



REMIT Quarterly

ACER guidance on the application of REMIT and transaction reporting

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REMIT Data Quality

Data Quality Activities at the Agency

The Agency for the Cooperation of Energy Regulators ('the Agency') is committed to ensuring a high quality of transaction and fundamental data reporting, and will continue to devote specialist supervisory efforts to this endeavour in order to further advance its market monitoring capabilities.

The Agency continuously **reviews** the data submitted under Article 4(1) of Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT), and conducts regular and ad hoc assessments of this data by comparing it to the publicly available reference data as well as by consulting with the relevant stakeholders. The data quality assessments are carried out on the basis of reporting guidance compliance checks, REMIT data analysis, and issues flagged either by the Agency's surveillance analysts or National Regulatory Authorities (NRAs).

Due to the extensive [guidance, documentation and consultations with the industry](#), the quality of the received data is fairly high. In addition, as part of its screening

of the EU wholesale electricity and gas markets in order to detect potential market manipulation, the Agency has so far detected several common data quality issues, which will be highlighted in the second Open Letter on data quality described below.

The continual **evolution** of EU wholesale electricity and gas markets makes it necessary for the Agency to constantly adapt and provide further guidance to the stakeholders in order to allow for the reporting of transactions affected by the introduction of new standard contracts, non-standard contracts, and the ways in which they are traded (for example XBID, vertical implication, strategy trades, etc.).

Communication and Enforcement Strategy

The Agency will **liaise** with Registered Reporting Mechanisms (RRMs), Organised Market Places (OMPs), European Network of Transmission System Operators (ENTSOs), Transmission System Operators (TSOs), and NRAs, in order to improve

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transaction and fundamental data reporting under REMIT.

Data quality related actions taken since the publication of the first [Open letter on REMIT transaction reporting data quality](#) of 16 February 2017 include:

- The provision of feedback to the NRAs regarding the completeness of data and the timeliness of transaction reporting.
- The organisation of sessions with NRAs in order to ensure a common understanding of data and a coordinated approach to REMIT data quality. The Agency has convened 11 meetings of the market data reporting standing committees, which regularly reports its findings to the REMIT coordination group.
- The organisation of regular sessions with RRMs in order to discuss and provide further reporting guidance. Additionally, reports have been sent to some



ACER Energy Market Integrity and Transparency Forum 2018

The Agency will hold the 2nd Energy Market Integrity and Transparency Forum in the afternoon of 6 September and the morning of 7 September in Ljubljana. Like last year, the event will be organised with the support of the Slovenian Ministry of Foreign Affairs.

The Forum will focus on REMIT operations, transaction reporting, data quality, REMIT policy, and market surveillance, and will also include panel discussions on several topics.

Registration for the event has opened on the [ACER website](#), where the draft agenda is also available.

You are kindly invited to attend!

RRMs in order to clarify data reporting.

- The organisation of regular roundtables and webinars with OMPs in order to better understand the particularities of the collected data and to keep up with trading developments at specific venues. Reports have been sent and meetings organised with some OMPs in order to clarify the reported data. Communication with the industry is key in order to keep up with market developments.
- The communication of findings related to any detected anomalies in the OMPs' and RRM's transaction data reporting patterns and the investigation of potential issues.
- The organisation of regular sessions with ENTSO-E, ENTSOG and GIE in order to discuss and address the quality of the reported fundamental data.

Whilst the Agency's current priority is to ensure the completeness, timeliness and accuracy of reported data, the NRAs are also looking into potential cases related to alleged breaches of Articles 8 and 9 of REMIT.

Second Open letter on REMIT Data Quality

On 16 February 2017, the Agency published the first Open Letter on REMIT transaction reporting data quality to give stakeholders an early notice about its ongoing assessment of the completeness, accuracy and timely submission of the received transaction data. The second Open Letter, published on 19 July 2018, highlighted current activities, issues related to transaction, and, for the first time, issues related to fundamental data quality as well.

The Agency's review of the submitted data aims to help market participants and OMPs ensure that the reported data is compliant with REMIT requirements. This will also enable the Agency and NRAs to perform, as specified in Article 7 of REMIT, their market monitoring tasks, which require the timely submission of complete and accurate data to the Agency.

