

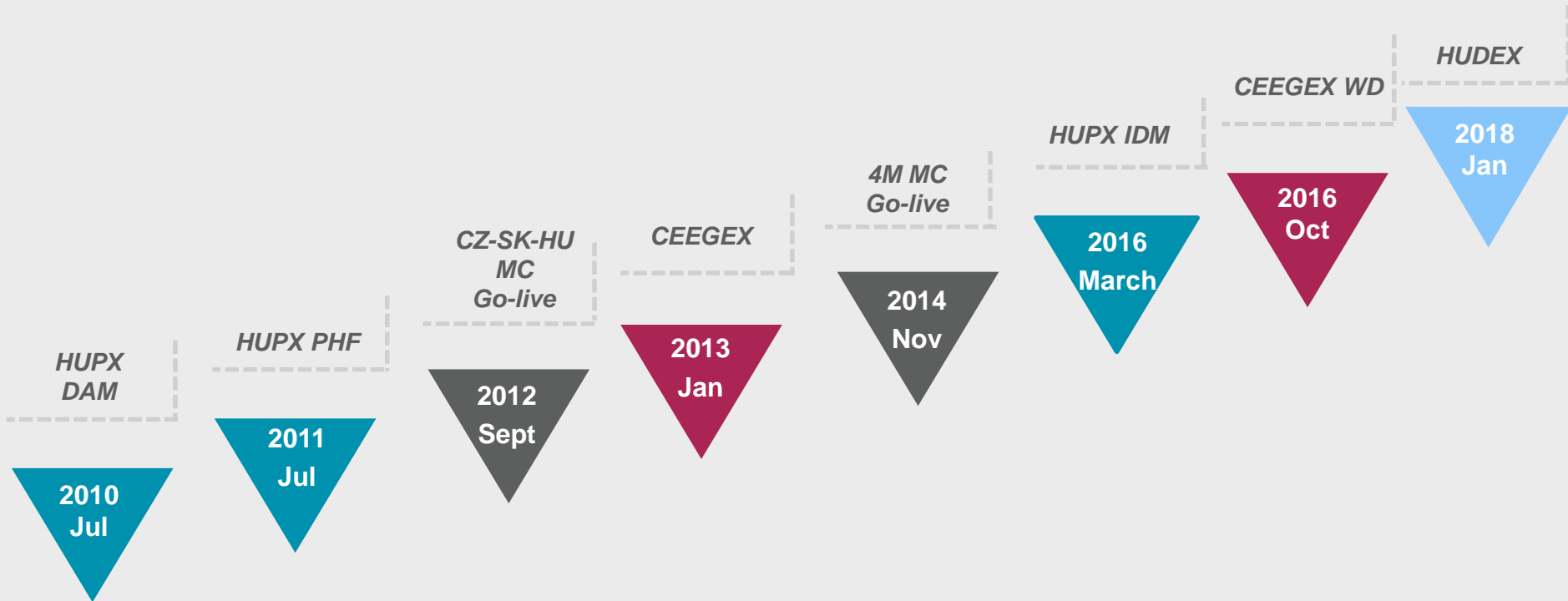


REMIT REPORTING AT HUPX

György Istvánffy

Head of Market Development and Market Surveillance
HUPX - Hungarian Power Exchange

MILESTONES



HUPX ID POWER



Intraday Power Market (ID)

- Gate opening: D-1 3:45 pm
- Gate closure: 120 min before delivery
- Products: 15 min products, and 1 hour blocks
- Automated cross product matching function
- OTC clearing registration
- XBID compatibility
- 24/7 IT and operational support

HUPX DAM POWER



Physical Day-ahead Power Market (DAM)

- Daily auction through the year
- Hourly and block products
- Gate closure: 11:00 am CET
- Market coupling with CZ, SK and RO
- Liquid market with a high number of active trading participants

HUDEX POWER & GAS FUTURES



Financial Power & Gas Futures (FF)

- Continuous trading session on working days from 8:00 am to 5:00 pm CET
- Baseload & peak load power (W, M,Q,Y)
- Gas contracts (M,Q)
- Continuous bid- ask prices provided by market makers
- OTC clearing registration

CEEGEX SPOT GAS



Physical Within-day and Day-ahead Market

- Continuous trading session on working days
- Products:
 - Within-day
 - Day-ahead
- Continuous bid- ask prices provided by market makers
- KELER clearing registration

