

1st Meeting of the REMIT Expert Group on wholesale energy market trading

Wednesday, 10 February 2021 from 14:00 to 17:30

DRAFT MINUTES for additions by Experts (V1) (Chatham house rules, no names basis in quotes)

Name	Surname	Represented institution
Experts		
Aviv	Handler	ITR Advisory
Bernard	Walter	ENBW
Camilla	Berg	NordPool Group
Giulia	Migueles Pereyra	ENI, Regulatory Affairs
Piotr	Krawczak	TGE
Karl Peter	Horstmann	RWE
Ksenia	Poplavska	AIT
Matti	Sohlman	PVO
Nadja	Keraenen	OMV
Simon	Dides	OTCEX
Violeta	Sliskovic	UNIPER
ACER/NRAs		
Martin	Godfried	ACER
Volker	Zuleger	ACER
Blaz	Kladnik	ACER
Patrick	Luickx	ACER
Antonio	Santos	ACER
Marie-Judith	Moriconi	ACER
Gaia	Morleo	ACER
Esther	Espeja	CNMC
Martina	Isola	CRE
Lasse	Pollari	EV
Michael	Wueger	E-Control
Ricardo	Pacheco	ERSE
Karoly	Grebecz	MEKH
Kristin	Kolseth	NVE
Elena	Murea	ANRE

Name	Surname	Represented institution
Observers		
Kathrine	Stannov	ENTSO
Nikolaj Nabo	Andersen	Energinet
György	Jancskár	FGSZ / RBP

1. MEETING OPENING PART

The first meeting of the new REMIT Expert Group on wholesale energy market trading ('the Group') in a virtual format was opened and the agenda was approved.

The chair welcomed the Group's members and outlined the purpose of the Group.

ACER introduced the terms of Reference and Rules of Procedure of the Group, along with the frequency and the working modalities of its future meetings, as well as the expectations from the Group and the content and form of the input that will be sought from it.

2. GUIDANCE TOPICS INTRODUCTION

2.1 Revamping of the ACER Guidance on REMIT

ACER signalled the importance of the ACER Guidance on REMIT ('Guidance') which over the years has been valuable for the NRAs but also for all stakeholders, becoming a popular document which reaches a wide audience.

It was pointed out that in the past the main structure of the document did not change significantly, but the changes in the trading of WEP over the last 10 years, the changes in the regulatory framework (e.g. MAR, MiFID II, new electricity legislation) and the accumulated experience by ACER and NRAs in the application of the market abuse provisions impose a reorganisation of the current ACER Guidance.

ACER pointed out that the Chapters 1, 2, 3, 6, 8 and 10 are in scope of the revision. Chapters 4, 5, 7 and 9 are out of scope because they were either recently revised or remain updated. An expert required clarifications on the current Chapter 5 pointing out that more guidance would be needed regarding products / assets outside of EU (operated by non-REMIT MP) insofar such products / assets have impact on the EU prices. Other experts also referred to be interested in having further discussions on the concept of inside information under REMIT in future meetings of the Group. ACER referred that discussions on the application of the concept of inside information fit well with the purpose of the meeting but that any structural change on the current Chapter 5 are not foreseen. Specific issues could be dealt with through the Q&A or other means and do not require structural changes to the Guidance.

The structure and content of Chapter 2 was presented. An expert introduced subjects for future brainstorming in respect to Chapter 2 regarding capacity markets, biogas, and upstream transmission system. It was agreed that this and other feedback should be introduced as expert advice in the document, in writing and will be further discussed in the upcoming meeting.

ACER representatives introduced the new Chapters 5 and 6 of the ACER Guidance explaining what was not changed and the new elements. Experts were explicitly asked to provide feedback on the issue raised regarding the interpretation of Article 3(3) of REMIT.

One expert asked for additional consultation time because of the length of the documents. Several experts indicated interest in a second round of input and discussion based on a consolidated 2nd new version. Several experts supported the creation of devoted meetings for the discussion of each one of the chapters to facilitate the discussion. ACER referred that 3 weeks were given for comments and that the deadline was 22 of February EOB. It was agreed that the next meeting will be broken into segments to allow a more focused discussion of each of the different chapters.

2.2 Clarification on the part of the Guidance on Capacity withholding¹

ACER presented the clarification of the Guidance on Capacity withholding. The clarification consists of the addition of one footnote, the expansion of another footnote and the updating of the definition of economic withholding. Comments were gathered, mainly around the question whether or not to refer explicitly to balancing markets as a sequential market in the reference to opportunity costs.

The Group was invited to provide feedback until the 24 February 2021.

3. MARKET TOPICS – INTRODUCTION OF TOPICS

The discussion of Agenda Item 3² was postponed.

4. INPUT ON TOPICS TO BE ADDRESSED OVER COMING MEETINGS

The Group introduced various topics for future discussions.

- Revisit the recommendations made by the previous Expert Group last summer
- The application of Art 3.3 to TSOs and DSOs
- Flexibility platforms / DSOs / and their application of REMIT (raised by multiple experts)
 - How does REMIT apply flexibility products ? What does exactly fall into the scope of REMIT?
- Redispatch markets and inc-dec gaming (raised by multiple experts)
- Explicit mention of peer-to-peer trading in REMIT (see CEP)
- Inside Information thresholds
- Inside Information Platforms: centralise / standardise UMMs
- Discussion on the future REMIT regulation : "REMIT 2.0"
 - E.g.: New gases are on their way very quickly and MPs and REMIT should be ready to tackle it (e.g.: Natural gas will be extended to green and other new gas sources (hydrogen) in the new gas package, and REMIT should adapt accordingly). (raised by multiple experts)
- Sector coupling and sector integration
- How REMIT and the Transparency Regulation (Art. 10.1) correlate and thus also the expectations to the publication under Article 10 of Transparency Regulation

5. CLOSING SESSION – NEXT STEPS :

The upcoming meeting will be planned over three days, to cover Chapters 2, 5 and 6 of the Guidance in three separate sessions.

Action Points
1. Feedback – Written comments on the new chapters of the ACER Guidance on the application of REMIT to be provided until the 22 February.
2. Guidance on Capacity withholding: Comments until 24 February.

¹ ExpertGroup1_Doc.2.2.A_Clarifying text CW Guidance

² REMIT contracts: wholesale energy product definition, different markets and how products are traded / Definition of Organised Market Place (OMP), status of platforms not listed as OMPs, global platforms, drivers that determine where market participants trade (exchange, brokers, OTC)