REMIT key building blocks

Energy Community Secretariat
Workshop on implementation of REMIT in the Energy Community; 27 June 2017
Energy market: the missing framework

Policy makers and regulatory authorities should ensure stable legal and regulatory framework

Potential for abusive and unfair practices that undermines market confidence => price setting

Market participants should be able to manage market and credit risk

Effectively addressing market abuse?

- Third package does not fully address market abuse and monitoring

- In the EU energy market – market abuse is addressed via REMIT

- In the EU financial sector - market abuse is addressed via MAR
EU assessment

- Existing rules are insufficient to ensure their stable and orderly functioning of the energy market
- Need to complement the 3rd energy package with specific conduct rules for wholesale energy trading
- In particular as the market is continuously evolving
  - Increased trading activity
  - High price correlation
- No alternative framework was assessed
- REMIT framework proposed with a step-wise implementation approach
  - ‘Copying’ and adapting what was available in the financial markets
Energy market framework

通过一般和必要的调整...

... while ensuring no regulatory gaps ...

EU

EnC
Framework around REMIT

**LEVEL III**
ACER Guidance

**LEVEL II**
REMIT Implementing Regulation

**LEVEL I**
REMIT Regulation

- Obligation to publish inside information
- Prohibition of market abuse (insider trading and market manipulation)
- Data reporting (trade data and fundamental data)
- Market Monitoring (registration of participants)
- Investigatory and enforcement powers to NRAs (penalties)
- Other articles about data protection & reliability

Guidance, recommendations, Q&A, RRM requirements, TRUM

List of contracts and data to be reported

Responsible parties and deadlines
Operational side

- ACER
  - Registration
  - Data collection
  - Approval of RRM
  - Data sharing
  - Monitoring
  - Investigation

- NRAs
  - Operational side
    - Registration
    - Data collection
    - Approval of RRM
    - Data sharing
    - Monitoring
    - Investigation

- OMPs/PPATs
- MARKET PARTICIPANTS
- PRODUCERS
- LARGE CONSUMERS/DSOs
- TSOs/AOs
- ENTSO-E/ENTSO-G

ACER

RRMs
Thank You!

Arben.Klokoqi@energy-community.org