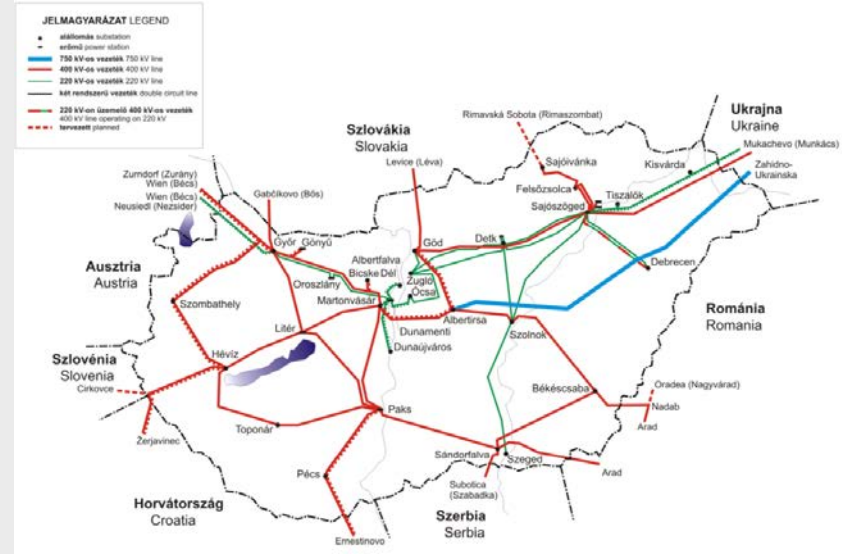
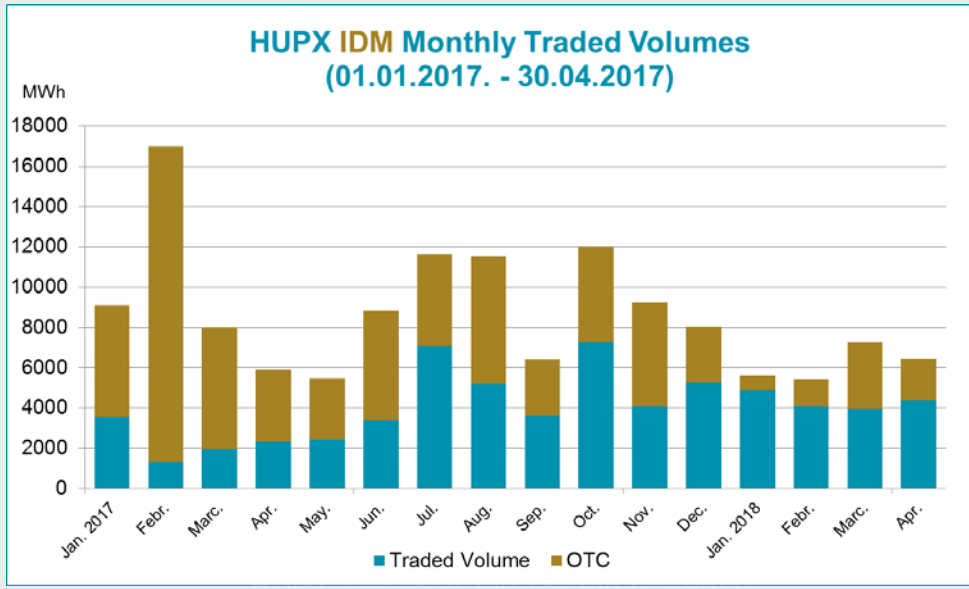
HUPX INTRADAY MARKET

