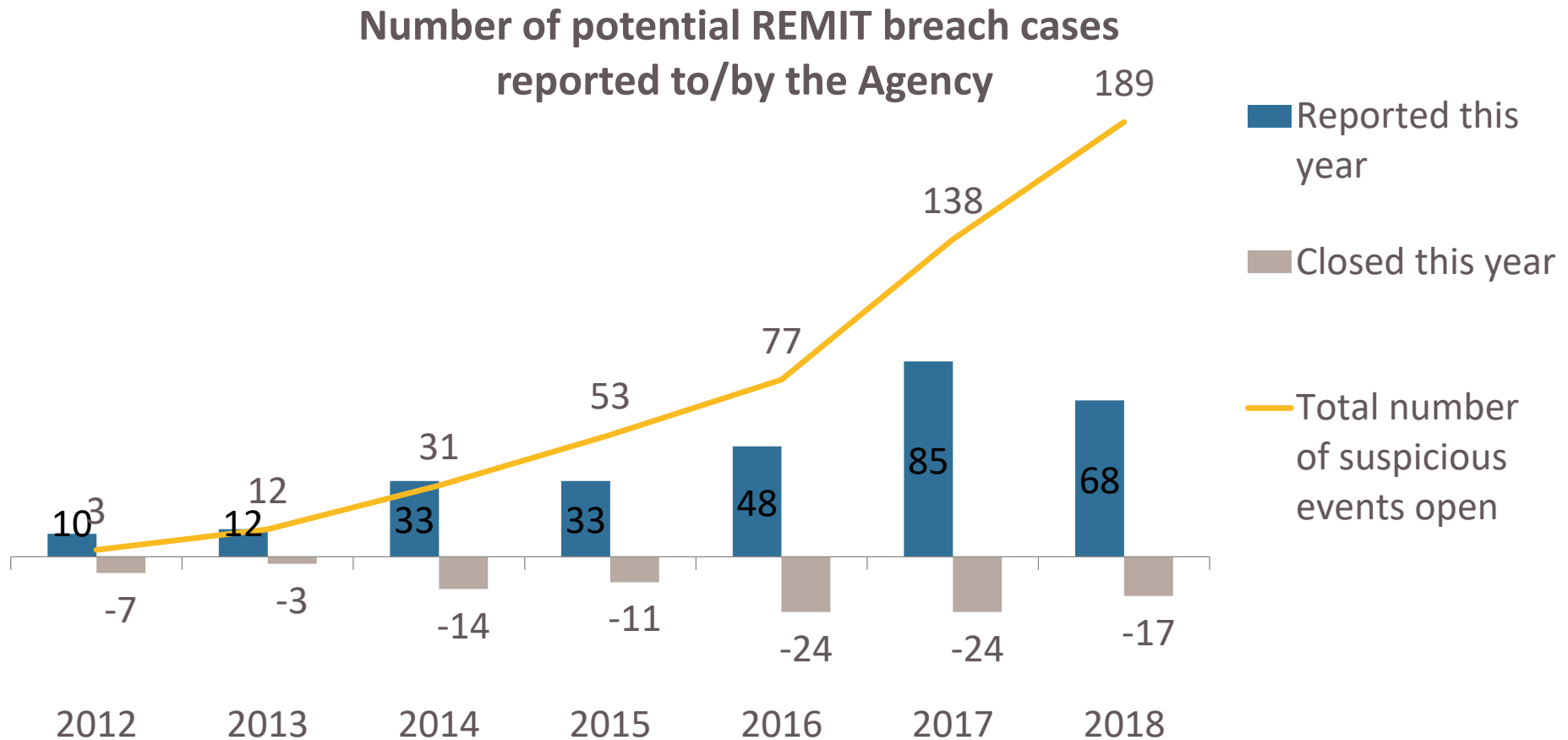
09/10/2018

Significant progress has been made in the calibration of bespoke alerts for continuous markets

The number of alerts per month



The number of suspicious market abuse events reported to NRAs and ACER has grown significantly with in 25% of all events involving multiple NRAs which requires coordination



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The Agency shall aim to ensure that NRAs carry out their tasks under REMIT in a coordinated and consistent way

- ACER Guidance and Guidance Notes
- Coordination meetings with in-depth topical presentations
- Cross notification obligations
- Request NRAs any information related to the suspected breach
- Request NRAs to commence an investigation of the suspected breach, and to take appropriate action to remedy any breach found - decision as regards appropriate action is an NRA responsibility
- To establish and coordinate an investigatory group



Surveillance

NRAs
may monitor
markets at
national level

ACER shall
ensure a
coordinated
and consistent
approach

ACER
shall monitor
wholesale energy
markets at pan-
European level

PPATs*
shall monitor their
venues

Case Handling / Conduct

NRAs

- Investigate suspected breaches of REMIT
- Take appropriate action if a breach is found

ACER shall
ensure a
coordinated
and consistent
approach

ACER
Assists NRAs:
preliminary assessment
requests to commence an investigation
coordinate investigatory groups

case initiation

- ACER coordination and cooperation activities
 - » AMIT Working Group and Task Forces
 - » REMIT Coordination Group and Standing Committees
 - » Expert Groups
 - REMIT ad hoc expert group
 - Ad hoc expert group on energy commodity derivatives

- With NRAs, through ACER Working Groups and Task Forces, using the tools (e.g. the Case Management Tool) developed by ACER
- MoUs with:
 - » **ESMA** (EU Financial Authority)
 - » **Organised Market Places**
 - » **FERC** (US)
- Notification obligations of national **financial and competition authorities** if energy regulators suspect a breach falling within their jurisdiction

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Summary: what ACER is currently doing in REMIT

- Actively monitoring trading activities in wholesale energy markets in order to detect and prevent ...
 - » market manipulation
 - » attempted market manipulation
 - » trading based on inside information
- Collection of trade and fundamental data
- Screening of data
- Identify instances of possible market abuse
- Reporting to NRAs for investigation and enforcement
- Coordinating and ensuring consistency on REMIT application (on cases)

- REMIT is a relatively new Regulation to ensure a market that operates in full transparency and integrity
- It is directly applicable in all EU countries
- Everything is set up:
 - » EU register of market participants
 - » Data collection and data sharing
 - » Market monitoring
 - » Cooperation and coordination
- Some REMIT cases have already made the news

Thank you for your attention!



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