



# **Nord Pool REMIT OTC Transactions Reporting Service**

Stakeholder Webinar, February 2016

**NORD  
POOL**

## DISCLAIMER

The views expressed in this presentation reflect Nord Pool's interpretation of the documentation published by ACER and related to REMIT. The purpose of this presentation is to describe Nord Pool's REMIT OTC service, not to give authoritative or official regulatory advice. For further information on any regulatory related topics, please contact your national regulator or ACER."

# Agenda

## ▶ Recap of REMIT

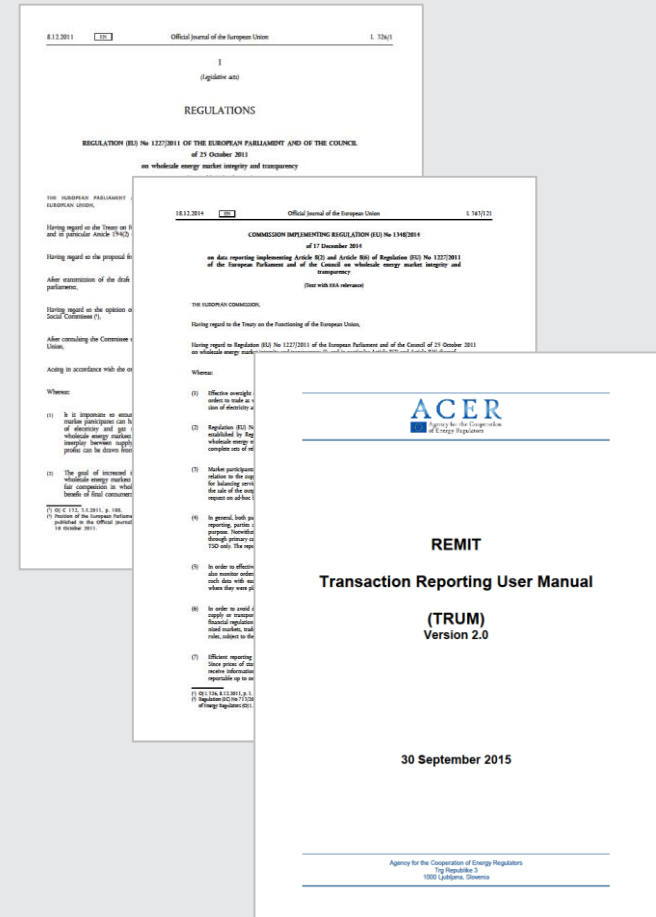
Reporting of Bilateral Transactions under REMIT