The Agency expects that, upon receiving the second Open Letter, reporting parties are responsive and engage with the Agency in order to clarify and resolve any

detected inconsistencies in a timely manner. In the Agency's view, reporting parties which actively cooperate with the Agency in the resolution of data quality issues strengthen their REMIT reporting obligation compliance.

The Annex to the second Open letter describes the most common types of data quality issues that the Agency has recently observed. The list should not be considered exhaustive. Some of the commonly observed issues are described hereafter.

Transaction Reporting

The Agency, in cooperation with the NRAs, pays special attention to the quality of transaction data reporting. Since the beginning of the reporting process, the quality of transaction reports has improved, however, continuous supervision is still required in order to ensure the reliability of the Agency's and NRA's market monitoring capabilities.

Some of the commonly observed transaction data quality issues mentioned in the second Open letter are the following:

- Inaccurate reporting of Transaction Timestamps;
- Reporting of Transaction Timestamps in local time;
- Reporting of invalid Delivery point or zone codes;
- Inaccurate Delivery point or zone code reporting;
- Inaccurate delivery profile definition; and
- Timeliness and completeness of transaction reporting.

Fundamental Data and Transportation Contracts Reporting

The Agency performed an analysis to determine whether market participants comply with Article 10 (2) of REMIT Implementing Regulation. It was observed that inactive, wrong type, non-existent and non-registered EIC X codes that serve as market participants' identifiers are used in fundamental data and transportation contracts reporting. In order to improve the quality of this data, validation rules may be introduced in the future. In this respect, the Agency would like to highlight the data quality of the Centralised European Register of Energy Market Participants (CER-

The Agency's Data Quality Assurance at a Glance

The REMIT data quality assurance is based on a two-stage approach.

1. Data collection stage

During the data collection stage, data is inserted into the Agency's REMIT Information System (ARIS) first tier, where validation rules are applied to the data. There are two levels of data validation – an initial data validation performed on a technical level and a further in-depth analysis performed on the database level, where integrity checks across the reported and reference data are performed. The invalidated data is logically rejected and flagged. Data validation is important to ensure that data is of adequate quality and can be stored in the Agency's REMIT database. It is this procedure that enables business analysis.

2. Data quality assessment stage

The data that passes the data collection stage is further evaluated at the data quality assessment stage, where data quality assessment methods are applied and follow-up processes are conducted.

Dimension	Description	Example
Completeness	Are all data sets reported?	The proportion of stored data against the required of 100% complete.
Uniqueness	Is there a single view of the data set?	Every record should be reported only once.
Timeliness	Is the data reported on time?	Time difference between the reported timestamp and timestamp of the transaction.
Validity	Does the data pass the validation rules?	How many records are rejected by which rule compared to the total dataset?
Accuracy	Does the data reflect the business event?	The degree to which the record correctly describes the reported business event.
Consistency	Can we match the dataset throughout the various RRM's or OMP's?	The absence of differences when comparing more representations of a similar business event.

Non-compliance at either stage can lead to the enforcement of REMIT Article 8. The Agency prefers to resolve data quality issues by cooperating with reporting parties, but enforcement action will be initiated if necessary.

EMP) with regard to the registration of EIC X codes, and would like to urge market participants to register their EIC X codes in CEREMP. The EIC X code that is registered in CEREMP shall be used for market participant communications (e.g. with TSOs) in order to use the same identifiers across all REMIT reporting.

REMIT LNG and Gas Storage Data Reporting

The Agency analysed Liquefied natural gas (LNG) and gas storage data reported by both operators and individual market participants. Commonly observed issues for both data types were, for example, wrong facility identifiers, late reporting, and a frequency of reporting that is not compliant with the REMIT Implementing Regulation.

The Agency expects market participants, ENTSOs, TSOs, RRM, and OMPs to review the REMIT data they are reporting and have reported so far. The stakeholders are expected to comply with the reporting guidance. The Agency may request a correction of the previously submitted REMIT data reports that are inaccurate as well as any additional information, if necessary.

