



Agency for the Cooperation
of Energy Regulators

*Head of the Market Integrity
and Transparency Department*

Ljubljana, 16 February 2017
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To whom it may concern

Subject: Open letter on REMIT transaction reporting data quality

Dear Sir or Madam,

The purpose of this letter is to inform you that the Agency for the Cooperation of Energy Regulators ('the Agency') is currently conducting an assessment of the completeness, accuracy and timely submission of the data received under Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT). The Agency intends to liaise with Registered Reporting Mechanisms (RRMs) for improving transaction reporting under REMIT.

The Agency is committed to ensuring high quality of transaction reporting and will continue to focus specialist supervisory efforts on this in order further to advance its market monitoring capabilities.

Who should read this letter

Organised Market Places (OMPs), Market Participants (MPs), and RRM's assisting their clients with the reporting obligation under REMIT should carefully read this letter and its annex.

Why should OMPs, MPs and RRM's read this letter

The Agency is constantly reviewing the data submitted for contracts traded at OMPs and reported as of 7 October 2015 and for contracts traded outside OMPs and reported as of 7 April 2016, in order to assess completeness, accuracy and timely submission of the data.

According to Article 11(2) of Commission Implementing Regulation (EU) No 1348/2014 ('Implementing Regulation'), persons required to report data referred to in Articles 6, 8 and 9 of the Implementing Regulation shall have the responsibility for the completeness, accuracy and timely submission of the data to the Agency. Where a person required to report data referred to in Articles 6, 8 and 9 of the Implementing Regulation reports such data through a third party, the person shall not be responsible for failures in the completeness, accuracy or timely submission of the data which are attributable to the third party. In those cases, the third party shall be responsible for those failures. Persons referred to in Articles 6, 8 and 9 of the

Implementing Regulation shall nevertheless take reasonable steps to verify the completeness, accuracy and timeliness of the data which they submit through third parties. Persons required to report transaction data referred to in Articles 6 of the Implementing Regulation include MPs and OMPs. **The assurance of data quality therefore lies primarily with MPs and OMPs.** RRM and other third parties are responsible for those reporting failures attributable to them.

The requirement to provide complete and accurate transaction reports includes the requirement to correct a previously submitted transaction report that is inaccurate, and correct a transaction report when the transaction itself has been amended post trade. Furthermore, according to Article 6(8) of the Implementing Regulation, **the Agency may request additional information** and clarification from MPs and reporting parties in relation to their reported data. The notion of reporting party includes all persons required to report data referred to in Articles 6, 8 and 9 of the Implementing Regulation, as well as third parties referred to in Article 11(2) of the Implementing Regulation. RRM and organised market places are considered reporting parties, the latter regardless of whether they are registered as RRM themselves or reporting through a third-party RRM.

Following a data quality assessment, the Agency has detected several common types of data quality issues (please see the Annex) and it expects MPs and OMPs also to start their own review of their REMIT data reported to date, so that they can be ready to correct a previously submitted transaction report that is inaccurate and to provide additional information when requested by the Agency according to Article 6(8) of the Implementing Regulation.

The Agency is issuing this letter to **inform all relevant parties well in advance** of the ongoing checks on the quality of REMIT data received so far.

What the Agency is doing and why

The Agency's review of the data submitted **aims at helping market participants and organised market places** to make sure that the data reported to the Agency is **consistent with the REMIT requirements**¹. The activity will also enable the Agency and National Regulatory Authorities (NRAs) effectively to fulfil, as specified in Article 7 of REMIT, their market monitoring tasks which requires complete and accurate data being submitted to the Agency in a timely manner.

What MPs and OMPs may expect from the Agency

The Agency will inform MPs and OMPs of data quality issues **through RRM reporting on their behalf starting from now**. Generic and/or specific reports on detected issues will be sent to the RRM. The reports will describe the type(s) of issue the Agency has identified and the action required from MPs or OMPs.

In case MPs or OMPs, on the basis of their own assessments or on the basis of the common types of data quality issues referred to in the Annex, identify that they have reported data erroneously, they should liaise with their RRM in order to make the necessary corrections. The RRM would inform the Agency accordingly.

¹ Please consult the Agency's Transaction Reporting User Manual (TRUM) and its annexes and the FAQs documents on transaction reporting, fundamental data and inside information available on the Agency's REMIT portal, <https://www.acer-remit.eu/portal/home>.

What the Agency expects from reporting parties

The Agency **expects parties to be responsive** and engage with the Agency in order to clarify and resolve any detected inconsistency in a timely manner.