Nord Pool REMIT OTC Transactions Reporting Service

'REMIT Phase 2' implementation going forward

# REMIT – The first set of common EU regulation for wholesale energy markets

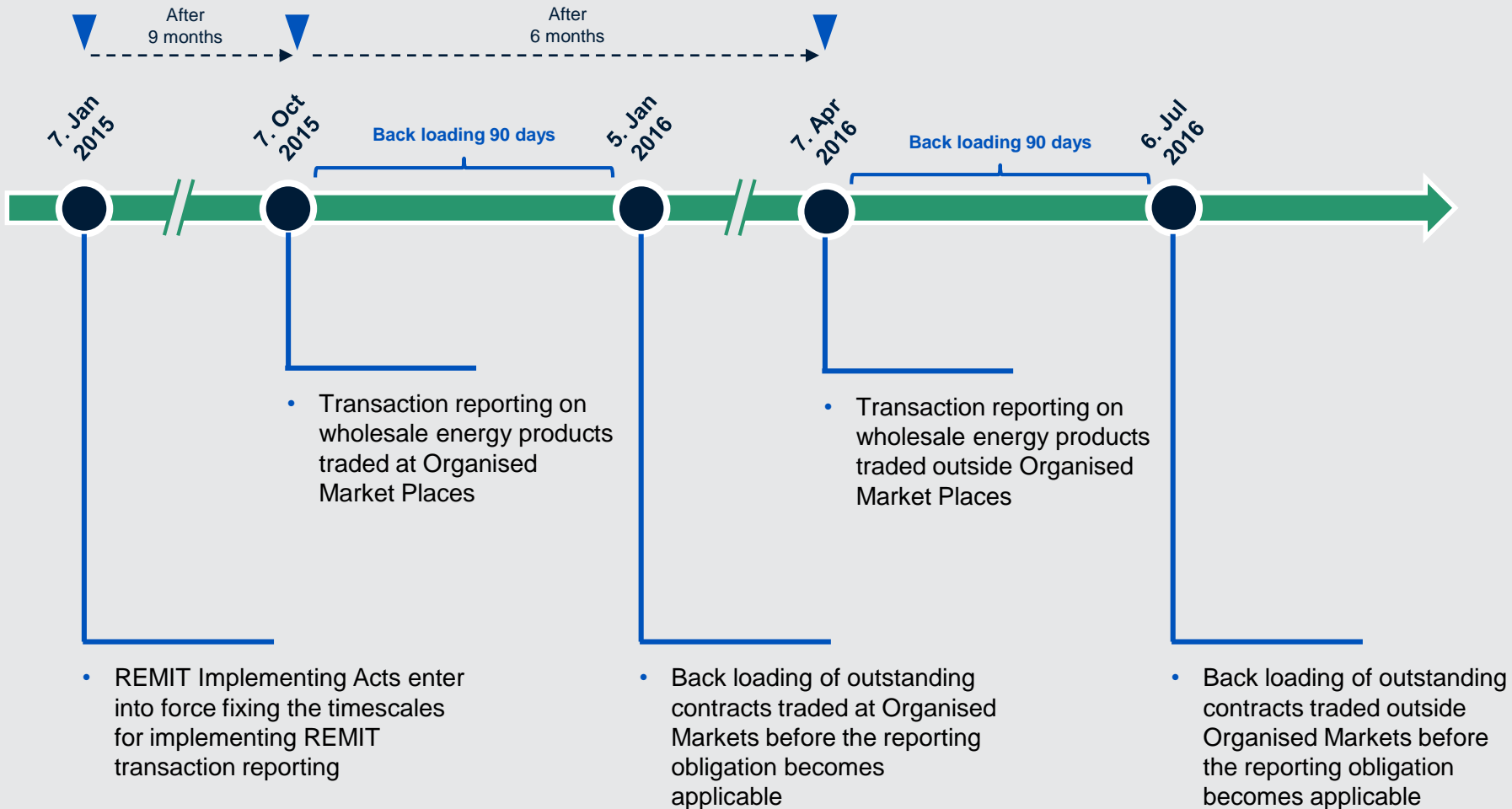
- ▶ Aims to prohibit abusive practices affecting the wholesale energy markets and lays out the framework for monitoring of these markets
- ▶ Disclosure of insider information and prohibition of insider trading and market manipulation
- ▶ Market participants are required to provide ACER with a record of their wholesale energy market transactions, including orders to trade
- ▶ Market participants entering into transactions which are required to be reported to ACER have to register with the relevant National Regulatory Authority (NRA) prior to entering such transactions



# REMIT reporting in brief

- ▶ Contracts traded at Organised Market Places (OMPs):
  - Should be reported regardless of the type or size of the contract or the market participant in question<sup>1</sup>
- ▶ Contracts traded outside OMPs:
  - Standard and non-standard contracts should be reported according to the instructions provided in REMIT Implementing Acts and REMIT TRUM
- ▶ Details needed to be reported:
  - Depends on the type of contract or information that is being reported. Detailed information is specified in Tables 1-4 of REMIT Implementing Acts
- ▶ Reporting timescales:
  - Standard supply contracts and transportation contracts are reported on the following day
  - Non-standard contracts and related transactions are reported with one month