MEMBERS

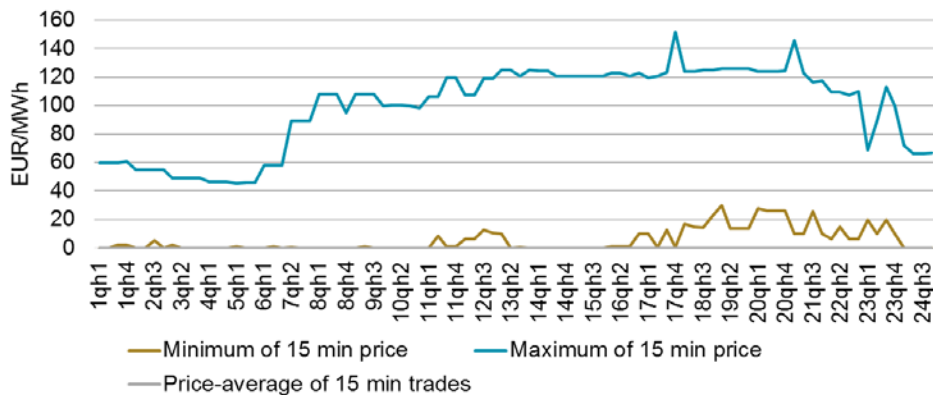
▶ 31 Members



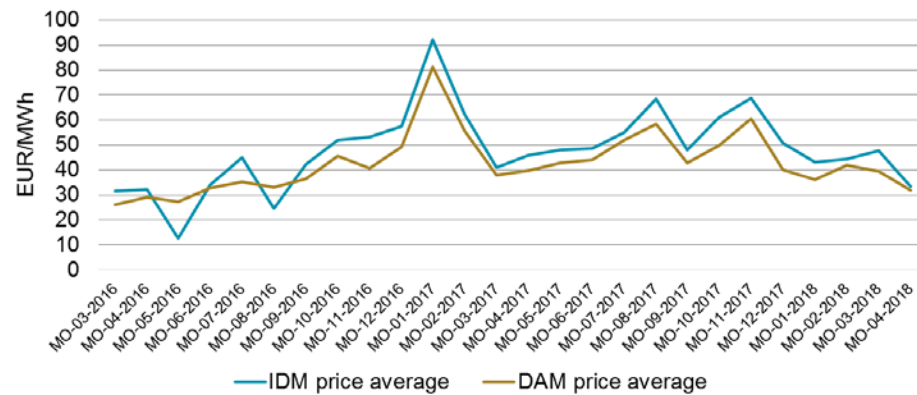
VOLUMES



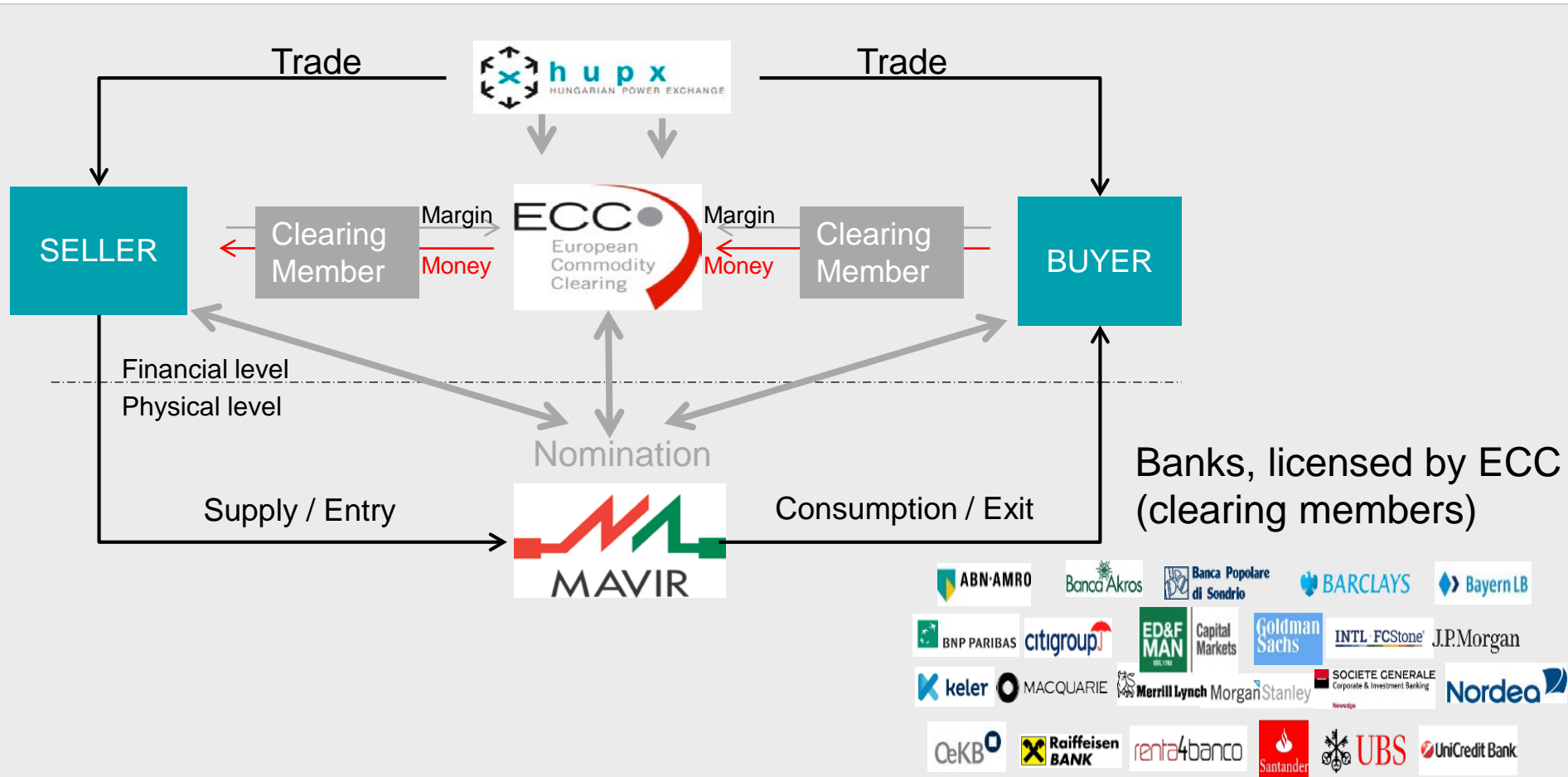
Intraday Quarterly prices - since launch



Average hourly prices of HUPX Intraday and Day-Ahead Market since launch



CLEARING AND SETTLEMENT



Delivery of XBID involves 3 areas of distinct focus:

XBID Common Projects


XBID design and development, implementation, common framework for pre- & post coupling

XBID Solution

Project under contract – XBID development and testing

LIPs (Local Implementation Projects)

Adjustment of local systems and interfaces

 = Countries to be coupled in 1st go-live

2018 mid June



LIP 15

Part of the 2nd Go-live wave

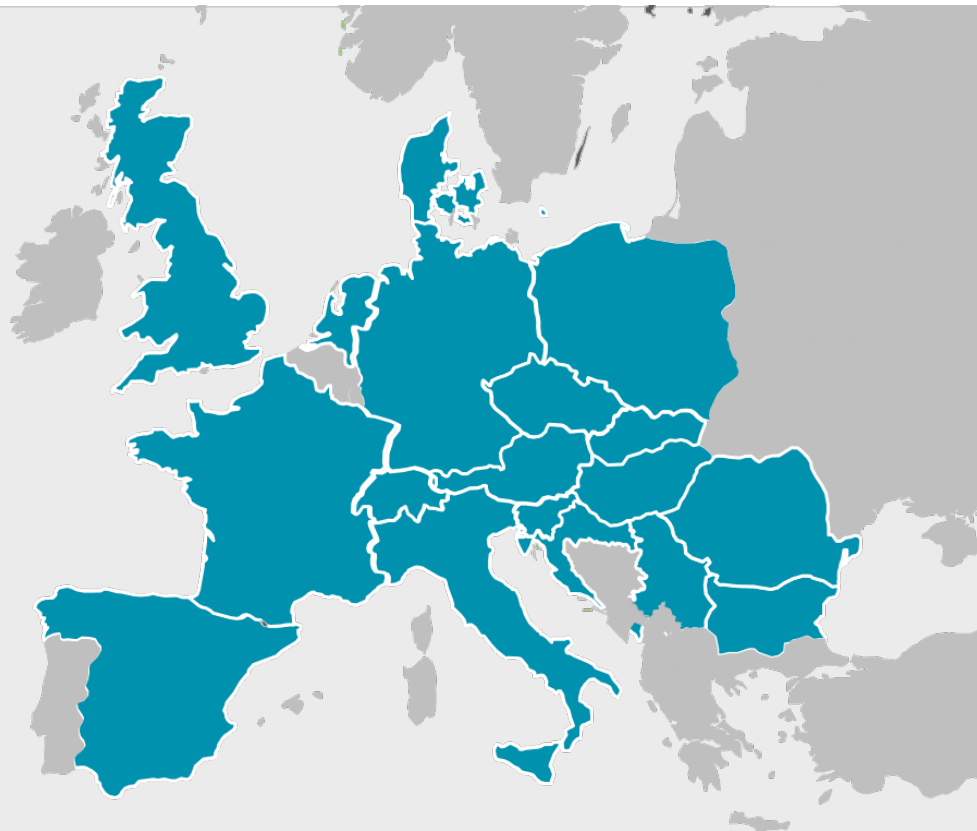
	Germany-Czech Republic		
	Austria - Czech Republic		
	Austria – Hungary		
	Croatia-Hungary		
	Hungary – Romania		
	Slovenia – Croatia		
	Slovenia - Hungary		

