

REMIT

Technical Standards for Trade Reporting

Public Consultation Document

PC_2013_R_02

22 March 2013

The Agency for the Cooperation of Energy Regulators (“the Agency” or “ACER”) is currently actively working to facilitate a smooth implementation of Regulation (EU) No 1227/2011 on wholesale Energy Market Integrity and Transparency (“REMIT”). As part of this exercise, several consultative papers on the implementation of REMIT were and will be consulted upon. One specific aspect of REMIT is transaction reporting by market participants.

The ACER Recommendations to the Commission as regards the records of wholesale energy market transactions, including orders to trade, and as regards the implementing acts according to Article 8 of REMIT from 23 October 2012 have provided the Commission with the Agency’s recommendations on the records of transactions and implementing acts which the Agency considers necessary to effectively and efficiently monitor wholesale energy markets. One part of a working transaction reporting mechanism are common standard codes and technical standard formats. This public consultation document contains the Agency’s draft common standard codes and draft technical standard formats.

The Agency invites all interested parties to provide comments to the Public Consultation Paper and especially answers to the consultation questions issues, by 7 May 2013, 12.00 noon, Central European Time, to consultation2013R02@acer.europa.eu.

Related Documents

- ACER Work Programme 2013,
http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20Work%20Programme%202013.pdf
- ACER Recommendations to the Commission as regards the records of wholesale energy market transactions, including orders to trade, and as regards the implementing acts according to Article 8 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency
<http://www.acer.europa.eu/remit/Pages/Recommendations-on-REMIT-Records-of-transactions.aspx>
- Regulation (EU) No 1227/2011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on wholesale energy market integrity and transparency
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:326:0001:0016:en:PDF>

Background

When the REMIT implementing acts come into force, market participants will report transactions, including orders to trade, to the Agency in accordance with Article 8 of REMIT. Intensive planning is under way at the Agency to prepare such transaction reporting. On 23 October 2012, the Agency has provided the Commission with the ACER Recommendations to the Commission as regards the records of wholesale energy market transactions, including orders to trade, and as regards the implementing acts according to Article 8 of REMIT.

A crucial part of the new reporting framework according to Article 8 of REMIT and the implementing acts is the reporting of trade data to the Agency.

Whereas the Agency's recommendations to the Commission indicated which items of information are necessary it did not specify a standard for those values to take. The Agency recognises that it is of paramount importance to ensure the values or attributes taken by those items of information are well understood, defined and where appropriate adopt a common standard. Analysis by the Agency has revealed that a working transaction reporting mechanism at EU level is in practice achievable only with strict adherence to such standards.

The Agency has identified a set of common standard codes and technical standard formats which it proposes being used in the new reporting framework. The Agency understands that many of the formats and standards are well defined and have been in existence for a number of years. These formats and standards operate across many geographic boundaries and are been used by market participants. The Agency concludes that there is a possibility, if certain governance standards and technical changes are made, the requirements as outlined in the Agency's recommendations to the Commission can be met by recognising such formats and standards. Recognition by the Agency of a standard and format means that Market Participants with an obligation to report data according to Article 8 may choose to use such a recognised format through a designated RRM. Where a standard is not recognised by the Agency the Agency's own technical reporting format and standards will apply by default. As already stated in the Agency's recommendations on the Records of Transactions to the Commission, the Agency currently considers that one format for each "class" of data (pre trade, execution, confirmation, and nomination scheduling) could be applied. Competing alternatives of standards should be avoided.

In its recommendations to the Commission, the Agency has proposed that the Agency collects and publishes a set of information regarding the types of standardised wholesale energy contracts in a list of standardised wholesale energy contracts. The Agency has proposed to develop a taxonomy as a basis to develop a unique product identification for these standardised wholesale energy contracts.

This public consultation document was prepared on the basis of the ACER Recommendations to the Commission as regards the records of wholesale energy market transactions, including orders to trade, according to Article 8 of REMIT from 23 October 2012. It is without prejudice to the Commission's Implementing Acts according to Article 8 of REMIT.

