ACER consultation on the revision of the REMIT implementing regulation

A Eurelectric response paper

September 2024

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Dépôt légal: D/2024/12.105/22

WG Financial Regulation & Market Integrity

Contact:
Max SCHNEIDER, Policy Officer Wholesale Markets
mschneider@eurelectric.org

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KEY MESSAGES

- **Simple reporting structures** should be one of the key objectives and requested data under the transaction reporting obligation must be proportionate to the needs of ACER and the scope of REMIT II.
- **Reporting of trading strategies** must be avoided in any event as it lacks the legal basis and it is operationally impractical due to missing definitions and manual intervention for each transaction by the trader.
- **Algorithmic trading and DEA requirements** must align with the legal provisions of the revised REMIT (2024) while ensuring no additional burdens are imposed on market participants.
- **For further information**, we refer you to the joint statement adopted by the Joint Energy Associations Group in addition to this Eurelectric consultation response.

Section I: General questions

I.1 In your opinion, what measures could be implemented to ensure that the REMIT data reporting remains aligned with the evolution of the wholesale energy markets? You are invited to suggest any changes that may impact the structure of the current Tables in the Annex to the REMIT IR.

We believe that the current REMIT reporting system works reasonably well. If changes to the current reporting format are considered, they should therefore aim at minimising the reporting burden for market participants and be thoroughly justified on a cost-benefit basis.

Changes to the current reporting tables in the Annex to the REMIT IR run against this objective and would involve costly changes to market participants' IT systems. Such changes require time for appropriate calibration and necessarily lead to temporary increases in data inconsistencies. For this reason, ACER should prioritise new values over the creation of new data fields whereever possible.

Finally, the order book reporting framework should focus on bilateral transaction and static data delivery to OMPs, as foreseen by the REMIT Regulation.

I.2 To ensure that the REMIT data reporting can dynamically adapt to market changes, would you support the inclusion of 'extra fields' in the different Tables?

No, we do not see any added value in adding extra data fields, except where required by the reporting of new products under REMIT II. All additional information can be reported and made available by incorporating new values within already existing fields. Simple reporting structures should be a key objective and requested data under the transaction reporting obligation must be proportionate to the needs of ACER and the scope of the Regulation.

I.3 Do you agree with the current structure of the REMIT data reporting?

Yes. The current REMIT reporting structure is the product of a yearslong development process and has involved high development costs for market participants. While marginal adaptations may be warranted, they should be implemented in the least burdensome manner possible. Therefore, new values in existing data fields should be prioritised over the creation of new data fields. Where a change in format is indispensable, sufficient implementation time should be granted to market participants once ACER guidance documents (TRUM, FAQs, ACER reporting examples) are updated ajd RRMs have provided new fields for testing to MPs.

I.4 Would you support moving from the current XML format to a different electronic format (e.g. json)?

No. XML provides a control framework in which any stakeholder can check that the given file complies with an XML schema. To this date, ACER has not communicated any limitation in the use of the XML format for REMIT reporting to market participants. We therefore see no added value in implementing such a major change to the reporting format.

Moreover, every electronic format comes with its proper pros and cons. Without the demonstration of significant benefits and simplification in connection with a different electronic format, we do not see a need to depart from XML.

At last, moving to another format would involve additional implementation and development costs for market participants, while the implementation of the REMIT revision already requires time and resources. In any case, a different electronic format would impact multiple stakeholders (MPs, IIPs, RRMs, etc.) and it would be worth considering sufficient time and testing, including on conversion tools.

Section II: Existing Tables of the Annex of the REMIT Implementing Regulation

Table 1 – Reportable details of standard contracts for the supply of electricity and natural gas

Reporting format

II.1 Would you agree to use Table 1 only for the reporting of transactions, including orders to trade, related to standard contracts (i.e. contracts admitted to trading at OMPs for the supply of electricity and gas traded on an OMP or bilaterally)? This would imply that the reporting of Executions (related to non-standard contracts reported in Table 2) and trades concluded bilaterally (non-standard contracts with fixed price and quantity) would be reported via a different Table (e.g. Table 2b).

No. The current reporting structure has, on the one hand, demonstrated that it can represent the various transactions carried out on the markets and, on the other, has involved complex development activities for market participants (MPs). This change will impact MPs disproportionately, since it would likely entail various technical developments with economic impacts for all actors involved in reporting activities. It should also be anticipated that errors and incongruences in reporting may occur during the adaptation period.

Another way to facilitate the reporting could be to further detail what is expected and how to report in the TRUM and more generally in the REMIT documentation. To facilitate the data analyses without impacting MPs, the duplication of Table 1 (e.g., a table with the exact same structure without adding or deleting variables) for the reporting of Executions (related to non-standard contracts reported in Table 2) and trades concluded bilaterally (non-standard contracts with fixed price and quantity) could be explored.

II.2 Would you be in favour of reporting orders to trade and the concluded trades separately (i.e. vie different xmls)? This would imply the potential use of two different Tables (e.g. Table 1a for the reporting of order details and the relevant lifecycle events, and Table 1b for the reporting of trade details).

No. Consistently with the intended simplification approach, we are not in favour of increasing MPs' burden if the objective is to request them to complete and send additional files. Besides, XML schemas can be independent from database tables. It is therefore possible to populate different tables using a single XML file compliant with a given XML schema. In this case, the current XML schema covers both orders to trade and trades, and can be used to populate 1 or 2 tables in ARIS. Moreover, a change of XML schemas would mean additional costs and time-consuming IT developments for all stakeholders involved.