At this stage, reporting parties should consider this activity as **a cooperative exercise**. In the Agency's view, reporting parties actively engaging with resolving data quality issues together with the Agency contribute towards compliance with their REMIT reporting obligation. This means that **a cooperative attitude toward solving data quality issues and the resolution of the issues may possibly resolve a history of inconsistency in the data submitted by the interested party**.

The Agency prefers to work with reporting parties to resolve data quality issues, but it will also initiate enforcement action if necessary. In this context, **the lack of engagement, unreasonable delays in responding to the Agency's requests, continuously submitting incorrect data, or repetitive re-submitting data that is not in line with the guidance provided**, can be considered as failure to comply with REMIT reporting obligations. The Agency may consider involving the respective NRAs to take enforcement actions in such cases.

The Agency will conduct periodic data quality assessments to monitor data quality and will update stakeholders regularly on this matter. The Agency will also create opportunities for the exchange of information and practices, such as roundtables and bilateral meetings, RRM user group meetings and webinars, roundtable meetings with the Associations of Energy Market Participants (AEMPs) and any other **activity that may assist the interested parties** in actively engaging with the Agency in solving issues with data quality.

Should you have any questions, please do not hesitate to contact us under remit@acer.europa.eu.

Yours faithfully,

signed

Volker Zuleger

Head of the Market Integrity and
Transparency Department

Annex: Common types of data quality issues

Annex: Common types of data quality issues

This Annex describes the most common types of data quality issues. It should not be considered exhaustive. For a better understanding of how to report in full compliance with the requirements under REMIT, please refer to the Agency's guidance on transaction reporting, namely the TRUM and the FAQs on transaction reporting, and liaise with the RRM reporting on your behalf as they may have additional instructions.

Zero, negative quantity or not reported

Reference: TRUM - Table 1 Quantity Volume Field (40) and Delivery Capacity Field (55)

Description: Trades with Zero and Negative quantities, field (40) have been reported or values have not been reported at all. Field (40) should only be left blank when field (55) is reported with a value. Negative values have been reported in field (55). Field (55) may not be reported only if field (40) is reported as a non-zero. Only AU contract types may contain negative values. For reference, please see the TRUM examples.

Total Notional Contract Quantity reported with zero or not reported

Reference: TRUM - Table 1 Data Field No (41) Total notional contract quantity

Description: Zero values for total notional contract quantity have been reported or values have not been reported at all. This field should not be left blank, even for shaped trades. All trades should contain the value, apart from some exceptions specified in the Agency's guidance on transaction reporting. For reference, please see the TRUM examples.

Notional Amount reported with zero or not reported

Reference: TRUM - Table 1 Data Field No (38) Notional amount

Description: Zero values for Notional Amount have been reported or values have not been reported at all. This field should always be reported (and should only be reported as zero when the price of the contract is €0). All transactions should have a notional, or monetary, value. All trades should contain the value, apart from some exceptions specified in the Agency's guidance on transaction reporting. For reference, please see the TRUM examples.

Delivery point or zone code misreporting

Reference: TRUM - Table 1 Data Field No (48) and Table 2 Data Field No (41) Delivery point or zone

Description: In some cases, invalid delivery point or zone codes are reported. EIC Y codes (or an alternative code to be agreed with the Agency if the EIC code is not available) should be reported to identify the delivery point or zone for the contract. Since gas can also be delivered at the interconnection point, then the EIC Z code for that interconnector may be used. In some cases, the codes reported clearly identify wrong delivery zones. Reporting parties should be more accurate in reporting valid and correct delivery point or zone codes when reporting transactions under REMIT. The Agency will also aim at providing additional guidance on the correct use of EIC codes when reporting delivery point or zone codes.

OMP identifier code misreporting

Reference: TRUM - Table 1 Data Field No (27) Organised market place ID / OTC

Description: In some cases, invalid OMP identifier codes are used when reporting transactions. Valid OMP identifier codes are available on the REMIT portal. Only OMP identifier codes listed on the REMIT portal shall be used for transaction reporting purposes.

Inaccurate delivery profile definition

Reference: TRUM – Table 1 and 2 Data fields related to delivery profile

Description: The Agency is observing inaccurate delivery profile definitions. This triggers alerts based on the comparison of other reported parameters. For example, a typical yearly baseload contract is wrongly reported with delivery start date and time 2016-12-31 00:00 and end date and time 2017-12-30 24:00. There is extensive guidance provided on this topic in the Agency's REMIT Reporting User Package.

