



By email to: Remit.PublicConsultations@acer.europa.eu

Response from:

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24 June 2015

ELEXON LTD'S RESPONSE TO ACER'S CONSULTATION ON A COMMON SCHEMA FOR THE DISCLOSURE OF REMIT INSIDE INFORMATION (PC_2015_R_03)

Dear Sir/Madam,

We welcome the opportunity to respond to your consultation. Our response below is structured as follows:

- Description of ELEXON's role and its interests in this consultation
- Our general comments
- Our answers to your specific questions
- Our additional questions and comments arising from the recently published ACER Questions and Answers, 6th Edition

What is ELEXON Ltd's role?

ELEXON's primary role is to undertake imbalance settlement and balancing mechanism settlement for the Great Britain (GB) electricity industry. As part of this we also host the national electricity industry information platform, which now includes the REMIT inside information platform for GB electricity too. ELEXON is not a market participant.

Our role is set out in the national GB Balancing and Settlement Code (BSC), which also requires that we are a not for profit organisation, and that we are funded by the GB electricity industry.

Our general comments

The views expressed in this response are ELEXON's alone, and in particular do not seek to represent those of market participants or Parties to the GB BSC.

Aim of the proposals

We support the principle aim of the proposals, i.e. to standardise inside information published across Europe.

Removing different interpretations across Europe

However, we believe that some of the proposed descriptions in the proposed common schema are still, in some cases, ambiguous and therefore may not bring about the standardisation that ACER desires, because these descriptions may be interpreted by different market participants in different Member States in different ways. We give our detailed thoughts on this in answer to your Question 3 below; and have suggested some alternative wording that we hope you will find helpful.

The time needed to implement any changes to our inside information platform and web feeds

There is no timeline given for implementation of a standard schema in the consultation document.

However, we note that your answer to new Question III.7.2 in the very recently published REMIT Questions and Answers, 6th Edition, states that ACER will commence collection of data from platform web feeds from 7 October 2015. We are unclear if this means that you would expect the standard schema to be in place from that date. If it is, this will not be possible for us, for the following reasons:

- Our hosting of the GB electricity inside information platform is governed by the GB BSC, and so the GB BSC will need to be changed to accommodate any changes to our current web feeds. As previously notified to you¹, there is a defined change process for the GB BSC, generally involving regulatory approval before a change to it can be implemented. We are not permitted to change the GB BSC or its systems without an assessment of the impact and then, in most cases, national regulatory approval is required to make the change. Without knowing the complexity of the change required we would normally quote 18 months from a detailed proposal for change being raised to its live implementation.
- A detailed proposal for change cannot be raised until ACER's requirements and schema are publicly finalised and confirmed, but subject to this confirmation being received soon after this consultation closes, and also to national regulatory approval for us to make the changes required, we believe that end 2016 is an appropriate date for us to aim for in this case.
- Therefore, although we are currently providing a web feed for ACER as required by the REMIT Implementing Act, **we will not be able to standardise it by 7 October 2015** given the need for this change and approval process, together with the short notice, and the existence of other significant mandated changes to our systems which we are required to make in the autumn. Given our governance, we do not have the freedom to re-prioritise particular changes that have already received regulatory approval, e.g. to give priority to the REMIT web feed standardisation.

On a related but more general issue, we note that the answer to new Question III.7.2, also states that ACER will commence collection of data from market participant websites from 7 April 2016.

However, as inside information platforms' data are populated by market participants, not sourced from the platform providers themselves, in effect the date on which platforms can provide the required data to ACER is also driven by the ability of all individual market participants to provide those data to the platform in the form that ACER requires. So, if market participants are unable to implement changes by 7 October, then neither will the platforms be able to provide those data to ACER until they have. And this is irrespective of the system changes that the platforms have been able to make.

¹ Private communications between ELEXON and ACER dated 18 March 2015 and 23 March 2015.

The technical implementation of web feeds: use of RSS and ATOM

We do not agree that RSS and ATOM are appropriate or should be mandated for web feed data collection for the reasons given below in answer to your Question 4. We believe that ACER should be technology neutral to avoid being in a position where we could all be required to use out of date, unsupported, technologies into the future.

