EICs and REMIT

A call to action

12th ENTSOG Transparency Workshop

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On behalf of ENTSOG TRA WG and REMIT&UMM KG

Image Courtesy of Thyssengas

Agenda

1. What is EIC?

2. EICs and REMIT

3. Problems resolution - calls to action

4. Takeaway for the TSOs from EnC CPs

What is EIC?

What does EIC mean?

EIC – Energy Identification Code

Unique identifier for energy objects and parties

EIC type	Identified object	Example	
X-type	Company identification	21X-BG-A-A0A0A-C	Bulgartransgaz
Z-type	Measuring points	21Z0000000002798	Ruse (BG)/Giurgiu (RO)
Y-type	Areas & Balancing zones	37Y701125MH0000I	NCG
	Aggregated points	21Y0000000000387	Aggregated production H-gas (Thyssengas)
	Virtual points	21Y000000000103M	VTP Eustream
W-type	Resource objects	21W000000000031C	UGS Chiren Bulgaria

EICs are issued by Local Issuing Offices (LIOs) and Central Issuing Office (CIO)

ENTSO-E is acting as CIO, maintaining central repository for EICs with international significance

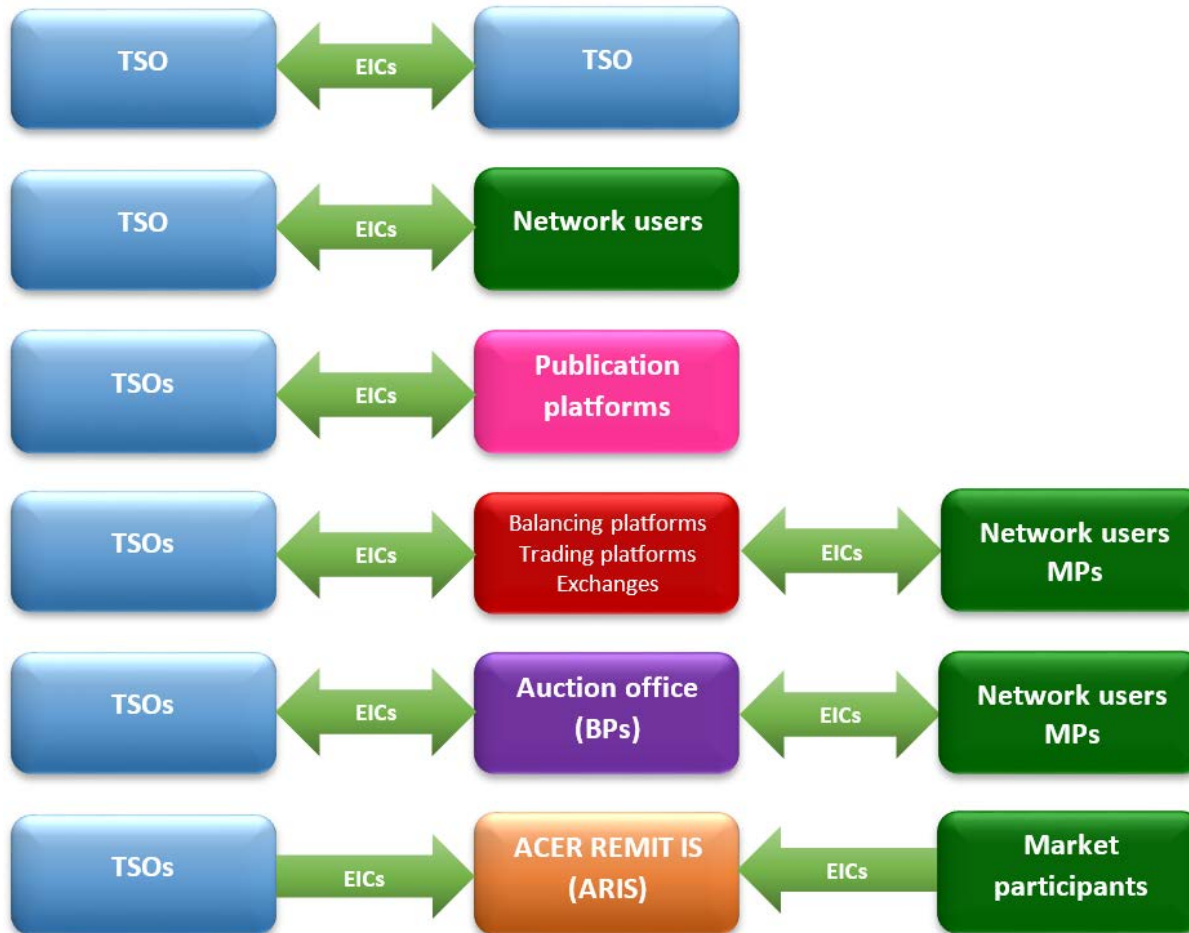The rules for issuing and administering EICs are governed by the CIO

LIOs are authorized by the CIO

> *Coding scheme allowing standardised electronic data interchanges*

Where the EICs are used?

