



Energy  
Security  
Project

# IMPACTS OF REMIT

## On Electricity and Natural Gas Operators

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April 8<sup>th</sup>, 2021

# AGENDA

## **MONITORING ROLE OF MARKET AND SYSTEM OPERATORS**

- MARKET MONITORING SCOPE. INTERNATIONAL OBLIGATIONS.
- PROCESSING MARKET DATA BY OPERATORS: THE MONITORING INDICES AND INDICATORS
- PUBLISHING THE MARKET DATA AND THE RESULTS OF MONITORING

## **FULFILLMENT BY OPERATORS OF REMIT OBLIGATIONS AND OFFERED SERVICES**

- DATA TO BE REPORTED
  - BECOMING A REGISTERED REPORTING MECHANISM (RRM)
- THE EU PRACTICES
  - OBLIGATION OF MONITORING BY PPATs
  - RRM<sub>s</sub> FOR ELECTRICITY AND NATURAL GAS PURPOSES
  - REGISTRATION AS INSIDE INFORMATION PLATFORM (IIP)
  - IIP ADMINISTERED BY POWER AND GAS OPERATORS

## **ORGANISATIONAL SET-UP AT MARKET AND SYSTEM OPERATORS**

## **REGISTRATION AS RRM AND AS IIP; COSTS AND BENEFITS**

## **ESP SUPPORT FOR THE PRACTICAL IMPLEMENTATION**

# **MONITORING ROLE OF MARKET AND SYSTEM OPERATORS**

# MARKET MONITORING SCOPE. INTERNATIONAL OBLIGATIONS.

## UKRAINE INTERNATIONAL OBLIGATIONS

- Energy Community Treaty
- EU – Ukraine Association Agreement

## EU ENERGY LAW in Energy Community Acquis

- EU Directives 72/2009 – Electricity (art.37), 73/2009 - Gas (art.41)
- Regulation (EU) No 543/2013 on submission and publication of data in electricity markets
- Monitoring provisions within the Network Codes, adopted by Energy Community according timetable (PA 2012/01/PHLG-EnC: „[...] “Guidelines and Network Codes be transposed without changes to their text or their structure of the Decision, other than translation.”)

## EU COMPETITION LAW in Ukraine Acquis

- Treaty of Functioning of European Union

## MARKET INTEGRITY AND TRANSPARENCY in Energy Community Acquis

- Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (**REMIT**)
- “User manuals developed by the Agency for the Cooperation of Energy Regulators” (as indicated by art.7 REMIT (EnC), for the purposes of reporting obligations imposed by regulator

# MARKET MONITORING SCOPE. INTERNATIONAL OBLIGATIONS.

## National Regulatory Authorities (NRA) and Operators

- Focus on **EU Energy Law (Electricity and Gas Directives)**
- Competition authorities may intervene, if required by NRAs or **Operators**, in case of occurrence of anticompetitive practices.

## Competition Authorities

- Focus on **EU Competition Law (TFEU)**
- NRA and **Operators** provide support and cooperate with Competition Authority in the domain of EU Competition Law.

# MONITORING ROLE OF OPERATORS

**Market surveillance units within the exchanges / market operators and TSOs are active almost since centralised market administration has started.**

**They mainly monitor:**

- Observance of trading rules by participants
- Abnormal, inappropriate, or anticompetitive market participants behaviour
- Administered markets competitiveness (concentration indicators)
- Prices evolution
- Markets liquidity

**They also**

- Record and evaluate market data
- Store and publish market results
- Report to NRAs in regular basis and ad-hoc

**The Power Exchanges and Market Operators define and publish price indices.**

# PROCESSING MARKET DATA BY OPERATORS

## Monitoring Entities

- Systematically and completely record and evaluate market data.
- Publish data in regular basis.
- Establish, through own monitoring procedures, the indicators regarding:
  - the structure / concentration of the markets
  - the efficiency of the functioning of the supervised markets
  - the trading behavior of the participants
- Follow the evolution in time of the defined indicators at national level.
- Compare these indicators with similar indicators on international markets.
- Ensure the storage of the values of the defined indicators.
- Publish in regular basis (quarterly/monthly) reports based on the relevant indicators.
- Conduct any necessary analysis.
- Identify and analyze situations presenting a risk of market abuse.

# THE INDICATORS

## **Market shares and concentration indicators to be monitored by Market Operator (MO) on DAM and IDM**

- Market shares and CR1, CR3, HHI (buying/selling, offered/traded volumes)
- Minimum number of producers / market participants that together are strictly necessary to ensure the demand of the market

## **Market shares and concentration indicators to be monitored by Transmission System Operator (TSO) on administered market**

- The installed power of each generator
- CR1, CR3, HHI of installed capacities on DAM
- PSI for each BM participant and RSI on BM by type of reserve
- Share of each participant on BM and CR1, CR3, HHI by type of reserve (offered/traded)
- CR1, CR3, HHI for the ancillary services market
- Share in the market, CR1, CR3, HHI for the allocation of interconnection capacities, by border and direction



# MONITORING AT POWER AND GAS EXCHANGES IN HUNGARY

## THE MARKET SURVEILLANCE OFFICES AT HUPX AND CEEGEX

- Independent bodies which monitor trading & settlement on markets and members behaviour.
- Report to the CEO of HUPX / CEEGEX and to the Organized-Market Committees.

## RECORDING DATA

- Each MSO systematically and completely records and evaluates trading and settlement data and conducts any necessary analysis.

## MONITORING AND REPORTING SUSPICIONS ON INFRINGEMENTS

- If MSO suspects a breach of rules or any other incident with an impact on trading (particularly relevant on prices determination), immediately inform the CEO of HUPX, respectively CEEGEX, and if necessary, the Hungarian Energy Regulatory Authority.

# MONITORING AT TSO (TRANSELECTRICA) IN ROMANIA

- Department within the National Dispatching Centre which monitors markets functioning and members behaviour.
- Reports the abnormal/inappropriate/anticompetitive behaviour of participants to TSO management, NRA, competition authority and ACER depending on relevance of the event.
- Reports weekly and monthly to NRA significant events, price evolution and interpretation.

## SOURCE OF DATA

- Daily/monthly data for Balancing Market from DAMAS platform and monthly data on the website of Settlement Administrator.
- Data for ancillary services market from DAMAS platform.
- Data for capacity allocation market from DAMAS platform/JAO/neighbouring TSO.

## THE DEPARTMENT MONITORS

- Observance of markets' rules by participants.
- Markets' functioning : efficiency/performance
- Structure and concentration (CR1, CR3, HHI) on BM, ancillary services and allocation markets.
- Market participants behaviour.

# THE INDICES. EPEX SPOT PRICE INDICES.

Indices are series of prices per trading interval and their arithmetic mean for base/peak, per day/month for each price area and for all areas.

## DAY-AHEAD AUCTION INDICES

ELIX (European Electricity Index)	“ELIX is based on the calculation method but not on results of the day-ahead auction and is therefore not based on market prices.” (source: EPEX SPOT website) “ELIX – which is calculated for the EPEX SPOT market areas Germany/Austria, France and Switzerland – corresponds to the congestion-free market price for these areas as a result, it represents the market price for electricity in an integrated European market” (source: EPEX website) Registered trademark of EEX AG and EPEX SPOT SE.
	<b>ELIX Day Base</b> Arithmetic mean of the ELIX indices for the delivery period (starting) between 0h00 CET (including) and 24h00 CET (excluding).
	<b>ELIX Day Peak</b> Arithmetic mean of the ELIX indices for the delivery period (starting) between 8h00 CET (including) and 20h00 CET (excluding).
	<b>ELIX Month Base</b> Arithmetic mean of the ELIX indices for the delivery period (starting) between 0h00 CET (including) and 24h00 CET (excluding)
	<b>ELIX Month Peak</b> Arithmetic mean of the ELIX indices for the delivery periods (starting) between 8h00 CET (including) and 20h00 CET (excluding).
PHelix-DE/AT	<b>Phelix-DE/AT</b> refers to the <b>German/Austrian Physical Electricity Index</b> , a registered trademark of EEX AG. Weighted average of the hourly prices for Germany (DE) and Austria (AT) as determined by EPEX SPOT day-ahead market. The weighting of DE:AT is set to 9:1, such that the Phelix-DE/AT for every hour of the respective delivery period will be calculated as $(9 \cdot \text{DE price} + 1 \cdot \text{AT price}) / 10$
other	

## INTRADAY CONTINUOUS INDICES

### IDFull 60-min

The IDFull 60-min index is based on hourly trades only and block trades are therefore excluded from the calculation. Each hourly Index is a volume-weighted average of the price of all trades for a certain delivery hour for a specific market area (Germany, Austria, Switzerland, France, Belgium, and the Netherlands).