Parties to the contract

II.3 Would you agree to optimise the reporting of the 'Reporting entity ID', by allowing only the ACER code in Data Field (6) Reporting entity ID and, thus, removing Data Field (7) Type of code used in field 6?

Yes. In general, we support the proposal to optimize reporting and prioritize the use of the ACER code whenever it is available.

However, it is important to also allow for the use of the LEI or the dummy ACER codes in this field. This is because sometimes companies don't have the ACER code at the time of reporting, but they may have the LEI code which could then be filled in as dummy ACER code for such interim phases. This would prevent unnecessary delays in reporting.

Contract details

II.4 Would you agree to indicate in the description of Data Field (22) Contract Name the obligation to adopt a naming convention to be specified by the Agency in the technical documentation?

No. Regulators should consider that a naming convention for contracts would

- Add complexity and rigidity to disclosures, since contractual typologies regularly change;
- Require updates to the list of values on a rolling basis to make them match with already published contracts.

This runs counter to the simplification objective pursued in the REMIT review. By contrast, the added value of the proposal seems limited: OMPs already apply naming conventions to products traded on their platforms. ACER should use the ISIN codes corresponding to each product.

In addition, the use of naming conventions increases the risk that market participants are unable to report transactions because contracts do not match with a predefined category.

II.5 Would you agree to include a new Data Field 'Type of trading' in order to identify whether the contract has been traded on an auction market, continuous market, or bilaterally?

No. This information can be deducted from existing data fields, e.g., by using the market venue or by cross-referencing OMP information with the traded product. For example, ACER can use the following data fields for exchange-traded contracts:

- Data field 23: contract type
- Data field 27: OMP ID/OTC

Therefore, the proposed data field adds further complexity to reporting without added value.

II.6 Would you agree to indicate in the description of Data Field (25) Fixing index or reference price the obligation to adopt the naming convention specified by the Agency in the relevant technical documentation?

No. As explained in answer II.4b, a naming convention would face major issues in remaining up to speed with changes in contractual typologies, causing additional burden and risks of data inconsistencies.

Option details

II.7 Would you agree with the proposal to allow under Data field (46) Option exercise date to report also a period when the option can be exercised (if applicable, e.g. for Bermudian option style)? This would imply that the name of the data field would change to Option exercise date or period.

N/A

II.8 Would you agree with the proposal to add the following additional data fields to the Option details section of Table 1? (See table below.)

No. This proposal raises questions as to the objective and benefit of aligning information collected via different tables. In this regard, it is essential to keep in mind what is necessary for simplicity and practical reasons. In the present case, there is no need for such a level of complexity. The Option details section of Table 1 is dedicated to standard options concluded on an exchange platform such as EEX. However, this kind of standard option does not have the complexity these additional data fields aim to represent.

Additionally, the inclusion of new data fields would increase the complexity of reporting schemes and involve significant development costs for all involved parties to adjust the reporting tables and associated data flows. The relevant information would also need to be identified and retrieved from market participants' IT systems.

Delivery profile

II.9 Would you agree to carry out the following modifications in the subsection 'Delivery profile' of Table 1? Please note: deletions are indicated with strikethrough, news data fields or texts are indicated in red.

No. We do not understand the rationale of proposals for new data fields on curve type, position, curve quantity and curve price. The added value is also questionable, since the delivered quantity is not known in advance for most contracts.

As for other proposals, these new data fields would increase complexity and involve high development costs for all parties involved. In addition, for standard contracts, the delivery profiles are standard profiles: base, peak or offpeak and the quantity are not known in advance for most of them. This proposal would imply unnecessary changes for reporting stakeholders not aligned with the need to keep reporting structures under REMIT simple. It is indeed already easy to convert standard product profiles into delivery profiles.

As a general consideration and as stated in a previous answer, having different tables that use the same structure does not seem logical, since different tables aim at collecting different information. In case changes are made, however, market participants will need clear guidance on how to interpret each field (e.g., define the concerned period).

System generated orders

II.10 Do your systems flag system-generated orders in a way that would allow to flag them in the REMIT reporting as well (i.e. to differentiate between the underlying original order and the SGOs carrying over the underlying order)?

OMPs are in a better position to provide feedback on this and related proposals, since they own all data in relation to the order book and are therefore responsible for its quality. However, we should avoid adding unnecessary complexity to order book reporting, since market participants retain overall responsibility as per REMIT Ar. 8(1).

In addition, further clarification is needed on the definition of system-generated orders, since stakeholders may have different understandings of this notion.

II.11 Do you have any proposal on how to link system-generated orders triggered by the same underlying order but visible across different trading venues? Could you explain the cases when such link cannot be established?

N/A

II.12 Would you agree with the proposal that the system-generated orders which were matched, and thus, resulted in a trade should be reportable under REMIT (as also the underlying original order)?

N/A

II.12b Would you be able to flag in the REMIT report that these orders were system generated orders?

N/A

II.13 It is ACER's understanding that system-generated orders might be generated by the trading system with a cascading mechanism. For example, an order to trade referred to a yearly contract might trigger the generation of four orders on quarterly contracts, that will subsequently trigger the generation of twelve orders on monthly contracts. Please share your view on whether such cascading mechanism reflects the actual process for the generation of system generated orders.

N/A

II.14 If you agree with the above understanding on the cascading mechanism, would you agree with the proposal to report the first layer of SGOs? In the example described above, this would imply to report the order on the yearly contract (as the underlying order placed by the market participant) and the four orders on the quarterly contracts (first layer of SGOs).

