
ENTSO-E answer to ACER Public consultation on ACER's Transaction Reporting User Manual (TRUM) and RRM Requirements for transaction reporting under REMIT

9 September 2014

1. Introduction

ENTSO-E welcomes the opportunity to express its views both on ACER's Transaction Reporting User Manual (TRUM) and RRM Requirements for transaction reporting under REMIT.

For ENTSO-E and for its members, both documents will play key role in the development and implementation of reporting under REMIT implementing acts, thus their content are vital for market participants and other RRM.

2. Consultation questions on Transaction Reporting User Manual

It is expected that organized market places will report standard supply contracts thus ENTSO-E focused its analysis of the TRUM on:

- the non-standards supply contracts which some TSOs may have to report in specific situations such as losses procurement or feed in tariffs management.
- the transportation contracts, that TSOs or third parties on their behalf are required to report (primary allocation results).

Therefore ENTSO-E's response is related to these two areas and remaining questions are intentionally left out.

Nevertheless, ENTSO-E would like to note an issue on the balancing contracts described in the TRUM Article 3.1.4. Requesting information related to contract for balancing services on a continuous basis and not only upon reasoned request should be preceded by an amendment of the implementing acts. Such amendment would definitely lead to an update of the TRUM that should be consulted with the relevant stakeholders in order to technically define the information, frequency and formats required for such reporting.

4- Please provide us with your views on the explanation of product, contract and transaction provided in this Chapter, in particular on whether the information is needed to facilitate transaction reporting.
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ENTSO-E considers that the precise definition of the various terms related to the contracts is of utmost importance, as any misinterpretation on these terms might lead to improper reporting. As the terms defined in this section could apply to both standard and non-standard reporting, ENTSO-E would also like to highlight the fact that proper explanation is also needed for all the terms related to non-standard contracts. Therefore, ENTSO-E would propose either to include in this section the explanation on all the terms for both standard and non-standard contract, or to create a similar section in Section 5 for the explanation of terms related to non-standard contracts.

As an example, the interpretation of the term ‘contract’ in non-standard contracts seems to be a bit ambiguous. The definition of Contract as the rights and obligations connected to one single transaction could be interpreted in such a way leading to not reporting the framework of the contracts (framework agreements/contracts), but only the single transactions.

Due to the above mentioned, the definition should be clearer and the process of reporting and the steps needs to be clarified for non-standard contracts (framework contracts, execution at transaction level or invoicing, reporting timeframe associated, etc...).

8- Please provide us with your views on the field guidelines for the reporting of transactions in non-standard supply contracts.

ENTSO-E notes that it is highlighted that the fields mentioned are currently reflecting standards contracts, and therefore not always fully applicable to non-standard reporting, and on the subsequent work to be continued with stakeholders to clarify reporting of the non-standard contracts.

Depending on local market rules, some TSOs would have to report part of their activities like losses procurement or feed in tariffs management under those non standards contracts framework.

Therefore, ENTSO-E and the relevant electricity TSOs welcome further consultation and collaboration on the subject.

Some of ENTSO-E concerns that could be raised generally in those fields in relation to our contracts and operational processes can be found below in the table.

Referenced document	Section	Current text	Example/question raised
TRUM	5.2	12. Contract Type	Please provide a definition of the types of contracts accepted by the agency (see also comments on consultation question 4)
TRUM	5.2.	14. Contract ID	In non-standard contracts, the contract ID is not mandatory. Thus there could be found 0 to several IDs in a contract, that are not always shared with a counterparty. A clarification on the ID would be welcome. A link needs to be made in the cases where a reporting should be also done via Table 1 once the volume and price are known.
TRUM	5.3.	20. Volume Optionality	What is meant by C=Complex? The description (of accepted values) does not coincide with the explanation given (i.e. volume classifications vs. quantity or energy volume for the contract) or the example given. A clarification would be welcome.