The IDFull 60-min Base: Arithmetic mean of the IDFull 60-min for the delivery periods (starting) between 0h00 CET (including) and 24h00 CET (excluding) for the EPEX SPOT continuous market (Germany, Austria, Switzerland, France, Belgium, and the Netherlands).

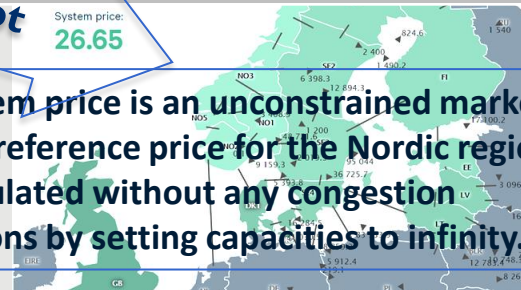
The IDFull 60-min Peak: Arithmetic mean of the IDFull 60-min for the delivery periods (starting) between 8h00 CET (including) and 20h00 CET (excluding) for the EPEX SPOT continuous market (Germany, Austria, Switzerland, France, Belgium, and the Netherlands).

### IDFull 15-MIN

The IDFull 15-min index is a registered trademark of EPEX SPOT SE. The IDFull 15-min index is based on 15-minute trades only. Each 15-minute Index is a volume-weighted average of the price of all trades for a certain delivery 15-minute period on one specific market area (Germany, Austria, Belgium, Switzerland, and the Netherlands).

other

System price:  
**26.65**



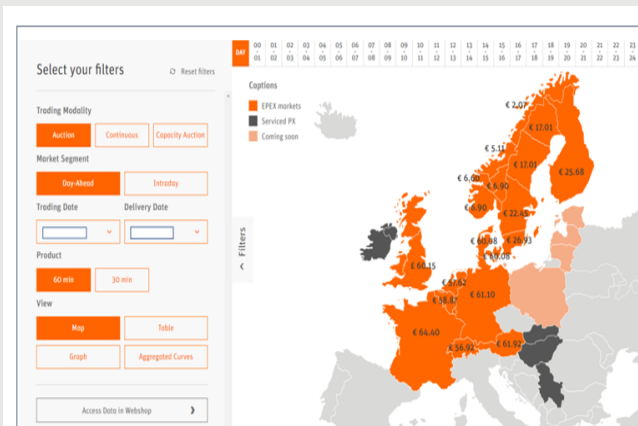
The system price is an unconstrained market clearing reference price for the Nordic region. It is calculated without any congestion restrictions by setting capacities to infinity.

# PUBLISHING MARKET DATA. EPEX SPOT (I)

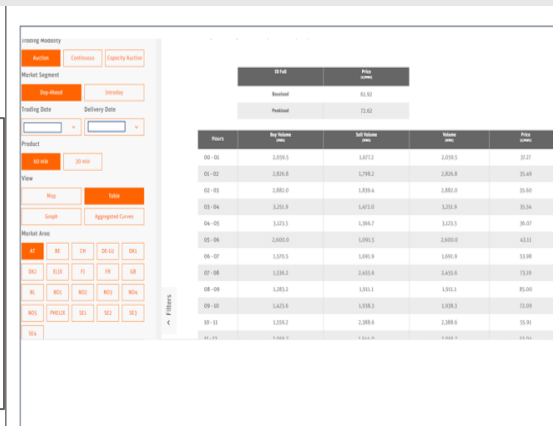
## DAM

### Data Presentation

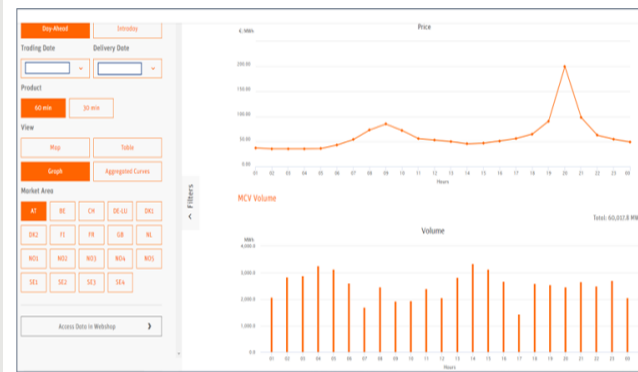
- Map
- Table
- Aggregated curves
- Graph



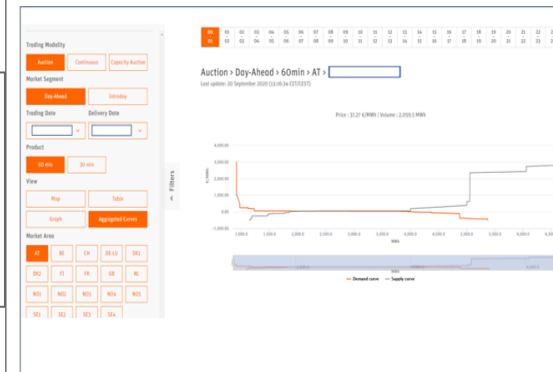
**MAP**  
To select:  
trading day  
as today or  
yesterday,  
product  
(60/30 min),  
hour or  
daily  
average



**TABLE**  
To select:  
trading day  
as today or  
yesterday,  
the product  
(60/30 min),  
the market  
area



**GRAPH**  
To select:  
trading day  
as today or  
yesterday,  
the product  
(60/30 min),  
the market  
area



**AGGREGATE  
D CURVES**  
To select:  
trading day  
as today or  
yesterday,  
the product  
(60/30 min),  
the market  
area, the  
hour