# REMIT reporting implementation



# Agenda

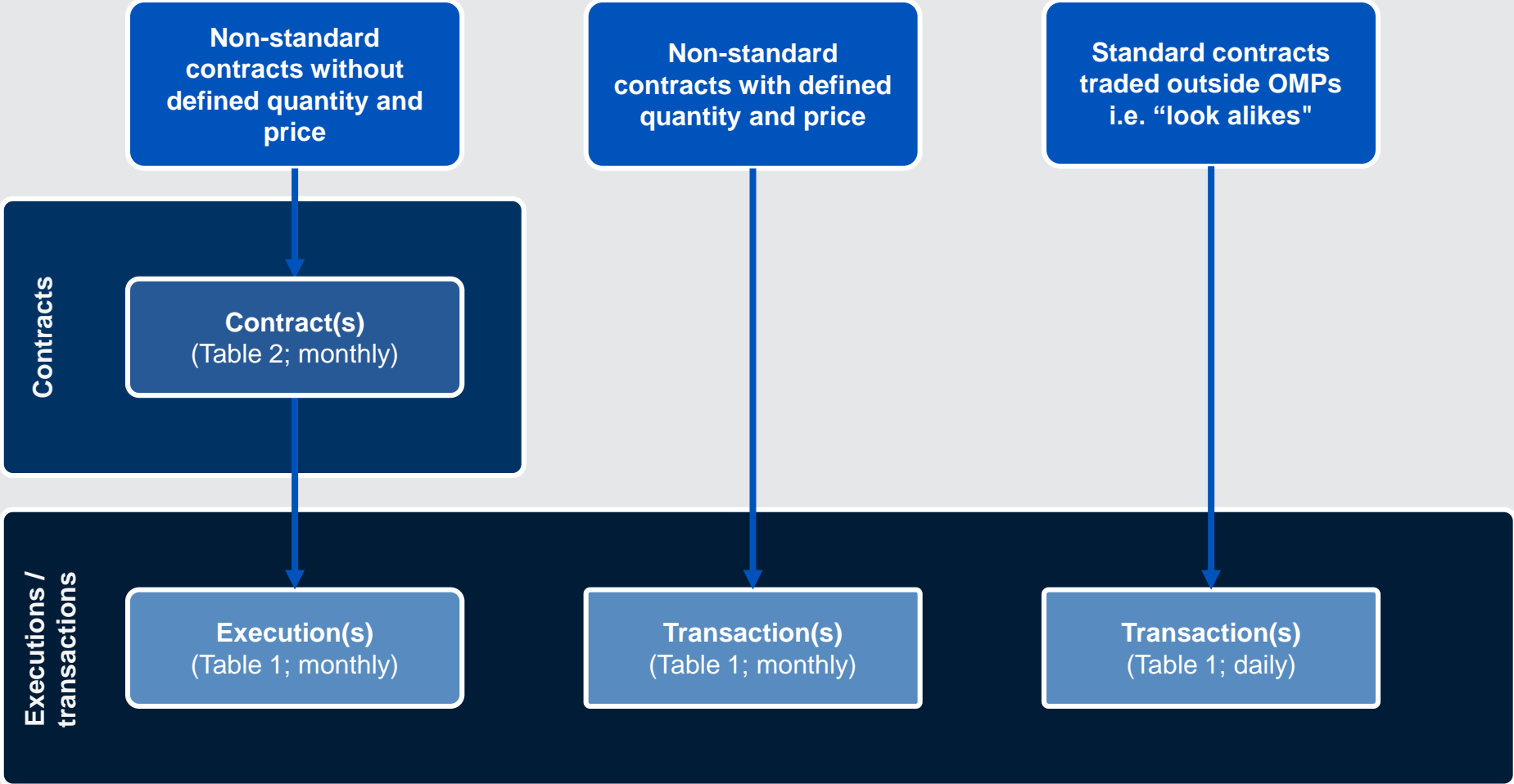
Recap of REMIT

- ▶ **Reporting of Bilateral Transactions under REMIT**

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# Reporting of supply contracts traded outside organized market places





# Table 2 vs. Table 1

- ▶ Table 2
  - Non-standard contracts without defined price and quantity (REMIT IAs)
  - All framework contracts
- ▶ Table 1
  - Non-standard contracts with a defined price and quantity (REMIT IAs)
  - Standard contracts traded off-venue (i.e. look alike)
  - Executions under non-standard contracts without defined price and quantity
- ▶ Some contracts could be reported with both setups:
  - Should Table 1 (only) be used whenever possible?