N/A

Other comments on the above proposals on system-generated orders.

OMPs are in a better position to provide feedback on this proposal because the OMP, as the owner of the data related to the order book, shall be responsible for its quality. However, we should avoid adding unnecessary complexity to order book reporting, as Market Participants still retain overall responsibility as per REMIT Article 8(1).

The responsibility for reporting system-generated orders should rest solely with the OMPs, unless they are dependent on MPs for static data. Implementing this change would require significant technical modifications, leading to financial implications for all parties involved in the reporting process. It would also necessitate an adjustment period during which errors and inconsistencies could occur. The existing reporting formats do not allow MPs to conduct quality checks on OMPs' orders and transactions before reporting to ACER, due to timelines and a lack of detailed expertise on reporting rules for data not reported directly by MPs.

Orderbook details

II.15 Would you agree with the proposal to introduce a new section in Table 1 aiming to describe the status of the each side of the orderbook via the below data fields (expected to be updated whenever the best bid /ask price, total volume and/or number or orders changes due to a new order or modification of an existing order)? The requested information represents a calculated figure by the OMP based only on the orders to trade visible in the orderbook (e.g. excluding hidden volumes or inactive orders). See the tables below.

N/A

II.15a Would you have any proposal or further consideration to be taken into account with regards to the above proposal?

This question should be answered by OMPs, who will be responsible for order book reporting under Art. 8(1) of the revised REMIT Regulation. However, regulators should avoid adding unnecessary complexity to order book reporting. Indeed, market participants retain overall responsibility for effective transaction reporting and should not be further burdened in accordance with the simplification approach adopted by the REMIT review. As for other proposals, the financial implications of such a change cannot be understated, while an increase in errors and inconsistencies cannot be excluded during the adjustment period.

Algorithmic trading

II.16 Would you agree with the proposal to flag transactions, including orders to trade, involving algorithmic trading when reporting under REMIT?

No. We do not agree to the proposal, since it goes beyond the scope of the revised REMIT Regulation. We also oppose imposing new obligations on MPs to enrich OMP reporting for every transaction and/or order, in addition to the existing reporting concept.

It should be noted that NRAs can request information from market participants on a regular or ad-hoc basis for the purpose of ensuring compliance with paragraph 1 of Art. 5a in REMIT 2. Reporting obligations should therefore remain in scope of the revised REMIT Regulation.

Necessary information can already be extracted from the Trader ID field. It is therefore unnecessary to create additional data fields, leading to higher costs and burdens. The flagging of orders and transactions involving algorithmic trading would require additional markers within the front-office electronic execution system.

II.17 In general, would you agree with the proposal to complement the data collection under REMIT on transactions involving algorithmic trading with the information currently required under the financial regulation? (More specific questions will follow below.)

No. There is no legal basis for the reporting of such information under REMIT II. Indeed, REMIT II allows NRAs to request information regarding the compliance of market participants with paragraph 1 of Art. 5a. However, it does not support additional reporting to ACER beyond the notification by market participants that they use algorithmic trading or provide DEA. We therefore oppose the idea of imposing new obligations on MPs to enrich OMP reporting for every transaction and/or order, in addition to the existing transaction reporting concept.

More generally, it should be noted that commodity trading differs fundamentally from financial products in terms of complexity, delivery, settlement processes and tenors. It also does not rely on the same vocabulary, since market structures are different. We therefore believe that including requirements that pertain to financial regulation is neither appropriate nor practical in the scope of REMIT.

II.18 Would you agree with the proposal to introduce a new data field to indicate whether an order was submitted to a trading venue as part of a market making strategy by the market participant acting as a liquidity provider?

No. The concept of market making or liquidity provision is not defined in the REMIT Regulation. Legislators would need to define it in order to achieve a common understanding of its meaning, before the added value of collecting such information can be considered. Consequently, we believe there is no legal basis in the revised REMIT Regulation to support such additional reporting.

Finally, ACER may directly exchange with individual OMPs to request details about market participants involved in activities that require further investigation.

II.19 Would you agree with the proposal to introduce a new data field to identify the person and the algorithm (when applicable) within the member of the trading venue who is responsible for the investment decision? The field is proposed to be populated with the Trader ID and the Algorithm ID.

No. As previously mentioned, we believe that the revised REMIT does not provide a legal basis for the reporting of such information. More generally, the following points should be considered:

- The term "investment decision" does not seem appropriate in the context of commodity trading, where transactions serve the optimization of physical assets, and not financial investments. Simply copying concepts from financial regulation runs the risk of misrepresenting the reality of wholesale energy markets.

- We strongly oppose sharing the names of company traders or external operators of algorithms. Traders are already identified via the Trader ID data field. Reporting of physical persons should not go beyond this requirement.

II.20 Would you agree with the proposal to introduce a new data field to identify the person and the algorithm (when applicable) within the member of the trading venue who is responsible for the execution of the transaction? The field is proposed to be populated with the Trader ID and the Algorithm ID.

No. As stated above, we believe that this proposal goe beyond the scope of the REMIT Level 1 text. The revised REMIT provides the option for the NRA to request information on a regular or ad-hoc basis for the purpose of ensuring compliance with paragraph 1 of the Article 5a (Effective systems and risk controls). Apart from this it does not support additional reporting requirements for MPs on OMPs transactions. In addition, the Trader ID is already a dedicated data field and should not be duplicated.

