

ACER

 Agency for the Cooperation
of Energy Regulators

Public

Market monitoring of wholesale gas markets

Martin Godfried

*Head of the Market Surveillance
and Conduct Department*

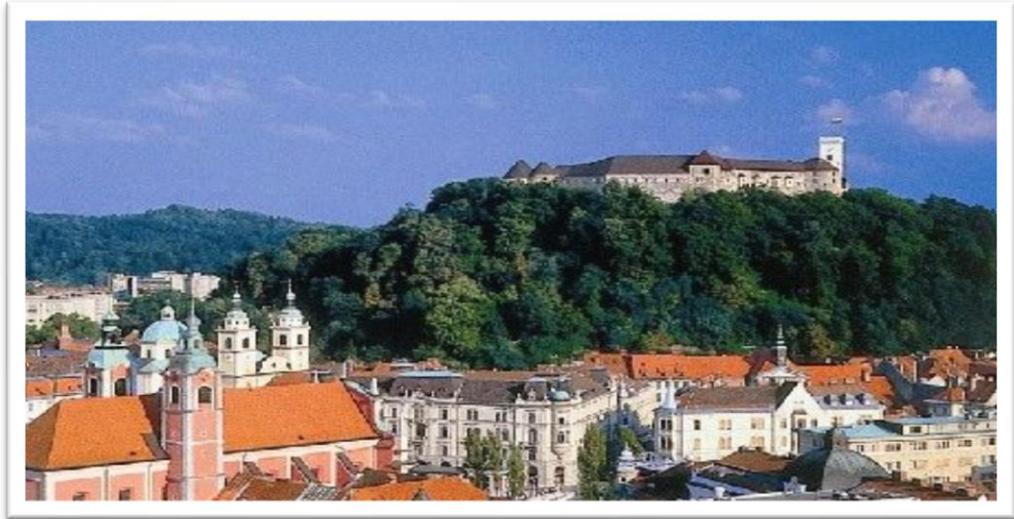
Flame – Regulation & Competition – Session 1

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- **ACER** - The Agency for the Cooperation of Energy Regulators
- Established as part of the new institutional framework of the **Internal Energy Market** defined by the **Third Package**
- Based in **Ljubljana** since **2011**
- **86 staff members + 4 SNEs** (1 November 2018)
- **19 different nationalities**



*"The purpose of the Agency shall be to **assist** the [NRAs] in exercising, at [Union] level, the regulatory tasks performed in the Member States and, where necessary, to **coordinate** their action". - Article 1(2) of Regulation (EC) No 713/2009.*

Transparency

Obligations for market participants to disclose inside information

Integrity

Explicit **prohibitions** of abusive practices in wholesale energy markets

Monitoring

A sector-specific, comprehensive and effective **monitoring framework** with a **central reporting point** for wholesale energy markets