# Selected data fields: Table 2

#	Name	Note
3	<b>Market participant ID</b>	Unique identifier (IDs must be registered with ACER!). XSD allows multiple!
7	Beneficiary ID	If beneficiary is someone else than a counterparty to the reported contract
11	<b>Contract ID</b>	Unique identifier for the contract (the “Unique Transaction Identifier, UTI”)
12	Contract date	Agreed by the counterparties
14	Energy commodity	“NG” or “EL” or both
15	<b>Price or price formula</b>	Price up to 20 numerical digits or formula up to 1000 alphanumerical digits
16	Estimated notional amount	Blank for contracts that do not have a known price at the time of the trade
18	Total notional quantity	Blank where the total notional contract quantity is not known
19	Volume optionality capacity	The number of units included in the contract, per delivery time interval
45	Action type	“N”; “M”; “E”; “C”

# Selected data fields: Table 1

#	Name	Note
3	Market Participant ID	Unique identifier (ID must be registered with ACER!)
8	Beneficiary ID	If beneficiary is someone else than a counterparty to the reported contract
13-20	Order details	Not applicable / not filled for bilateral contracts/transactions
21	<b>Contract ID</b>	“NA” for bilateral contracts/transactions
22	<b>Contract name</b>	“BILCONTRACT”; “BACKLOADING”; “EXECUTION”
27	Organized market place ID/OTC	“XBIL” for bilateral contracts/transactions
28	Contract trading hours	Usually "00:00Z/24:00Z"
29	<b>Last trading date and time</b>	Not applicable / not filled for bilateral contracts/transactions
30	Transaction timestamp	“YYYY-MM-DDTHH:MMZ” -the nearest minute
31	<b>Unique transaction ID</b>	Unique identifier assigned by the two market participants, “NA” for executions
32	<b>Linked transaction ID</b>	For executions, the Contract ID (Field 11) of the relevant Table 2
33	<b>Linked order ID</b>	Not applicable / not filled for bilateral contracts/transactions
38	Notional amount	Blank for trades that do not have a known price at the time of the trade

# Example: Framework PPA (Table 2)

Parties to the contract		
1	ID of the market participant or counterparty	R2630520H.EU
2	Type of code used in field 1	ACE
3	ID of the other market participant or counterparty	N9103735B.EU
4	Type of code used in field 3	ACE
5	Reporting entity ID	A3909572Z.EU
6	Type of code used in field 5	ACE
7	Beneficiary ID	
8	Type of code used in field 7	
9	Trading capacity of the market participant or counterparty in field 1	P
10	Buy/sell indicator	B
Contract details		
11	Contract ID	q1w2e3r4t5
12	Contract date	2014-02-01
13	Contract type	FW
14	Energy commodity	EL
15	Price or price formula	95% of the average of the Day-ahead or Weekend (as applicable) UK OTC Power Baseload bid/offer spreads
16	Estimated notional amount	
17	Notional currency	
18	Total notional contract quantity	
19	Volume optionality capacity	0-5
20	Notional quantity unit	MW
21	Volume optionality	M
22	Volume optionality frequency	
23	Volume optionality intervals	
Fixing index details		
24	Type of index price	I
25	Fixing index	Day-ahead_OTC_Power_Index
26	Fixing index types	FW
27	Fixing index sources	ICIS
28	First fixing date	2014-03-31
29	Last fixing date	2017-03-30
30	Fixing frequency	D
24	Type of index price	I
25	Fixing index	Weekend_OTC_Power_Index
26	Fixing index types	FW
27	Fixing index sources	ICIS
28	First fixing date	2014-03-31
29	Last fixing date	2017-03-30
30	Fixing frequency	D
31	Settlement method	P
Delivery profile		
41	Delivery point or zone	10YCB-EUROPOW-8
42	Delivery start date	2014-04-01
43	Delivery end date	2017-03-31
44	Load type	OT
Life cycle information		
45	Action type	N

- Counterparty ID codes
- “Role” of the reporting counterparty
- Buy/sell indicator

- Contract ID
- Contact date & type
- Commodity
- Price formula (“long”)

- Multiple (two) indices

- Delivery point
- Delivery end date (“contract end date”)