Other comments on the above proposals on algorithmic trading.

We believe that REMIT II requirements are fulfilled when information collected on algorithmic trading includes static information, such as the general notification from MPs that such engagement is in place via CEREMP. In addition, we draw regulators' attention to the fact that algorithmic trading in energy commodity markets eventually serves the optimisation of physical assets. It is thus fundamentally different from algorithmic trading in financial markets. Consequently, regulators should avoid copying concepts into energy market regulation that do not fit with its physical realities.

Direct Electronic Access (DEA)

II.21 Regarding transactions related to DEA, would you agree to identify the following market participants in the REMIT reporting:

- **DEA Provider**: being a member, participant or client of an organised marketplace offering the DEA service to its client on an OMP
- **DEA Client** ('Client 1'): a client using the trading code of the DEA Provider in order to electronically transmit orders to trade relating to a wholesale energy product directly to the OMP
- **Sub-delegated DEA Client** ('Client 2'): a client delegated by client 1
- **Final beneficiary of the transaction** (if different than the DEA Client of the sub-delegated client).

No. We do not support this reporting obligation because it goes beyond the legal requirement in Art. 5a of the revised REMIT Regulation. Indeed, as highlighted in the ACER open letter from April 16th, 2024, on implications of the revised REMIT on data reporting aspects and notification obligations, the notification of DEA provision to NRAs and ACER is complied with through a one-off notification.

In addition, we believe that DEA clients and providers can be identified through other means. DEA providers should not be obliged to report an entire chain of transactions that they cannot verify and have no information about. Finally, experience from financial markets has shown that DEA flagging is interpreted differently across market participants.

II.22 Would you agree with the proposal to complement each of the proposed identification listed in Q.II.21 with the relevant Trader ID and Algorithm ID information (when applicable)?

No. The Trader ID is already provided in a dedicated data field and should not be duplicated. As detailed in previous answers, we oppose the additional reporting burden for identification of the Trader ID and Algorithm ID on transaction and order level and because it is devoid of legal basis.

Other comments on the above proposals on reporting transactions related to DEA.

N/A

Reporting orders on spread

II.23 Are there any changes to the data fields currently defined in Table 1 that you believe are necessary to facilitate the reporting of spread contracts?

Spread contracts are concluded via OMPs. Therefore, this question should be answered by OMPs. According to REMIT II Recital 12, OMPs should be required to make order book data available to the Agency or, upon request, provide the Agency with immediate access to the order book.

Generally, we believe that regulators should avoid adding complexity to order book reporting, since market participants still bear overall responsibility for transaction reporting per Art. 8(1) of the revised REMIT Regulation. Reporting should therefore be limited to bilateral transactions and static data for OMPs. If revisions to reporting data are necessary, we propose adding new values within existing fields of the reporting tables rather than making significant changes to the existing reporting structures by introducing new tables or fields or requiring additional flagging at the transaction and/or order level.

II.24 When reporting orders on spread, would you agree with the proposal to report each leg of the spread in a separate order record with a unique Order ID?

No. Spread contracts are concluded via OMPs. Therefore, this question should be answered by OMPs. However, we believe that proposals should not add further complexity to order book reporting, since market participants still bear overall responsibility for transaction reporting per Art. 8(1) of the revised REMIT Regulation.

II.25 This question aims to tackle how to perform the correct linking of the legs linked to the spread. Would you agree with the proposal to assign a unique Spread ID in order to link together all legs of the spread via this unique identification? This would imply that there would be no need to link the related orders via the linked order ID field.

No. Spread contracts are concluded via OMPs. Therefore, this question should be answered by OMPs. However, we believe that proposals should not add further complexity to order book reporting, since market participants still bear overall responsibility for transaction reporting per Art. 8(1) of the revised REMIT Regulation.

Balancing markets and congestion management

II.26 Would you agree with the proposal to flag transactions, including orders to trade, referring to balancing contracts?

No. This proposal should be addressed by TSOs, since they are responsible for congestion management. In line with existing REMIT reporting principles, TSOs (and not Market Participants that are not TSOs, like shippers, producers…) or third parties acting on their behalf should have the obligation to report contracts related to balancing markets.

We oppose adding complexity to reporting from the perspective of market participants, since the overall responsibility for transaction reporting rests with market participants pursuant to Art. 8(1) of the revised REMIT.

If revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within the existing fields of the reporting tables, rather than making major changes to the existing reporting structures through the introduction of new reporting tables and fields, or the requirement of additional flagging at the transaction or order level. The key objective should be simple reporting structures, and the data requested under the transaction reporting obligation should be proportionate to the needs of ACER and the scope of the regulation.

II.27 In line with FAQ on transaction reporting n.2.1.54, would you agree with the proposal to flag transactions, including orders to trade, referring to congestion management?

No. This proposal should best be addressed by TSOs. In line with existing REMIT reporting principles, TSOs (and not Market Participants that are not TSOs, like shippers, producers…) or third parties acting on their behalf should have the obligation to report contracts related to balancing markets.

However, we are against adding complexity to reporting from the perspective of market participants, since the overall responsibility for transaction reporting rests with market participants pursuant to Art. 8(1) of the revised REMIT.

In addition, we question the added value of requesting this information for daily business. It can only be of value in case of market abuse and should be collected on demand.

Reporting strategies

II.28 Would you agree with the proposal to add a new data field to report the type of strategy applied (e.g. Butterfly, Condor)?