Go live date: 2019 April

HUPX DAY-AHEAD MARKET

MEMBERS

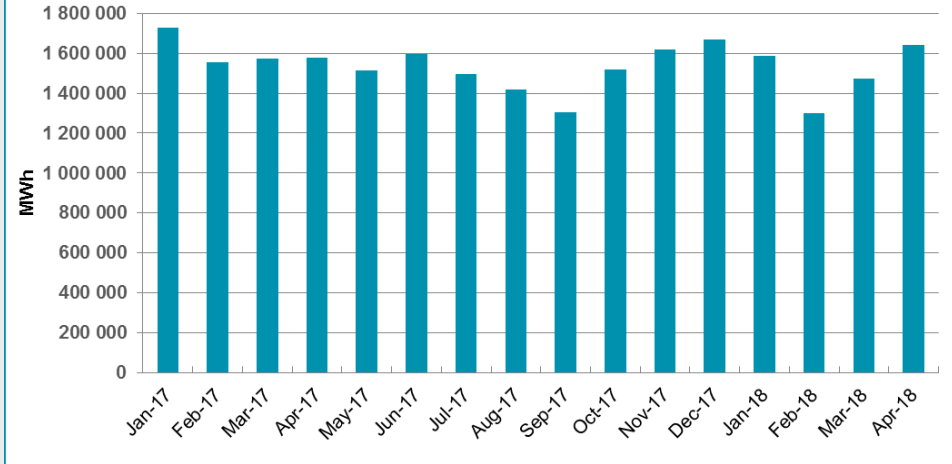
► 57 Members



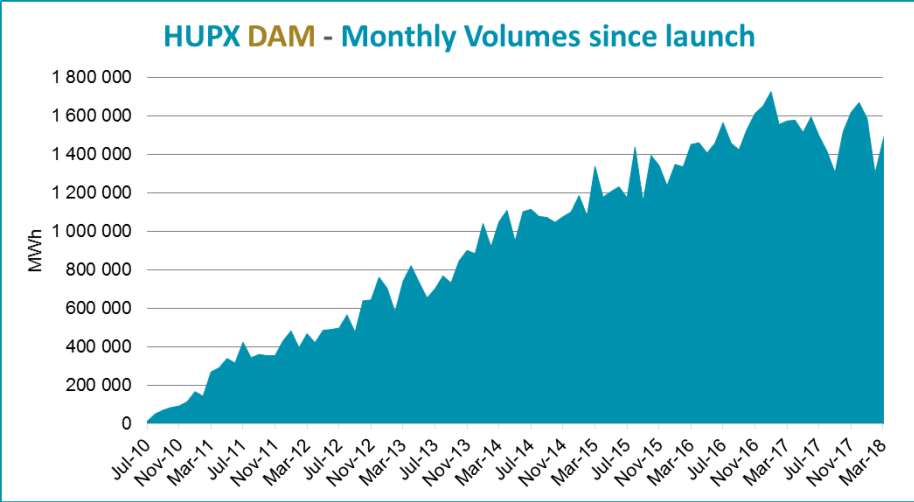
VOLUMES

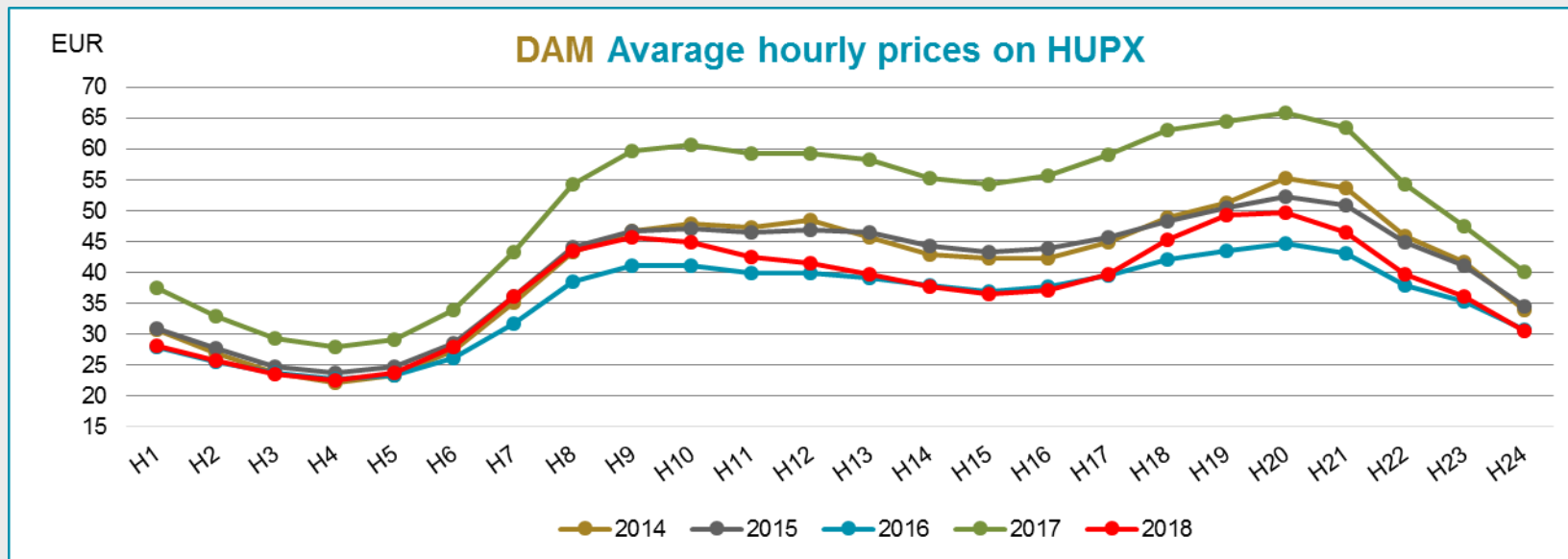


HUPX DAM - Monthly volumes since 01.01.2017



HUPX DAM - Monthly Volumes since launch