In general 23:59:59 and 24:00:00 should never be used for delivery start time. 23:59:59 and 24:00:00 on Day X should be reported as 00:00:00 in day X+1. Example: The invalid delivery start 2016-12-31 23:59:59 or 24:00:00 should be reported as 2017-01-01 00:00:00. In addition, contract start date and delivery start date may be different: e.g. the contract starts on 1 January 2017, but for peak contracts the delivery starts on Monday morning, which is the 2 January 2017.

Missing other side of trade

Reference: TRUM - Table 1 Data Field No (31) Unique transaction ID

Description: Regardless of whether the trade takes place on organised market places (excluding auction) or bilaterally, both the buyer and the seller of a trade must report the transaction identified by a unique identifier (UTI). Some observed transactions are matching the UTI, however they are not matching key and mandatory fields. Both sides of transaction should match the key parameters since they describe the same event.

Order transaction missing (when Linked Order ID is reported)

Reference: TRUM - Table 1 Data Field No (33) Linked order ID

Description: Market participants submit orders to the organised market place. If the order to trade is matched with another order, the resulting trade occurs. However, several trades with a linked order ID have been reported where the order has not been reported to ARIS. This is considered incomplete transaction reporting.

A unique combination of Contract ID and OMP have conflicting Delivery Profiles

Reference: TRUM - Table 1 Data Field No (21) Contract ID

Description: A standard contract is uniquely identifiable by a combination of its contract ID and organised market place. However, the Agency is observing reporting of such uniquely identifiable contracts with a unique combination of Contract ID and organised market place, but conflicting delivery profiles. It is expected that each uniquely identifiable contract be defined by exactly the same matching delivery profile.

Inconsistent Contract Name

Reference: TRUM - Table 1 Data Field No (22) Contract name

Description: This field identifies the name of the contract as identified by the organised market place hosting the trading of the contract. The contract name should be the same as used by the organised market place to advertise the contract in their system to their clients. Transactions where the contract names are not reflecting the actual contracts have been reported. For example, a contract name “February2016” indicated a delivery start date and end date of 2016-01-22 and 2016-01-23, respectively. While the delivery period may prove correct, the contact name is not in line with the delivery period.

Bilateral trade Contract Name misreporting

Reference: TRUM - Table 1 Data Field No (22) Contract name

Description: Market participants reporting bilateral contracts traded off-organised market place (organised market place ID = XBIL) are expected to report the value of “BILCONTRACT”, “BACKLOADING” or “EXECUTION” according to the trading scenarios available in ANNEX II. Several reports have been submitted to ARIS with different values than those listed therein.

Bilateral trade Contract ID

Reference: TRUM - Table 1 Data Field No (21) Contract ID

Description: Market participants reporting bilateral contracts traded off-organised market places, back loading and executions under the framework of non-standard contracts are not expected to submit a contract ID but only “NA” for not available.

Inaccurate values reported

Reference: TRUM - Table 1 Data Field No (42) Quantity unit for fields (40) and (41)

Description: Transactions were reported where price values are suspicious and the issue can be due to input error like a “fat-finger” error or incorrect unit reporting. For example, where 0.030 €/MWh is reported instead of expected 30 €/MWh.

Transaction Timestamp after Delivery Start Date

Reference: TRUM - Table 1 Data Field No (30) Transaction timestamp, Data Field No (49) Delivery start date

Description: The Agency is observing non- “BACKLOADING” trades with Transaction Timestamp values that are after (or greater than) the delivery start date. This cannot happen, as trades cannot occur after energy begins to “flow”, except for markets like day after markets.

Transaction Timestamp rounding

Reference: TRUM - Table 1 Data Field No (30) Transaction timestamp

Description: The Agency is observing Transaction Timestamps which are not compliant with the guidance provided by the Agency when audited against reference data sources. For standard contracts traded at organised market places, the Agency expects timestamps to be as accurate as possible. For that matter, this applies to any time-field for orders and trades.

Execution time misreporting

Reference: TRUM - Table 1 Data Field No (30) Transaction timestamp

Description: The Agency is observing Transaction Timestamps for executions that are inconsistent with the transactions timestamp.

Index fields not correctly populated

Reference: TRUM - Table 1 Data Field No (25) Fixing index and Table 2 Data Fields No (24, 25, 26, 27, 28, 29, 30, 31) Fixing index details

Description: Trades based on an index have incomplete information about the index. In some cases only the names of the index are reported but not the type, the source, the date of fixing, etc.

Beneficiary ID misreporting

Reference: TRUM - Table 1 Data Field No (8) Beneficiary ID

Description: If the beneficiary of a given contract is the market participant entering into the transaction, this field is to be left blank. However the Agency is observing cases where the Beneficiary ID and the Market participant ID are the same.