# PUBLISHING MARKET DATA. EPEX SPOT (2)

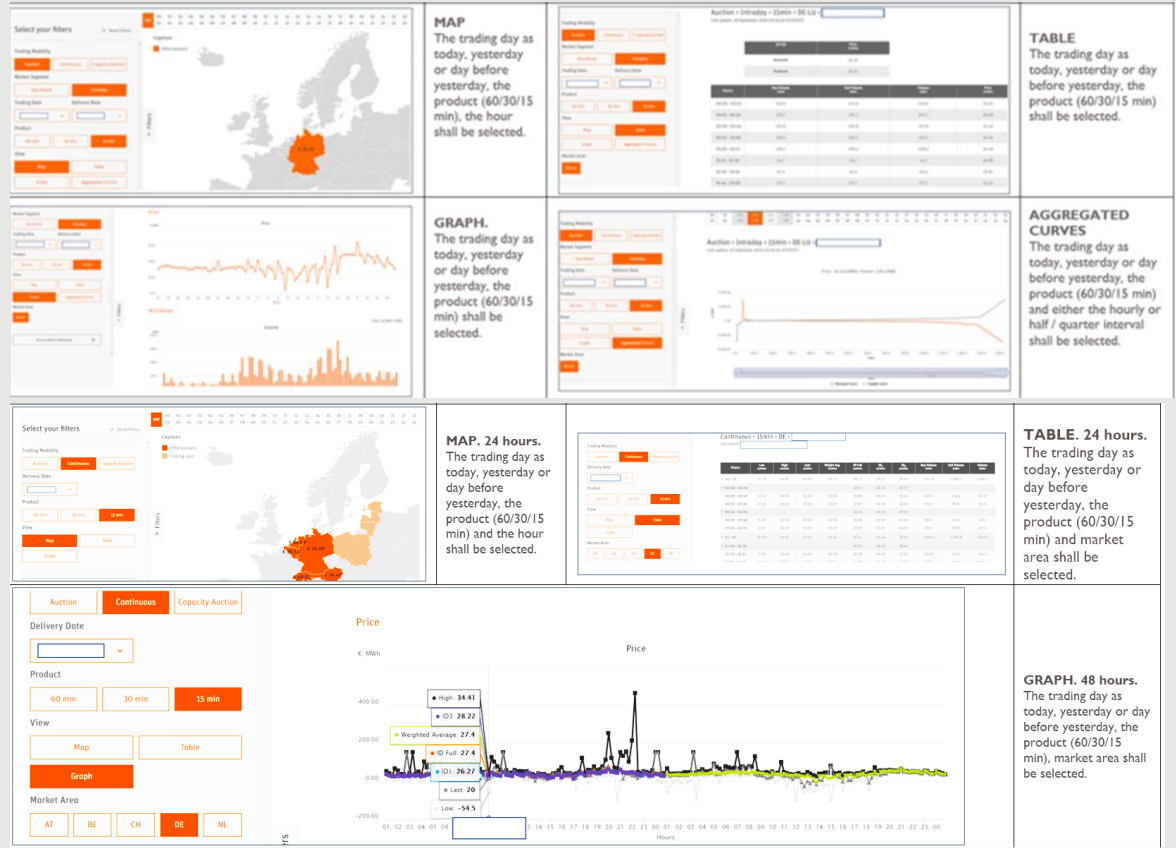
## IDM

### Data Presentation

- Map
- Table
- Aggregated curves (auction)
- Graph (continuous)

## AUCTION

## CONTINUOUS



# PUBLISHING THE RESULTS OF MONITORING: HUPX & OPCOM

## HUPX in Hungary

### DAM Annual & Monthly Reports

#### LIST OF MEMBERS

#### HUPX DAY-AHEAD MARKET

(current and previous year/month, trend underlined)

- Base and Peak Prices, Load
- Highest and Lowest Traded Price
- Total, Average, Max. & Min. Daily Turnover and Traded Volumes
- Weekdays & Weekend Base & Peak Load Average Daily Traded Volumes
- Hourly Averages & Max/Min of aggregated Volumes Offers/Bids per year/month

### IDM Annual Report

#### SUMMARY

- Total traded volume, Total traded OTC volume, Highest daily / monthly traded volume, Lowest traded price, Highest trade price), Members' list

#### GRAPHS

- Traded volume - 60 min, Number of trades - 60 min, Intraday prices - 60 min, Average daily trade prices, 15 min contract - Traded volume, Number of trades, Prices, Average daily trade prices, Traded Volumes

## OPCOM in Romania

### Annual & Monthly Reports

#### DAY-AHEAD MARKET (DAM)

#### INTRADAY MARKET (IDM)

#### CENTRALIZED MARKET FOR ELECTRICITY BILATERAL CONTRACTS (deliveries in time period)

- (Flexible) Extended Auctions Mechanism (CMBC-EA, since May 2020 CMBC-EA-flex)
- Continuous Negotiation Mechanism (CMBC-CN)
- Centralized Market with double continuous negotiation for Electricity Bilateral Contracts (CM-OTC)
- Centralized Market for Universal Service (CMUS)
- Centralized Market for Electricity from Renewable Energy Sources Supported by Green Certificates (CME-RES-GC)
- Green Certificates Market (GCM) (spot market and term market)
- Day Ahead Market for Natural Gas
- Centralised Market for Natural Gas - Trading Mechanism PCGN-LN

For each: Number of registered/active participants, Weighted Average Price/Hour (WAP), Total and Average/Hour Volume, Market share of forecasted net consumption, Value of transactions

For DAM and IDM variation from previous month and year before

### Weekly Reports (values and graphs)

- Daily and weekly prices, volumes, trends for DAM electricity and gas
- Daily Price index , Cross-border trades (import/export), Volumes, Market share for IDM (coupling 60 min since November 2019 and 15 min-since February 2021)
- Daily WAP, Traded quantity for electricity and gas bilateral contracts markets

### Daily Market Concentration Indices

#### DAM, IDM, CMBC-EA, CMBC-CN, CM-OTC

- Herfindahl-Hirschman Index Sell/Buy
- CR3 Sell/Buy

# ORGANISED MARKET PLACES ACTING AS DATA VENDORS

## DATA PROVIDED BY EPEX SPOT AS VENDOR

MARKET	Day-Ahead auction	Intraday auction	Intraday continuous	Capacity market (France only)
Content	<ul style="list-style-type: none"> <li>Block bids</li> <li>Prices and volumes</li> <li>Aggregated curves</li> </ul>	<ul style="list-style-type: none"> <li>Block bids</li> <li>Prices and volumes</li> <li>Aggregated curves</li> </ul>	<ul style="list-style-type: none"> <li>Transactions</li> <li>Indices/results</li> </ul>	All day-ahead auction data
Package	All day-ahead auction data (A)	All intraday auction data (B)	All continuous data (C)	Historical anonymous order data / year
Merged packages		All day-ahead and intraday auction data (A + B)	All auction and continuous data  (A + B+ C)	Real-time <ul style="list-style-type: none"> <li>Continuous market: view only screen</li> <li>Read-only ETS API (Auction data)</li> <li>Read-only M7 API (Continuous data)</li> </ul>

## CONTENT OF DATA REPORTS AT HUPX AND VENDOR'S PACKAGES

Content DAM Report	Content ID Report
<ul style="list-style-type: none"> <li>HUPX DAM Aggregated Curve Report</li> <li>HUPX DAM Block Report</li> <li>HUPX DAM Price Volumes Report</li> </ul>	<ul style="list-style-type: none"> <li>HUPX ID Aggregated Block Data</li> <li>HUPX ID Aggregated Market Data Report</li> <li>HUPX ID Daily Block Report</li> <li>HUPX ID Daily Market Data Report</li> </ul>
Information packages	
DAM Market (DAM <b>U</b> ) (DAM <b>V</b> ) <ul style="list-style-type: none"> <li>Daily market data</li> <li>Historical market data</li> </ul>	ID Market (IDM <b>U1</b> ) (IDM <b>U2</b> ) (IDM <b>V1</b> ) (IDM <b>V2</b> ) <ul style="list-style-type: none"> <li>Historical data from start</li> <li>End of Day data</li> <li>Daily report (updated every 15 min.)</li> </ul>

- type of access: **1** (SFTP server) vs. **2** ( SFTP server and read-only user access to the trading system)
- rights of utilization - **U** (Internal usage) vs. **V** (Internal usage, publication rights, rights to resell)

# **FULFILLMENT BY OPERATORS OF REMIT OBLIGATIONS AND OFFERED SERVICES UNDER REMIT**

- **Data to be reported**



## REPORTING OF FUNDAMENTAL DATA (I)

In accordance with Article 8(5) of REMIT market participants shall provide ACER (NEURC in Ukraine) with information related to the capacity and use of facilities for production, storage, consumption of natural gas or related to the capacity and use of LNG facilities, including planned and unplanned unavailability of these facilities.

Furthermore, Article 8(5) of REMIT stipulates that reporting obligations on market participants shall be minimized by collecting the required information or parts thereof from existing sources where possible.