# Example: Execution PPA (Table 1)

Parties to the contract		
1	ID of the market participant or counterparty	R2630520H.EU
2	Type of code used in field 1	ACE
3	ID of the trader and / or of the market participant or counterparty as identified by the organised market place	
4	ID of the other market participant or counterparty	N9103735B.EU
5	Type of code used in 4	ACE
6	Reporting entity ID	A3909572Z.EU
7	Type of code used in 6	ACE
8	Beneficiary ID	
9	Type of code used in field 8	
10	Trading capacity of the market participant or counterparty in field 1	P
11	Buy/sell indicator	B
12	Initiator/Assessor	
Contract details		
21	Contract ID	NA
22	Contract Name	EXECUTION
23	Contract type	FW
24	Energy Commodity	EL
25	Fixing Index or reference price	
26	Settlement method	P
27	Organised market place ID/OTC	XBIL
28	Contract Trading Hours	
29	Last trading date and time	
Transaction Details		
30	Transaction timestamp	2014-03-06
31	Unique Transaction ID	NA
32	Linked Transaction ID	q1w2e3r4t5
33	Linked Order ID	
34	Voice-brokered	
35	Price	42.40949
36	Index Value	
37	Price currency	
38	Notional amount	3560.16
39	Notional Currency	GBP
40	Quantity / Volume	
41	Total Notional Contract Quantity	83.9472
42	Quantity unit for field 40 and 41	MWh
43	Termination date	
Delivery profile		
48	Delivery point or zone	10YCB-EUROPOW-8
49	Delivery Start Date	2015-02-01
50	Delivery End Date	2015-02-28
51	Duration	
52	Load type	OT
53	Days of the week	
54	Load Delivery Intervals	00:00/24:00
55	Delivery capacity	
56	Quantity Unit for 55	
57	Price/time Interval quantity	
Lifecycle information		
58	Action type	N

- Similar to Table 2 (only two counterparties!)
- Contract ID = “NA”
- Contract name = “EXECUTION”
- Contract type & commodity
- Organised market place = “XBIL”
- Transaction timestamp = date only
- Unique Transaction ID = “NA”
- Linked Transaction ID = Contract ID from Table 2
- Price, notional amount, total notional quantity
- Delivery details
- Start/end date (“reportable timeframe”)

# Unique Transaction Identifier (UTI)

- ▶ Each reported contract/trade must have an UTI:
  - Table 2 (contracts): Always Field 11, the “Contract ID”
  - Table 1 (executions): Field 32, the “Linked Transaction ID” = Field 11 of Table 2
  - Table 1 (others): Field 31, the “Unique Transaction ID”
- ▶ ACER has provided an algorithm which can be used to generate the UTI:
  - Uses 14 fields (from Table 1) as input parameters
  - This algorithm should be used (according to TRUM) unless the parties agree:
    - i) on an UTI themselves; or ii) to use another algorithm or facility instead
- ▶ Not clear how ACER’s algorithm should be used when:
  - reportable contract is both electricity and natural gas
  - the price and quantity are not known
  - there are multiple delivery points
  - generating Contract ID for Table 2

# Summarizing outstanding topics/ questions with ACER

- ▶ Reporting timescales:
  - It is not clear whether it is i) always ok to report monthly, with a volume weighted price; or ii) that sometimes it is necessary to report more often
- ▶ Mandatory fields / information:
  - For example contracts without a defined end date
- ▶ Mismatch between ACER's examples and "XSD" document:
  - Examples of especially more complex contracts and executions are missing
- ▶ Off-venue standard contracts:
  - Lack of a clear definition of "look alike" makes it difficult to know how certain contracts should be reported and under what timescales (daily/monthly)
- ▶ ACER's UTI algorithm:
  - It is not clear how the ACER UTI algorithm should be used with Table 2

# Agenda

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# Comprehensive REMIT transactions reporting offering

