E-CONTROL

PROFITIEREN. WO IMMER SIE ENERGIE BRAUCHEN.
Agenda

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

- 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

- ACER
- TSOs
- Auction Exchanges
- Continuous Markets Exchanges
- Whistle Blower
- Brokers/RRMs
- Capacity Allocation (Electricity)
- Capacity Allocation (Gas)
- News
- Fundamentals

Information Store

- Internal Sources
- Index Providers
- Complex Bilateral Contracts (AUNS)
- Auditing Activity Log
- E-Client Data Transmission System
- Registration System

User Permissioning Database & Metadata

Surveillance System

Secure Boundary
Standardised Contracts

- RRM systems 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

• 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

- 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

- Workshops with MPs/Exchanges;
- Separate workshops with RRMss 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

- Data quality is an issue;
- Marked differences between RRM$s$ and OMP$s$ using high quality RRM$s$;
- 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 OMP$s$ concerning their willingness to correct obvious and manifest errors, other times close cooperation is assured and errors rectified speedily.
Surveillance

- 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.
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