## REPORTING OF FUNDAMENTAL DATA (II)

Fundamental data shall be provided by the following reporting entities:

**ENTSOG** shall report to ACER information through European Transparency Platforms according to Article 9(1) of the Regulation #1348, on behalf of market participants;

**Gas TSOs** or third parties on their behalf shall report to ACER (NEURC in Ukraine) information related to nominations according to Article 9(2) of the Regulation #1348;

**Storage System Operators** shall report to ACER (NEURC in Ukraine) information related to gas storage facility or group of gas storage facilities through a joint platform according to Article 9(7) of the Regulation #1348, and

**Market participants or Storage System Operators** on their behalf shall report to ACER(NEURC in Ukraine) the amount of gas the market participant has stored at the end of the gas day according to Article 9(9) of the Implementing Regulation.

# ENTSOG PLATFORM DATA (FUNDAMENTAL DATA)

Article 9(1) of the Implementing Regulation defines that ENTSOG shall, on behalf of market participants, report to the ACER (NEURC in Ukraine) in relation to the capacity and use of facilities of transmission of natural gas including planned and unplanned unavailability of these facilities.

## **Aggregated per relevant point-related data:**

- a) Technical, available and contracted firm capacity;
- b) Total, available and contracted interruptible capacity;
- c) Aggregated day-ahead and final re-nominations;
- d) Physical flows;
- e) Planned and actual interruption of interruptible capacity;
- f) Planned and unplanned interruptions to firm capacity.

The information should be provided in Edigas format at daily resolution at least for all relevant points as defined in the Gas Transparency Regulation for the entire European Union for each reporting day.

# GAS NOMINATIONS (FUNDAMENTAL DATA)

**Article 9(2) of the Implementing Regulation lays down that gas TSOs or third parties on their behalf shall report to the ACER (NEURC in Ukraine) the following fundamental gas transmission data on nominations:**

- a) Disaggregated Network User (market participant) related data provided by the relevant gas TSO.
- b) Day-ahead and final (re-)nominations of booked capacities specifying the identity of the Network User (market participant) involved and the (provisionally) allocated quantity.

The information should be provided in the relevant Edigas format at daily resolution at least for all Bookable points for the reporting day and relating to the network of the relevant gas TSO such as:

- all interconnection points,
- entry points of production facilities including of upstream pipelines,
- exit points connected to a single customer [as defined in Article 2(5) of REMIT],
- entry and exit points to and from storage, and
- physical and virtual hubs.

# **GAS STORAGE DATA (FUNDAMENTAL DATA)**

**System storage operators ('SSOs') shall report to the ACER (NEURC in Ukraine) for each storage facility or, where facilities operated in groups, for each group of storage facilities the following information through a joint platform:**

- a) The technical, contracted and available capacity of storage facility,
- b) Amount of gas in stock at the end of the gas day, inflows (injections) and outflows (withdrawals) for each gas day,
- c) Planned and unplanned unavailability announcements of the storage facility including the time of the announcement and the capacities concerned.

**Market participants or SSOs on their behalf shall report to the ACER (NEURC in Ukraine) the amount of gas the market participant has stored at the end of the gas day.**

# REPORTING OF TRADE DATA (I)

## **Reporting of transactions of wholesale energy products concluded at an OMP:**

- standard supply contracts;
- contracts relating to the transportation of natural gas concluded between market participants on secondary markets (physical or financial capacity rights or obligations) including resale and transfer of such contracts; and
- derivative contracts

## **Reporting of transactions of wholesale energy products concluded outside an OMP:**

- Under Article 6(3) of the Regulation #1348, market participants or third parties acting on their behalf shall report details of supply contracts (whether standard or non-standard), derivatives contracts, and transportation contracts concluded on secondary markets.
- This is, therefore, the only instance where trade data may be reported by market participants themselves. However, the reporting may also be delegated to third parties.

## REPORTING OF TRADE DATA (II)

### **Reporting of transactions of wholesale energy products reported in accordance with EMIR or other EU financial markets legislation:**

Information in relation to wholesale energy products which have been reported in accordance with Article 26 of Regulation (EU) No 600/2014 (MiFIR)<sup>3</sup> or Article 9 of Regulation (EU) No 648/2012 shall be provided to the Agency by:

- **trade repositories** referred to in Article 2 of EMIR
- **approved reporting mechanisms;**
- **competent financial market authorities; or**
- **the European Securities and Markets Authority, as appropriate**

# REPORTING OF TRADE DATA (III)

## Reporting of Wholesale energy products in relation to the transportation of natural gas – Primary allocation results:

TSOs or third parties on their behalf shall report details of contracts relating to the transportation natural gas concluded as a result of a primary explicit capacity allocation by or on behalf of the TSO (physical or financial capacity rights or obligations), including matched and unmatched orders.

Therefore, for this kind of contracts, market participants will be relieved from reporting directly to ACER. The reporting shall be performed either by TSOs or third parties acting on behalf of TSOs

## Contracts reportable at the request of ACER (NEURC in Ukraine)

The lists of contracts that are reportable only upon reasoned request of the Agency (NEURC in Ukraine) and on an ad-hoc basis unless concluded on organized market places are:

- Intragroup contracts,
- Contracts for the physical delivery of natural gas produced by a single natural gas production facility with a production capacity equal to or less than 20 MW,
- Contracts for natural gas balancing services.



# BECOMING A RRM (I)

The RRM's function **may be fulfilled** by Market Participants but in most cases, it is delegated to reporting entities such as OMP, trade matching, trade reporting systems, trade repositories, TSOs, energy exchanges, brokers, other third parties reporting on behalf of a MP.

Market Participants that do not wish to become RRMs, must indicate to whom they delegate the reporting of data. For such cases market participants should have a contractual agreement in place with an RRM for delegation of data reporting

Market Participants as well as the reporting entities may become a RRM if they fulfill the registration requirements defined by ACER (NEURC in Ukraine)



## BECOMING A RRM (II)

- RRM will submit trade and fundamental data records to ACER (NEURC in Ukraine) in accordance with the technical standards set by ACER (NEURC in Ukraine).
- RRM shall be responsible for defining the reporting process that each market participant, if applicable, will follow to report fundamental and trade data to them
- Reporting entities: OMPs, Trade matching and trade reporting system, Trade repositories, ENTSO-E, ENTSO-G, TSOs/MOs/SSOs/LSOs/ Market Participants or third parties on behalf of the before mentioned entities

### **Data submission channels:**

ARIS has three communication channels through which data can be submitted by external systems. These communication channels are (for transaction and fundamental data):

- (a) Interactive Web Portal
- (b) Secure File Transfer Protocol (SFTP)
- (c) Web Service ARIS also collects data via web feeds (for inside information)
- (d) RSS and ATOM web feeds

### **A RECEIVING-END EQUIVALENT SYSTEM TO BE ESTABLISHED AT NEURC**

# **FULFILLMENT BY OPERATORS OF REMIT OBLIGATIONS AND OFFERED SERVICES UNDER REMIT**

- **EU practices**

# OBLIGATION OF MONITORING BY PPATs UNDER REMIT (I)

## MONITORING SCOPE

- **In European Union & Energy Community**
  - Prohibition on market manipulation and insider trading

## ROLES UNDER REMIT

- **In European Union**
  - ACER monitors trading activity in wholesale energy products.
  - NRAs regionally cooperate and with ACER to the monitoring of wholesale energy markets.
- **Energy Community** (where Ukraine is Contracting Party)
  - NRA is the main national monitoring entity. NRA may cooperate with NRAs in other CPs and with ACER. ECRB facilitates cooperation of regulators and cooperation with ACER.
  - Role of investigating infringement cases belongs to NRAs which may act alone or in cooperation with other NRAs under coordination of ACER/ECRB. Investigation, decisions, sanctions shall be based on national law provisions.

# OBLIGATION OF MONITORING BY PPATs UNDER REMIT (2)

## In European Union & Energy Community, according to REMIT, art.15

- PPATs shall notify the NRA suspicious transactions representing prohibited conducts.
- PPATs shall establish and maintain effective arrangements and procedures to identify occurrence of prohibited conducts.