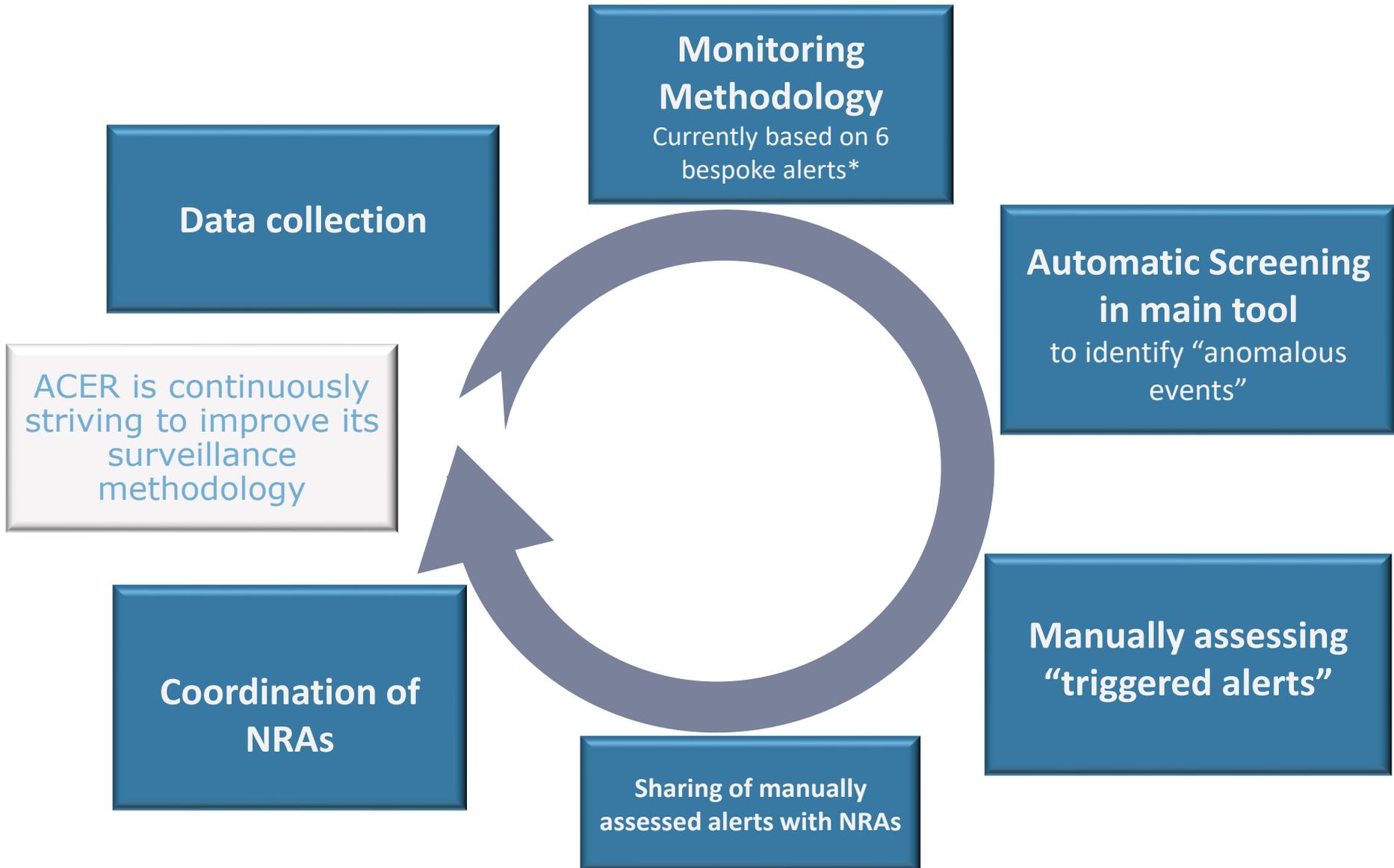
Cooperation

Close cooperation & coordination between ACER (EU-wide monitoring) and NRAs (national monitoring, investigation and enforcement)

*"The Agency shall **monitor trading activity** in wholesale energy products to detect and prevent trading based on inside information and market manipulation. It shall **collect the data for assessing and monitoring wholesale energy markets** as provided for in Article 8."*