Examples of processes using standardized means for electronic data exchange

TSO	◄ EICs ►	**TSO**
TSO	◄ EICs ►	**Network users**
TSOs	◄ EICs ►	**Publication platforms**
TSOs	◄ EICs ►	**Balancing platforms** **Trading platforms** **Exchanges** ◄ EICs ► **Network users MPs**
TSOs	◄ EICs ►	**Auction office (BPs)** ◄ EICs ► **Network users MPs**
TSOs	EICs ►	**ACER REMIT IS (ARIS)** ◄ EICs **Market participants**

EICs and REMIT

REMIT – regulation requirements

Regulation (EU) 1227/2011

Art. 9(1) Market participants entering into transactions which are required to be reported to the Agency in accordance with Article 8(1) **shall register with the NRA in the Member State in which they are established or resident or, if they are not established or resident in the Union, in a Member State in which they are active.**
A market participant shall register only with one NRA. Member States shall not require a market participant already registered in another Member State to register again.

Art. 9(4) Market participants referred to in paragraph 1 of this Article **shall submit the registration form** to the NRA **prior to entering into a transaction which is required to be reported to the Agency** in accordance with Article 8(1).

Regulation (EU) 1348/2014

Art. 10(2) When reporting information referred to in Articles 6, 8 and 9 including inside information, the **market participant shall identify itself** or **shall be identified by the third party reporting on its behalf** using the **ACER registration code** which the market participant received **or the unique market participant code which the market participant provided while registering in accordance with Article 9** of Regulation (EU) No 1227/2011.

MP must register with an NRA prior entering into transactions reportable under REMIT

EICs and REMIT reporting
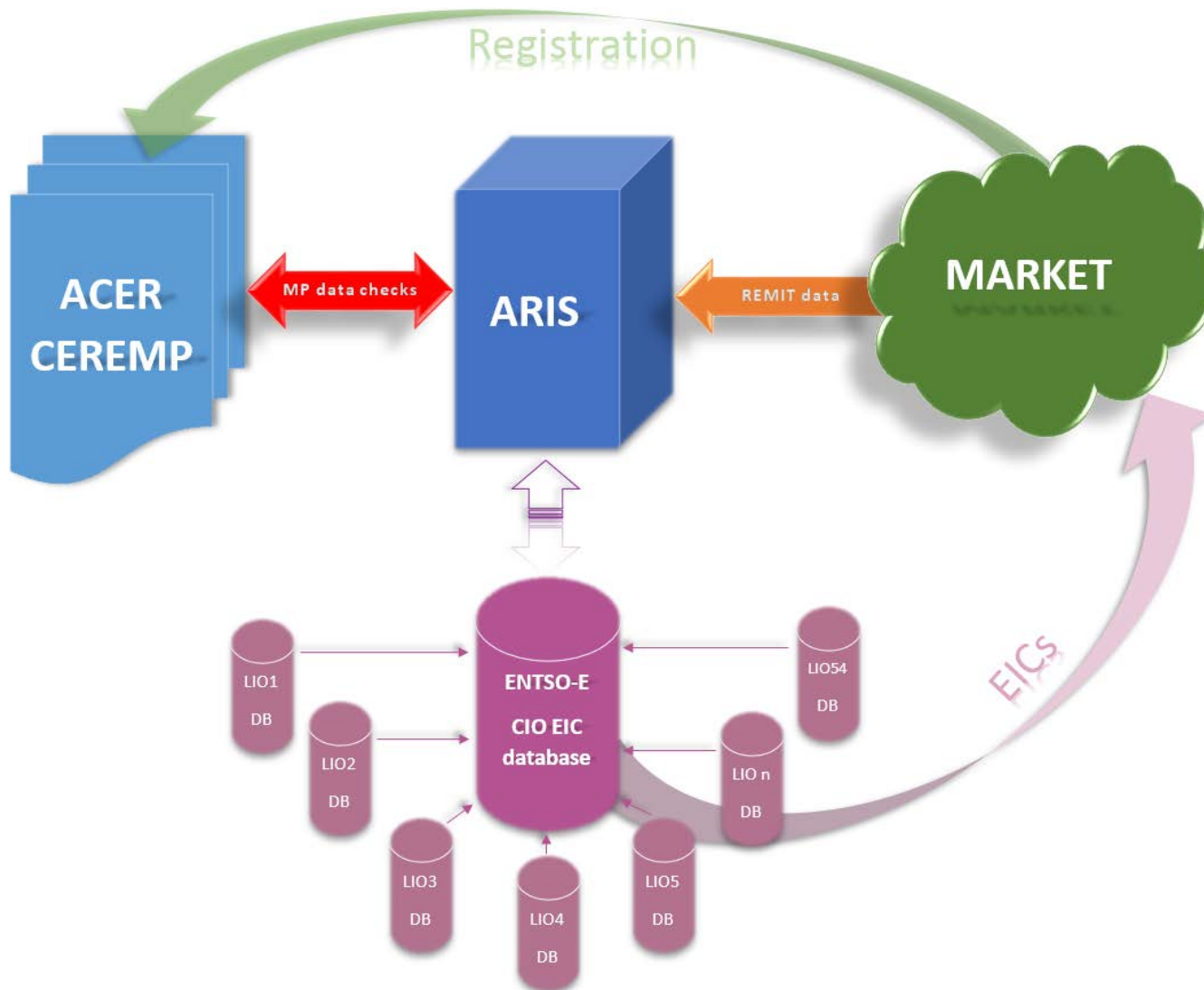
EICs and REMIT reporting

