



Consultation Response

By email to consultation2012R10@acer.europa.eu

Response from:

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Agency for the Cooperation of Energy Regulators

Trg Republike 3

1000 Ljubljana

Slovenia

Dear Sir/Madam,

ELEXON Ltd's response to ACER's consultation: Recommendations to the European Commission as regards the records of wholesale energy market transactions according to REMIT

We welcome the opportunity to respond to this consultation.

What is ELEXON Ltd's role?

ELEXON Ltd delivers the centrally-mandated electricity settlement services that are critical to the successful operation of Great Britain's electricity trading arrangements under the national GB Balancing and Settlement Code (BSC). We manage processes and systems from electricity meter to bank, handling over £1.5 billion of transactions and interacting with over 250 companies in the British electricity industry. As part of this we administer the settlement of the GB Balancing Mechanism and GB imbalance settlement for generators and suppliers in respect of each half hour of each day. We are independent of any specific interests within the electricity sector.

Our response

The views expressed in this response are those of ELEXON Limited alone, and do not seek to represent those of the Parties to the GB Balancing and Settlement Code (BSC). And our response does not seek to favour any particular policy but rather to comment on the practical implementation.

The structure of this response is as follows:

- General comments
- Answer to specific consultation Questions 1,2, 5 and 11

General Comments

We believe that the GB Balancing Mechanism meets the criterion, as set out in the ACER consultation section 3.1.1, for exclusion from reporting initially. This is because balancing is not mandatory. And so it appears to us that the GB Balancing Mechanism will not be required to report Bids, Offers and Bid-Offer Acceptances (trades) initially.

However, in view of the fact that it is likely that transactions in the GB Balancing Mechanism or any replacement will have to be reportable under REMIT in due course, we have reviewed what it would mean if we were required to



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report on GB Balancing Mechanism transactions in future. And, because any such future reporting requirement will take time to implement, we would request that ACER consults again before requiring such balancing market/mechanism reporting, so that we can give views on implementation timescales.

Answer to specific consultation Questions 1, 2, 5 and 11

Question 1 (Do you agree with the proposed definitions?) – when trades from the GB Balancing Mechanism eventually become reportable, clarification will be needed as to whether balancing market/mechanism “Bids and Offers” constitute “orders to trade” and so are also reportable or not.

Question 2 (What are your views regarding the details to be included in the records of transactions as foreseen in Annex II?)

Annex II.1 lists all the data to be reported. Third party reporting is allowed but the descriptions of the data fields in Annex II.1 do not consistently recognise this possibility. There are a number of data fields in Annex II, where it is assumed that the market participant is reporting the transaction. However, the data fields also need to allow for the possibility of third party reporters.

- Data field 2 is described as “ID of the market participant reporting the transaction”. However, it may be a third party reporting the transaction (Data field 9) in which case Data fields 2 and 4 need to cover this possibility as neither market participant will then be the reporter.
- Data field 7 is unclear to us in the context of eventual reporting from the GB Balancing Mechanism. If “aggressor” means the market participant who posted the Bid or Offer, it will be that market participant. But it is our TSO, National Grid, who actually determines whether the Bid or Offer will be accepted and therefore could be better classed as the aggressor.
- Data field 11 is unclear in the context of third party reporting of balancing market/mechanism trades. It assumes that the reporting is done by a market participant.
- Data field 13 is unclear when the reporting is done by a third party.

Question 5 (Please indicate your views on the proposed collection of scheduling/nomination information)

– we are unclear as to what is actually required to be reported here, so will seek guidance from our national regulator, Ofgem, as to what would be required to be reported from the GB market.

Question 11 (Do you agree that market participants should be eligible to become RRM's themselves if they fulfil the relevant organisational requirements?) We have no view on whether market participants should or should not become RRM's, but we note that if there are multiple RRM's, there need to be clear overarching rules or guidance as to what each RRM reports so that “double reporting” is avoided wherever possible. For example if we, ELEXON, were an RRM in respect of the GB Balancing Mechanism, when balancing markets are included within the scope of REMIT reporting, ACER would not wish to get reports on the same trades from other RRM's.

In conclusion

We hope that our comments are helpful to the development of the reporting processes and systems under REMIT. If you would like to discuss our response, please do not hesitate to contact me on +44 20 73 80 42 53, or by email at steve.wilkin@elexon.co.uk.



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Yours faithfully

Steve Wilkin
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