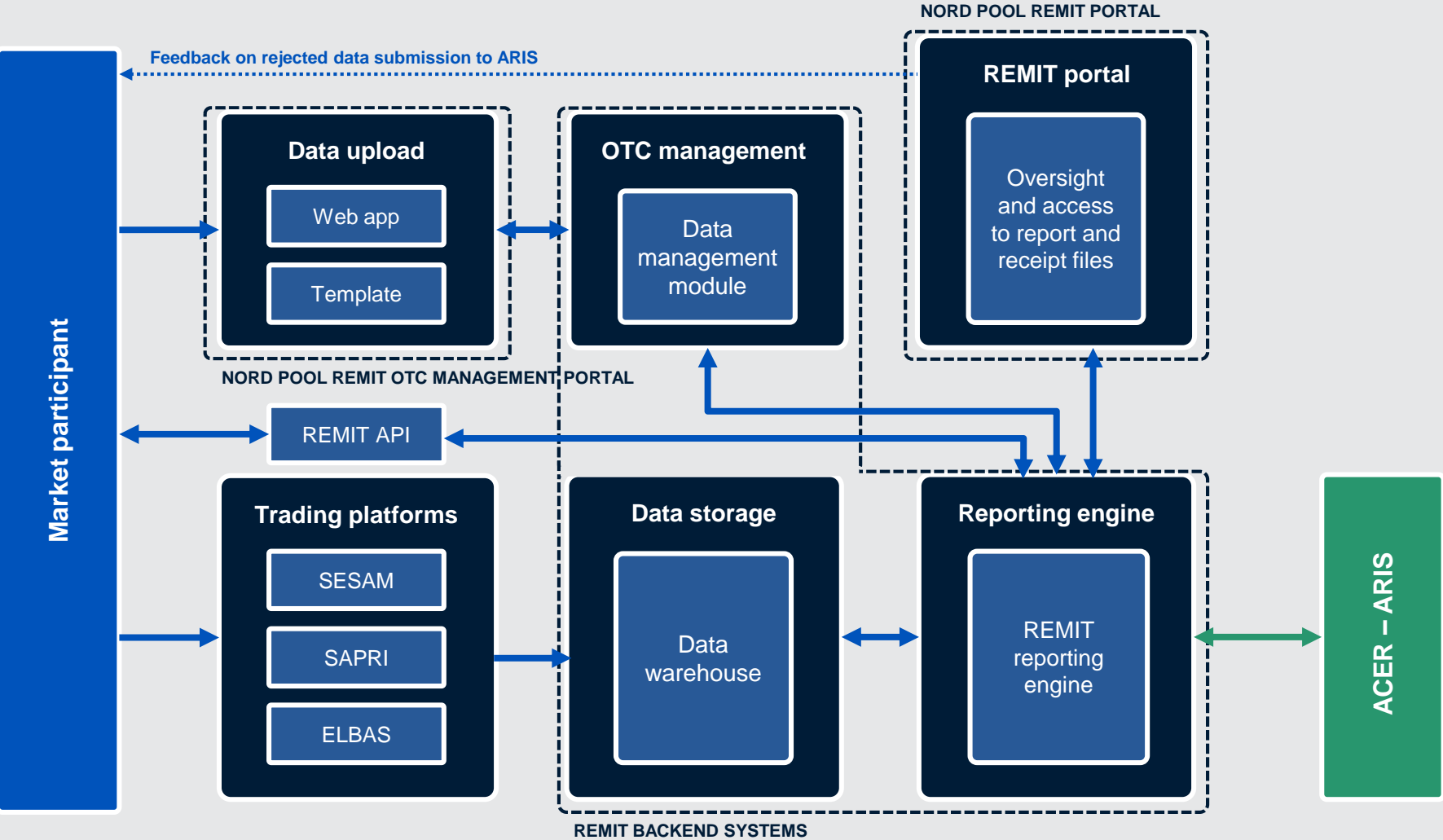
- ▶ Reporting of orders and transactions at Nord Pool markets directly to ACER
- ▶ Automated forwarding of data to ACER
- ▶ Reporting of bilateral supply contacts directly to ACER
- ▶ Oversight of the reporting process and access the report and receipt files through the Nord Pool REMIT Portal



# Our solution for reporting bilateral contracts under REMIT

- ▶ Flexible:
  - Report standard and non-standard bilateral contracts
  - Report electricity and natural gas supply contracts
  - Report buy and sell side simultaneously – on behalf one or several counterparties
- ▶ Transparent:
  - Gain oversight of the reporting process and access all report and receipts files
- ▶ Functional:
  - Enter/upload, modify, manage, store and report information regarding bilateral contracts
- ▶ Support for backloading of bilateral contracts, transactions and executions

# Technical overview



# Data transfer methods

## ▶ REMIT API

- Reporting orders and transactions at non-Nord Pool markets. Uploaded data must be in the ACER XML file format. Also allows automatic fetching of XML report files that Nord Pool has sent to ACER

## ▶ Template

- Reporting executions (i.e. data on Table 1) related to non-standard contracts. Allows information regarding multiple entries to be uploaded simultaneously