All electronic formats for REMIT reporting for natural gas market are using EICs

- Fundamental data – Nominations, Re-nominations, Allocations
- Gas transportation data – Primary and Secondary capacity allocation contracts
- Aggregated market information – ENTSOG TP data
- Gas supply contracts

EICs in the REMIT reports identify:

- **Network points**
- **Delivery points or zones**
- **TSOs**
- **OMP**
- **Network user** (MP to which the capacity is assigned)
- **Transferor** and **transferee**
- **ACER**
- **Reporting entity (RRM)**

ACER shall be able to identify the reported EICs to perform effective monitoring.
The reported EICs for entities must match the EICs provided while registering in line with Article 9 of REMIT (ACER CEREMP).

Current EIC issues

ACER: "Reporting of inactive, wrong, non-existent and not registered in ACER CEREMP EICs"
Significant percentage of the reported to ACER REMIT data is incomprehensible

	Instances of inconsistency	Meaning of the problem
1.	MPs not registered in ACER CEREMP	o TSOs report nominations and primary allocations for MP EICs not registered in ACER CEREMP
2.	MPs registered in ACER CEREMP but did not provide company EIC	o There is no reference to whom the reported EIC belongs
3.	MPs registered in ACER CEREMP with different company EIC than the reported one	o Not clear for whom the transaction/fundamental data is valid
4.	ACER has no visibility of internal (ZSO) codes, eligible for MPs identification in fundamental data reports	o Internal codes are not registered in ACER CEREMP o Missing central repository for internal codes o Not clear for whom the reported fundamental data is valid
5.	Not all EICs used for REMIT reporting are with international significance (not listed in CIO DB)	o Missing central repository for all EICs used for REMIT and transparency purposes
6.	MPs use inactive, fake or wrong type of EICs	o Valid EICs, type "X", with international significance are only expected as MPs ID in the REMIT reports

ACER calls for improved quality of REMIT data

1. ACER Open letter on REMIT transaction reporting data quality

2. ACER Second Open Letter on REMIT data quality

   o Lists the inconsistencies and REMIT data quality issues

   o Calls for improved consistency with REMIT requirements data

   o Warns what reporting parties may expect from the Agency

Potential Agency's next steps:

o **Enforcement actions**, if necessary

o Potentially, additional **validation rules**

o Raw ideas on validation rules shared with ENTSOG

o Due to the technical setup of ARIS, the potential **validation rules would reject each entire report** containing single record with "inconsistent" MP identification

The majority of the EIC issues detected by ACER are out of TSOs' control

How the TSOs are affected?