## Investigation by NRAs may start following

- **the PPATs' reports**
- the ACER screening (in EU)
- the NRA own screening (in EU and EnC)

## Content of Suspicious Transaction Report

- type of market abuse
- details of the notifying party
- description of the potential breach
- reasons of suspicion
- identification of persons involved in potential breach
- identification of the notified parties
- further information which may be of significance

## OBLIGATION OF MONITORING BY PPATs UNDER REMIT (3)

- PPATs neither investigate breaches, nor enforce decisions.
- Infringements under REMIT may, however, imply breaching by participants of the OMP trading rules.
- Analysis of breaches and sanctions are performed by PPATs **based on market trading rules.**
- Sanctions applied by PPATs are limited to suspension from trading or termination of participation agreement.

# OBLIGATION OF MONITORING BY PPATs UNDER REMIT (4)

## GME, THE ITALIAN ENERGY EXCHANGE (POWER & GAS)

FRAMEWORK	GME MONITORING ACTIVITIES		
REMIT	Organization of monitoring activities in accordance to ACER Guidelines	Timely reporting to relevant NRAs of any reasonable suspicion of market abuse	Offer data reporting and inside information publication services to MPs
National legislation	Provision to NRA of data, reports, support	Timely reporting to NRA of any anomalous situation on monitored markets	Collection of transaction data on bilateral contracts from MPs
GME Market Rules	Disciplinary powers in case of violation of the «fairness & good faith» principles		

### GME monitoring procedures

- 1) **Policy** (goals, principles, solutions)
- 2) **Risk** (relevant market conducts on each GME's market; "risk" of market abuse)
- 3) **Corporate**( steps carried out for the MM activity, responsibilities in GME)
- 4) **Unit**( steps carried out for the MM activity, responsibilities in MMU)



# REPORTING OBLIGATIONS AND SERVICES UNDER REMIT

## Market Participants (MP,) OMP and TSO obligations related reporting

- **MPs** - reporting to ACER (in EU) / to NRAs (in EnC) the contracts for energy supply and transportation (secondary market).
- **OMPs** - offering to participants a reporting service contract.
- **TSOs** - reporting transportation contracts (primary allocation), nominations.

## Who register as RRM ?

- MP, OMP and TSO register as RRM to fulfil their responsibilities or delegate them.
- Other entities register as RRM to provide reporting service for revenue.

**107 RRM**s at **16/03/2021** in the **ACER** list



# REGISTRATION AS RRM FOR ELECTRICITY PURPOSES

- OMP to report standard contracts (OMIE-ES, Nord Pool Spot, OPCOM-RO, OMIP,-PT OTE-CZ, POLPX,-PL ICE-UK, OKTE-SK, GME-IT, EXAA-AT, EPEX Spot-FR, HUPX-HU, EEX,-DE LAGIE-GR, BORZEN-SI)
  - OMP to report non-standard contracts (Nord Pool SPOT, OPCOM,-RO OMIP-PT, POLPX-PL, ICE-UK, OKTE-SK, GME-IT, HUPX-HU, EEX-DE, LAGIE-GR, BORZEN-SI)
  - OMP to report electricity rights (OPCOM-RO OMIP-PT, ICE-UK, OKTE-SK, GME-IT)
  - OMP to report total allocation (OPCOM-RO, OMIP-PT, OKTE-SK, GME-IT)
  - OMP to report electricity nominations (OPCOM-RO, OKTE-SK, BORZEN-SI)
- OMP not registered to report electricity rights, total allocation, electricity nominations (OTE-CZ, OMIE-ES, Nord Pool Spot, EXAA-AT, EPEX SPOT-FR, HUPX-HU, EEX-De, LAGIE-GR, SEMO-IR)
  - OMP not registered to report non-standard contracts (OTE-CZ, OMIE-ES, EPEX SPOT-FR, EXAA-AT, SEMO-IR)
- Service providers, to report standard contracts, OTCs, electricity rights, total allocation, electricity nominations (Solien, Trayport, Keller, Webware Internet Solutions GmbH)
- TSO, to report electricity nominations (Energynet-DA, NGI-UK, EirGrid-IR, RTE-FR, APG-AT, CEPS-CZ, Elia-BE, Mavir-HU, PSE-CZ, Red Electrica-ES, Tennet-DE, Amprion-DE, 50Hertz-DE, IPTO-GR)
  - TSO, to report electricity rights (NGI-UK, EirGrid-IR, RTE-FR, Mavir-HU, Red Electrica-ES, IPTO-GR).
  - TSO, to report total allocation (NGI-UK, RTE-Fr, Mavir-HU, Elering-EE, Red Electrica-ES, Tennet-De, IPTO-GR). But reporting is done by JAO.
  - TSO, to report standard contracts (Amprion-De, 50Hertz-DE, APG-AT, RWE-DE, Tennet - DE)
  - TSO, to report non-standard contracts (RTE-FR, TENNET-DE, PSE-CZ). In Bulgaria national holding.
- Allocation Platforms, report total allocation (JAO, CAO in SEE)

# REGISTRATION AS RRM FOR NATURAL GAS PURPOSES (I)

- Gas OMP registered to report standard contracts (GET Baltic - LT, OPCOM, BRM ROMANIAN COMMODITIES EXCHANGE-RO, OTE-CZ, POLPX-PL, ICE-UK, GME-IT, CEEGEX (HUPX)-HU, EEX-DE)
- Gas OMP which are registered to report non-standard contracts (GET Baltic-LT, OPCOM-RO, BRM ROMANIAN COMMODITIES EXCHANGE-RO, POLPX-PL, ICE-UK, GME-IT, CEEGEX (HUPX)-HU, MIBGAS-ES, EEX-DE)

- OMP registered to report gas capacity (OMIP-PT, POLPX-PL, ICE-UK, GME-IT, BORZEN-SI)
- OMP registered to report gas nominations (NetConnect Germany-DE )
- OMP registered to report LNG information (GET Baltic - LT, POLPX-PL, ICE-UK )
- OMP registered to report storage information (OPCOM-RO, BRM ROMANIAN COMMODITIES EXCHANGE-RO, ICE-UK, EEX-DE)

- Gas OMP not registered to any of gas capacity, nominations, LNG and Storage (OTE, CEEGEX (HUPX), MIBGAS-ES)
- Gas OMP not registered to report non-standard contracts (OTE-CZ, MIBGAS-ES)

## SERVICE PROVIDERS

- Solien, gas capacity and nominations, Storage
- Trayport, gas capacity, LNG and Storage
- Keller gas capacity and nominations
- Webware Internet Solutions GmbH) gas capacity and nominations, LNG and Storage
- Vaikoon AG gas capacity and nominations, LNG and Storage

- Regasificadora del Noroeste S.A - ES operator gas transmission and LNG infrastructure, registered to report gas capacity, gas nominations and LNG.
- ENI S.P.A. - IT is registered to report gas capacity, LNG and storage information
- PUBLIC GAS CORPORATION OF GREECE (DEPA) S.A. – GR is registered to report standard and non-standard contracts, LNG information.
- GAS NATURAL SDG, S.A. – PL is registered to report standard and non-standard contracts, LNG and storage information.