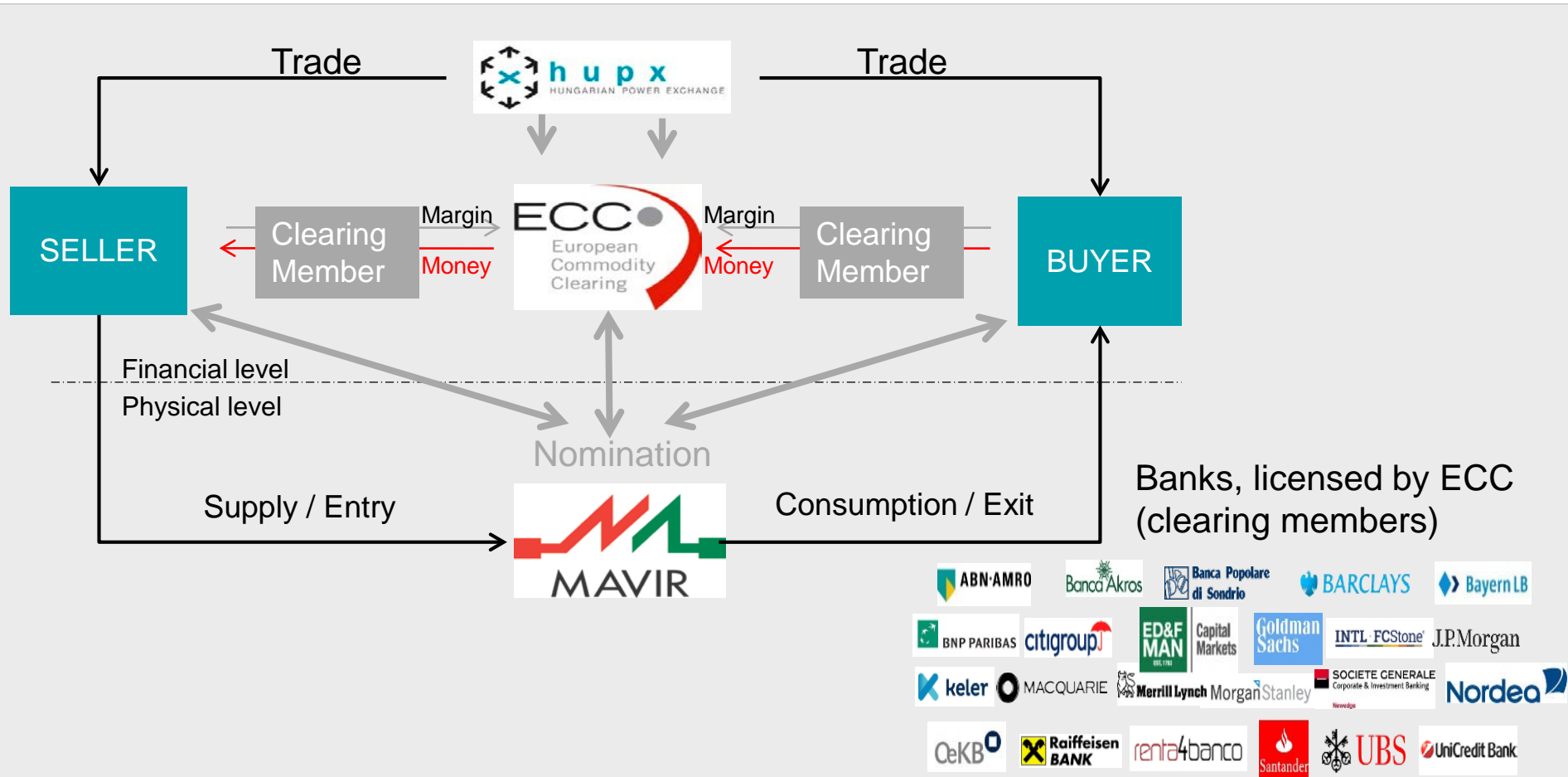




Average yearly baseload price 2016: 35,41 €
Average yearly baseload price 2017: 50,84 €
Average yearly baseload price 2018*: 37,24 €

calculated until 30.04.2018

CLEARING AND SETTLEMENT

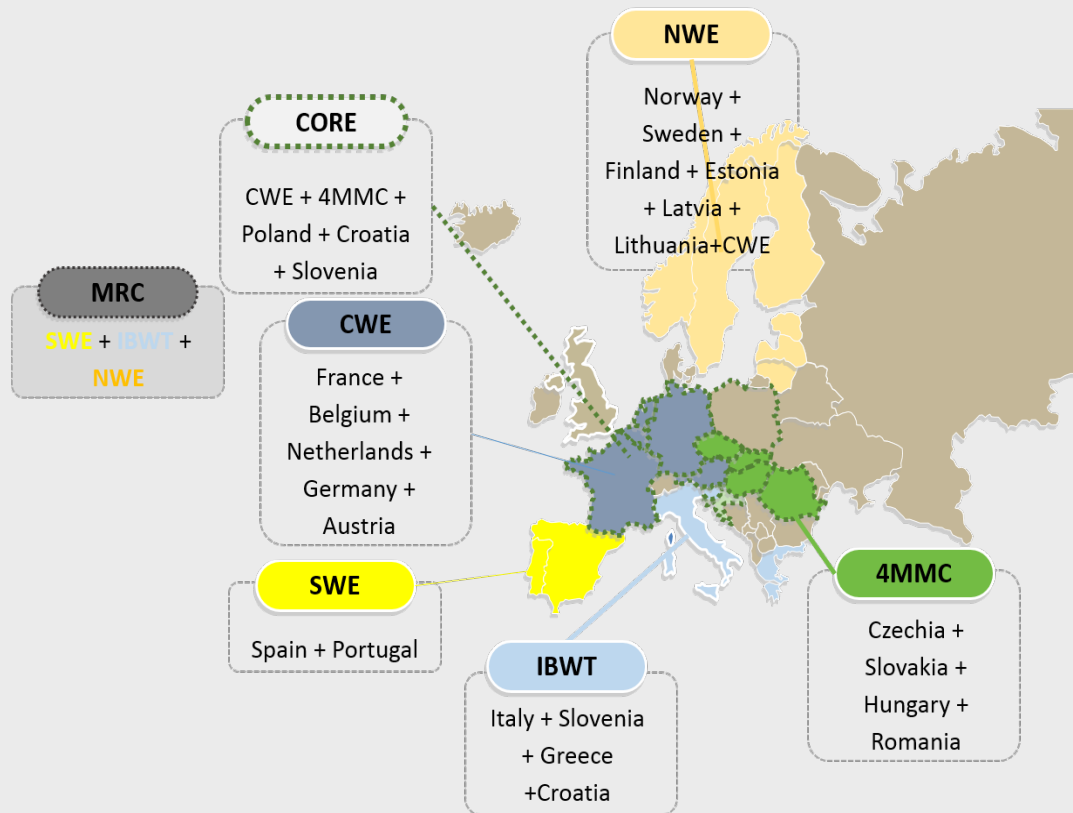


Market coupling developments:

Implementing the CACM provisions: NEMOs will implement the Market Coupling Operator function

Implementing the flow based market coupling: the Core Project

MoU signed: joint Hungarian-Serbian company for a strong power exchange in the Balkan region



HUDEX

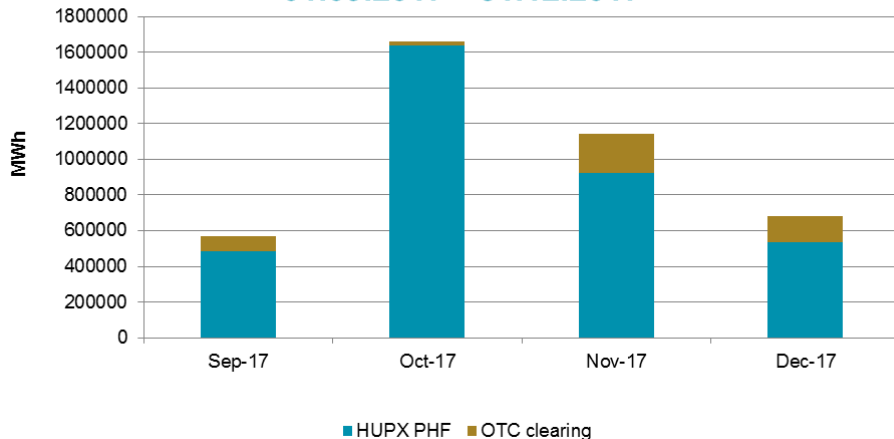
HUDEX LAUNCH



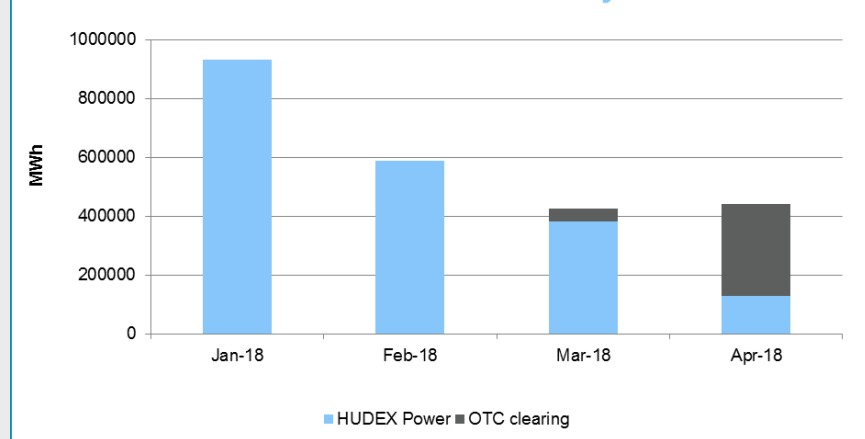
HUDEX POWER VOLUMES



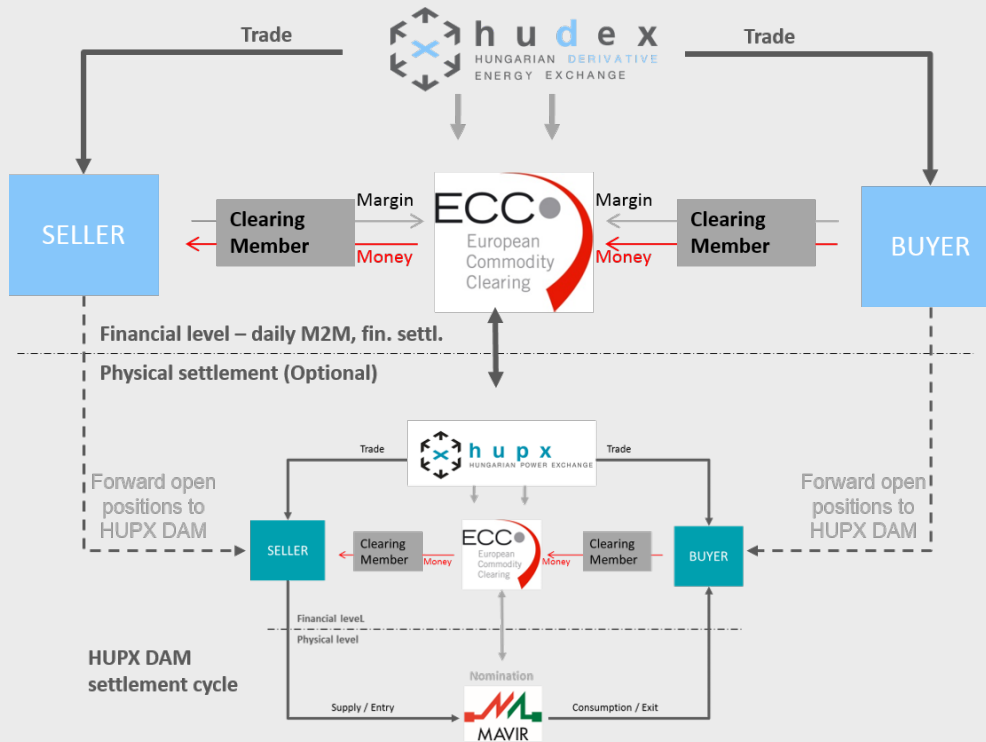
HUPX PHF and OTC Monthly Volume
01.09.2017 - 31.12.2017



