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Understanding and managing the complexity of data reporting: EEX Transparency Platform

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1. Increasing relevance of energy data

It is an understatement that data is becoming critical to the energy sector. **Energy assets (generation, consumption, transmission and storage)** generate large amounts of data every second, which is then used to optimise asset operations in the wider context of the energy system. The **capacity, use and unavailability** data of energy assets and so-called **fundamental data** are playing an important role for trading decisions and the transparency of energy markets. In particular, outages (unplanned) and foreseen maintenances (planned) of assets (e.g. power plants) can have a significant effect on the price of wholesale energy products as soon as they are published. Those information with a precise nature are called **'inside information'** and categorised as **urgent market message (UMMs)**.

2. Data for monitoring

However, data is also a critical tool to **monitor wholesale energy markets' integrity and transparency**. The European Union lawmakers have in fact been legislating about data reporting obligations over the last years, releasing in particular **three regulations** which impact wholesale energy markets participants: **REMIT** (Regulation on wholesale energy market integrity and transparency, 2011¹), **Transparency Regulation** (on submission and publication of data in electricity markets, 2013²) and **MAR** (Regulation on market abuse, 2014³).

The aim of REMIT is the introduction of the **explicit prohibition of market manipulation in wholesale energy markets** and the establishment of an integral EU framework for monitoring wholesale energy markets to detect and deter market manipulation and insider trading.

More specifically, REMIT introduces the general obligation to **publish inside information in respect of business or facilities** for production, storage, consumption or transmission of electricity or natural gas and to provide the **Agency for the Cooperation of Energy Regulators (ACER)** and national regulatory authorities (NRAs) with information relevant to the **capacity, use and unavailability** (Art. 4 and Art. 8). Under REMIT **no thresholds** exist for the disclosure of inside information (Art. 2). Furthermore, regardless of whether current or future inside information is actually available, **all** market participants are obliged to specify a place for the disclosure of inside information (Art. 9).

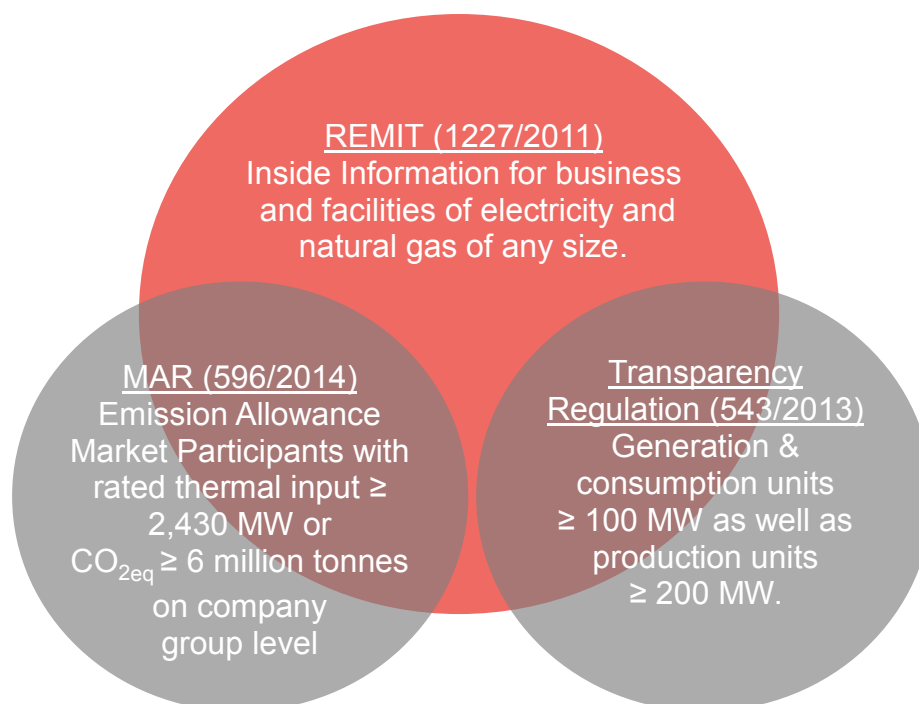
¹ Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency

² Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council

³ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

The Transparency Regulation also obliges market participants to share data with the **European Network of Transmission System Operators for Electricity** (ENTSO-E). However, it is not technically possible to report directly to ENTSO-E. Therefore, market participants have to use a data provider which takes care of the data transfer to ENTSO-E on behalf of the participant (Art. 4).