No. As a prerequisite, the creation of new data fields regarding the reporting of strategy would be relevant only if it complies with the REMIT Regulation. We do not consider that any element in Article 8 of the revised REMIT supports such reporting. Without legal basis and a clear definition of strategies, this proposal cannot be implemented.

In addition, market participants' strategies consist of highly sensitive commercial information, and their dissemination presents high cybersecurity risks that cannot possibly be accepted.

Finally, from a practical point of view, it seems hardly possible to summarise all the different nuances of market strategies in a single data field. Strategies can be unique and less widely recognized, especially considering that companies often have in-house naming conventions. The implementation of such a proposal would therefore usher in the compilation of long but incomplete lists, introducing further elements of complexity. It would also require manual intervention for each transaction, making operational implementation all but impossible.

We therefore strongly oppose this proposal.

II.29 Would you agree with the proposal to flag all orders connected to the strategy when being reported under REMIT?

No. As mentioned in our response to II.28, we strongly oppose this proposal, which goes beyond the scope of the revised REMIT Regulation.

The mapping of transactions related to a specific trading strategy presents high risks of disclosing commercial secrets. In addition, it seems hardly feasible: indeed, it is impossible to link each order or trade to a specific hedging strategy, and trades can be the net/consolidation of actions which followed different rationales. Moreover, the collection of such information would require manual intervention from traders in many instances, and burdensome changes to IT systems used during trading.

Finally, REMIT II includes a distinct requirement to document algorithmic trading strategies and disclose them to regulators upon request. It would therefore be disproportionate to collect such information for all trading activities without an explicit legal basis.

II.30 Would you agree to link all transactions, including orders to trade, connected to the particular strategy by linking them via a single identification code (e.g. Strategy link identification), in addition to the Order ID unique for each order? This would imply that no cross linking of the related Order IDs would be necessary.

No. The above-mentioned reservations related to the mapping of trading strategies apply (see II.29b).

II.31 Please provide your view on whether the OMP is in the position to report above listed information or the OMP can carry out the reporting only if the MP provides this information.

OMPs can only report information that is reported by market participants on an ongoing basis, and should not be in possession of information about market participants' trading strategies.

LNG Spot-type contracts and Executions related to Table 2 non-standard contracts on LNG

II.32 Would you agree with the proposal to add a new data field to flag if the Spot-type LNG transaction reported is related to unloading, reloading or in-tank transfer?

No. In general, we support simple reporting structures across REMIT transaction reporting. Therefore, we believe that new data fields should be avoided wherever possible. If a revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within existing data fields of the reporting tables. However, as regards LNG executions, we believe ACER should introduce a separate template to accommodate the specificities of LNG contract executions. It should only contain data fields concerning LNG contract executions.

II.33 Would you agree with the proposal to add a new data field to identify the LNG vessel which transports and delivers the LNG to the destined LNG terminal by using the IMO code or the name of the vessel (if available)?

No. In general, we support simple reporting structures across REMIT transaction reporting. Therefore, we believe that new data fields should be avoided wherever possible. If a revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within existing data fields of the reporting tables. However, as regards LNG executions, we believe ACER should introduce a separate template to accommodate the specificities of LNG contract executions. It should only contain data fields concerning LNG contract executions.

II.34 Would you agree with the proposal to add a new data field to flag the delivery terms of the contract, i. e. 'DES', 'FOB' or 'Other'?

No. In general, we support simple reporting structures across REMIT transaction reporting. Therefore, we believe that new data fields should be avoided wherever possible. If a revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within existing data fields of the reporting tables. However, as regards LNG executions, we believe ACER should introduce a separate template to accommodate the specificities of LNG contract executions. It should only contain data fields concerning LNG contract executions.

In addition, we would like to highlight that such contract details have been integrated via the last TRUM review. Field 23 (Contract Type) now contains all values related to different LNG contract types (DES, FOB).

II.35 It is the Agency's understanding that Annual Delivery Programs (ADPs) are typically agreed under an existing long-term Portfolio-type contract before the start of the gas year, by fixing the terms for the deliveries for the given gas year (e.g. quantity, delivery window and location) and fixing also the price based on the predefined formula of the Portfolio-type contract. ADPs typically involve multiple fixed number of cargo transactions. Individual deliveries under ADPs are reportable as Executions.

Would you agree to introduce a flag in the Executions reports to indicate if the individual delivery under the Execution has been concluded under the pre-agreed ADP?

No. In general, we support simple reporting structures across REMIT transaction reporting. Therefore, we believe that new data fields should be avoided wherever possible. If a revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within existing data fields of the reporting tables. However, as regards LNG executions, we believe ACER should introduce a separate template to accommodate the specificities of LNG contract executions. It should only contain data fields concerning LNG contract executions.

Bidding strategy

II.36 Would you agree with the proposal to add a new data field to report information on the type of the bidding strategy applied, i.e. Unit-based bidding vs Portfolio bidding?

No. We do not consider that any element in Article 8 of the revised REMIT supports such reporting. Absent a clear legal basis, this proposal cannot be implemented. In addition, sharing such information runs the risk of disclosing commercial secrets. We therefore strongly disagree with this proposal.

II.37 Would you agree to complement the information on the type of bidding strategy with the relevant Unit ID (as it is currently reportable according to FAQ 2.1.52) or Portfolio ID ?

No. As explained in II.36b, we do not find a legal basis to justify the reporting of bidding strategies.