## REGISTRATION AS RRM FOR NATURAL GAS PURPOSES (2)

Gas TSO registered to report gas capacity (BULGARTRANGAZ-BG, PLINOVODI-SI, GRTgaz Deutschland-DE, Thyssengas-DE, GRTgaz-FR, GASCADE Gastransport-DE, Gasunie Deutschland Transport Services-DE, Gasunie Transport Services-NL, Gastransport Nord-DE, Interconnector (UK) Limited-UK, Elering-EE, Gas Connect Austria-AT, Snam Rete Gas-IT, Trans Austria Gasleitung -AT, Fluxys Deutschland-DE, Nowega-DE, GAZ-SYSTEM S.A.-PL, Infrastrutture Trasporto Gas-IT, Bayernets-DE, Amber Grid-LT, DESFA Hellenic Gas Transmission System Operator.-GR )

Gas TSO registered to report gas nominations (BULGARTRANGAZ-BG, PLINOVODI-SI, GRTgaz Deutschland-DE, Thyssengas-DE, GRTgaz-FR, GASCADE Gastransport-DE, Gasunie Deutschland Transport Services -DE, Gasunie Transport Services-NL, Gastransport Nord-DE, Interconnector (UK) Limited-UK, Elering-EE, Gas Connect Austria-AT, Snam Rete Gas-IT, Trans Austria Gasleitung -AT, Fluxys Deutschland-DE, Nowega-DE, GAZ-SYSTEM S.A.-PL, Infrastrutture Trasporto Gas-IT, Bayernets-DE, Amber Grid-LT, DESFA Hellenic Gas Transmission System Operator.-GR )

- Gas TSO registered to report LNG information (GAZ-SYSTEM S.A.-PL).
- Gas TSO registered to report Storage Information (GAZ-SYSTEM S.A.-PL).
- TSO registered to report standard contracts (BULGARTRANGAZ-BG, PLINOVODI-SI, GRTgaz, Snam Rete Gas-IT, Trans Austria Gasleitung -AT, GAZ-SYSTEM S.A.-PL )
- TSO which are registered to report non-standard contracts (BULGARTRANGAZ – BG, GASCADE Gastransport – DE, Elering-EE, Snam Rete Gas-IT, Trans Austria Gasleitung -AT , GAZ-SYSTEM S.A.-PL ).
- Fluxys Belgium - operator of gas transmission, storage and LNG infrastructure registered to report gas capacity, gas nominations
- Fluxys Tenp - operator of transmission network in Belgium, of gas storage infrastructure in Switzerland, France, UK, Italy, Greece and of LNG in Germany which is registered to report gas capacity, gas nominations

BBL Company (allocation company) registered to report gas capacity and nomination

# REGISTRATION AS INSIDE INFORMATION PLATFORM (IIP)

*“market participants shall publicly disclose inside information with regard to the businesses or facilities”*

## REMIT, 4.1

Two types of “inside information”:

- OUTAGES (facilities)
- OTHER INFORMATION (business)

Both may impact prices

### DATA FIELDS FOR “OUTAGES”

- |                                     |
|-------------------------------------|
| 1. Message ID                       |
| 2. Event status                     |
| 3. Type of Unavailability           |
| 4. Type of Event                    |
| 5. Publication date/time            |
| 6. Event Start                      |
| 7. Event Stop                       |
| 8. Unit of Measurement              |
| 9. Unavailable Capacity             |
| 10. Available Capacity              |
| 11. Installed Capacity              |
| 12. Reason of the Unavailability    |
| 13. Remarks, additional information |
| 14. Fuel type                       |
| 15. Bidding zone                    |
| 16. Affected Asset or Unit          |
| 17. Affected Asset or Unit EIC Code |
| 18. Market participant              |
| 19. Market participant Code         |

# REGISTRATION AS INSIDE INFORMATION PLATFORM (IIP)

- The inside information shall be disseminated to as wide a public as possible, granting easy and equal access to all users of this information.
- The Agency believes that information shall be disclosed using a platform for the disclosure of inside information (Inside Information Platform or IIP)
- A simultaneous publication on the market participant's website or through social media may be used as an additional source for publication. However, it cannot replace the disclosure on Inside Information Platforms.
- **Guidance on the application of Regulation (EU) No 1227/2011**

# REGISTRATION AS IIP (THE ACER IIP LIST)

	NAME OF THE PLATFORM	Power	Gas	STATUS OF APPLICATION
1	Central European Gas Hub AG	Y	Y	1st phase completed, 2nd phase under evaluation
2	European Energy Exchange AG	Y	Y	IIP assessment successfully completed
3	ELEXON Ltd	Y	N	1st phase completed, 2nd phase under evaluation
4	Gestore dei Mercati Energetici S.p.A.	Y	Y	IIP assessment successfully completed
5	Hungarian Power Exchange	Y	Y	IIP assessment successfully completed
6	JAO	Y	N	under evaluation, 1st phase
7	Nord Pool AS	Y	N	IIP assessment successfully completed
8	OMI, Polo Español S.A. (OMIE), MIBGAS S.A	Y	Y	1st phase completed, 2nd phase under evaluation
9	PRISMA European Capacity Platform GmbH	N	Y	1st phase completed, 2nd phase under evaluation
10	SEEBURGER AG	Y	Y	1st phase completed, 2nd phase under evaluation
11	Solien, s.r.o.	Y	Y	1st phase completed, 2nd phase under evaluation
12	Towarowa Giełda Energii S.A.	Y	N	under evaluation, 1st phase
13	UAB GET Baltic	N	Y	IIP assessment successfully completed
14	Webware Internet Solutions GmbH	Y	Y	1st phase completed, 2nd phase under evaluation

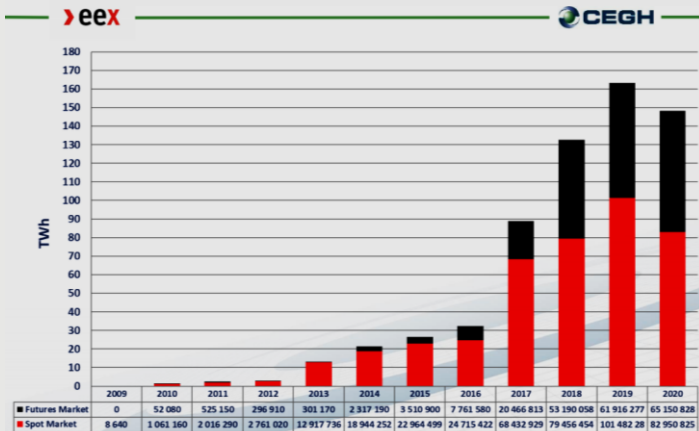
Source: ACER website, 10 February 2021

# IIP ADMINISTERED BY POWER AND GAS OPERATORS (I)

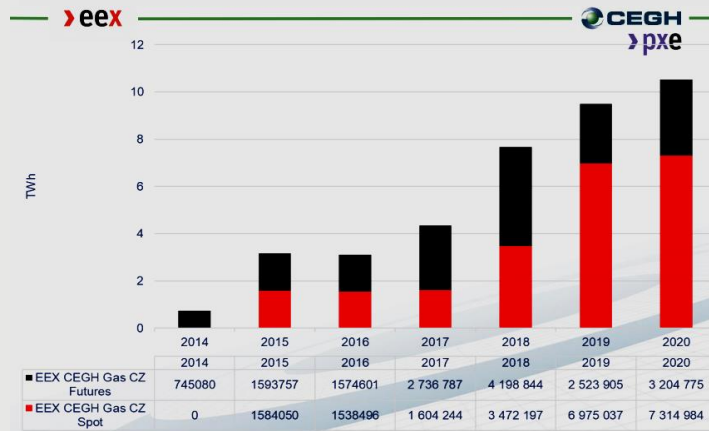
## CENTRAL EUROPEAN GAS HUB (CEGH)

- CEGH, one of the most liquid European gas hubs
- EEX commodity exchange
- Austrian and Czech gas markets increasing volumes
- Participants from AT, IT, CH, HU, DE, SL, UK, CZ, DA, RO, HR, FR, BG, NL and others.