ENTSO-E answer to ACER Public consultation on ACER's
Transaction Reporting User Manual (TRUM) and RRM Requirements
for transaction reporting under REMIT

TRUM	5.3.	21. Total notional contract quantity	<p>For a contract with a variable delivery, only the maximum capacity is known.</p> <p>Thus, number of periods is the maximum number of times that quantity could be delivered/received.</p> <p>The example provided includes errors. $100\text{MW} * 8\text{h} = 800\text{MW}$ and $100\text{MWh} * 8\text{h} * 30\text{ days} = 24000\text{MWh}$. There are incorrect numbers. And these numbers should not include separators.</p>
TRUM	5.3.	23. Volume Optionality Frequency	<p>Please provide more detailed definition. E.g. provided that we should report supply contract for purchase of electricity as monthly base-load (10MW in each hour in whole month) which attribute is appropriate?</p>
TRUM	5.3.	24. Load type	<p>What is meant by “shaped”?</p>
TRUM	5.3	25. Volume optionality intervals	<p>The description does not coincide with the table. The description is referring to “contract name” not “volume optionality intervals”. Please specify to what extent this data field is relevant for bilateral trading in a non-organized market place.</p>
TRUM	5.3.	27.Type of index prize	<p>Please specify to what extent this data field is relevant for bilateral trading in a non-organized market place and provide us with more information.</p>
TRUM	5.3.	28. Price or price formula	<p>The field identifies the price/price formula agreed per unit as expressed in Field 37 Total notional contract quantity.</p> <p>For linked contracts such as forward linked to an option, the option is included in the forward price, therefore this field is not compulsory for the optional supply.</p> <p>No limit of characters should be foreseen, specific terms different from index could be described in the field.</p> <p>What is meant by *HGSG/HBS*+578HSH? Please provide us with more information.</p>
TRUM	5.3.	31. Fixing Index Sources	<p>Please provide us with more information.</p>
TRUM	5.3.	32. and 33. First and last fixing date.	<p>Please provide us with more information. Is it meant delivery start and end date?</p>
TRUM	5.3.	34. Fixing frequency	<p>In connection with the point 23. Volume frequency. What is the difference between these two points? This could be left blank for</p>

			regulated contracts where prices are defined by ministries/NRAs.
TRUM	5.4.	36-44.	“if applicable” should be added

ENTSO-E and TSOs would also like to use this opportunity to comment on the introductory remark of Section 5: in the scenarios described below of the specific situations dealt with by Electricity TSOs, using Table 1 of Annex 1 to report execution of the non-standard contract would lead to difficulties.

This is mainly because some information required under standard contract reporting is not available when reporting transactions under non-standard contracts.

As an example, in case of second reporting of non-standard contract (first at the time of the deal conclusion and second at the time of delivery), some specific non-standard contracts would not be reportable in the table 1 (no transaction timestamp available, no individual contract identification, meaningless price pursuant to a complex formula).

As this reporting would be of no real added value and very costly, for these specific scenarios, ENTSO-E and TSOs would recommend to:

- report those contracts only once at the time of the deal conclusion, using Table 2; and
- report the transactions at the time of delivery only on a per request basis, in case of specific enquiry made by the Agency.

9- Please provide us with your views on whether examples of transaction reporting should be added as regards transactions in non-standard supply contracts. If yes, please explain which scenarios these examples should cover.

ENTSO-E and TSOs welcome the ideas of including examples in relation to their contracts specificities. Market participants, including TSOs need to further work with ACER and NRAs to define reporting scenarios in this scope.

Solely to illustrate areas requiring further clarification some example are provided below:

Losses procurement:

- Base-load with partial delivery:

How to report a forward year base-load product of 10 MW (traded at 50 €/MWh) with a clause for partial delivery / the buyer has the right to take delivery for all or part of the volume? The hourly volume requested for delivery is specified at least 2 days before delivery. A complex price formula applies

In this scenario, it is not clear “how”, “when” and “how often” to report execution of the contract (see comment on question 8).

