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PROFITIEREN. WO IMMER SIE ENERGIE BRAUCHEN.



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E-Control REMIT Experiences

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Energy Market Surveillance, 1st Tier

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Agenda



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1. Registration
2. Sources
3. Standardised Contracts
3. Non-standardised contracts
4. TRUM preparation
5. Keeping the market informed
6. Data quality
7. Surveillance

Registration



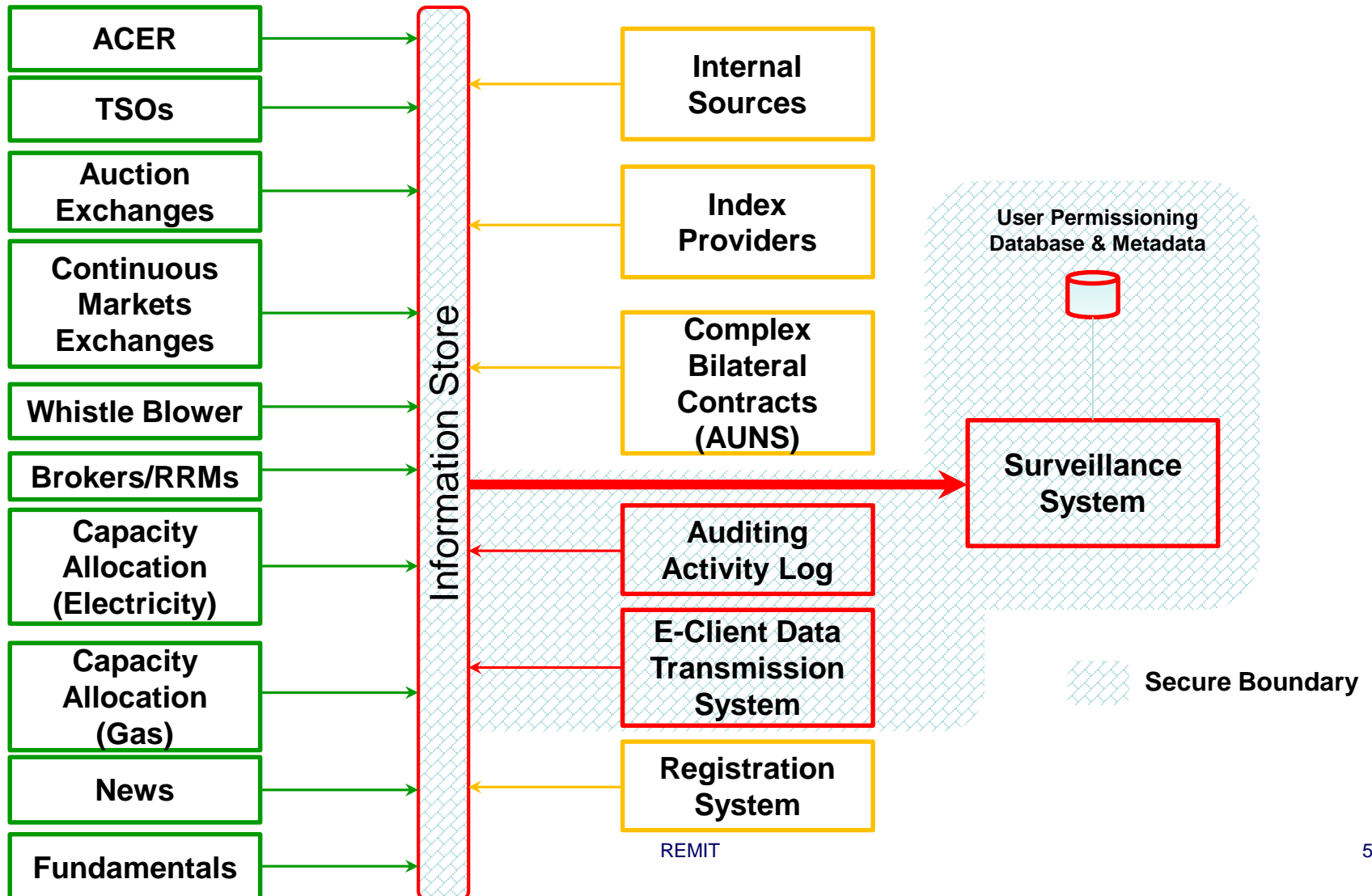
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- Likely to be the first task;
 - Clear inclusion and exclusion criteria: Who is a market participant? (Exchange, Brokers, Optimisers, 600 GWh/annum final consumers);
 - Collective agreement, harmonised;
 - Information about the Company, Individuals, Ultimate Controller, Structure, Reporting Parties;
 - Information about the codes used in transaction reports (Allow for multiple codes)
 - Centralised system and centrally managed to ensure the workflow, hold the data and link the data to any surveillance tools you have or will acquire;
 - Once complete the MP will receive a code for reporting transactions;
 - MPs are obligated to keep the registration record up to date.

E-Control Information Collection: Sources



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Standardised Contracts



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- RRM's registered to aggregate data standards from many exchanges and present a single consolidated flow of information;
- Bilaterally agreed standardised contracts introduces numerous headaches for the surveillance system – but MPs will not consider this.
- Complex orders, shaped profiles, spreads, options, sleeves, multi-leg contracts and executions against non-standardised contracts all fall into this category. Important to ensure that market participants understand what to report with a high degree of precision.
- Common standards are needed for the interpretation of date and time fields.