Reporting post trade events

II.38 Would you agree with the proposal to refer to a dedicated data field to flag different post-trade events (e.g. clearing)?

No. This proposal would add complexity to transaction reporting because the reporting responsibility for post-trade events is unclear. We therefore disagree with the proposal. Instead, post-trade events should be reported either as (a) updates to existing transactions or (b) new transactions.

Section II: Existing Tables of the Annex of the REMIT Implementation Regulation

Table 2 - Reportable details of non-standard contracts for the supply of electricity and gas

Reporting format

II.39 What kind of simplifications would you propose to implement regarding the information required for the reporting of non-standard contracts reportable in Table 2?

We consider the current reporting scheme sufficient for the collection of information that is necessary to capture the evolution of wholesale energy markets. We do not believe that any added value or effective need would warrant further changes. Indeed, the administrative and cost burden involved would outweigh any benefits achieved.

Contract details

II.40 Would you agree to add a new data field in Table 2 to collect information on the annual contracted volume agreed as per the contractual obligations of the non-standard contract?

No. This information cannot be fully provided at inception of the contract, since the annual contracted volume is not necessarily agreed on. In addition, information on the contracted volume is already provided in data fields of Table 2 related to contract volume and optionality, frequency, profile, etc. Executions are also reported on monthly basis.

Furthermore, it should be noted that feed-in tariff contracts under national purchasing obligation frameworks fall under the non-standard contract category. However, obliged purchasers do not operate the power plant and buy electricity as produced according to their legal obligation. They are thus not in a position to provide forecasts on volumes.

II.41 In relation to the previous question, would you agree with the proposal to introduce a requirement to update the original record on the Table 2 contract each year upon the agreement on (or fixing of) the annual contracted volume applicable for the next year? Such solution would provide the Agency with additional information on the fixing events in between signing the non-standard contract and concluding individual deliveries.

No. Contract modifications are already reported under the current reporting framework. Contracts with different deliverable volumes per year can already be reported under the current framework.
E.g., data field 19 in Table 2 may already be updated when parties to the non-standard contract decide to fix the volume on a given period (whether annual or on a different timeframe).

Delivery profile

II.42 Would you agree to add the following new data fields in the Delivery profile section of Table 2 (to be populated only in case of contracts with fixed volume and delivery profile)?

No. For reasons expressed in the response to question II.9.b, we do not understand the rationale behind proposing new data fields for resolution, curve type, position, curve quantity and curve price for standard and non-standard contracts. We also see no added value to providing these details, since volumes is rarely known ahead of delivery (e.g., feed-in contracts).

The proposal furthermore contradicts the objective of simplifying reporting for market participants, since it would increase complexity and impose substantial development costs for all parties involved. A genuine cost-benefit analysis should be conducted before such a change is considered.

Portfolio-type LNG supply contracts

II.43 Would you agree with the proposal to add a new data field to flag the delivery terms of the contract, i. e. 'DES', 'FOB' or 'Other'?

No. In general, we support simple reporting structures across REMIT transaction reporting. Therefore, we believe that new data fields should be avoided wherever possible. If a revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within existing data fields of the reporting tables. However, as regards LNG executions, we believe ACER should introduce a separate template to accommodate the specificities of LNG contract executions. It should only contain data fields concerning LNG contract executions.

Power Purchase Agreements

II.44 To the best of your knowledge, is the information on the underlying asset providing the energy always specified in a PPA, thus, reportable when reporting the PPA under REMIT?

No. We do not understand the added value of such information for wholesale energy markets, which function on a portfolio-trading basis. Therefore, the underlying asset providing energy cannot always be known beforehand when concluding a PPA.

Furthermore, we see no legal basis for the reporting of additional details on PPAs in the revised REMIT. Therefore, we believe that such a burdensome change to the reporting structure of REMIT should not be introduced, since such information is not usually stored on utilities' IT systems.

II.45 Would you agree with the below values as selectable options to indicate the underlying asset of the PPA in the REMIT reporting?

- Hydro: the underlying asset is a hydro power plant;
- Wind: the underlying asset is a wind power plant (potentially to differentiate between onshore vs offshore);
- Solar: the underlying asset is a solar power plant;
- Portfolio: there is a portfolio of assets providing the energy under the PPA plant (by specifying what is in the portfolio, if possible);
- Virtual: the PPA refers to a virtual power plant;
- Hybrid PPA (energy + storage).

No. As outlined in the response to question II.44, we believe that there is no legal basis for such a change to the transaction reporting structure in the revised REMIT Regulation. We therefore oppose the introduction of such a burdensome change.

II.46 Would you agree to add a data field for the type of PPA in the REMIT reporting according to whether it is a

- baseload PPA
- pay as produced PPA
- pay as forecasted PPA
- fixed hourly profile PPA or
- dynamic PPA?

No. As explained above, this proposal goes beyond the scope of REMIT Level 1 text and does not add any value added, not even in terms of preventing market abuse and insider trading. It would also make the overall reporting process more burdensome, this is not the type of information that will be stored on the IT systems.

Additionally to the fact that PPAs are not defined in the REMIT Regulation, a "baseload PPA" as referred to above could represent a simple baseload transaction concluded to hedge a bigger power plant (portfolio) that is not known to the counterparty, since it is a simple standard product.

II.47 Would you agree to add a data field to flag if the PPA is subject to a government subsidy scheme (i.e. state-backed guarantee)?