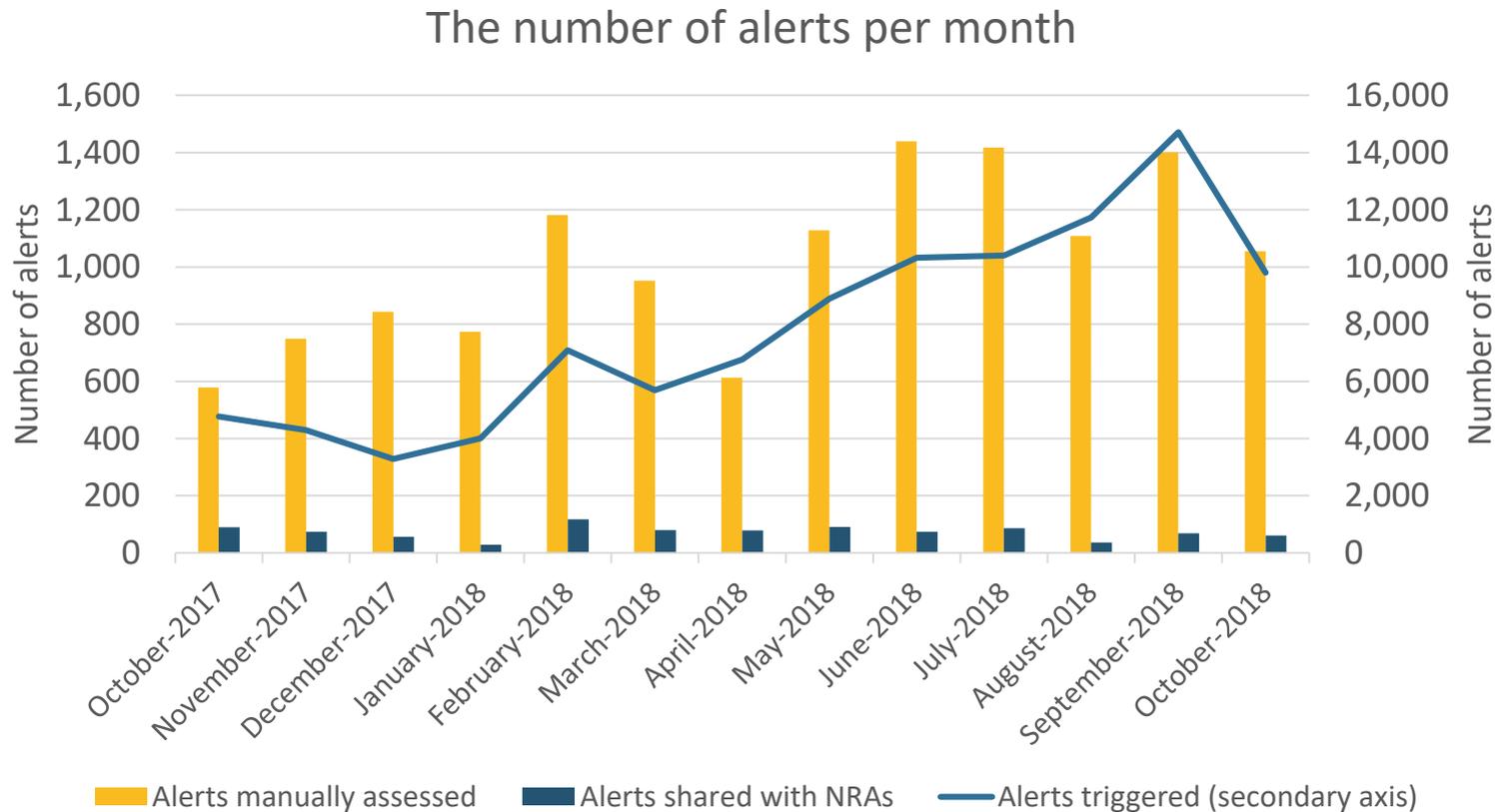
Table 1: Overview of information processed by ACER on average per month in 2018

Type	Value (per month)
Reported orders and trades	73 million
Triggered alerts*	8,000
Manually assessed alerts*	1,000
Shared alerts with NRAs*	70



**An alert is a set of conditions coded in the alert logic that define the trading behaviour. If these conditions are met the alert triggers.*

Figure 1: Absolute number of alerts shared with NRAs per trading month
In 2018 approximately a fifth of these alerts were wholesale gas market related



Through the Agency and PPAT's Market Surveillance activities the following types of uneconomic trading and/or behaviour are detected (examples)

- Cross-Border transmission capacity hoarding
- Wash trading
- Marking the close
- Insider trading
- Capacity withholding in electricity markets
- Layering/Spoofing and other order based manipulation

Overview of market abuse Decisions (breaches of Articles 3 and 5) imposing sanctions under REMIT

Decision date	NRA, Member State	Market Participant	Type of REMI	Fine	Status	Source
24 November 2015	CNMC (ES)	Iberdrola Generación S.A.U.	Article 5	EUR 25,000,000	Under appeal	Link
05 October 2018	CRE (FR)	VITOL S.A.	Article 5	EUR 5,000,000	Under appeal	Link
30 October 2018	Prosecutor/DUR (DK)	Energi Danmark A/S	Article 5	DKK 1,104,000 (app. EUR 147,000)*	Final	Link
28 November 2018	CNMC (ES)	Galp Gas Natural, S.A.	Article 5	EUR 80,000	Under appeal	Link
28 November 2018	CNMC (ES)	Multienergía Verde, S.L.U.	Article 5	EUR 120,000	Under appeal	Link
21 December 2019	Prosecutor/DUR (DK)	Neas Energy A/S	Article 5	153,000 DKK (app. EUR 20,400)*	Final	Link
20 February 2019	BNetzA (DE)	Uniper Global Commodities SE + Two traders	Article 5	EUR 150,000 and fines of EUR 1,500 and EUR 2,000 for each trader.	Final	Link

Source: ACER (2019). Note: Please consult the sources for the status of the proceedings and more information on the Decisions. * This amount includes both the (i) fine and (ii) confiscated profit.

