



Consultation Response

By email to: REMIT@ofgem.gov.uk

26 April 2013

Ms. Joanna Whittington

Partner

Ofgem

9 Millbank

London

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Dear Ms Whittington

ELEXON's response to Ofgem's consultation: Regulation on wholesale energy market integrity and transparency (REMIT)

We welcome the opportunity to provide ELEXON Limited's views on the above consultation published by Ofgem on 15 March 2013.

As you know, ELEXON, as the Balancing and Settlement Code (BSC) Company for Great Britain, is responsible for the proper, effective and efficient delivery of the BSC. Although we are not a market participant as defined within REMIT, we believe that we may have a role to play in the effective and efficient implementation of some of the requirements of REMIT, in particular the provision of an inside information platform for the GB electricity sector via the Balancing Mechanism Reporting Service (BMRS); and the trade reporting under REMIT to ACER of Bid-Offer Acceptances as BMRS already holds such Acceptance data and reports it publicly.

However, the former possibility (Inside Information Reporting Platform for GB electricity) is the subject of a current BSC Modification Proposal (P291) so the possible benefits and costs of using the BMRS are currently being assessed by the P291 Workgroup. Given that the Workgroup and industry will explore this and will address some of the questions in your consultation during the P291 process, and that the P291 Modification Report will be reviewed by the BSC Panel and be the subject of industry consultation before being submitted to Ofgem, it does not seem appropriate for us to comment on the merits or otherwise of using the BMRS for an inside information reporting platform. Therefore we have not addressed your questions 3 to 7 inclusive, but have limited our detailed response to your questions 1 and 2.

The views expressed in this response are those of ELEXON Limited alone, and do not seek to represent those of the Parties to the BSC.



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Question 1: Are there specific issues you would like the user manual to cover or other questions you have about registration?

As we are not a market participant, we would not seek to comment upon market participant registration.

However, we are potentially interested in the registration requirements for the REMIT-related Regulated Reporting Mechanisms (and Regulated Information Services should P291 be approved) so will be looking at ACER proposals in this regard.

We note that ACER has recently published a [recommendation](#) to the European Commission¹ concerning the reporting of balancing mechanism trades that suggests both that they will be reportable, and that such reporting should commence "12-24 months following the day of entry into force of the Network Codes on Electricity Balancing and on Gas Balancing".

Given this we will have questions, nearer the time of implementation, regarding registration of those who might be tasked with reporting such balancing mechanism trades to ACER and/or Ofgem; and regarding what information will need to be reported specifically for balancing mechanism trades. For example, given the current role of BMRS under the BSC to publish balancing mechanism trades (Bid-Offer Acceptances), we foresee that, although not a market participant as defined in REMIT, the BMRS might be tasked with reporting balancing mechanism trades to ACER/Ofgem.

We will therefore take an interest in how such registration (as a Regulated Reporting Mechanism for example) may be accomplished, although we also recognise that this particular type of registration may be direct with ACER.

Question 2: ACER may make extracts of the participant register publicly available, provided that commercially sensitive information is not disclosed. What registration data on market participants would you value being made public by ACER? What data would you be concerned about being made public in this way?

As we are not a market participant, we do not have a view on what registration data should be made public.

However, if we (or more probably our agent, the BMRA) are required to register as a Regulated Information Service and/or Regulated Reporting Mechanism in order to report inside information or balancing mechanism trades respectively to ACER, we would wish to understand what elements of that register might be made public and be given the opportunity along with our agents and potential agents to comment to Ofgem and/or ACER.

In conclusion

We are keen to support: the GB implementation of REMIT, e.g. through P291 if approved; and also the implementation of the related Transparency Regulation in the GB electricity sector, if you decide that using BMRS is the right route to go.

If you wish to discuss this further or have any questions with regards to this response, please contact me on 020 7380 4253, or by email at steve.wilkin@elexon.co.uk.

Yours sincerely

¹ Recommendation of the Agency for the Cooperation of Energy Regulators No. 06/2013 dated 26 March 2013



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