Platforms should not be required modify any market participant's data

While we don't see this in the current ACER proposals, we would not support any change in the future that could require us to modify any market participant's data before publishing it or passing it on via a web feed, because we do not own the data, nor would we wish to be exposed to the liability risk of being accused of mis-publishing a market participant's market-sensitive data.

Publication of additional information beyond that required by ACER

We believe that national platforms should be able to publish a wider set of information than mandated by ACER for its web feed, for example local asset IDs are widely recognised and used by the GB electricity industry.

ACER to create the schema

We assume that ACER will create a schema for the use of inside information platforms with a detailed implementation guide with data descriptions following the closure of this consultation, and we would welcome this.

Your Questions

Question 1: Would you add any other field not included in the current proposal? If so, please explain your reasoning.

We would like to add another field to identify the Affected Asset. GB BSC Parties are familiar with existing national identifiers and we would request that if the schema is to be common between ACER and all other readers, an additional field to record "Affected Asset - Other Identifier" should be permitted, which would then be searchable.

Question 2: Would you remove any field represented in the current proposal? If so, please explain your reasoning.

We would suggest the removal of Message Field 20 (Impact on carbon permit prices) **if** this brings the inside information platform provider within the scope of the financial regulations. See also our more detailed answer on Message Field 20 in our answer to Question 3 below.

Question 3: Would you change any of the descriptions, accepted values or applicability? If so, please explain your reasoning. Are the schemas or values that you are suggesting based on any industry standard? Which ones?

Yes, we have comments on the individual proposals set out in the consultation's common schema, which we set out below.

a) Number of Schemas

We note that ACER is proposing three separate schemas. We would prefer two schemas – one for information on gas assets and markets; and one for information on electricity assets and markets. We do not see the need for the third schema on "other" types of inside information, as this can be included within the "Remarks" fields of the other two

schemas. Indeed, the layout for the three schemas means that the same (optional) information, e.g. electricity event impacting on emission allowance prices, could appear in both schemas or in either one of electricity or in other. For this reason, we feel that the third schema is unnecessary.

There could be a question as to how a two-schema set up, without the third schema, would work for parties who do not have physical assets when the Affected Asset, Fuel Type, Capacity fields, etc. are mandatory. The way that ELEXON manages this currently is that we have a special code indicating "no asset" for populating the fields.

b) Message field 3 (Event Status)

We can move to the Accepted Values proposed by ACER, but we think the meaning and use of these will be unclear to market participants and to users of the information. Therefore we suggest that: either there should be a set of definitions to explain each "Accepted Value"; or you may wish to adopt the set of "Accepted Values" that ELEXON currently uses, which we believe are more clear to market participants and data users. The values we currently use are: Open, Closed, Cancelled, Future, Superseded.

c) Message Field 8 (Fuel Type)

The Accepted Values for Fuel Type do not distinguish between Open Cycle Gas Turbines (OCGTs) and Close Cycle Gas Turbines (CCGT). As CCGT output is highly sensitive to ambient temperature, we suggest that these two types of gas-firing are distinguished by having two separate Accepted Values.

d) Message Fields 10a, 11a and 12a (Electricity Capacities)

The use of these fields should be clarified in the proposed Manual. We assume that Available Capacity = Nominal Capacity – Unavailable Capacity? Is this how ACER interprets these values? In which case, is it necessary to have all three fields?

e) Message Field 14 (Decision Time)

Although, as a neutral platform provider, it is not for ELEXON to comment on the inclusion of this parameter or not, we note that some market participants have expressed a view to us that Decision Time is a controversial parameter as it is not always identifiable precisely when a decision is made. It is likely that they will wish to see guidance from ACER on the usage and meaning of Decision Time.

f) Message Field 18 (ACER registration code or unique market participant code)

We assume that inside information platforms do not have to cater for all Accepted Value codes listed?

g) Message Field 20 (Impact on carbon permit prices)

Does the inclusion of Market Abuse Regulation data, bring the inside information platform provider within the scope of the financial regulations? If it does bring obligations and/or liabilities, we would wish to know what these are and discuss them with our industry.

Question 4: Do you agree with the use of RSS or ATOM feeds to fulfil the requirement under Article 10(1) of the REMIT Implementing Regulation?