- Regulated tariffs contract:

How to report a purchase for a yearly supply based on regulated price for most of the capacity contract and the complement is charged at the Power Exchange Day ahead hourly price, with a clause for partial delivery / the buyer has the right to take delivery for all or part of the volume?

The minister defines the proportion of the capacity charged at the regulated price 75 days before delivery, at the latest.

Feed in tariffs management:

- A double scenario which includes on one hand the transactions between the RES generators and the central party (who is the primary buyer of the RES energy, could be the TSO itself) and on the

other hand the transaction between the central party (TSO) and the BRPs or traders or final consumers who are obliged to take over a defined part of this RES energy according their consumption at a price defined in a monthly allocation process.

10- Please provide us with your views on the field guidelines for the reporting of transactions in electricity transportation contracts.

ENTSO-E would recommend stating the standard that should be applicable for such reporting. In ENTSO-E’s view this standard would be the IEC 62325-451-3.

In relation to the fields, we would recommend to clearly state when the field is mandatory and when the field is applicable.

In addition, ENTSO-E recommends using the relevant ENTSO-E code list document for valid codes as well.

The names of the fields are slightly different in IEC standard than in the current Annex of the draft REMIT Implementing Act, and this information might be valuable to be mentioned. Further alignments between the names could ease implementation by non-TSOs market participants.

Referenced document	Section	Current text	Example/question raised
TRUM	6.1.	4. Sender Identification “...In general this identifies the bidder or its representative.”	In case of REMIT Reporting, the sender will depend on the type of data being reported, it could be the allocation office for example in case of reporting of primary allocation result. →proposal to remove this last sentence.
TRUM	6.1.	5. Sender role “...This may correspond to a role that sends bids on behalf of another Capacity Trader.”	The sender role (same as Sender Identification) depends on the operational process and on the data being reported. Proposal to amend this sentence to : The sender role, depending on the operational process which identifies the role of the sender within the document.
TRUM	6.1.	6. Receiver Identification “...The receiver of the document is identified by a unique coded identification. In general this identifies the auction office or its representative.”	In case of REMIT Reporting and fully in line ENTSO-E code list, it will identify ACER as the receiver of the information and the current text should be revised accordingly.
TRUM	6.1.	7. Receiver role “...Example A29 = Capacity Trader”	In case of REMIT Reporting and fully in line ENTSO-E code list, ACER as a receiver would have the role of A32=Market Information Aggregator

ENTSO-E answer to ACER Public consultation on ACER’s
Transaction Reporting User Manual (TRUM) and RRM Requirements
for transaction reporting under REMIT

			Or A33=Information receiver
TRUM	6.1.	9. Bid Time Interval	IEC standard separates the interval into two fields (start date and end date). Field should be added accordingly.
TRUM	6.1.	11. Document Status	This field is optional, therefore “if applicable” should be added to the heading of this field
TRUM	6.3.	No-Bid auction time series (for primary allocation) <i>(Heading of current fields 28. And 29.)</i>	A field included in the IEC standard is missing and should be added. This field is used to be able to handle the case where several auctions would have no bids. “28.bis No bid auction Identification” New field should be added and successive fields should be renumbered.

In addition, ENTSO-E would like to highlight the fact that as all the listed fields do not apply to a single reporting, but cover several distinct scenarios of primary and secondary capacity allocation processes. As a result, ENTSO-E would propose that the examples and explanations cover all the reporting flows and do not focus mainly on the “Bid document”.

For example, as the first 12 fields apply to all documents, they should not mention only the codes and values for the Bid document, but be more generic on the different reporting flows.

11- Please provide us with your views on whether examples of transaction reporting should be added as regards transactions in electricity transportation contracts. If yes, please explain which scenarios these examples should cover.

ENTSO-E would welcome the idea of illustrating the reporting with examples that could show the primary allocation results of an auction (with or without bids) or different cases of secondary market (transfer, resale). They would help further clarify the use of each field in the relevant reporting flow, and help the relevant RRM or market participant with the implementation of the reporting.