"The Agency shall aim to ensure that NRAs carry out their tasks under REMIT in a coordinated and consistent way" (Article 16(1) of REMIT)

- ACER Guidance and Guidance Notes
- Coordination meetings with in-depth topical presentations
- Cross notification obligations
- Request NRAs any information related to the suspected breach
- Request NRAs to commence an investigation of the suspected breach, and to take appropriate action to remedy any breach found - decision as regards appropriate action is an NRA responsibility
- To establish and coordinate an investigatory group

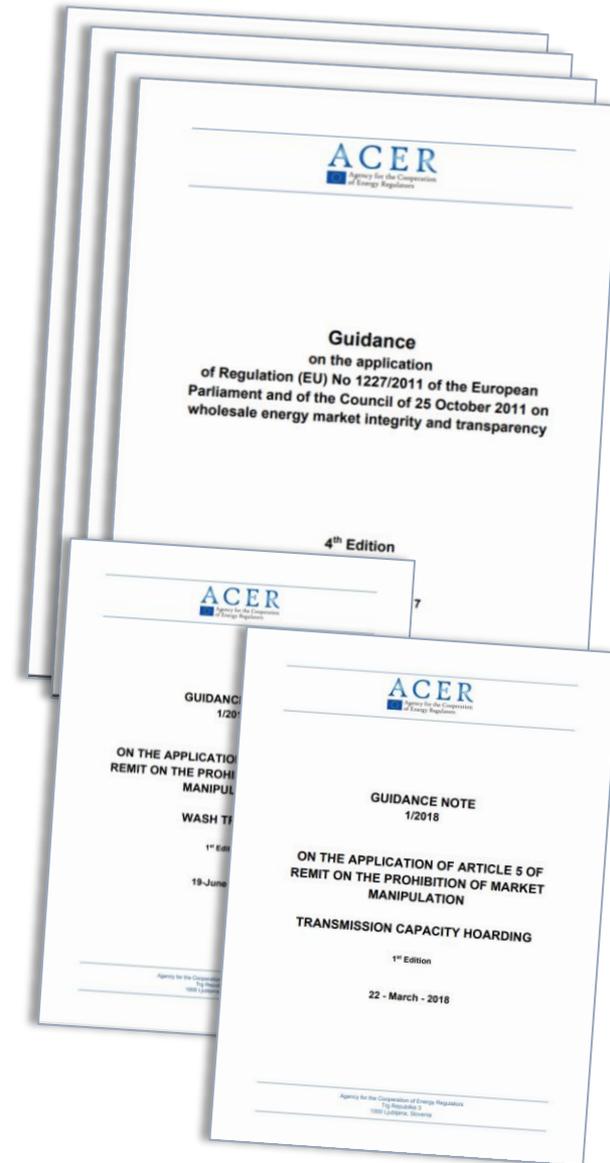


Figure 3. Number of potential REMIT breach cases

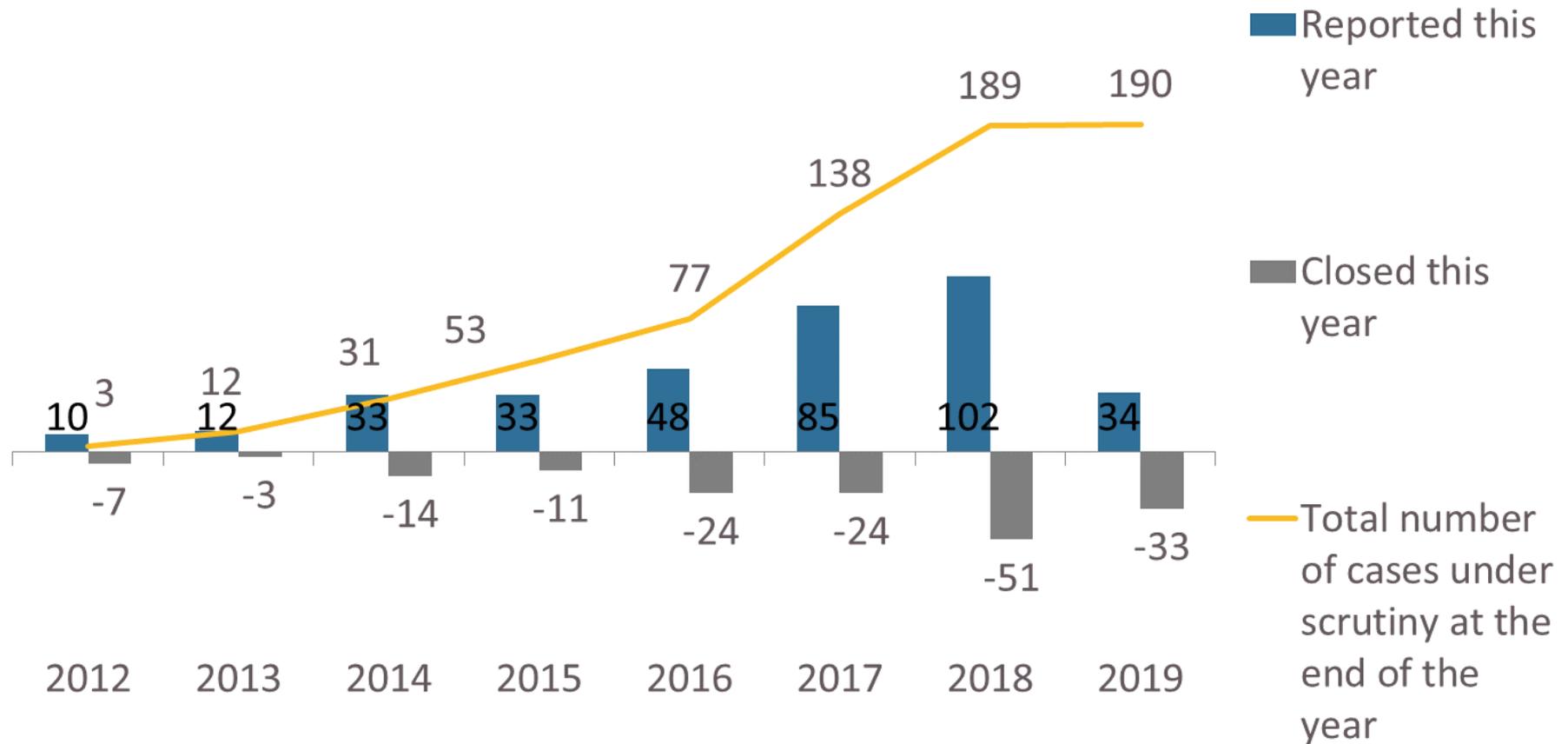
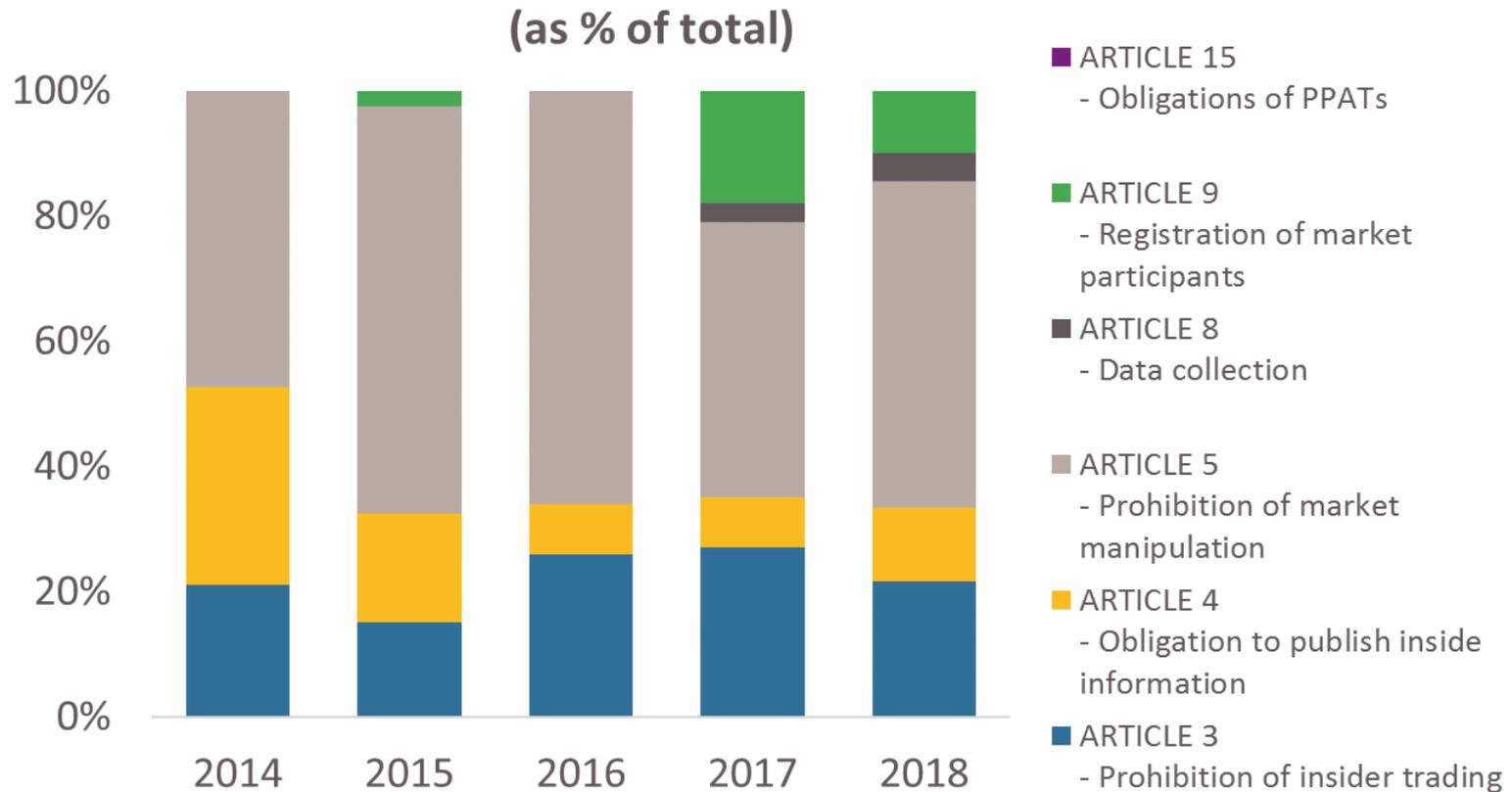