No. As previously indicated, we do not believe there is a legal basis for the reporting of such information in the REMIT Regulation. It does not bring any benefit in terms of inside information or prevention of market manipulation and should be discarded, since it would make the entire process of REMIT reporting more burdensome.

*If 'Other', please specify.

As outlined above, we oppose this proposal, which is not proportionate with the objectives of the REMIT Regulation the needs of ACER.

II.48 Regarding the reporting of cross-border PPAs under REMIT, would you agree to add a data field to collect information on the related hedging?

No. As noted above, this information does not seem relevant for the purpose of REMIT II reporting and goes beyond the scope of the revised REMIT.

II.49 Could you advise on how the information on the Guarantees of origin could be collected/reported when reporting PPAs under REMIT? Please also clarify which party has the information on the certificates (e.g. only the producer).

Guarantees of Origin are not wholesale energy products under the revised REMIT. Therefore, we see no legal basis for the reporting of such information, which would require far-reaching technical changes to MPs' IT systems.

Section II: Existing Tables of the Annex of the REMIT Implementing Regulation

Table 3 - Reportable details of wholesale energy products in relation to the transportation of electricity - Primary allocation results and result of secondary market resale and transfer of long term transmission rights in electricity

Auction specification data

II.50 Would you agree to complement the data collection on primary capacity allocations with reference data for auctions (i.e. from the Auction specifications and result data as published by JAO)? This would imply including the following additional data fields: see table below.

N/A

Identification

II.51 Would you agree to add a new data field for primary allocation to identify the TSO on whose behalf the RRM is reporting? Currently, Data field (4) Sender identification available in Table 3 may identify the RRM but not the TSO.

N/A

II.52 Would you agree to add a new field to identify on whose behalf the RRM is reporting for secondary allocations (rights holder or transferee)?

N/A

Lifecycle event reporting

II.53 Would you agree to add a new data field for Action type in Table 3 for the reporting of the lifecycle event of transactions related to electricity transportation contracts?

No. Lifecycle event reporting should best be addressed by TSOs. If implemented, these additional data fields would need to be submitted by TSOs to MPs for reporting on secondary market resale.

Section II: Existing Tables of the Annex of the REMIT Implementing Regulation

Table 4 – Reportable details of wholesale energy products in relation to the transportation of gas – Primary and secondary capacity allocations for gas

Transportation transaction type

II.54 In addition to the currently available Data field (9) Transportation transaction Type, would you agree to add the following data fields to complement:

- Allocation algorithm
- Offer of future capacity (preliminary name)
- Capacity return (dummy for code ZSG)

N/A

Total price

II.55 Would you agree to break down the currently available Data field (18) Total price into the following data fields:

- Total price per unit (g. EUR/KWG/h)
- Total contract value (e.g. EUR/GBP/USD, equals price times volume)

N/A

Identification

II.56 Would you agree to add a new field to identify on whose behalf the RRM is reporting for secondary allocations (transferor or transferee)?

N/A

New data fields

II.57 Would you agree with the proposal to add a new data field to report the status of the auction indicating whether the auction was

- Finished, terminated, or
- Stopped for other reasons

N/A

II.58 Would you agree with the proposal to add a new data field to report the product type (e.g. daily, weekly, etc.)?

N/A

II.59 Would you agree with the proposal to add a new data field in order to flag with 'Yes'/'No' if the auction was competing?

N/A

II.60 For primary allocation, would you agree to include the below newly proposed data fields as optional fields in Table 4:

- Number of rounds in the auction
- Number of auction participants
- Number of concluded contracts
- Requested capacity

N/A

Auctions with no bids

II.61 Would you agree to include in the data collection in Table 4 the reporting of auctions where no bids were submitted (i.e. unsuccessful auctions)?

N/A

Section III: New contracts to be included in the Annex of the REMIT Implementing Regulation

Urgent Market Messages

III.1 Do you see benefits in decoupling the Message ID thread from the version number?

No. The coupling of message ID and version number have worked effectively for many years. We see no value added to such a proposal, which would bring additional complexity.

III.2 Do you agree with replacing the "dismissed" event status with "cancelled" and "erroneous"?

No. The different causes for dismissed events are irrelevant to the market. In addition, market participants would not disclose events as “erroneous”, since such behaviour could force investigations.

III.3 Do you find the “inactive” event status useful?

No. If “inactive” means that an event has ended, such a status is not necessary because the event has an end-date in any case. Adding an “inactive” status would run the risk of inconsistent interpretations and thus uncomparable disclosures.

III.4 What data field(s) do you foresee as necessary for the reporting of inside information that falls under the forecast and/or actual use category (i.e. how do you see the difference in content compared to messages of the unavailability type)?

We strongly oppose the introduction of forecast as a type of insider information. As per definition (Article 2(1)) “inside information” means information of a precise nature. Forecasts should not be seen as precise information. Furthermore, pursuant to Recital 12, “information regarding a market participant’s own plans and strategies for trading should not be considered as inside information. Forecasts are typically a central part of a market participant's plans and strategies.

ACER should provide more details on the term 'forecast', considering the overlap with the Transparency Regulation and competition law.

III.5 Do you see benefits in borrowing the Curve Type reporting from the electronic formats for the reporting of electricity transportation and fundamental data types when disclosing information on unavailability events with varying available/unavailable capacity values?

No. Current publication practices are well-established and adequate. MPs disclose unavailabilities in the most detailed manner possible. The proposed curve-based approach would not provide any added value and create more work for MPs’ implementation.

III.6 Do you have any further suggestions or concerns on the reportable details of inside information proposed above?