HUDEX Power and OTC Monthly Volume



CLEARING SYSTEM – POWER SEGMENT



The following changes were made to the HUPX setup:

- HUEDX offers **optional physical delivery** (Week and Month contracts) **through the HUPX DAM**
- Default physical delivery can be requested during the admission process
- Financial settlement **referenced to HUPX DAM index** (instead of Physical Settlement Price of PhF at end of last trading day)
- Cash settlement throughout the delivery period of monthly and weekly contracts; for **Q and Y products cascading will be applied**

GOALS FOR 2018



New extended product list (months, quarters, years)



BOM for gas



Financial DA product



STP introduction for easier clearing mechanism (financial forward)

REMIT REPORTING

REMIT RELATED ACTIVITIES



HUPX is active in three main domains related to REMIT regulation:

- I. Regulatory reporting**
- II. Market monitoring and surveillance activities**
- III. Operation of Inside Information Platform**

REGULATORY REPORTING

INTRADAY



Intraday (IDM)

Regulators: MEKH, ACER
Regulatory reporting:
To our NRA (MEKH)
Under REMIT transaction reporting to ACER

DAM



Day-ahead Market (DAM)

Regulators: MEKH, ACER
Regulatory reporting:
To our NRA (MEKH)
Under REMIT transaction reporting to ACER

PhF



HUDEX- Physical Futures (PhF)

Regulators: MNB, ESMA, ACER
Regulatory reporting:
Under REMIT transaction reporting to ACER
Under MIFID II. to ESMA, and to our NCA (MNB)
Under MAD/MAR suspicious trades have to be reported to MNB

RRM REPORTING UNDER REMIT



For reasons of operational reliability the Agency (ACER) considers it necessary and appropriate that the **reporting of records of transactions, including orders to trade, is performed through Registered Reporting Mechanisms (RRMs)**. The Agency has developed requirements to ensure the uniform reporting of both trade and fundamental data, which are to:

- a) ensure the **security, confidentiality and completeness** of information,
- b) enable the **identification and correction of errors** in data reports,
- c) enable the **authentication of the source** of information,
- d) ensure **business continuity**.

RRM REPORTING UNDER REMIT



Transactions on HUPX (CEEGEX and HUDEX also) have to be reported under REMIT to ACER (HUPX is offering reporting services in the name of HUDEX). HUPX (and CEEGEX) is registered at ACER as RRM, but Traders are not obliged to use HUPX for their reporting obligation.

- **HUPX as RRM can report transactions towards ACER for the Traders or**
- **HUPX can also provide report data for Traders to bring the reporting to other RRMs**

RRM REPORTING SERVICES

Data reporting service of HUPX under REMIT*

A1 Entrust HUPX to report their trades and data concluded on HUPX

A2 Choose another RRM and download the data concluded on HUPX from the HUPX SFTP folder

A3 The A2 agreement extended with additional liability, incurring however an annual fee

B Entrust HUPX to report their trades and data concluded on HUPX + OTC trades + Non-standard contracts

Data reporting of HUDEX**

EMIR: Our CCPs (ECC and KELER) can provide reporting service under EMIR.

MAR related issues: Any detection of market abuse has to be reported to MNB

MIFID II: ESMA: Reference data reporting, Non-working days report, weekly position reporting (if necessary)

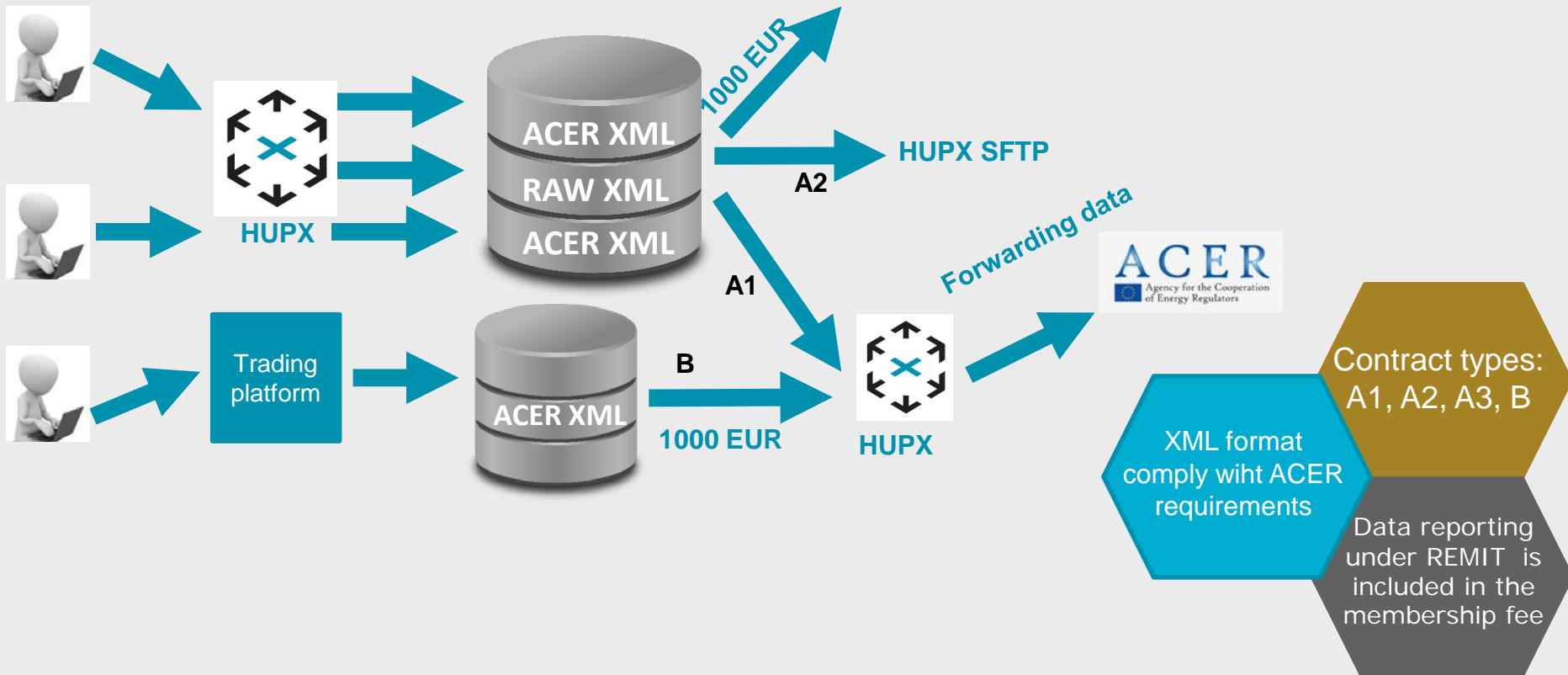
MIFID II: MNB (NCA of HUDEX): Daily position reporting, Transaction reporting, daily trading information, list of deals and list of orders

