

REMIT 2.0

Enhanced integrity and transparency in wholesale energy markets

Workshop on REMIT 2.0 for Energy Community, 22 May 2024

REMIT revision

- REMIT builds trust on the market transparency and oversight.
- Over 12 years of reputation and achievements.
- Energy crisis REMIT 2.0 as an integral with EMD Reform.
- Key to improve EU's protection against market manipulation and market abuse, also against external suppliers.



REMIT

EU-wide framework to detect & deter against wholesale energy market abuse

ACER & NRAS

Protect people and businesses from energy market abuse, building trust in energy markets





8.3 bn

Transactions data reported to ACER = orders placed and trades done

Market participants e.g. traders, grid operators > 17k





130+

Reporting parties ACER collected data from

Triggered alerts of suspicious behaviour detected by ACER

552k





939

Alerts that ACER analysed and shared with national regulators

ACER initial assessments of suspected REMIT breaches notified to national regulators

10*





91*

Suspicious transaction and order reports received by ACER

Fines by national regulators to sanction and deter illegal behaviour

€5.5m*





€1.4m*

Biggest fine in 2023

*The data refers to the period 1.1.2023-31.12.2023 NRAs = EU-27 energy national regulatory authorities



REMIT 2.0 – key aspects of the reform (1)

Better data collection and market monitoring

- Adaptation of the scope of REMIT to current and evolving market circumstances
 - Algorithmic trading / Article 5a
 - Market coupling / Article 2 (wholesale energy product definition)
 - Energy derivatives (cooperation mechanism) / Article 1(3)
 - New data reporting obligations (e.g. order books, exposures, hydrogen)/ Article 8
- Improving process for the collection of inside information and market transparency
 - Market manipulation (alignment with financial regulations) / Articles 2, 3, and 4
 - Inside Information Platforms / Article 4a
- Enhance supervision of reporting parties and data sharing
 - Registered reporting mechanism (RRMs) / Article 9a
 - Persons professionally arranging transactions (PPATs) / Article 15
 - Exchange of information between relevant authorities / Articles 10, 12 and 16
- Enhance market transparency through an LNG price assessment and benchmark
 / Articles 7a-7d and definitions 21-25 (based on Emergency Regulation)

REMIT 2.0 – key aspects of the reform (2)

New enforcement system for cross-border cases

- ✓ New powers for ACER (EU dimension):
 - to conduct investigations on cross-border REMIT cases based on clearly defined criteria, including:
 - on-site inspections;
 - to issue requests for information as well as the;
 - power to take statements;
 - powers to impose sanctions (periodic penalty payments) in order to ensure compliance with on-site inspection decisions and requests for information.



✓ Result of the investigation: ACER's investigatory report → national regulators act accordingly.

- ✓ Delimitation of cases with cross-border impact:
 - ➤ ACER has the right to investigate cases where the conduct affects at least two Member States (various REMIT breaches)
- √"Objection" by NRA to the exercise of ACER's cross-border investigation powers clear criteria.



REMIT 2.0 – key aspects of the reform (3)

Enhanced enforcement – new aspects:

- √ Harmonisation of fines (maximum levels) set at national level (Article 18)
- ✓ More effective enforcement towards third country companies (*Article 9* "designation of representative" + registration)



Thank you

Lukasz Lisicki, Team Leader, ENER.C3/Internal Energy Market Unit lukasz.lisicki@ec.europa.eu

