

By email to: REMIT.PublicConsultations@acer.europa.eu

Response from:

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ELEXON LTD'S RESPONSE TO ACER'S CONSULTATION ON THE REMIT REQUIREMENTS FOR THE REGISTRATION OF REGISTERED REPORTING MECHANISMS (RRM) - PC_2014_R_06

Dear Sir/Madam,

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.

What is our interest in REMIT reporting?

We are interested in REMIT reporting is because ELEXON might eventually be required to undertake some REMIT reporting on behalf of our TSO and/or GB market participants as a third party. However, this is not certain.

Whether we are required to undertake any reporting is very much dependent what is required to be reported as prescribed by the REMIT implementing act. (For example if nothing is reportable from the set of data that we already hold, then it is unlikely that we will be asked to undertake any REMIT reporting on behalf of our TSO or GB market participants). And any reporting that we are requested to undertake by our TSO or market participants is dependent on decisions by our NRA on whether this is appropriate.

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.

We have only one general comment at this stage of development, as follows.

How clear are the requirements for ad-hoc reporting envisaged under Article 4?

The latest draft of the [REMIT Implementing Act](#) (dated 8 July 2014) Article 4 states that

“Unless concluded on organised market places, individual transactions in relation to the following contracts shall be reportable only upon reasoned request of the Agency:

- (a) Intragroup contracts,
- (b) Contracts for the physical delivery of electricity produced by a single production unit with a capacity equal to or less than 10 MW or by production units with a combined capacity equal to or less than 10 MW,
- (c) Contracts for the physical delivery of natural gas produced by a single natural gas production facility with a production capacity equal to or less than 20 MW,
- (d) Contracts for balancing services in electricity and natural gas.”

Therefore such contracts are only reportable on an irregular basis and perhaps very infrequently.

The draft Implementing Act and the supporting ACER documentation are not explicit on how such ad-hoc reports shall be made to ACER. But, we note that Section 2.3 of the consultation states that: “The requirements will apply to any person reporting trade and/or fundamental data”. To us this can be read to imply that the full RRM requirements will include any person undertaking ad-hoc reporting of trades as foreseen by Article 4 of the draft REMIT Implementing Acts.

We believe that the full RRM requirements for regular reporting should **not** be applied to the irregular reporting foreseen under Article 4 of the draft Implementing Act. The full RRM systems and procedures are unjustified by the cost and benefit, so we suggest a different, much lighter touch, approach is needed for Article 4 reporting and, particularly where the data requested by the Agency is already in the public domain, the RRM approach may not be required at all.

At this stage, we suggest that the first implemented version of the document “Requirements for the registration of Registered Reporting Mechanisms (RRM)” should explicitly state that:

“These RRM requirements do not apply to those persons who only report contracts within the scope of Article 4 of the REMIT Implementing Acts, i.e. where such contracts are reportable to the Agency only at the reasoned request of the Agency. The Agency will develop the requirements for the reporting of such contracts at a later stage.”

Comments in answer to specific consultation questions

We have not provided a response to all consultation questions and all our responses are related to the general point on Article 4 irregular reporting made above.

Question 3 (Do you agree that the requirements set out above adequately ensure the efficient, effective and safe exchange and handling of information without imposing unnecessary burdens on reporting entities?)

We believe that ACER should develop a much lighter set of requirements for ad-hoc reporting under Article 4 of the draft REMIT Implementing Act when data is required very infrequently, or perhaps never. The full RRM requirements are an unnecessary burden on reporting entities who only undertake such ad-hoc reporting.

Question 4 (Do you agree with the Agency's view that the same requirements shall apply to all RRM?)

If those reporting entities who might only have to report to ACER under Article 4 have also to be an RRM just in case ACER requests some data, then we do not agree.

Question 5 (If your reply to question 4 above is negative, please explain which requirements should apply differently to RRM and why)

If a reporting entity has only to provide data on the reasoned request of ACER under Article 4 of the draft REMIT Implementing Act, it should not be required to be an RRM in respect of such data.

And if a reporting entity has only to provide data which is required to be, and is already, placed in the public domain, then consideration should be given to relaxing the security requirements/using a different reporting route.

Question 8 (Do you agree that the compliance report must be produced by the RRM on a yearly basis or shall such report be compiled only at the request of the Agency?)

If reporting entities are only reporting ad-hoc data under Article 4 of the draft REMIT Implementing Acts, then a report should not be automatically requested each year, but only at the request of the Agency for such reporting entities and then only if such an entity has actually been requested to provide data by the Agency during the requested compliance reporting period.

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.

Yours faithfully

Steve Wilkin



European Coordination Manager for ELEXON