Non-Standardised Contracts



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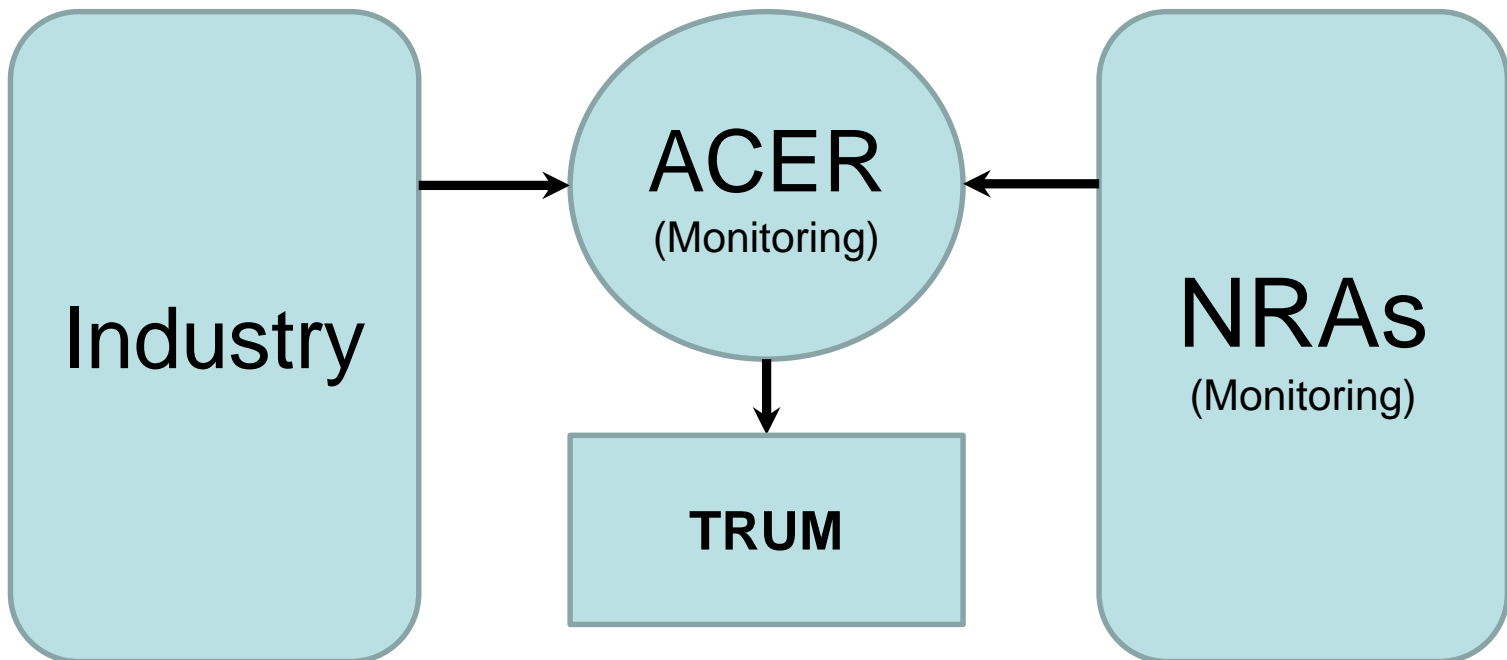
- Bilaterally agreed contracts for the supply of energy contracts;
- Bilaterally reported (RRMs serves as the conduit);
- Between the counterparty or many counterparties;
- Many categories of contract:
 - Asset Backed
 - Non-Asset Backed
 - Transportation
 - Storage
 - Rights
 - Etc..
- Interpreted in the surveillance platform;
- Ensure consistent codes are used for indices used in pricing formulas (See Table 2 schema for more details)

TRUM Preparation



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- E-Control prepared feedback for the preparation of the TRUM
- ACER decided whether to take the feedback up and reconciled other regulator's opinions with that of the industry;



Keeping the market informed



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- Workshops with MPs/Exchanges;
- Separate workshops with RRM and technicians;
- Inbound Question receipt, consideration and answer;
- Obligation on MPs to read previously answered questions to see if their point had already been answered;
- Highlights the importance of a centralised manager for REMIT to coordinate and become leading experts in the field.

Data Quality



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- Data quality is an issue;
- Marked differences between RRM and OMPs using high quality RRM;
- Backloading and correction of data need very careful management;
- Response from ACER has been to tighten the validation rules;
- Sometimes a poor response from some OMPs concerning their willingness to correct obvious and manifest errors, other times close cooperation is assured and errors rectified speedily.

Surveillance



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- 1st Tier, monitoring
- 2nd Tier, investigating
- All sources of data integrated into a Market „super view“
 - For a specific delivery point: all venues, all non-standardised, all news, all executions;
 - Patterns, Overlay benchmarks, Statistical summaries, charts, trader positions.
- Success is not measured by the number of successful prosecutions, rather:
 - Deterrent Effect;
 - Monitoring the evolving market (possible corrective action);
- Omissions no single ID for a natural person, no portfolio code, welcome moves by the industry to codify a meaningful taxonomy.



Kontakt

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