

## **2<sup>nd</sup> Meeting of the REMIT Ad hoc Expert Group on Commodity Derivatives**

Tuesday, 8 November 2016 from **11:00 to 16:00**

EASA, 100 avenue de Cortenbergh, 1000 Brussels

### **Attendees:**

ACER: Volker Zuleger, Elio Zammuto, Joseph Gildea

Experts: Riccardo Rossi, Erik Korsvold, Rainer Landgraf, Jorge Simao,

## **1 Discussion of the core concepts of derivatives and physical commodities**

Agency staff and Experts discussed the draft document which had gone through several changes since the last meeting. The Experts comments on the previous draft were accepted as having been taken into account or acknowledged in bilateral discussions in the time since the last meeting. .

The Experts agreed that the changes to the structure had helped the readability and flow of the document. Importantly there was unanimous agreement on the validity of the central concept of the document.

Some various improvements to references or other clarifying statements were discussed and agreed.

The status of the document was discussed and whether it would be published. ACER stated that both questions were still to be decided, and that it would likely consult further informally before reaching a decision.

The draft Executive Summary was also discussed with comments included in the draft document. ACER agreed to rework the Executive Summary based on the comments received in the meeting.

The Experts agreed that there were numerous potential benefits to publishing the paper, but also some risks, particularly as there may be impacts beyond gas and power and into the area of other physical commodities.

However they also agreed that at the very least, the paper could become a reference document and basis for discussions on future legislative developments and the additional questions it would perhaps raise would be very important for industry and regulators alike.

It was also stated that they did not believe there would be much impact on current market functioning or the platforms that are currently operating in the market.

## **2 Discussion on long term transmission rights in the context of the Forward Capacity Allocation Guideline**

Experts introduced this topic and the discussions currently ongoing in various associations, as well as their individual views on these instruments. The role of the allocation platforms was also discussed.

ACER outlined some early thinking on this topic. One expert stated that an open discussion was important because it was counterproductive if on one side the market was being pushed to use secondary markets to remove congestion but on the other it was deterred from trading the particular products.

## **3 Conclusions**

It was announced that no further Expert Group meetings are foreseen. The Expert's view was that the document was an important first step and subsequent documents could deal with further questions that arise.