TSOs, as reporting parties, are responsible for the quality of the submitted data

Article 11(2) of Regulation (EU) No 1348/2014: *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.*

Potential new ARIS validation rules

- **Would reject each report** containing single record with "inconsistent" MP identification (EIC). One report file contains information for all parties participating in particular transaction/ auction or submitted nominations for a point.
- Would limit the possibility of compliant parties (TSOs, other MPs in the same transactions) to fulfil their reporting obligations

Risk of new ACER private lists of EICs allowed for REMIT purposes

- ACER private "List of accepted EICs" issued for REMIT Table 1 & 2 reporting of supply contracts
- Additional burden for the market participants and reporting parties
- Neglecting the role and status of the existing standardized means and registers

Validation rules may affect negatively the TSOs and other compliant parties

Problems resolution - call to action

Call for action to NRAs and ACER

- ❑ **Urge MPs to register in line with REMIT Article 9 requirements**

  The registration at the NRA records the MP in ACER CEREMP

- ❑ **Approve MP registration requests only if supplemented by party EIC**

  The EICs are mandatory for MP registration according to ACER Decision 1/2012

- ❑ **Urge MPs to provide and maintain correct and consistent data in their registration**

  The same EIC shall be used for MP registration with NRA at ACER CEREMP, electronic data exchange, participation in transactions, data reporting and publications

- ❑ **ACER to set the EIC field in MP registration tool from optional to mandatory**

  Currently, the EIC field is technically **optional**, while ACER Decision 1/2012 marks it as **mandatory**

  ⇨ **72** % (**9915** out of 13753) of MPs registered
  in ACER CEREMP **don't** provide EIC

Call for action to MPs

- **Register as Market participants in line with REMIT Article 9 requirements**

  The registration at the NRA records the MP in ACER CEREMP

- **Provide the mandatory company EIC in the ACER CEREMP registration**

  The EICs are mandatory for MP registration according to ACER Decision 1/2012

  ACER Second Open Letter on REMIT data quality: "*Not providing a complete registration (e.g. not providing an EIC X code the Market Participant possess) is a breach of Article 9 of REMIT.*"

- **Provide and maintain correct and consistent data at ACER CEREMP**

  Use the same EIC for registration with NRA at ACER CEREMP, electronic data exchange, participation in transactions, data reporting and publication

- **Use valid EICs - type "X", with international significance for company identification**

Register and provide complete and accurate data

Call for action to LIOs and the CIO

❑ **Follow the** ENTSO-E (CIO) rules for issuing and administering EICs

  ENTSO-E to insist LIOs to strictly apply CIO guidance for EICs administration

❑ **EICs identifying objects & entities for which data is reported or published under REMIT and Transparency Guidelines shall be with international significance**

  The EICs with international significance are stored in CIO database

  Maintain and support single repository for EICs used for TRA and REMIT purposes

❑ **Do not issue new EIC for objects & entities that have been already identified**

  Follow the rule: *One VAT – one EIC*

One MP

One EIC

77X123456789A-AT

Call for action to Booking Platforms

❑ **Allow access to the platform for primary transactions only for MPs (Network users) registered in line with REMIT Article 9 requirements**

REMIT Art. 9(4) Market participants referred to in paragraph 1 of this Article [9] shall submit the registration form to the national regulatory authority prior to entering into a transaction which is required to be reported to the Agency in accordance with Article 8(1).

❑ **Establish means for cross-check MPs' (Network user) company data provided to BP**

Verify the provided EIC and VAT against the data for the same MP in:

- ACER CEREMP

- ENTSO-E EIC database

- EC VIES VAT number validation tool

Takeaway & advice to the TSOs from EnC CPs

Identify all your objects with EICs

I. Identify all objects from your network or connected to it (network points, balancing zones, storages, LNG, production facilities and etc.) with EICs at the earliest stage of NCs implementation to ensure smooth and effective application of

- Publication requirements (R715-Annex I; TAR NC; INT NC; CAM NC)

- Data exchange requirements (INT NC)

- Capacity allocation & balancing rules (CAN NC, BAL NC)

- Reporting requirements (REMIT)

II. To obtain EICs

- **Use the services of already established LIO in your country** or

- **Become a LIO** by applying at ENTSO-E

Use EICs for energy parties & objects identification to ensure standardized electronic data exchange

Thank You for Your Attention

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