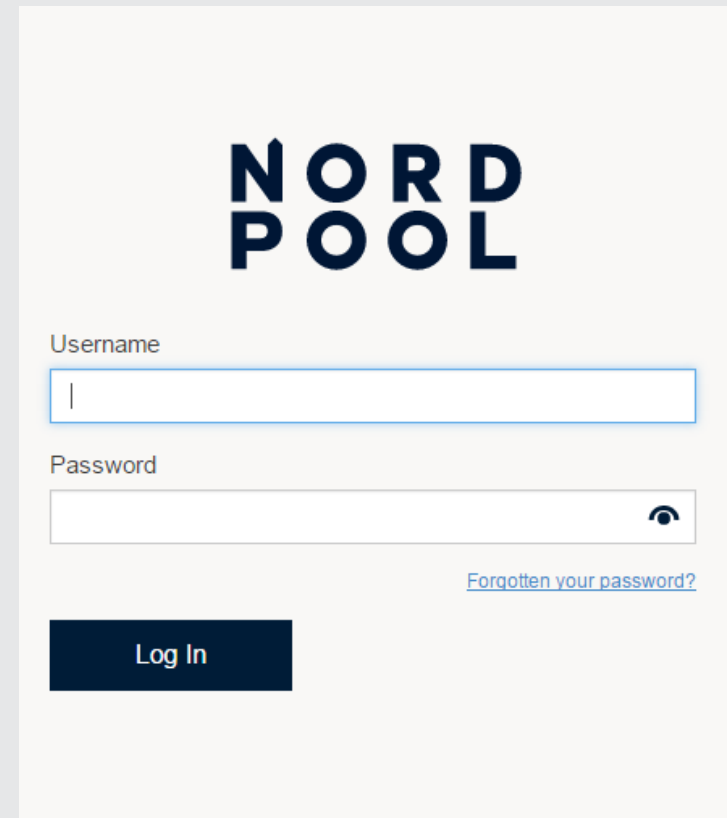
## ▶ Web application

- Allows for entering, modifying and storing information regarding bilateral contracts and executions field-by-field (i.e. both Table 1 and Table 2)

## ▶ Service includes additional (optional) information fields for storing and displaying explanatory information

# Access to REMIT Services

- ▶ Utilizes Nord Pool SSO platform for authentication, identity and user rights management
- ▶ Allows granting access to either one or both portals:
  - REMIT Portal for oversight of the reporting process and access to report and receipt files
  - OTC Portal for entering, modifying, managing and storing OTC contracts information
- ▶ Easy switching between the two portals after login



The screenshot shows the Nord Pool login interface. At the top center is the Nord Pool logo, consisting of the words 'NORD' and 'POOL' stacked vertically in a bold, black, sans-serif font. Below the logo are two input fields: 'Username' and 'Password'. The 'Username' field is a simple text box with a blue border. The 'Password' field is a text box with a grey border and a small eye icon on the right side to toggle visibility. Below the password field is a blue link that says 'Forgotten your password?'. At the bottom center is a dark blue button with the text 'Log In' in white.

# User account principles

- ▶ Only companies having their own service agreement with Nord Pool can use the REMIT transactions reporting service(s):
  - Including having access to the REMIT Portal and the OTC Portal
- ▶ All users belonging to the same company (having its own service agreement) have equal user rights within the OTC Portal:
  - All users have unrestricted access to all information regarding contracts, transactions and executions that the company in question has in the OTC Portal
- ▶ Users can be granted access to only one or both portals



# Agreement documentation



- General Terms for Nord Pool Data and Reporting Services
- Covers all REMIT reporting services
- Service Schedule lay out the details of each individual service
- Can be amended with 30 days prior notice: customer accepts new General Terms by continuing to use the service

- Fee Schedules are available in EUR and GBP
- Fees can be adjusted with 30 days prior notice
- Invoicing cycle is currently once a year (in December)

- One Service Agreement for all REMIT transactions reporting services
- Two sections: general information and service-specific details
- Instructions on the first page

The latest versions are always found at [Nord Pool Website](#).

