Market and market design developments impacting data collection and data quality

Iztok Zlatar
Market Data Analytics, Team Leader
Market Integrity and Transparency Department

3rd Energy Market Integrity and Transparency Forum
Ljubljana, 5 and 6 September 2019
Disclaimer

- The views expressed in this presentation are the views of the speaker and do not necessarily reflect the views of the Director, or of the Agency for the Cooperation of Energy Regulators, or of any of its Boards.

- The Agency for the Cooperation of Energy Regulators does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use.
• REMIT data collection
  » Key figures and statistics
  » Key graphics on data collection
• Data quality status
• Implementation of market and market design changes in REMIT
• Challenges and key messages
REMIT data collection
Key figures and statistics

Orders
2.5 MM per day
24% increase Y-o-Y

Trades
0.4 MM per day
29% increase Y-o-Y

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Std Contracts - Agg</th>
<th>Trades - Agg</th>
<th>Orders - Agg</th>
<th>Orders</th>
<th>Trades</th>
<th>Non-Std Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0</td>
<td>15.007.257</td>
<td>50.731.129</td>
<td>50.731.129</td>
<td>15.007.257</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>313.151</td>
<td>91.669.481</td>
<td>346.090.705</td>
<td>295.359.576</td>
<td>76.662.224</td>
<td>313.151</td>
</tr>
<tr>
<td>2017</td>
<td>568.693</td>
<td>182.176.141</td>
<td>819.548.429</td>
<td>473.457.724</td>
<td>90.506.660</td>
<td>255.542</td>
</tr>
<tr>
<td>2019</td>
<td>1.181.606</td>
<td>448.541.197</td>
<td>2.523.092.417</td>
<td>942.043.065</td>
<td>150.228.376</td>
<td>227.100</td>
</tr>
</tbody>
</table>

Aggregate numbers [Millions]
REMIT data collection - Key graphics

NO. of MP's ACTIVELY REPORTING in H1 2019

- below 100
- 100 - 250
- 250 - 500
- 500 - 1000
- 1000 - 2000
- 2000 and above
No of Table 1 records of transactions by country of delivery in H1 2019

- There are 7x more trades reported for EL compared to NG commodity
- Most, 395 million, of the records are reported with in Germany

**EL records** by country of delivery:
- 370 million records are reported with delivery in Germany, followed by Italy (43 million) and UK (30 million)

**NG records** by country of delivery:
- Country, where most NG contract are delivered is Netherlands (27 million), followed by Germany (25 million) and UK (19 million)
No of Table 2 records of Non-standard contracts (NS) by country of delivery in H1 2019

- There are 1.6x more contracts reported with NG compared to EL commodity
- Most NS contracts - 30,000 - are reported with delivery in Italy
- For both commodities, most contracts are reported for the delivery in Italy, Germany and UK.

Considering **EL NS contracts**, 20,000 are reported with delivery in Germany, followed by Italy (11,000) and UK (4,000)

Considering **NG NS contracts** 18,000 NG contracts are reported with delivery in Italy, followed by Germany (17,000) and UK (16,000)
Data quality

- Analysis of REMIT data: tools, analysts
- Feedback to RRM, OMPs, NRAs
- Validation rules
- ACER publications (3rd Open Letter on DQ)
- Guidance improvements
- Collaboration
  » RRM management
  » Communication with OMPs
  » AEMP roundtables
  » NRAs: regular meetings and analysis exchange
  » ESMA
  » Research institutions
- DQ remains a high priority activity
Data quality

- Close collaboration with RRMIs and OMPs
- Data quality assurance collaboration with NRAs:
  » REMIT information is shared on quarterly basis with all NRAs
- Strategy: focus on particular data sets
- Validation rules:

![Graph showing share of rejected records from January 2017 to May 2019]

- Uniqueness: 85%
- Completeness: 12%
- Consistency: 3%
Implementation of market and market design changes in REMIT

- **Challenges**
  - New contracts offered and traded
  - New EU legislation (CACM, FCA, EBR, GBR, CAM)
  - National legislation (unit based bidding, flexibility markets,..)
  - Global environment

- **Reporting of contracts fits into the existing TRUM framework (XSD)**
  - Data quality issues
  - Consultations, roundtables
  - Reporting guidance update

- **Reporting of contracts does not fit into the existing TRUM framework (XSD)**
  - Data quality issues
  - Consultations, roundtables
  - Reporting guidance update (TRUM, FAQs)
  - Material update of the guidance required (XSD)
  - IT Implementation (XSD, downstream systems)
Challenges

- Market Design changes and business challenges
  » Increasing data complexity, evolving regulatory landscape and new market developments

- Technical challenges
  » Increasing data volume, storage, network, aging technology vs. new design and data processing approaches

- Budget challenges
  » Hardware, Software for data collection and sharing, specialised analytical tools

- Human resource challenges
  » Insufficient number of staff for a large scale operation as REMIT
Key messages

- ACER continues to provide centralised data collection despite challenges
- REMIT data is useful to analyse markets and conduct surveillance
- ACER's goal is to further improve and maintain data quality
- ACER will continue its efforts to follow market developments
- ACER aims at increasing the value of REMIT data by making an increasing use of REMIT data beyond market surveillance
Thank you for your attention!

www.acer.europa.eu