# REMIT Implementing Regulation

A Eurelectric consultation response paper

September 2025

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.

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WG Financial Regulation & Market Integrity

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Overall, we are concerned that the draft increases reporting burden without commensurate surveillance benefit.

Exposure reporting is the clearest example. The notion of “flagging prima facie unjustified trading behaviour” implies a de facto hedge benchmark and sanctioning deviations. Forecasts are inherently uncertain and scenario-based: forcing a single reported figure would effectively prescribe firms’ risk management choices. Furthermore, the Level 1 framework does not justify requiring market participants to report forecasts in the first place. ACER’s mandate is not to monitor internal forecasts, which are anyway not determinative of trading behaviour. We therefore strongly oppose the inclusion of forecasts in exposure reporting and, at minimum, request that they be limited to ad hoc, nonbinding requests on duly reasoned grounds.

We also question the new Algorithm ID requirement. Just as with human trading, Level 1 legislation does not justify granular metadata for strategy identification. The disclosure of strategy metadata is also commercially sensitive. Should any algorithm flagging be retained, a simple binary “algorithmic trade” indicator (using the Trader ID) would suffice.

Double reporting must also be avoided: positions already reported under financial-market regimes, as well as intragroup transactions, should be explicitly excluded from exposure reporting, in keeping with the legislator’s simplification intent and to avoid costly development and the risk of overstated external exposures: where genuinely relevant, ACER can request them ad hoc on a targeted basis.

To preserve the confidentiality of bilateral contracts, we propose that ACER’s accessibility be granted with the involvement of NRAs and limited to consultation without extraction of originals or copies.

Implementation should begin only after complete technical guidance is published (including final schemas, updated TRUM and examples). Stakeholder consultation on technical details, ACER’s drafting thereof, and implementation by companies simply cannot fit into the proposed schedule for exposure reporting (be it 6 months or by April 2027).  Exposure reporting - especially if reporting of forecasts is retained in spite of our opening considerations - requires substantial new IT, hence a minimum of 12 months from the publication of final guidance.

In general, we unfortunately note that, despite the points we have constructively substantiated throughout the Implementing Regulation drafting process, only minor changes have been made and key design flaws remain.

When these issues will inevitably emerge, responsibility should not be transferred to market participants. In the further process on technical details, we call for transparent and iterative consultations, with clear rationale and demonstrated consideration of stakeholder input. We support effective monitoring, but also expect legal certainty, proportionality, and collaboration that values data quality over quantity.

Our constructive path forward is as follows: limiting reporting of forecasts to ad hoc, nonbinding requests; preventing duplication by excluding trades and positions already reported under financial-market reporting; replacing the Algorithm ID with a binary algorithmic-trade flag until surveillance value and infrastructure are demonstrated; consulting bilateral contracts with the involvement of NRAs and without original or copy extraction; anchoring all timelines to the publication of complete technical guidance and providing at least 12 months for implementation; committing to a genuinely iterative consultation with documented reasoning and measurable adjustments.

The attached material contains further counterproposals on technical aspects. We remain ready to collaborate to deliver a proportionate, high quality reporting regime that supports market integrity without undermining legitimate commercial activity.

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# Supporting comments to the feedback on REMIT Implementing Regulation

Monday, September 15th, 2025

# General feedback

Overall, we are concerned that the draft increases reporting burden without commensurate surveillance benefit.

Exposure reporting is the clearest example. The notion of “flagging prima facie unjustified trading behaviour” implies a de facto hedge benchmark and sanctioning deviations. Forecasts are inherently uncertain and scenario-based: forcing a single reported figure would effectively prescribe firms’ risk management choices. Furthermore, the Level 1 framework does not justify requiring market participants to report forecasts in the first place. ACER’s mandate is not to monitor internal forecasts, which are anyway not determinative of trading behaviour. We therefore strongly oppose the inclusion of forecasts in exposure reporting and, at minimum, request that they be limited to ad hoc, nonbinding requests on duly reasoned grounds.

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# Exposure reporting – Rationale concerns

As illustrated by the graph, companies use uncertain and scenario-based forecast. The scenario with respect to which to optimize positions is the company's risk-management choice.

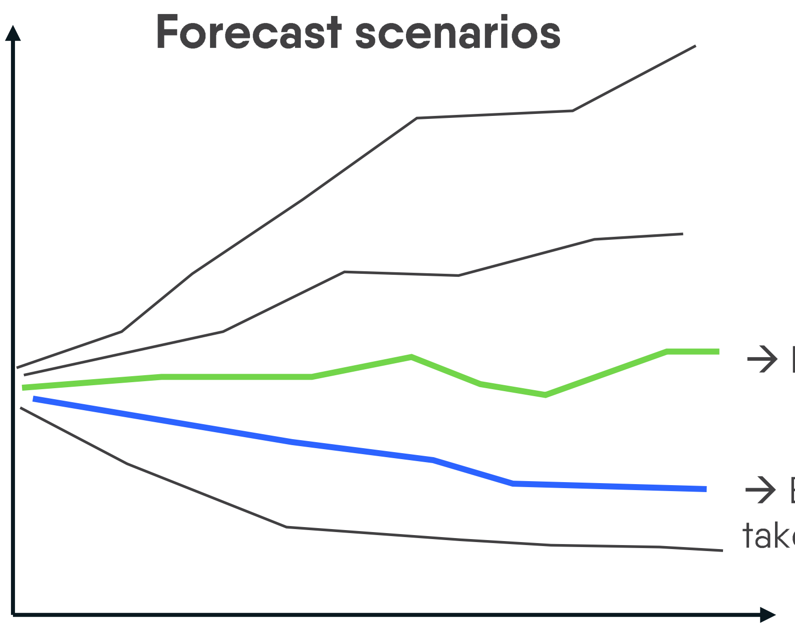
Forcing companies to report forecasts would raise concerns in whichever way it were to be implemented:

If companies were required a single forecast, this may be different from the scenario they use for risk management, thus making any hedge-level check meaningless

If companies were prescribed a specific forecast scenario (eg, midpoint), this would effectively prescribe their risk-management choices

If companies were required many forecast scenarios, this would leave ambiguity in the hedge-level check, while also disclosing commercially sensitive information

**On these ground, we strongly oppose the inclusion of forecasts in exposure reporting and, at minimum, request that they be limited to ad hoc, nonbinding requests on duly reasoned grounds**



# Exposure reporting – Technical concerns

While the primary concerns on the unclarity of the rationale and effective use for market surveillance (also expressed in the open feedback), here we rather focus on technical issues:

- "*...information about their exposures, detailed by product...*" → what is meant by product exactly? Should exposure be reported by price area, or with finer product granularity?
- "*...on a quarterly basis (a) their trading positions in electricity...*" → are these intended as net positions?
- "...wholesale energy products with physical delivery or cash settlement..." → should their associated positions be (dis)aggregated?
- "...forecasted sales of electricity [...] to final customers based on concluded customer contracts..." → how about own consumption? Is that included in reporting?
- More in general, what is the level of aggregation required in exposure reporting?

At present, the requirements are too loosely specified for companies to build preparedness to the implementation.

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# Algorithmic trading

Also on this topic, especially on the Algorithm ID in Table 1, we have utilized the open feedback to express our fundamental on the disclosure of commercially-sensitive trading strategies without added value to market surveillance. Here, we rather point out the technical concerns we already brought up in an email to ACER from August 1st, following the related joint AEMP/OMP webinar.

The proposal of an algorithm ID aimed at distinguishing specific strategies would introduce additional criticalities:

- it would systematically expose commercially sensitive information without giving valuable information for market oversight under Article 5a of REMIT II;
- parameter-value-dependent IDs would also be ambiguous from an IT point of view: would it be a UTI, built following a specific structure (e.g., two digits for the product, two for the market, etc.)? The risk is that the algorithm ID may only be intelligible to the market participants who created it;
- the provision that market participants' in-house or stand-alone vendors' algorithms comply at all times with the OMPs' systems may also impair trading activity, as it would require complex interfaces to communicate short-notice ID changes. Even assuming these interfaces could be built, there would likely be insurmountable challenges due to the extremely large number of intraday parameter changes enabled by current and upcoming machine capabilities;
- the new algorithm-ID requirements would bring in high operational risks of data integrity as well as significant challenges of data quality, which would undermine any valuable monitoring process.

Against the backdrop of these criticalities, **we call on ACER and the European Commission to re-consider the current proposal to introduce extra fields for algorithmic trading. Should the European Commission demonstrate that an extra algorithm field is indispensable, we would nonetheless warmly invite to limit the requirement to a binary "algo flag".** This solution would be more than sufficient for market surveillance, without the risks posed by overly granular algorithm IDs.

## Request of original OTC contracts

Article 8(8) indicates that "*The Agency may request additional information and clarifications from market participants […] and reporting parties in relation to the data that are to be reported pursuant to this Regulation. Such requests may also include access to the original bilateral contract concluded by the market participants*".

We deem this provision disproportionate with Article 8 of the revised REMIT in terms of ACER's control mandate.

The last sentence, in particular, is very stringent.

**To preserve the confidentiality of bilateral contracts, we propose that ACER's accessibility be granted with the involvement of NRAs and limited to consultation without extraction of originals or copies**

# Implementation timeline for companies

Also in the open feedback we highlight the need of a more feasible implementation timeline for companies, both in terms of the starting point (which should be the publication of detailed technical guidance as opposed to the entry into force of the regulation) and in terms of length (eg, 6 months for exposure reporting appear as infeasible).

In general, considering the need of clarity on several provisions (especially as highlighted in the earlier slide on exposure reporting) as well as the fundamental upcoming detailed and technical description in the support documentation, **the starting point for the implementation deadline should be the publication of all relevant technical documents, including updated TRUM, ACER Guidelines and related XML and XSD schemas.**

Specifically on exposure reporting, there is also an element of ambiguity between the 6 months timeline and the indication of Q1-27 as the first reference quarter: to mitigate this ambiguity, **we counterpropose that the implementation timeline for exposure reporting be set to 12 months after the publication of all relevant technical guidance.**

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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