

European Commission proposal on the revision of the European supervisory authorities

A EURELECTRIC response paper

January 2018

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EURELECTRIC is the voice of the electricity industry in Europe.

We speak for more than 3,500 companies in power generation, distribution, and supply.

We Stand For:

Carbon-neutral electricity in Europe well before mid-century

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

Competitive electricity for our customers

We support well-functioning, distortion-free **energy and carbon markets** as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

Continent-wide electricity through a coherent European approach

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

EURELECTRIC. Electricity for Europe.

KEY MESSAGES

- EURELECTRIC welcomes the possibility to provide feedback on the initiative to improve the European supervisory authorities (ESAs) on the international framework for the stability of the international financial markets.
- EURELECTRIC understands the need for a supervisory authority at European level to be able to have an overview of European financial markets in all asset classes; while having a view at the international level and towards supervisory authorities in third countries.
- Regarding the European securities markets authority (ESMA):
 - Governance: EURELECTRIC takes note of the creation of the Executive board with full-time members dedicated to a day-to-day decision process besides the Board of supervisors. However, EURELECTRIC would like to underline the need for Member States to also be involved in the governing structure.
 - Consultation process: EURELECTRIC sees the need for an improved involvement of stakeholders. This should be done through consultations as well as stakeholder workshops. We do not think that the set-up of consultative working groups (WGs) is sufficient for market participants to be adequately represented. In this context, there is an outspoken need for consultation in the Q&A process and in the preparation of guidelines.
 - Expertise: EURELECTRIC thinks that the organisation of meetings on a regular and informal basis besides the formal consultation process is beneficial. This will allow professional associations to ensure that updated expertise in all asset classes, including in commodities and emission allowances, is made available for an efficient supervision at European level.
 - Coordination with national supervisors: a right balance between centralised supervision at European level and relevant powers being given to the national level should be ensured, particularly on cross-border issues.
 - Data collection: should data be submitted directly to ESMA, it must be ensured that no additional reporting for market participants will be required. Instead, other regulatory authorities possibly needing additional data should have access to this data set and collect it from there.
 - Sustainability factors: market participants should be involved in the process to define the way ESMA has to take into account the environmental social governance (ESG) factors in the implementation of new regulations.

Amendments proposed: EURELECTRIC has a positive view on the amendments proposed to Regulation (EU) 600/2014 (MIFIR – data reporting service providers). Replacing this article by Article 6 paragraph 28 of the ESA proposal would:

- add the authorisation and supervision of data reporting service providers to the scope of Regulation (EU) No 600/2014 (MiFIR) together with direct data gathering powers for the purposes of reporting and transparency calculations;
- add the three different types of data reporting service providers to the definitions in MiFIR;
- empower ESMA to request information it requires for its supervisory tasks;
- establish ESMA as the supervisor of data reporting service providers;
- define the powers and competences ESMA should have in exercising its role as competent authority;
- impose reporting requirements for the Commission on the functioning of the consolidated tape;
- specify the transfer of competences from national competent authorities to ESMA.

Granting those competences to ESMA would allow for a centrally managed authorisation and oversight of data. This would avoid the current situation where multiple trading venues are required to provide various competent authorities with data which are only then provided to ESMA. Such a centrally managed system should be highly beneficial to the market participants in terms of higher data transparency and market efficiency.

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



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