# How to subscribe?

1

**Existing subscribers of Nord Pool REMIT services**



- Complete and return PDF agreement form or online form
- Company name, vat-number, additional services and related additional information
- No signatory requirements

2

**Nord Pool/N2EX trading members w/o existing REMIT subscription**



- Complete and return PDF agreement form or online form
- Fill in only required information
- No signatory requirements

3

**Non-trading members of Nord Pool/N2EX**



- Complete and return full PDF agreement form
- Must also return a PDF copy signed by authorized signatory of the company

**Subscription / changes will only become valid upon Nord Pool's written confirmation (by e-mail)!**



# Service fees: Bilateral reporting

Service	Fee	Remarks
<b>Service 2: Automated forwarding of data to ACER</b>		
Start-up fee	1000 €/OOMP	Free for Nord Pool members
Automated forwarding of data to ACER	180 €/month	-50% discount for Nord Pool members
<b>Service 3: Reporting of bilateral contracts to ACER</b>		
	80 €/month	<10 (active contracts/month)
Reporting of bilateral contracts (through REMIT application) to ACER	180 €/month	11-50 (active contracts/month)
	300 €/month	51-100 (active contracts/month)
	500 €/month	>100 (active contracts/month)

**Fees for Services 2 and 3 will be calculated from 1<sup>st</sup> July 2016 onwards.**

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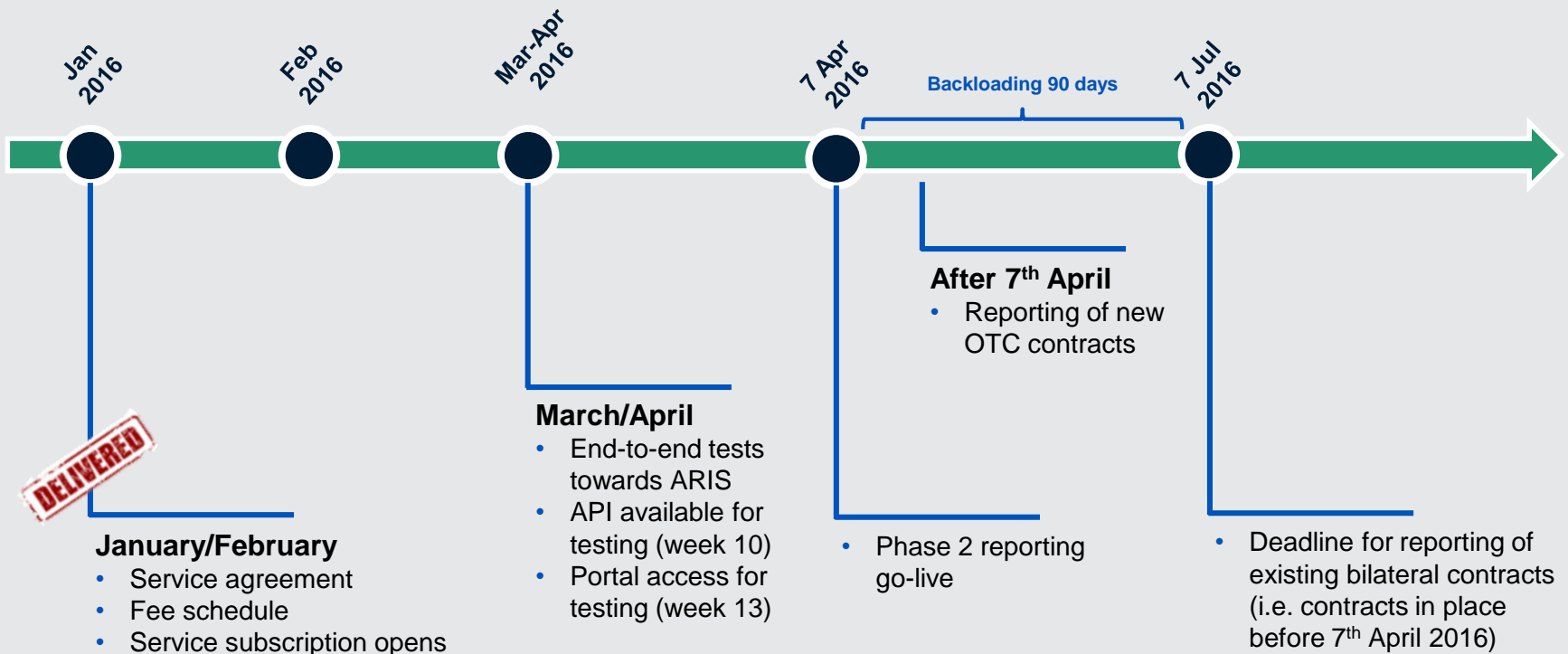
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# Timescales going forward



# Questions...



Please visit [www.nordpoolgroup.com/service/REMIT](http://www.nordpoolgroup.com/service/REMIT) for more questions and answers!

# Thank you!

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