For trading in emission allowances MAR imposes the disclosure of inside information for relevant market participants. Furthermore, MAR demands the **active distribution to the media** of inside information which can be facilitated by using a central platform. Beyond the pure disclosure requirement, emission market participants have to also draft and maintain insider lists, lists of managers and to disclose managers' transactions in emission allowances or derivatives thereof.



Graph 1: EU Regulations that require data reporting

3. What does that mean to you?

The legislations above affect everyone, within or outside the EU, who directly participates in wholesale energy markets within the Union or indirectly influences markets in any ways.

Such information disclosure and sharing with third parties **can be cumbersome for market participants**. It, in fact, essentially deviates from their usual business and implies the need to assign **additional resources** to data reporting. Moreover, if market participants do not comply with the regulations they run the risk of incurring **serious fines**. Furthermore, ACER

announced to refer those market participants who do not publish inside information in a timely and effective manner to the respective national regulator.⁴

4. Inside Information Platforms

For market participants it is quite challenging to fulfil these regulations in parallel. At first glance data requested under different regulations seems similar, however different requirements on formats, resolution, addressees and processes lead to a complex effort. Therefore, ACER recommends the use of so-called **Inside Information Platforms**⁵ which can support market participants in active and passive ways: actively by fulfilling several regulations through one input channel and passively through effective disclosure by using a central platform. Such platforms are developed by **different providers** such as exchanges and transmission system operators (TSOs), and typically offer market participants the possibility to publish inside information and disseminate it through various technical means.

Currently, ACER sees a **major issue** in market participants using their own website for public disclosure. The Agency also reiterates the stated objective to higher centralisation of **all** inside information disclosure on **platforms**.⁶ In addition, market participants can be assured that, by **using platforms**, they publish their inside information in an **effective** way. In a recent analysis on the publishing activities of market participants ACER data have shown that currently less than 10 per cent use a platform. Several participants do not list any information in the Centralised European Registry for Energy Market Participants (CEREMP) where inside information is published.⁷ That means, in turn that inside information from the other 90 per cent market participants needs to be retrieved somewhere on individual websites to ensure a full overview on the market situation.

ACER has the view that inside information should be disclosed in a manner ensuring that it is capable of being disseminated “to as wide a public as possible”, clearly demanding the use of central platforms. Urging this, the Agency has announced to collect inside information only from platform web feeds going forward and not from market participants’ websites.⁸

The **European Security and Markets Authority** (ESMA) also promotes the use of platforms for the disclosure of inside information: ‘If platforms for the disclosure of inside information exist, for instance EEX Transparency platform, market participants should use such platforms.’⁹.

5. EEX Transparency Platform: the solution for all market participants

EEX has established a platform for the disclosure of inside information building on its experience for running such platforms since 2005. The EEX Transparency Platform¹⁰ in its

⁴ Open Letter on Inside Information disclosure and the use of Inside Information Platforms

⁵ List of IIP providers: <https://www.acer-remit.eu/portal/list-inside-platforms>

⁶ REMIT Quarterly issue No. 11 / Q4 2017

⁷ Open Letter on Inside Information disclosure and the use of Inside Information Platforms