3. Consultation questions on RRM Requirements for transaction reporting under REMIT

1 - Do you agree with the Agency's view that post-trade events related to wholesale energy products shall be reported by trade matching or trade reporting systems?

Yes

2 - Do you agree that the standards and electronic formats to be established by the Agency according to Article 10(3) of the draft Implementing Acts shall apply to trade repositories and ARMs for the reporting of data covered by EMIR and / or other relevant financial market legislation? If not, please justify your position.

Not applicable to electricity TSOs.

3 - Do you agree that the requirements set out above adequately ensure the efficient, effective and safe exchange and handling of information without imposing unnecessary burdens on reporting entities?

Generally speaking the proposed high level requirements would need to be detailed, the technical specifications should be analysed and some issues should be reassessed to minimise unnecessary burdens on reporting entities. Please see our comments below to proposed RRM requirements.

Here below we detail our specific comments per requirements

- Article 5.2 Requirements on the timely transmission of data:
In some complex cases of incident, the reporting may not be ensured in time, however RRM should be capable of resending the data as soon as possible after the incident resolution in working hours. ENTSO-E proposes to change the requirement in second bullet by "RRM should guarantee the resending of reporting in case of incidents"
- Article 5.3 Requirements on the validation of input:
In case of TSOs and ENTSO-E their responsibility to report fundamental data shall be limited to complete and accurate submission of all fundamental data received from individual market participants. TSOs and ENTSO-E shall not be responsible for any delay to report fundamental data to the Agency caused by late receipt of these data from other market participants. Therefore we propose to add to letter c. "TSOs and ENTSO-E shall identify omissions and obvious errors caused solely by them. Other market participants (primary data owners) shall identify omissions and obvious errors caused by them when sending fundamental data to TSOs".

- Article 5.5 Requirements on output content:
It is understood that “the reported information must contain the information indicated in the REMIT Implementing Acts”. However the added value of the requirement to document how an RRM has implemented the technical solution to ensure compliance with the Implementing acts, the Transaction Reporting User Manual and the Manual of Procedures of Fundamental Data Reporting should be reviewed with respect to the additional burden of documentation for RRM. Hence, the documentation should not be mandatory since in general the RRM proves compliant reporting and solution implementation by means of the compliancy of the reported content itself.
- Article 5.6 Requirements on the validation of output:
Mandatory RRM, like TSOs, report their own data. However, Article 5.6. could be interpreted as additional reporting obligation to other market participants. This could be against Agency objective of avoiding unnecessary administrative burden on RRM. The obligation of having mechanism sending information on what data was reported shall not be applicable to mandatory RRM in case of fundamental data because these data are then published by central information transparency platform thus can be checked by market participants without imposing unnecessary reporting burden on TSOs.
In case of TSOs and ENTSO-E their responsibility to report fundamental data shall be limited to complete and accurate submission of all fundamental data received from individual market participants. TSOs shall not be responsible for any delay to report fundamental data to the Agency caused by late receipt of these data from other market participants.
- Article 5.7 Requirements on governance:
This paragraph seems to be vague for a correct implementation by RRM. ENTSO-E would welcome further clarity from ACER about the objective of this requirement as it seems already covered by other requirements. In addition, clarification of “robust compliance program” would be highly appreciated.
- Article 5.8 Requirements on operational reliability:
ENTSO-E would welcome explanation on the definition of “robust operational risk controls and procedures”.
- Article 5.9 Requirements concerning the disruption of services:
ENTSO-E believes that guaranteeing 100 % reliability of any IT system is nearly impossible. Furthermore, REMIT regulation requires from member states to lay down rules on penalties applicable to infringements of REMIT regulation. This should provide sufficient motivation for all RRM to follow REMIT reporting obligations. Therefore ENTSO-E proposes deleting the last sentence in Article 5.9. A Report on the reasons of disruptions and actions taken to prevent such interruptions should not be mandatory and the severity of the disruptions should be considered. Some disruptions have minor impact on the delay of reporting, so the added value of a report on these minor disruptions is very low compared to the additional burden of a report. Moreover, for major disruptions which need a decent evaluation and mitigation development a period of 5 working days to produce and submit a detailed report seems unrealistic and should be reviewed by the Agency. In general, any additional bureaucratic burden which does not lead directly to the required solution should be avoided in the interest of the RRM and the Agency.