* Data reporting under REMIT for HUPX and HUDEX Members is included in the membership fee.

** HUDEX does not own RRM status, HUPX as RRM will provide data reporting services to HUDEX

RRM REPORTING SERVICES

Trading on HUPX



Market participants shall publicly disclose inside information which they possess with regard to the businesses or facilities that they or their parent undertaking or a related undertaking own or control, or whose operational matters they or their undertaking are responsible for, either fully or in partially.

- Inside Information Platforms are **listed (not registered) at ACER**
- MEKH controls a **cost based pricing scheme**: HUPX was requested by MEKH to create the platform to provide publication option for the market participants. Available for a regulated fee.

INSIDE INFORMATION PLATFORM



ENERGY MARKET
INSIDE INFORMATION WEBSITE

USER NAME
PASSWORD
REGISTRATION FORGOTTEN PASSWORD LOG IN

ELECTRICITY NATURAL GAS OTHER DOCUMENTS CONTACT

14/05/2018 Monday, 21:46, Budapest/Ljubljana

Item count: 25 / page 1/146 >>>

MAY 14, 2018. 09:16

IV. Unit		IV. Blokk
<p>TYPE OF EVENT: Production unavailability</p> <p>EVENT START: 05.12.2018 00:00 EVENT STOP: 05.16.2018 00:00</p> <p>AFFECTED ASSET OR UNIT: Unit 4.</p> <p>UNAVAILABLE CAPACITY: 24 MW</p> <p>Generator cooling insufficiency. Closing date changed.</p> <p>More >>></p>	<p>Mátrai Erőmű Zártkörűen Működő Részvénytársaság A0000091L.HU</p> <p>HISTORY</p>	<p>ESEMÉNY TÍPUSA: Termelés kiesése</p> <p>ESEMÉNY KEZDŐ IDŐPONTJA: 2018.05.12. 00:00 ESEMÉNY ZÁRÓ IDŐPONTJA: 2018.05.16. 00:00</p> <p>ÉRINTETT LÉTESÍTMÉNY / EGYSÉG: IV. blokk</p> <p>KIESŐ KAPACITÁS: 24 MW</p> <p>Generátor hűtési elégtelenség. Záró időpont változik.</p> <p>Tovább >>></p>

MAY 14, 2018. 09:11

I. Unit - Capacity change		I. Blokk-Kapacitás változás
<p>TYPE OF EVENT: Production unavailability</p> <p>EVENT START: 05.14.2018 08:00 EVENT STOP: 05.17.2018 06:00</p> <p>AFFECTED ASSET OR UNIT: I. Unit</p> <p>UNAVAILABLE CAPACITY: 85 MW</p> <p>Parallel switching: 15.05.2018. 17:00 Masonry drying: 15.05.2018. 19:00 - 06:00 17.05.2018.</p>	<p>Mátrai Erőmű Zártkörűen Működő Részvénytársaság A0000091L.HU</p>	<p>ESEMÉNY TÍPUSA: Termelés kiesése</p> <p>ESEMÉNY KEZDŐ IDŐPONTJA: 2018.05.14. 08:00 ESEMÉNY ZÁRÓ IDŐPONTJA: 2018.05.17. 06:00</p> <p>ÉRINTETT LÉTESÍTMÉNY / EGYSÉG: I. Blokk</p> <p>KIESŐ KAPACITÁS: 85 MW</p> <p>Párhuzamos kapcsolás: 2018.05.15. 17:00 Falazat szárítás: 2018.05.15. 19:00 - 2018.05.17. 06:00</p>

www.insideinformation.hu

On the **SPOT markets** of HUPX (DAM and ID market) the market surveillance department examine the daily trading activity after each trading day

- Our methodology is based on the **ACER Guidance** on the application of REMIT, and we use trading data from other markets and all kinds of relevant information in order to understand and analyze market events.
- If the market surveillance department detects **any form of market manipulation or insider trading** on our SPOT markets, our **National Regulatory Authority (MEKH) and ACER have to be notified immediately**

REPORTING ON DERIVATIVES MARKET

- EU 648/2012 regulation (Article 9.): **CCPs have reporting obligation** on:
 - derivative trades
 - termination of each contract

- CCPs (ECC and KELER) provide reporting services under EMIR
 - Further Information:
 - Power - compliance-services@eex.com
 - Gas - tradereporting@keler.hu

MIFID II REGULATION



- Under MIFID II. our commodity derivative markets are considered as **financial markets** and the National Competent Authority of HUDEX is MNB while ESMA is the EU level regulatory entity.

- Detailed reporting liability to MNB and ESMA:
 - MNB
 - Reference data, order list, trade list
 - Daily position report
 - Transaction report
 - ESMA:
 - Reference data reports,
 - Non-equity transparency reference data and
 - Quantitative data report

- Members have to comply with the actual **Market Rules**
- If the market surveillance department **detect any form of market manipulation or insider trading** on HUDEX, our National Competent Authority (**MNB**) has to be notified immediately according to **MAD** (Market Abuse Directive) and **MAR** (Market Abuse Regulation).
- **HUDEX members also have reporting obligation on suspicious market events.**

QUESTIONS



THANK YOU FOR YOUR ATTENTION!

