



E.ON's answers to Ofgem's questions set in its open letter of 15 March 2013 on Regulation on wholesale energy market and transparency (REMIT)

Registration

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

It would be helpful if the user manual for registration clarified where and with which NRA a market participant that is active in several Member States should register. Our understanding is that registration should be the member state where the registered seat and headquarters of the organisation is located. However, should the intention be that branches of the organisation in other member states also register with the NRA in the country where they are located, or will one registration by an organisation suffice and cover all European-based branches?

2. ACER may make extracts of the participant register publically 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?

Generally we do not have concerns regarding the publication of the data as stipulated in the ACER Decision no. 01/2012. However, caution is needed if consideration is being given to publishing information that will be provided about natural persons.

While most registration data may be suitable for publication, commercially sensitive information, which will be passed to ACER as part of ongoing reporting, would not. All transactional information that is passed to ACER should be treated as if it were commercially sensitive and not made publically available.



Transparency platforms and their use

3. What do you see as the advantages and disadvantages of moving towards the use of transparency platforms, either at EU level, regional or national level?

We support the use of a single transparency platform for each wholesale market. The wholesale market can be national, for example the Great Britain power market, or regional such as the All Ireland power market. Having a single platform gives efficient data reporting and retrieval and can be aligned with any reporting requirements to the transmission system operator. A single platform would also help improve transparency, support more effective dissemination of price-relevant former inside information and better facilitate accessing the information published by the different market participants.

The scale of a single EU wide transparency platform could introduce operational issues for reporting. Also, a single EU wide transparency platform could present issues in aligning with the reporting requirements of the local transmission system operator.

4. Are there significant differences between the needs of electricity and gas market participants for a transparency platform? If so, what are these?

There are no significant differences between the needs of electricity and gas market participants in relation to accessing transparency platforms. There are, however, significant differences between the Great Britain gas and power markets, which need to be recognised. The two markets have different settlement periods and different levels of storability of the product.

While having to input data to single gas and power transparency platform should provide a more efficient solution, if the single platform were to fail, trading in both products could be adversely affected. Unless a large number of parties maintain independent parallel publication, such a situation would risk trading having to stop in both markets.

5. What are the characteristics of an effective transparency platform? Do you see any issues in using transparency platforms to meet your REMIT obligations?

For a single transparency platform to be effective it needs most market participants to use it. All market participants, who have to disclose inside



information, should be encouraged to use the single transparency platform and also maintain publication on their own website. By having each market participant, which has to disclose inside information, maintaining publication via two sites supports continued trading should the single transparency platform fail.

The characteristics of an effective transparency platform need to include:

- having pan-European awareness and reach;
- being well-established and legitimate;
- being objective with a neutral operator;
- being structured and organised;
- having organised presentation of Urgent Market Messages and publications; and
- having consistency of data.

The transparency platform also needs to be reliable. This requires the transparency platform to:

- be located on high availability clustered servers with 24 hour seven day per week very high availability;
- be able to deal with large volumes of simultaneous information inputs; and
- have a reporting function that supports mass simultaneous accessing by all market participants.

In order that we can meet our obligations, besides the general requirements as described above, we need a number of routes for accessing the platform such as direct conventional access and access via the internet. In support of this there needs to be multiple input routes and input points for submitting information.

6. Who are the main users in your organisation of inside information disclosed by other market participants? What information do you need published on such platforms by all participants?

Our main users of former inside information, which has been disclosed by other market participants, are those trading gas and power from less than a month before delivery. This is our Front Office, which covers our Spot and Intraday Trading Desks, Dispatchers and Scheduling Teams. These teams now operate against the fact that all other market participants have to publish information in accordance with REMIT.

In Great Britain, generally, the information required for trading gas and power is already available through existing industry mechanisms.



7. What is an appropriate GB gas market threshold for inside information disclosure and why?

10 mcm it is already in place in the Great Britain gas market as the threshold for real-time gas flows into the NTS. We believe that this 10 mcm per day threshold should also be used as the gas market threshold for inside information disclosure.