- Article 5.10 Requirements concerning security breaches:
A detailed report describing the breach of security measures and any step taken to correct that breach should not be mandatory. In addition, the severity of the breach should be considered. A definition of a security breach and a classification of the impacts of a security breach may be helpful to provide guidance here. In general, any additional bureaucratic burden which does not lead directly to the required solution should be avoided in the interest of the RRM and the Agency.
- Article 5.11 Requirements on communication with the Agency:
Contacts of Agency will be essential for RRM both for registration and for reporting phase. ENTSO-E would welcome if the requirement indicated that the Agency will put in place dedicated point of contacts for RRM. Accordingly, ENTSO-E proposes adding the following sentence : “Agency shall provide RRM with the names and contact details of its competent staff to assist the RRM with its reporting responsibilities”
Furthermore, the contacts between the RRM and the Agency are supposed to occur only in working hours. An agreed timing between Agency and RRM, depending on the complexity of the request would be needed. The provision of names and contact details of its competent staff should be included in the registration process in order to keep the work flow efficient in the interest of the RRM and the Agency.
- Article 5.13 Compliance report:
Concerning the compliance report, ENTSO-E is of opinion that it is not exactly a “technical and organisational requirements for submitting data” as described in the REMIT IA. Therefore, this report should not be considered as a recurrent process but rather a “unique” report during registration.

Additionally, ENTSO-E would propose to lighten, at least for mandatory RRM (see below), the requirement listed in bullets 5.2, 5.3, 5.5, 5.6 on the documentation on the implementation of all the procedures to comply with the technical requirements. This documentation will be a part of the implementation of the local projects to comply with the reporting under REMIT, and in line with each organisation's procedures for project management. However, making them available to the Agency either at registration of RRM or at a later stage would impose an additional burden on the local projects. ENTSO-E would therefore suggest to limit these requirements to the cases when the Agency experiences a decrease of quality in the reported data from a given RRM.

4 - Do you agree with the Agency's view that the same requirements shall apply to all RRM?
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No, ENTSO-E is of opinion that there should be clear distinction between mandatory RRM (such as e.g. ENTSO-E as far fundamental data or TSOs as far nominations and transportation contracts are concerned) and voluntary RRM that will be selected by market participants themselves. These mandatory RRM mentioned are strictly regulated and supervised by NRAs – therefore unnecessary administrative burden should be avoided. Additionally, in terms of fundamental data, TSO and ENTSO-E (as mandatory RRM) cannot be responsible for failures to follow REMIT reporting obligations caused by other market participants (e.g. late or incomplete data submission to TSOs by these market participants).

In order to distinguish between mandatory and voluntary RRM ENTSO-E proposes:

- to add to the last sentence of Article 2.1.2 "(in a role of mandatory RRM)";
- to add to the last sentence of Article 2.1.4 "(in a role of voluntary RRM)"; and
- to modify the first sentence of Article 2.2.2. "Pursuant to Article 8(3), final nominations between bidding zones shall be reported by electricity TSOs (in a role of mandatory RRM) or third parties on their behalf."

ENTSO-E recommends that Mandatory RRMs, like TSOs should be exempted from requirements of Article 5.6 Requirements on the validation of output, 5.7 Requirements on governance and 5.13 Compliance report. Please see also answer for question 5.

5 - If your reply to question 4 above is negative, please explain which requirements should apply differently to different RRMs and why.

