

ACER



Agency for the Cooperation  
of Energy Regulators



# NRAs coordination on REMIT investigations ACER's perspective

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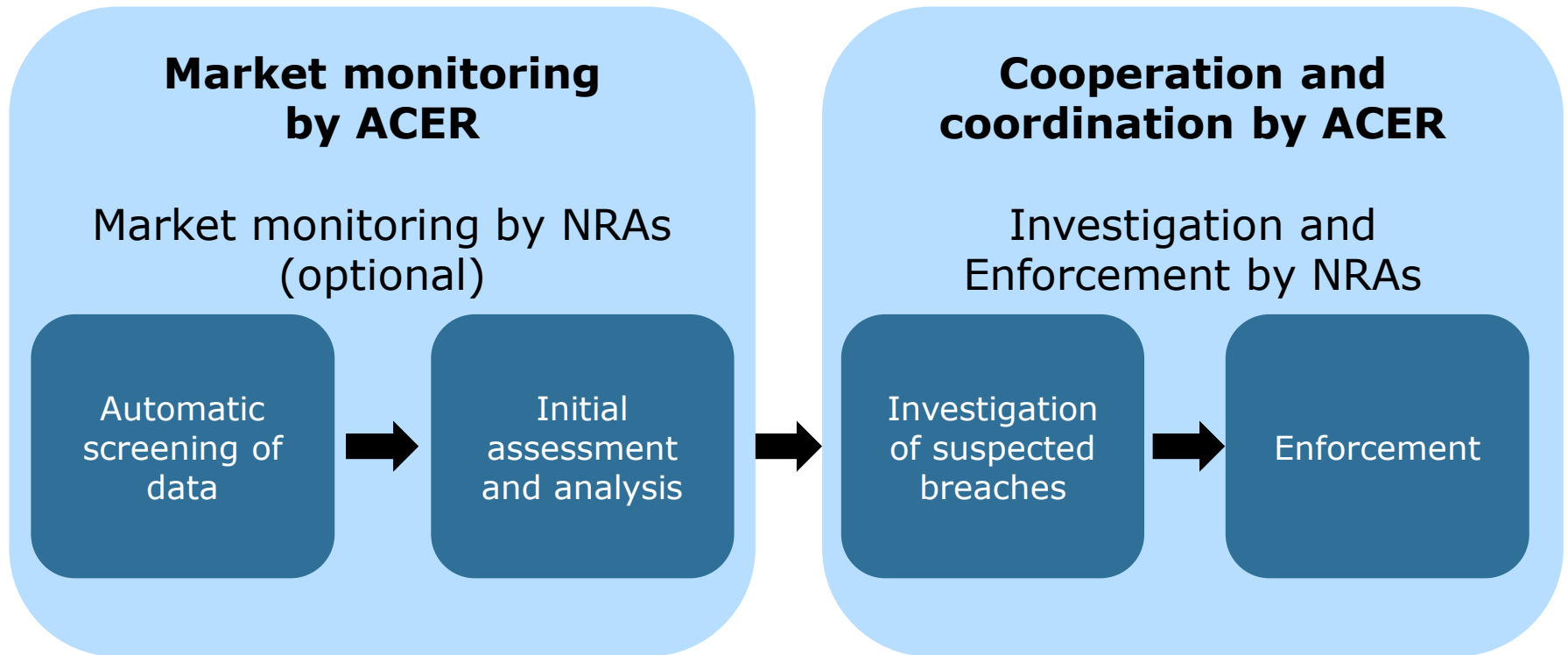
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- The mandate
- The tools
- The example
- The challenges

***'The Agency shall aim to ensure that NRAs carry out their tasks under this Regulation in a coordinated and consistent way.'*** – Article 16 (1) of REMIT



## Two wide range tools:

- ACER Guidance
  - ✓ ACER Guidance
  - ✓ Guidance Notes
- Coordination meetings on REMIT case investigations
  - ✓ ACER/NRAs
  - ✓ 1:Many – REMIT Coordination Group (4/year)
  - ✓ 1:Many - Market Monitoring Standing Committee (5/year)
  - ✓ ACER/ESMA/Financial regulators
  - ✓ 1:Many – Energy Trading Enforcement Forum (1/year)



## Six targeted tools (four in use):

- Case updates
  - ✓ 1:1 ACER/NRA meetings on cases
  - ✓ Case related workshops
  - ✓ Follow-ups on notifications
- Cross notifications
- Request NRAs any information related to the suspected breach
- Request NRAs to commence an investigation of the suspected breach
- Establishment and coordination of investigatory groups
- **New** Support NRAs on REMIT investigations

**Due to the chronic lack of HR to implement REMIT these two tools are not used currently by ACER as they are HR intensive**

- **The type of behaviour**
  - ✓ Acquisition of all or part of the available transmission capacity without using it or without using it effectively
- **The context**
  - ✓ Continuous electricity intraday markets
  - ✓ Transmission capacity is priced implicitly at zero
- **The problem**
  - ✓ harms the use of cross-border interconnectors to deliver economically efficient outcomes
  - ✓ reduces the scope for competition in one or more connected wholesale energy markets
  - ✓ prevents energy prices from converging

- **The start**

- ✓ First reports of the behaviour by Energy Exchanges (PPATs) – 2015
- ✓ Further events identified by NRAs - 2015

- **The current status**

- ✓ Two Decisions imposing sanctions were issued



- ✓ ACER implemented two alerts that cover the behaviour in its market surveillance system
- ✓ Several alerts shared with NRAs on the behaviour ever since



- **What did you see?**

- ✓ The referral of the two cases for enforcement by the Danish Utility Regulator (DUR) to the Public Prosecutor coincided with ACER's issuance of the Guidance Note on the behaviour of transmission capacity hoarding
- ✓ DUR and ACER coordinated the press releases once the Decisions were taken – Published the same day with coordinated text

**But, ... there is significant work behind the scenes from the NRA and ACER side to make it happen ...**

- How did we get there?

		2015		2016		2017		2018		2019			
		1H	2H	1H	2H	1H	2H	1H	2H	1H	2H		
<b>PPAT*</b>	<b>Detection</b>	■											
	<b>Investigation</b>			■									
<b>NRA/ Prosecutor</b>	<b>Handover to public prosecutor</b>							■					
	<b>Final Decisions of public prosecutor</b>							■		■			
	<b>Press release</b>							■		■		■	
	<b>Coordination Meetings - on the topic</b>							■		■			
<b>ACER</b>	1:1 - ACER/NRA			■		■		■					
	1:Many - ACER/All NRAs			■		■		■					
	1:Many - ACER/PPATs					■		■					
	<b>Guidance Development</b>					■		■					
	Drafting					■		■					
	Consultation							■		■			
	Publication							■		■			
	<b>Information Dissemination</b>							■		■			
	Development of new alerts							■		■			
	Press release coordination									■		■	

## A fragile ecosystem to ensure consistency:

- ACER – A mandate of means ('aim') with insufficient resources
- NRAs – New area, limited staff, and increasing number of cases
- New provision on support on investigations by ACER but no additional resources allocated



**Thank you for your attention!**



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