Figure 2: Type of REMIT breaches reported to/by the Agency



Note: Includes all notifications received/sent by the Agency in the course of the year. Includes all potential breaches of Articles 3, 4, 5, 8, 9 and 15 of REMIT. Some cases include the potential breach of several REMIT provisions. Source: Case Management Tool (CMT).

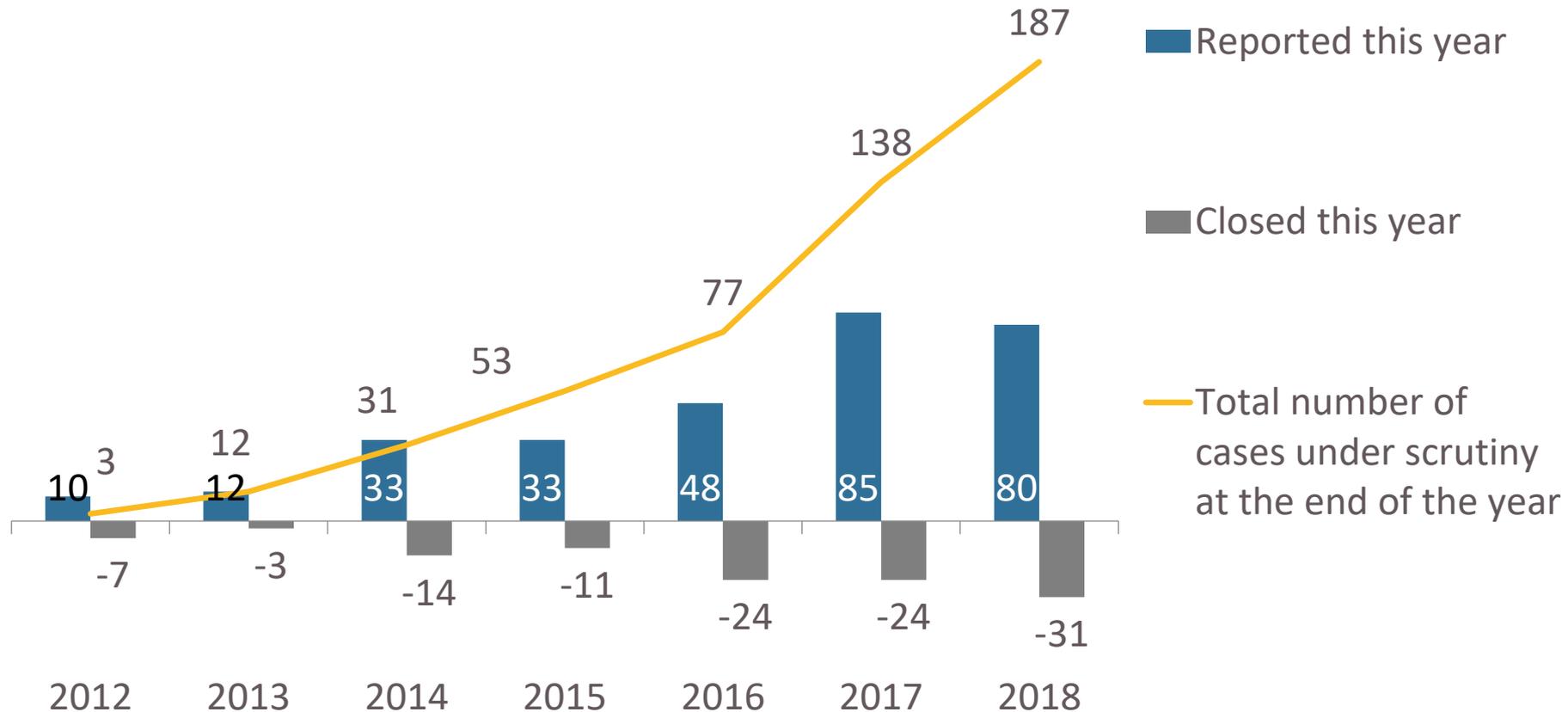
- 2018 marks a **first full year of market monitoring** by the Agency with a focus on cross-border trading behaviour
- **Algorithmic trading** and high frequency trading are increasingly employed in wholesale energy trading and in particular in continuous markets, such as the intraday electricity market
- **Data quality** is a key priority for the Agency and several steps are being taken with several stakeholders to address the most priority issues
- **Market developments** such as XBID require constant challenges for effective and efficient EU wide market monitoring
- The issue of **lack of resources** has not been properly addressed yet
 - ❑ Six analysts for EU wide surveillance and six for conduct coordination of NRAs
 - ❑ Business continuity at stake due to insufficient budget

Thank you for your attention!



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Figure 3. Number of potential REMIT breach cases



1. Introduction
2. Market Monitoring
3. Cooperation and coordination
4. Final Remarks

1. ACER's mission and role under REMIT
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Do you have any suspicion on a breach of REMIT?

You can notify the Agency and the relevant NRA(s) through the **Notification Platform: <https://www.acer-remit.eu/np/home>**

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ARIS
ACER REMIT Information System

European Register of Market Participants | List of Organised Market Places | List of Standard Contracts | List of RRM's | List of Inside Information Platforms | ARIS Applications | Documents

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Welcome to the REMIT Portal

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The REMIT Portal is a single entry point to a compilation of information and all applications that ACER has made available to market participants and other stakeholders in order to implement Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT) and its implementing acts provided in Commission Implementing Regulation (EU) No 1348/2014 (REMIT Implementing Regulation).

More information about the Agency's work in relation to REMIT: <http://www.acer.europa.eu/remit/>

In case of a problem using the applications accessible via this portal, please contact the ARIS Central Service Desk (CSD) servicedesk@support.acer-remit.eu