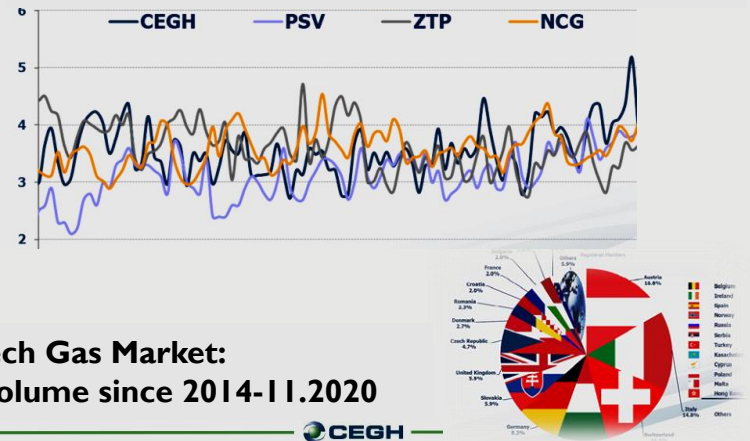
### EEX CEGH Austrian Gas Market: Yearly Trading Volume since 2009-11-2020



### EEX CEGH Czech Gas Market: Yearly Trading Volume since 2014-11-2020



### Continental European Gas Hubs – Churn Rate



# IIP ADMINISTERED BY POWER AND GAS OPERATORS (2)

## CENTRAL EUROPEAN GAS HUB (CEGH)

**CEGH REMIT platform for publication of inside information** [www.cegh.at/remit](http://www.cegh.at/remit)

- Endorsed and recommended by E-Control Austria (NRA).
- A way to publish inside information for energy wholesale products (REMIT, 4).
- CEGH will not check or verify the information provided by registered users, which are responsible for information's completeness and correctness.

### INSIDE INFORMATION

- Posting date
- Event period
- Message ID
- Status
  - active
  - inactive
  - dismissed
- Information type
  - Other market information
  - Unavailability of gas facilities
  - Unavailability of electricity facilities
- Market Participant
- Affected Asset/Unit
- Bidding/Balancing Zone
- Reason/Remark



# IIP ADMINISTERED BY POWER AND GAS OPERATORS (3)

## GESTORE MERCATI ENERGETICI (GME)

### GME REMIT Inside Information Platform (PIP) <https://pip.ipex.it>

- Participants can comply with obligations to timely publish inside information (REMIT, 4).
- The platform ...
  - simplifies fulfilment the participants obligation
  - facilitates monitoring of insider trading events by competent bodies.
- Participants promptly notify GME the changes in corporate data resulting from an extraordinary corporate transaction - such as, mergers, demergers, sales of business units, etc.

### MASTER DATA OF PARTICIPANTS

- Company name
- VAT
- ACER code
- Country and City of the market participant
- Name and Login of the Master User
- Enabling date as Master User
- Mobile no. of the Master User
- Email for technical/operative PIP notices
- Status of the market participant

# IIP ADMINISTERED BY POWER AND GAS OPERATORS (4)

## GESTORE MERCATI ENERGETICI (GME)

**GME REMIT Inside Information Platform (PIP)** <https://pip.ipex.it>

### INSIDE INFORMATION

- Urgent Market Messages Power
- Urgent Market Messages Gas
- Market Information

### POWER PHYSICAL ASSETS

- Production units
- Consumption units
- Transmission networks
- Others

### GAS PHYSICAL ASSETS

- Offshore pipeline
- Transmission system
- Storage
- Injection
- Withdrawal
- Treatment plant of gas
- Regasification plant
- Compressor station
- Offshore production
- Import contract
- Consumption
- LNG
- Other

- **UMM** - structured messages related to physical assets of market participant (Power and Gas), relating to unavailability or limitation of capacity
- **Market Information** - inside information provided in a non-structured way as title and free descriptive text.

# IIP ADMINISTERED BY POWER AND GAS OPERATORS (5)

## HUNGARIAN POWER EXCHANGE (HUPX)

**ENERGY MARKET INSIDE INFORMATION WEBSITE** [www.insideinformation.hu](http://www.insideinformation.hu)

HUPX operates the Inside Information Website, as required under the Electricity Act, the Gas Act and the Regulation on the detailed rules of publication of inside information.

### PUBLISHED INSIDE INFORMATION

**GAS**

**MVM GTER Gázturbinás Erőmű Zártkörűen Működő  
Részvénytársaság, A00001410.HU**

- AUGUST 11. 2020. 14:20 UTC +2:00
- **North-Buda P.P. outage**
- TYPE OF EVENT Consumption unavailability
- EVENT START (UTC): 08/12/2020 08:00
- EVENT STOP (UTC): 08/12/2020 16:00
- AFFECTED ASSET OR UNIT: MVM North-Buda P.P./GT2-GT3
- UNAVAILABLE CAPACITY: 880000 KWh/d
- District heating system maintenance

**ELECTRICITY**

**Budapesti Erőmű Zrt, A00153463.HU**

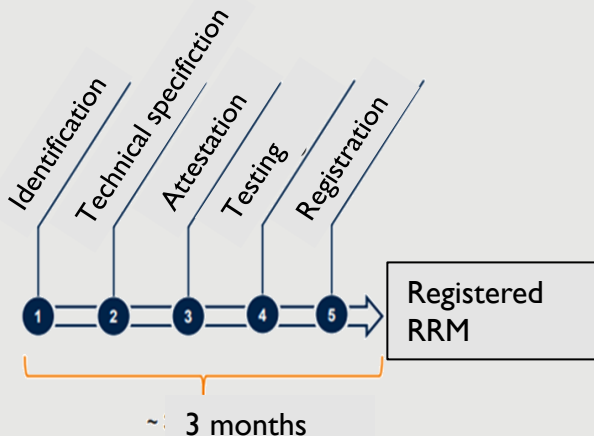
- JANUARY 15. 2021. 13:05 UTC +1:00
- **Újpest power plant gas turbine malfunction**
- TYPE OF EVENT Production unavailability
- EVENT START (UTC): 12/31/2020 05:14
- EVENT STOP (UTC): 02/15/2021 00:00
- AFFECTED ASSET OR UNIT: Gas turbine
- UNAVAILABLE CAPACITY: 94.3 MW

# SERVICES OFFERED BY POWER AND / OR GAS OPERATORS (I)

## NORD POOL, THE NORDIC POWER EXCHANGE

### REGISTRATION AS RRM

- Registered by ACER as Reporting Mechanism (RRM) to report trading data on behalf of market participants.



- Under evaluation in the first phase of registration as Inside Information.

### MARKETS OPERATED

- Nord Pool Spot – DAM and IDM for Nordic and Baltic countries
- N2EX – DAM and IDM (UK)

### OFFERED SERVICES

- Reporting transactions**
  - at Nord Pool and N2EX,
  - at Other Organised Markets Places and outside Organised Market Places (“OTC”).
- Compliance services**
  - Urgent Market Messages to report insider information and to forward transparency data to ENTSO-E platform.

## SERVICES OFFERED BY POWER AND / OR GAS OPERATORS (2)

	Czech MO, OTE	Hungarian PX, HUPX	Romanian MO, OPCOM
Markets	Physical, Power: IDM, DAM, block market continuous trading Physical, Gas: IDM, DAM	Physical, Power: IDM, DAM Financial, Power: Futures Physical, Gas: IDM, DAM Financial, Gas: Futures	Physical, Power: IDM, DAM, bilateral contracts Physical, Gas: Spot, Bilateral contracts
Services	Registered as Registered Reporting Mechanism		
	YES		
	Registered as Inside Information Platform		
	NO	Successfully completed	NO

# RRM & IIP ADMINISTERED BY SERVICE PROVIDERS

## SOLIEN

- Solien is a developer and operator of REMITOR platform (www.remitor.eu) as well as a provider of REMIT reporting services for energy market participants as approved third party RRM.
- Solien provides an ability to meet REMIT reporting obligations for all types of contracts; i.e. standard, non-standard contracts and concluded on organized market places as well as out of them.
- **Solien is RRM**
- **Solien is IIP**

