
Open Letter
Invitation to the Agency's REMIT implementation pilot project

Ljubljana, 11 July 2013

Subject: Invitation to participate in the Agency's REMIT implementation pilot project

Dear Sir/Madam,

Today the Agency for the Cooperation of Energy Regulators has launched a pilot project for the implementation of Regulation (EU) No 1227/2011 (REMIT). The Agency's REMIT implementation pilot project concerns both data collection and monitoring under REMIT, at a later stage it will also cover data sharing with National Regulatory Authorities.

At the current stage of the REMIT implementation process, the pilot project is primarily aimed at data collection through trade reporting systems, organised markets, trade-matching systems, persons professionally arranging transactions, trade repositories and other third parties. The pilot project's aim is to provide the Agency with records of wholesale energy market transactions, including orders to trade, and/or fundamental data on behalf of multiple market participants as Registered Reporting Mechanism (RRM) or Registered Information Service (RIS) according to Article 8(1), (3), (4) and/or (5) of REMIT. At a later stage, in particular once the European Commission's implementing acts are adopted, the project may be extended to market participants. Market participants may, however, participate in the Agency's REMIT implementation pilot project through the aforementioned third parties if willing to provide relevant data as requested by the Agency.

In the course of the pilot project's first phase, the Agency is aiming at collecting relevant trade data as defined in a Non-Disclosure-Agreement developed by the Agency. This first phase will help the Agency to prepare the future data collection tasks under REMIT, in particular to better understand the potential technical standards, formats and procedures to be used related to data collection issues. In the pilot project's second phase as of autumn 2013, the Agency is aiming at testing the fundamental data collection.

The aforementioned third parties aiming to provide the Agency with records of wholesale energy market transactions, including orders to trade, and/or fundamental data on behalf of multiple market participants as RRM or RIS, and in a position to provide relevant data as requested by the Agency, are invited to apply for participation in the Agency's REMIT implementation pilot project.

Please find attached a document presenting an overview of the Agency's REMIT implementation pilot project.

The application email should set out briefly the following:

- Identification of the third party and its current focus of involvement in the wholesale energy market transactions/orders and/or fundamental data reporting.
- Brief overview of covered market(s), product(s) and number of market participants, on behalf of which the third party may report.
- Willingness to provide and to enrich relevant data as requested by the Agency in accordance with the ACER recommendations on the Records of Transactions - and the draft implementing acts as soon as available - subject to signature of a standard Non-Disclosure Agreement defined by the Agency.
- Contact details of the third party's senior in-house IT-expert in charge of preparing the third party's participation in the Agency's REMIT implementation pilot project. The senior in-house IT expert should have sufficient time available to prepare for the provision of relevant data and to participate in pilot discussions. It is currently envisaged to have three pilot project meetings in Ljubljana before the end of 2013.

Please apply by 25 July 2013, by 12.00 noon, Central European Time, i.e. two weeks after publication of this Open Letter on the Agency's website, by sending your application to the following mailbox: remit.pilot@acer.europa.eu. Applications received after this deadline may not be considered.

The application process for the Agency's REMIT implementation pilot project comprises two stages: Firstly, the Agency will review a written application; secondly, the Agency will ask applicants to sign a Non-Disclosure Agreement specifying the data and the manner of data provision before receiving further details on the technical implementation of the pilot project. The Agency will only accept applications once all stages are successfully completed.

A list of the pilot project participants will be drawn by the Agency. Please note that subject to the number of applications, it may take some time to process the application. Depending on the number of applications received, given the current stage of the REMIT implementation in the absence of the Commission's implementing acts, the Agency may, or may not, be able to accommodate all requests to participate in the pilot project.

The Agency will report about the development of its REMIT implementation pilot project in REMIT implementation roundtable meetings with relevant stakeholders organised in Ljubljana during the second half of 2013 and in a public workshop in autumn 2013. Further information will be published on the Agency's website.

Yours Sincerely,



Volker Zuleger

Head of the Market Monitoring Department

Scoping paper

ACER Pilot project REMIT implementation

Rationale

Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (hereafter referred to as "the Regulation" or "REMIT") was published in the Official Journal of the European Union on 8 December 2011 and entered into force 20 days later, on 28 December 2011.

The Regulation introduces provisions to improve integrity and transparency in wholesale energy markets and establishes common rules on the prohibition of market abuse in wholesale energy markets. It envisages the collection of wholesale energy market data and the monitoring of wholesale energy markets by the Agency and the enforcement of the prohibitions against market abuse at national level. The Regulation, in its Article 8(2) and (5), confers powers to the European Commission (hereafter referred to as "the Commission") to adopt implementing acts as regards data collection by the Agency.

On 23 October 2012, the Agency provided the Commission with its Recommendations on the Records of Transactions, including orders to trade, which it considers necessary to effectively monitor wholesale energy markets and as regards the REMIT implementing acts according to Article 8 of REMIT. These recommendations were complemented by the Agency's Recommendations on the

Records of Transactions, including orders to trade, concerning balancing and transportation contracts submitted to the Commission on 26 March 2013.

The Agency considers these recommendations as a sound basis for the development of the REMIT records of transactions and the implementing acts.

Whilst the preparation of the REMIT implementing acts by the Commission is still ongoing, the Agency highlights that data collection according to paragraph 1, the first subparagraph of paragraph 3, and paragraphs 4 and 5 of Article 8 shall apply with effect from 6 months after the date on which the Commission adopts the relevant implementing acts referred to in paragraphs 2 and 6 of Article 8 of REMIT. Given the short time frame for the implementation of data collection according to Article 8 of REMIT, a prudent preparation of data collection and monitoring of the data collected is essential to ensure a smooth REMIT implementation.

Scope

Given the current situation, a Pilot project supported by a representative sample of relevant stakeholders will help to prepare for an efficient data collection and monitoring scheme for wholesale energy trade data under REMIT.

For data collection, different source entities would need to be involved, covering the variety of data providers according to Article 8 of REMIT (organised market places, trade matching systems, trade reporting systems, trade confirmation systems, bilateral trading).

For market monitoring, also different regulated information (inside and transparency information) would be needed.

Outcome

The Pilot project deliverables can be summarised as follows:

1. Preparation of an efficient and cost effective comprehensive trade data collection and monitoring scheme under REMIT
2. Development of a concept and representative examples for statistical analysis of trade data
3. Development of a concept and examples for an analysis of trade data in order to identify potential market abuse

The outcome of the Pilot project will serve ACER's needs to prepare the data collection and monitoring under REMIT. Any data provided will be kept confidential.

The outcome of the Pilot project regarding market monitoring will be kept confidential and solely serve ACER's needs to prepare its market monitoring activities according to Article 7(1) of REMIT.

The outcome of the Pilot project concerning data collection will be used to prepare the Transaction Reporting User Manual by the Agency in parallel with the preparation and adoption of the REMIT implementing acts by the Commission.

Stakeholders

Relevant stakeholders will be involved at the operational level of the Pilot project, providing data and expertise for the Agency's REMIT implementation.

Project organisation

Project management will be carried out by ACER. The Agency will report about the work done in the ACER Market Integrity and Transparency Working Group, ensuring continuous involvement of National Regulatory Authorities.

The project duration is about six months and project results are expected in autumn 2013.

April 2013