Notice concerning the Entry into Force of the Validation Rules for the Reporting of Delivery Point or Zone for Table 1 and Table 2 Schemas

In the first Open letter on REMIT transaction reporting, the issue of 'Delivery point or zone code misreporting' was explained in the Annex to the letter. After the publication of the Open Letter, the Agency has taken several steps in order to improve data quality of the reporting of Delivery point or zone. These steps were listed in a letter that has been sent to the RRM and that will be shared with REMIT market participants and OMPs. On 26 April 2018, the Agency sent an additional letter to the RRM, inviting them to forward the message to REMIT market participants and OMPs. In this letter, the Agency recommended REMIT market participants and OMPs to stop reporting the delivery point or zone codes which are not in the '[List of Accepted EICs](#)', and instead focus on implementing a process which will enable them to report the correct delivery point or zones for REMIT reporting purposes and thus comply with the Agency's guidance.

The Agency has provided extensive guidance on the correct use of EIC codes when reporting delivery point or zone codes, including a list of accepted EIC codes for REMIT transaction reporting purposes. The complete guidance can be found on the [REMIT portal](#) under [TRUM ANNEX VI – Additional information on how to correctly report the delivery point or zone](#).

The Agency still observes the reporting of Delivery point or zone codes that are not on the List of the accepted EICs, but to a limited extent. In order to help reporting parties to comply with Article 8 of REMIT, the Agency plans to enable a validation rule which will reject records referring to delivery point or zone codes that are not on the List.

Meetings with the Agency's Stakeholders

RRM live meeting in Ljubljana

On 11 June 2018, the Agency held a traditional live meeting with Registered Reporting Mechanisms (RRMs) in Ljubljana.

The first part of the meeting was dedicated to the ongoing activities in the Market Integrity and Transparency Department, the status of the Agency's REMIT Information System (ARIS), issues and key figures related to RRM (e.g. the number of RRM), post-registration activities, the number of tickets reported to the Central Service Desk by RRM, etc. The Agency also informed the participants about the change of IT contracts, and highlighted the risks related to this migration process. One such example is the provisional suspension of the issuing of digital certificates required for ARIS users; the Agency, however, stressed that a solution is expected to be adopted very soon. Due to the change of IT providers, ARIS development is frozen until Q4 of 2018.

The second part of the meeting was devoted to the data quality activities performed by the Agency. The RRM were informed about the upcoming Second Open Letter on REMIT Data Quality, which would address the issues identified in reported transaction and a fundamental data. The Agency highlighted the problems related to the registration of EIC X codes by market participants in the Centralised European Register of Energy Market Participants

(CEREMP) and the reporting of the EIC X codes. The RRM were also reminded about the Delivery point or Zone validation rule for REMIT Table 1 and Table 2 being enabled in ARIS production environment in autumn of 2018. The Agency only briefly touched on the status of the Public Consultation on the revision of electronic formats, which ran between October and December 2017, given that the Evaluation of the Public Consultation was intended to be the focus of the upcoming meetings on 12 and 13 June.

At the end of the meeting, the Agency asked RRM to share their views and experience with regard to reporting under REMIT vs. other regulatory regimes, such as MiFID II and EMIR. The RRM highlighted their positive experience with the Agency's technical and regulatory guidance, communication, and the ARIS Central Service Desk. On the other hand, they pointed out that the vast number of party identifiers under multiple regulations (REMIT introduced a new identifier – the ACER code) places additional responsibility on RRM to reconcile the different identifiers across the market. As a result, the RRM proposed some improvements, such as a tool for reconciliation, better communication of downtimes, and others.

Meeting on the Evaluation of the Public Consultation on the revision of electronic formats for transaction data, fundamental data and inside information reporting under REMIT

On 12 and 13 June, the Agency held a two-day meeting in Ljubljana on the Evaluation of the Public Consultation with the stakeholders that took part in the Public Consultation.

The objective was to discuss the feedback that the Agency received with regard to the proposed revision of electronic formats for transaction data, fundamental data and inside information reporting, as well as debate new proposals that were collected during the consultation. During the meeting, the stakeholders were also informed about the technical aspects of the changes and the next steps to be taken, which may include additional meetings with stakeholders. The Agency would like to thank all the stakeholders who attended for their contributions!

Statistics

178 REMIT Cases under Review

The Agency had 178 REMIT cases under review at the end of Q2 2018. REMIT cases are potential breaches of REMIT that are either notified to the Agency by external entities or identified by the Agency through its surveillance activities.