**Message Id SK42I-SE-ENOG0I-000000004\_00I**

<b>Event</b>	
<b>Event Status</b>	Active
<b>Event Start</b>	15/01/2021 15:00
<b>Event Stop</b>	23/01/2021 00:59
<b>Published</b>	15/01/2021 15:17
<b>Publisher</b>	Slovenské elektrárne, a.s. (IIXSEBRATISLAVA4)

### Detail

Event Type	Production Unavailability
Available Capacity	0 MW
Unavailable Capacity	110 MW
Installed Capacity	110 MW
Unavailability Type	Unplanned
Unavailability Reason	Other causes
Remarks	
Fuel Type	Fossil Brown coal Lignite
Assets	ENO BI 24WG--ENOG0I---Y
Market Participants	Slovenské elektrárne A00009872.SK
Bidding Zones	10YSK-SEPS-----K

# **ORGANISATIONAL SET-UP AT MARKET AND SYSTEM OPERATORS**

# ORGANISATIONAL SET-UP AT MO AND TSO (I)

*“Persons professionally arranging transactions in wholesale energy products shall establish and maintain effective arrangements and procedures to identify breaches of Article 3 or 5.”*

(REMIT, art.15)

## ACER GUIDANCE ON PPATs DUTY TO ESTABLISH AND MAINTAIN EFFECTIVE ARRANGEMENTS AND PROCEDURES

### Market Monitoring Unit (MMU)

MMU is only accountable towards an Independent Body, not involved in the daily management of the PPAT.

### Market Monitoring Department (MMD)

The market surveillance team operates as any other department within the organization, reporting to a Director.

### Market Monitoring Committee (MMC)

A number of experts, working in different parts of the PPAT and is accountable towards the Management Team or to a designated Director.



## ORGANISATIONAL SET-UP AT MO AND TSO (2)

### ACER GUIDANCE ON PPATs DUTY TO ESTABLISH AND MAINTAIN EFFECTIVE ARRANGEMENTS AND PROCEDURES

<b>Adequacy of resources:</b>	Availability of some fundamental resources, which include human resources, analytical tools, and data/information.
<b>Human resources policy:</b>	Management of conflicts of interest.
<b>Market surveillance team:</b>	Relevant skills and operation in a timely manner; implementation of segregation measures.
<b>Communication with other units:</b>	Regular contact with other functions within the PPAT, to get access to the necessary information.
<b>Confidentiality:</b>	The information collected for the purpose of investigating an anomalous event shall be considered confidential.

## ORGANISATIONAL SET-UP AT MO AND TSO (4)

### TOWAROWA GIEŁDA ENERGII S.A, THE POLISH ENERGY EXCHANGE

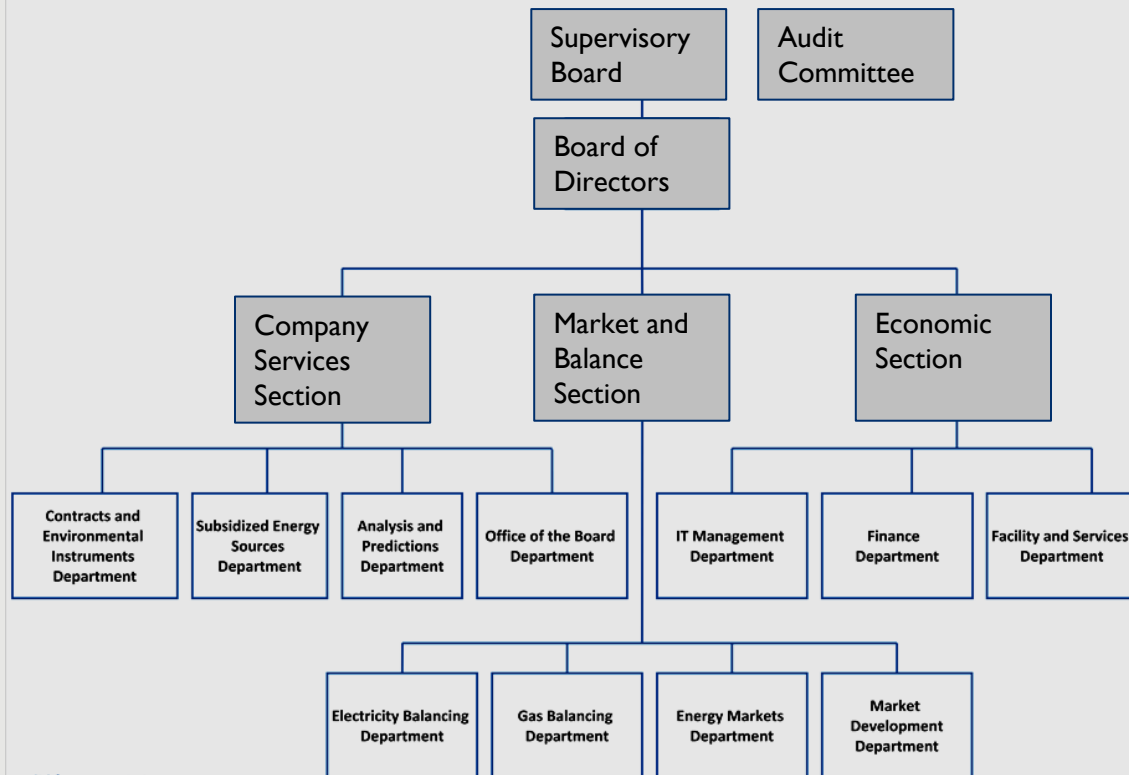
- TOWAROWA GIEŁDA ENERGII S.A is a multi-commodity exchange, gas and power, and derivatives included.
- Market Surveillance is organized within Market Surveillance Department.
- MSD supervises the members of Commodities Market and Organized Trading Facility regarding their compliance with the prohibition of manipulation, use of inside information or other regulations.
- MSD shall report any justified suspicion of market abuse to the Polish Energy Regulator ERO.



# ORGANISATIONAL SET-UP AT MO AND TSO (5)



Organisational structure at OTE



Valid from 1.4.2020

- No monitoring unit or department in OTE.
- Monitoring puts together people from different departments, reporting to the board.

# ORGANISATIONAL SET-UP AT MO AND TSO (6)

## CONCLUSIONS

- ACER guidelines: how market surveillance activity should be organized and documented by PPATs
- Most important principles:
  - avoiding conflict of interest,
  - providing clear definition of market surveillance role,
  - clear daily routines and
  - traceability
- The guidance provides three alternatives for internal organization
  - Market Monitoring Unit,
  - Market Monitoring Department
  - Market Monitoring Committee
- Market Monitoring Unit alternative has been chosen by GME and OPCOM.
- No separate unit or department at OTE. Surveillance is “per process”.

# **REGISTRATION AS RRM AND AS IIP; COSTS AND BENEFITS.**

## RRM SERVICE PROVIDER - ADITIONAL REVENUES (II)

- Market developments in the trading of contracts for the supply of natural gas, like algorithmic and high frequency trading, are gaining in importance resulting in an increasing number of orders to trade being reported from OMPs.
- Opening of the Ukrainian gas market and increased transparency will enhance competition and the number of participants acting in the OMP



- Liquidity will be increased and the number of times a MWh of gas is traded will potentially increase resulting in a great number of transactions/records to be reported as reporting service provider.

*(Churn rate in the most liquid European gas markets has reached values above 20 in the case of NBP and above 70 in the case of TTF)*

# **ESP SUPPORT FOR PRACTICAL IMPLEMENTATION**



# ESP SUPPORT FOR THE PRACTICAL IMPLEMENTATION

- Human and Institutional capacity building related to the implementation of REMIT.
- Proposals for internal organization of REMIT-related processes.
- Support for the development and implementation (procurement of the IT RRM/IIP systems serving data collection/submission and analyses to uncover market manipulation.
- Future development of a tariff supporting the sustainability of the system.
- Supporting the operation and work of any relevant working groups.

# — THANK YOU

Energy  
Security  
Project

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