⁸ ACER Guidance on the application of REMIT Updated 4th Edition

⁹ ESMA Final Report MAR TS, 28 September 2015, 7.2.2, 206

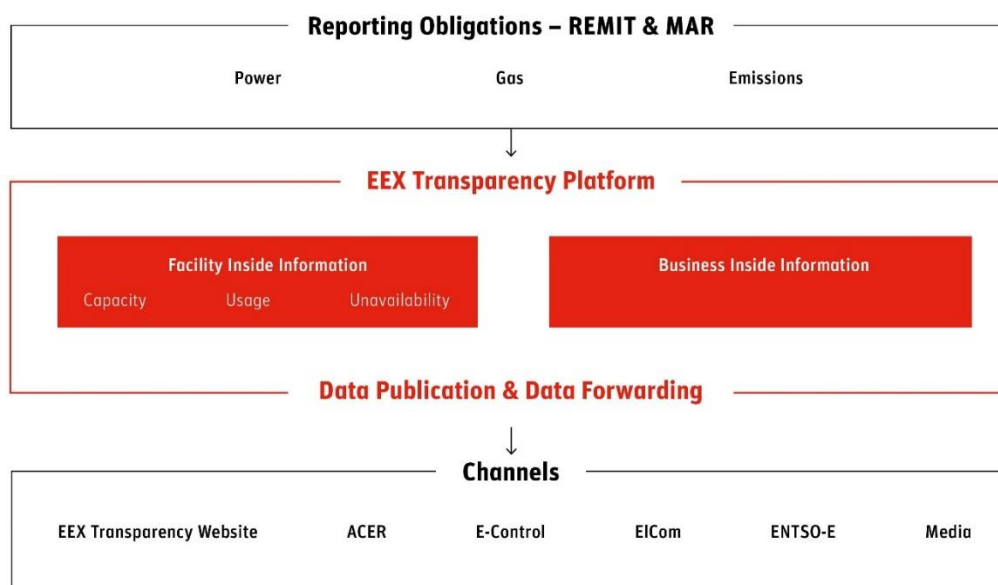
¹⁰ <https://www.eex-transparency.com>

current shape was launched as early as in 2009 as platform which collects, verifies and publishes fundamental energy data in cooperation with partners, with the overall aim to increase transparency in the market.

Against the backdrop of an ever increasing amount of regulatory reporting requirements EEX has further developed the Transparency Platform into a platform that enables the reporting of inside information according to REMIT, MAR and the Transparency Regulation and continues to do so.

EEX Transparency Platform supports market participants to understand and manage the complexity of data reporting in several ways: First, it allows market participants to delegate their reporting and hence, supports compliance with a number of regulations, while securing the data reporting process with a robust and secure infrastructure.

Second, market participants avoid double reporting as the data reported under REMIT is used for compliance with the Transparency Regulation as well. Finally, participants active in the emissions market already fulfil equivalent inside information disclosure requirements in accordance with REMIT when reporting to the EEX Transparency Platform, meaning they also fulfil reporting obligations imposed by MAR (Disclosure Privilege)¹¹.



Graph 2: Publication and reporting services at EEX

In a nutshell: What are the advantages of the EEX Transparency Platform?

- It is recommended and listed by ACER and ESMA
- It is an approved data provider for ENTSO-E
- It is secure and easy to use
- It ensures an effective and wide public disclosure

¹¹ Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council

- It is well-established among market participants and the public.

6. Conclusion

EEX is committed to serve its customers making sure they comply with regulations in an efficient manner, avoiding spending significant resources on reporting and away from their core business.

The user rates show that EEX Transparency Platform is well established in the market: today more than 200 market participants from 10 countries report their data to the platform. More than 50,000 visitors use the EEX Transparency Platform each month.

Data reporting obligations are an interrelated set of provisions that should be addressed with a solid and integrated solution, as offered by EEX. EEX understands the interdependencies of such a complex system and offers effective tools to manage it.

The EEX Transparency Platform is available at this link and ready to serve market participants on the go. For more information or support, please get in touch with the Transparency Services team at EEX at support@eex-transparency.com.