Please see the last paragraph of the answer for question 4. In addition, the answer for question 3 regarding the Article 5.6 also applies here.

Article 5.7 Requirements on governance: Mandatory RRMs are strictly regulated and supervised by NRAs – therefore unnecessary administrative burden should be avoided.

Article 5.13 Compliance report: mandatory RRMs will provide all required information to ACER during the registration process. After approval as compliant RRM by ACER, no change is expected to the mandatory RRM. We assume that all Attestations provided by applicants (Article 6.2.3.) would be for an indefinite period.

6 - Notwithstanding the requirements on the validation of output (see Chapter 5.6), should the Agency offer to entities with reporting responsibilities the possibility to request access to the data submitted on their behalf by third-party RRMs?

Yes, ENTSO-E supports the idea that the Agency should offer a report about what was reported for each market participant.

7 - If the reply to question 6 above is positive, please explain how such access should be granted, taking into consideration the need to ensure operational reliability and data integrity.

Standard reports should be foreseen with a global overview of what was reported per market participant. These reports could be generated on weekly/monthly basis and stored on a portal where the market participant can access on demand via a secured portal.

8 - Do you agree that the compliance report must be produced by the RRM on a yearly basis or shall such report be compiled only at the request of the Agency?

The compliance report or similar information will be collected by ACER during the registration process (see Article 6.2 Registration process). It seems to be an administrative burden to request such report each year for mandatory RRMs. In order to have an efficient way of reporting, ENTSO-E recommends to limit the obligation to provide this compliance report only when it is really necessary (report on request).

9 - Do you agree that trade repositories and ARMs shall be registered with the Agency, even if they only report data reportable under EMIR and / or other relevant financial market legislation?.

Not applicable to electricity TSOs.

10 - Do you agree that the Agency should foresee a simplified registration process for trade repositories and ARMs that only report data reportable under EMIR and / or other relevant financial market legislation?

Not applicable to electricity TSOs.

11- Do you agree that CEREMP should be used for the identification of market participants that apply to become a RRM?

Yes

12 - What is your opinion on the timeframe needed to complete the registration process?

Timeframe is essential for RRM to prepare for registration and to get registered fully in line REMIT regulation. As we expect significant amount of Market Participants and RRM applying for registration at the same time, we would advocate for more specific timeframe of the whole registration process. The technical requirements and criteria of approval would be needed to establish the foreseen timeframe. Foreseen timing for each following step could facilitate local project management at each RRM:

- identification (chapter 6.2.1)
- technical specification (6.2.2.)
- attestation (6.2.3.)
- testing (6.2.4.)
- final registration (6.2.5.),

ENTSO-E would like to further highlight the fact that the timing allocated to planning, implementation and testing of local projects and integration with the ARIS system should be sufficient in order to ensure the quality of the reporting process.

It is therefore most important for RRM to have knowledge of the technical requirements and of the reporting formats and flows as soon as possible.

13 - Do you have any comments on the registration process in general?

Please refer to our comments provided to the proposed RRM requirements in question 4. Specifically we would like to highlight the:

- urgency of having Technical specification as soon as possible at least for mandatory RRM;
- scope of testing and Agency support should be more elaborated; and
- timeframe should provide potential RRM with more precise and detailed information.

14 - Would the periodic renewal of registration be a valid alternative to the certified annual report?

Please refer to our answer for question 15.

15 - Do you have any other comments on the Chapter concerning the Agency's assessment of compliance with the RRM requirements?

The first paragraph of Chapter 7 entitles Agency to obtain any necessary information for compliance assessment.

We assume that all Attestations provided by applicants (chapter 6.2.3.) would be for an indefinite period. Reporting obligations imposed by REMIT on market participants and mandatory RRMs will remain regardless of registration process itself. Agency or NRAs are fully entitled to enforce these obligations. Therefore, at least for mandatory RRMs, obligation of either annual report or periodic renewal of registration is considered as unnecessary administrative burden that can be avoided.