Field 6 – Type of information: regulators should exercise caution with notions of “forecast and actual use”, which should not target information to market participants’ commercial strategies.

Field 13 – Installed capacity (applicable for electricity unavailability): the case of inside information referring to a family of assets with no identification should be considered. Please add "where applicable".

Field 15 – Reason for the unavailability (where applicable): the details required by this data field are not clear. Does it add something to details already provided, being necessarily synthetic? Indeed, effective information on the causes does not always help to understand the magnitude of the event.
Fields 23, 24 – fields related to MP directly affected: electricity producers cannot usually establish a link between a production outage and the direct impact on a market participant that is distinct from the plant owner. The plant fleet owned by a market participant is normally intended to generally cover their delivery obligations. Moreover, contractual relations between MPs should not be disclosed on IIPs.

Therefore, we question the legal basis on this request. As a fallback option, specify "Where applicable" to clarify there is no systematic need to fill out this field.

Contracts relating to storage, hydrogen and exposure

III.7 In your opinion, which are the main challenges to be considered for the reporting of contracts relating to the storage of electricity and natural gas?

Provisions for gas storage contracts can not be duplicated for the purpose of battery storage, since contracts for electricity storage do not follow the same logic as contracts for the subscription of capacities for gas storage.

Indeed, under current business models, contracts for electricity storage are based on supply contracts. A power storage contract is a contract between two MPs in which MP A sells a power storage volume to MP B. The reporting of storage capacity for electricity contracts is therefore irrelevant, since the reporting framework for electricity supply contracts applies to storage contracts.

III.8 In your opinion, which are the main challenges to be considered for the reporting of contracts relating to the supply, transportation and storage of hydrogen?

N/A

III.9 In your opinion, how could exposures be further defined and what are the main principles to be adhered to for the reporting of exposures?

The reporting of exposures needs to support the REMIT Regulation's aim. Indeed, we see no added value for the surveillance of market abuse from the collection of extensive additional data. Since all market participants will need to report exposures, the obligation must be proportionate and easy to fulfil for smaller market participants.

The reporting of exposures should follow a simple calculation and low-burden implementation, e.g., by using existing reporting channels.

A simple net volume exposure can be derived from existing data held by ACER. It should be noted that MPs' exposure to financial products is already reported under MiFID/EMIR. Thus, additional reporting should focus solely on pure physical products.

Finally, the frequency of reporting should not be too high. Monthly reporting is sufficient to serve the objectives of market integrity and transparency in wholesale energy markets.

III.10 Which data do you believe would be necessary to collect to effectively monitor the trading activity on storage, hydrogen and/or exposure contracts?

We believe that no further data needs to be collected to effectively monitor market participants' exposure contracts, since exposures can be derived from existing data.

Coupled markets – Complex trade-matching systems

III.11 Would you agree to introduce a new Table in the Annex to the revised REMIT IR in order to define the information to be reported by the complex trade-matching systems,

including balancing platforms such as those defined in the Article 21 of Commission Regulation (EU) 2017/2195?

No. Exchange-traded products are always wholesale energy products. Therefore, current reporting tables should be considered sufficient to represent these contracts.

III.12 Which challenges do you perceive with the proposed set of data fields referring to the data stored at centralised level by complex trade-matching systems? (See table below)
N/A

LNG Market Data

III.13 Would you agree to collect LNG market data in a new dedicated Table using xsd format?

No. In general, we support simple reporting structures across REMIT transaction reporting. Therefore, we believe that new data fields should be avoided wherever possible. If a revision of reporting data is deemed necessary, we suggest obtaining the required information by adding new values within existing data fields of the reporting tables.

However, as regards LNG executions, we believe ACER should introduce a separate template to accommodate the specificities of LNG contract executions. It should only contain data fields concerning LNG contract executions.

III.14 Would you agree that the new dedicated Table for the reporting of LNG market data would include the same data fields as included in the current Guidance on LNG market data reporting v2.0?

N/A

III.15 This question is related to the reporting of LNG Spot-type contracts and Particular transactions (concluded under Portfolio-type contracts) as LNG market data, and how to align the reporting of the same transactions/delivery as LNG supply contracts under Article 3(1)(a) of the current REMIT Implementing Regulation. The proposal would aim to limit the possible double reporting by LNG market participants to the best extent possible.

Would you agree with the concept to consider Spot-type contracts and Particular transactions already reported as LNG market data as a first lifecycle event of the concluded LNG bilateral trade or Execution reportable under REMIT in Table 1 on a T+30 days basis?

Yes. We welcome proposals that simplify LNG REMIT reporting or further align LNG Market Data reporting with LNG REMIT Reporting. Additional reporting burden should be minimised, and new reporting should leverage on existing reporting channels.

III.16 For the reporting of Particular transactions (concluded under Portfolio-type contracts) as LNG market data, would you agree to report also the Contract ID of the Portfolio-type contract? Such requirement would apply in case the LNG market participants have already reported the details set out in Table 2 of the Annex to the

REMIT Implementing Regulation in relation to their non-standard supply contract, thus, provided the Contract ID in field (11).

N/A

Section IV: Other comments, file upload and submission

Other comments

IV.1 Are there any other proposals you would like to share with ACER regarding the revision of the Annex to the REMIT Implementing Regulation?

We refer you to the attached statement of the Joint Energy Associations Group.

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- Commitment, innovation, pro-activeness

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Union of the Electricity Industry - Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 - 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 - VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: 4271427696-87