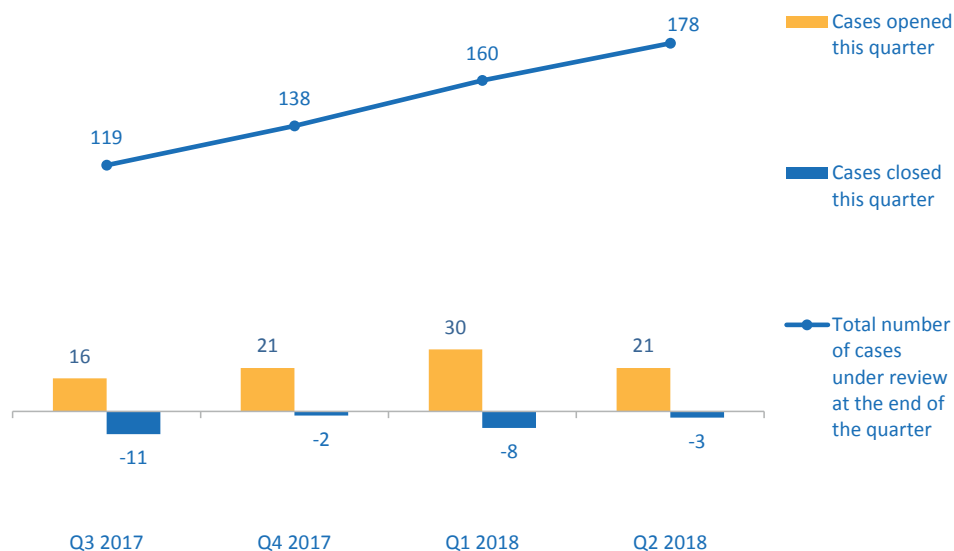
A case could, after a thorough investigation by the relevant national authority, lead to sanctions. A case could also be closed without sanctions, for instance if the suspicions were unfounded.

Figure 1 on the right shows the number of cases that were under review by the Agency in the past four quarters.

The Agency is responsible for the monitoring of wholesale energy markets and aims to ensure that National Regulatory Authorities (NRAs) carry out their tasks in a coordinated and consistent way, but it is not, however, responsible for the investigation of potential breaches of REMIT.

EU Member States have the obligation to ensure that their NRAs have the required

Figure 1 Potential REMIT Breach Cases - Quarterly Statistics



Source: ACER.

investigatory and enforcement powers to fulfil their responsibilities.

REMIT Queries

The number of questions that the Agency receives through the various communication channels that have been put in place for the stakeholders (i.e. the Agency's Central Service Desk (CSD) and the online REMIT query form) has been decreasing.

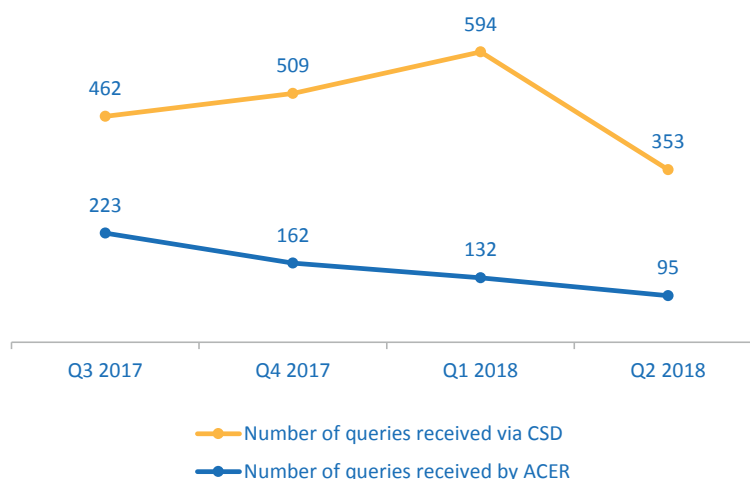
Figure 2 on the right illustrates the total number of queries received by the Agency in the last four quarters.

The Agency, when necessary, responds to specific questions on a one-to-one basis. Its main means of responding to queries, however, remains the publicly available documentation, such as:

- Questions & Answers on REMIT;
- Frequently Asked Questions (FAQ) on transaction data reporting; and
- FAQ on REMIT fundamental data and inside information collection.

REMIT documentation is made available on the REMIT Portal at <https://documents.acer-remit.eu> and in the Knowledge Base at <https://kb.acer-remit.eu>.

Figure 2 Statistics on REMIT Questions Reaching the Agency



Source: Questions sent to the CSD and to the online REMIT query form.

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