We do not believe ACER should prescribe a specific technology for collection of inside information. And, specifically, we have the following concerns with using RSS and/or ATOM as a required technology:

- It lacks native authentication.
- It opens the inside information platforms to polling by anyone; and excessive polling of the REMIT inside information data via RSS will degrade performance of the platform which is a risk for Market participants publishing their information on the platform. Market participants confirm they regularly poll REMIT inside information websites.
- The data set may be incomplete and not in the right format for detailed analysis.
- It is difficult to control and monitor the service and stop abuse.
- It is a pull method and participants will not have access to the latest information.
- RSS is used for syndication of sites and not for individual feeds.
- RSS is a dying technology:
 - The RSS Standard has had no significant updates since 2003
 - The highly popular Google RSS reader was discontinued in 2013 due to declining interest
 - Twitter removed RSS in 2013
 - Apple removed it from OS X in 2012
 - Firefox dropped the RSS button in 2011
 - Google trends graph shows significant decline in RSS searches from 2006

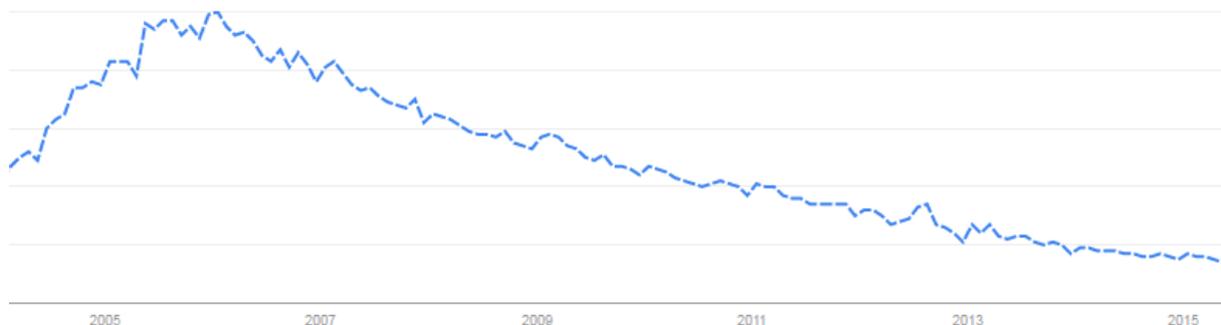


Figure 1: RSS Interest over time (Source Google Trends)

We are currently providing a push data service which allows market participants/ACER to have access to near real time information (NRT) for data on/from our platform and this includes REMIT inside information data. Furthermore for users who do not require NRT data, we also have a RESTful API which allows data to be pulled. Both services are authenticated to ensure the service can be monitored and controlled.

So in summary:

- The approach on our platform is to use request/response API and a push data service which we believe is a much better solution.
- RSS is a dying technology, and as it is a pull service, we believe its use will also degrade the ability of our platform and others to provide data and for Market Participants to publish data in a timely way.

However, if ACER requires the use of RSS and/or ATOM despite these disadvantages, we would like to understand how frequently ACER intends to collect data from inside information platforms?

Our questions and comments arising from ACER's REMIT Questions and Answers, 6th Edition

Timing of the standardisation of web feeds

We note that the answer to new Question III.7.2 states that ACER will commence collection of data from platform web feeds from 7 October 2015. We already provide an API web feed from which you can collect REMIT data. However, as noted above, it will not be possible for us to standardise in line with the consultation proposals by 7 October 2015.

Requirement to be a Regulated Reporting Mechanism (RRM)

We assume from studying the REMIT Questions and Answers that there is no requirement on an inside information platform to become an RRM solely because it provides a web feed to ACER. Our understanding is that registration as an RRM is only required if you are submitting trade data and fundamental data (for electricity this would be electricity nominations) direct to ACER. Therefore we believe we do not need to register as an RRM as we are only providing a web feed from our inside information platform. However, if you believe we need to become an RRM because we provide a web feed, can you let us know as soon as possible.

In conclusion

I hope that these comments are helpful. If you would like to discuss this further, please do not hesitate to contact me on [REDACTED] or by email at [REDACTED].

Yours faithfully

[REDACTED]
[REDACTED]
[REDACTED]