Call for comments

The Agency therefore arranges a public consultation on the use of standard codes and technical standard formats. Comments are welcome on all aspects of the issue. However, the Agency has included a number of questions to draw respondents attention to those areas where it would be particularly helpful to receive feedback.

Consultation questions

On the Standards and formats for reporting

- I. Do you agree that for the reporting of energy derivatives, the same standards applicable to the values taken by each field of information should apply under REMIT as under MiFID and EMIR? (For example ISO Currency standard identifiers for Currency information, ISO Country Codes for Country information, etc.).
- II. What single standard and single format do you think the Agency should recognise:
 - a. For reporting of transactions from organised market places that are exchanges
 - b. For reporting of transactions from organised market places that are not exchanges
 - c. For reporting of transactions through confirmation services
 - d. For reporting of electricity nominations / scheduling
 - e. For reporting of gas nominations / scheduling
- III. The Agency has identified a set of common standard codes which it proposes being used in the new reporting framework (see Annex I). Do you think these standards are the relevant ones?
- IV. If a format is recognised by the Agency, what governance provisions should the Agency require to ensure the quality persists?
- V. Do you have comments on these standards?
- VI. What are the practical implications of the use of these standards and formats for the energy industry?
- VII. Are there other formats and standards the Agency should consider for recognition?

On the taxonomy

- VIII. Do you think that the taxonomy proposed in Annex II is the relevant one?
- IX. Do you think the first criteria on the delivery market (as country) should rather be the delivery zone or bidding zone?

- X. Does the taxonomy represent your view of the structure of the wholesale energy markets relevant to REMIT? For each dimension, are the categories given exhaustive? If not, please offer suggestions.
- XI. Should Regulated Information (Transparency/Inside Information) be categorised using at least the first two criteria of the taxonomy?
- XII. Would you suggest any simplifications or additions to the taxonomy?

Public Workshop

A public workshop will be held at the Agency in Ljubljana on 25 April 2013 12.00 – 16.30. Those who intend to participate in the public workshop should register online via the Agency's website under the heading "Events".

Consultation period

The consultation closes on 7 May 2013, 12.00 noon. Responses to the consultation should be sent to consultation2013R02@acer.europa.eu.

Annex I
List of standards for the reporting framework under Article 8 of REMIT

- Standard** ISIN and Aii codes as product codes for energy derivatives
- Format** <http://www.isin.org/> and
http://www.fsa.gov.uk/doing/regulated/returns/mtr/aii_implementation
- Standard** SWIFT MIC code ISO 10383 as identification code for organised markets
- Format** http://www.iso15022.org/MIC/ISO10383_MIC_v1_80.pdf
- Standard** ISO 3166-1 country codes
- Format** http://www.iso.org/iso/country_codes.htm
- Standard** ISO 4217 currency codes
- Format** http://www.iso.org/iso/home/standards/currency_codes.htm
- Standard** ISO 8601 Date and Time Format standard
- Format** http://www.iso.org/iso/catalogue_detail?csnumber=40874

Annex II **Taxonomy**

The ACER Recommendations on the Records of Transactions foresee that each contract published in the ACER list of standardised wholesale energy contracts would be assigned a unique product identifier (Product ID) and be categorised using a limited number of dimensions. This would allow the Agency to identify similar products, irrespective of how they were traded, for the purposes of monitoring. In addition the Agency is considering whether items of Regulated Information (transparency/inside information) should also be referenced by at least the first two criteria of the taxonomy to assist with market monitoring.

The Agency proposes the following dimensions for the taxonomy:

1. Delivery Market (to be defined by the country code in which the end delivery point or equivalent is located (ISO-country code 3166-1 of the country of physical delivery or underlying for derivatives);
2. Energy product type (electricity/gas);
3. Transaction type (spot/forward/future/option/swap/spread);
4. Settlement type (physical/financial);
5. Duration (yearly, seasonal, monthly, week, balance of week/month, weekend, day, block, 15 min);
6. Profile type (baseload, peak, off-peak, block-profiled, weekends, full requirement).