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2 May 2013

Regulation on wholesale energy market integrity and transparency (REMIT)

Dear Ms. Whittington,

Thank you for the opportunity to comment on the registration of market participants and on transparency issues. This response is on behalf of the RWE group companies in GB (RWE Npower plc, RWE Supply & Trading GmbH and RWE Npower Renewables Ltd).

Please see our responses to your questions below.

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

We are certainly supportive of ACER's approach to create a registration user manual, although we would expect that there would need to be a version or sections tailored to GB requirements, for example, to specify that the Legal Entity Identifier was the Company Registration Number (or otherwise).

As your introductory remarks indicate, we would think that the timescales and the definition of market participant need to be set out as a number of market participants, such as large customers, may not be aware they are and so need to fill in the registration form. This could be achieved through a Frequency Asked Questions (FAQs) document. Ideally the manual itself would provide a detailed step by step guide through the process of registration. We also would expect a reasonable period between the release of the manual and the registration itself.

With regards to the particular sections of Annex 1 we have the following remarks:

In general, we would suggest that every field would require an explanation in the supporting documentation whether the manual or FAQs. With regards to the Management roles in Section 2 it would be helpful to make clear that the form is looking for the heads of trading, operations and communications. In Sections 3 and 4, we would expect substantial explanation of what information was required in relation to the ultimate controller and beneficiary as well as company structure.

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

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by ACER? What data would you be concerned about being made public in this way?

With regards to the particular sections of Annex 1 we have the following remarks:

In general, our comments are subject to being clear what all the fields are and all the parties that will be required to fill in registration forms, so for:

- Section 1: we would have thought that only the birth date, city and state of a natural person need to be confidential, although we would not expect the last two fields to be disclosed.

- Section 2: in terms of disclosure we would suggest that something along the lines of Approved Persons in the Financial Services Register would be appropriate. This is limited to name, function, start date and status details and so would exclude any contact details or the Role details.

- Section 3: we would suggest that only the first three fields (Reference, Type and Name) and Date of Validity would need to be made public.

- Section 4: as we would expect most of the information to be in the public domain, we would have thought that only the Notes and last two fields need not be disclosed.

- Section 5: whilst this information may not be commercially sensitive, we see no good reason for it to be disclosed.

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 see the advantage of a GB transparency platform created under the regulatory framework to ensure consistency of information provided and placing obligations on those operating the platform. We note that BSC Mod P291 is seeking to develop such a platform. Ideally, the aim is for data submissions under the Grid Code to fulfil the requirements of REMIT and of the Transparency Regulation.

The disadvantages of multiple platforms lie in the need to provide information in different forms or timescales creating the potential for error. Given the position of ACER's Guidance (2nd Version) section 6.2 (p.37) that failure of a platform does not place a market participant in breach, but that they cannot trade on information that is not available to the market, this means that trading companies will almost certainly choose to continue using their websites as back up systems.

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

In principle we would not envisage that there are significantly different needs for electricity and gas. However, on the electricity side, there has been a process which has been through a number of iterations on fundamental data items required to improve transparency resulting in the Transparency Regulation. Whilst in gas, updated transparency requirements were included in the Gas Regulation effective from March 2011. These concentrate on flow, capacity and maintenance information to be provided by TSOs at relevant points on the system, along with imbalance and linepack information for the system as a whole. Such information is invariably more

relevant to price formation than any specific information flow or availability information relating to any one supply source.

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

An effective transparency platform should be able to provide data of a consistent quality in a timely and easy to access manner along with a backup if there is a technical failure. In addition, it should be straightforward to feed in the data.

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?

The main focus of REMIT on RWE in the UK in terms of provision and use of information has been on the electricity generation side. To this end we enhanced RWE's transparency website to meet the needs of REMIT and to be in line with the draft Transparency Regulation, which is what we would expect from all market participants. For gas, RWE monitors potential inside information published by TSOs and market participants in the UK. In conjunction with real time gas flow information published at entry points it uses this information to form a view of short and medium term supply side dynamics.

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

We think 10 mcm/d is an appropriate GB gas market threshold for inside information disclosure, which is consistent with the threshold for publication of near real time information at GB entry points as required under the Gas Regulation. This represents approximately 2% of peak day gas demand and within day volume swings of this magnitude have not typically had a significant effect on prices.

As a general point we would expect that as far as possible the relevant regulation would be aligned; we have already mentioned the Grid Code, Transparency Regulation and REMIT. Under the Transparency Regulation ENTSO-E is required to consult on and develop a procedures manual specifying details and format of data submission which needs to be reflected in updates to ACER's Guidance. In addition, the consultation on the procedures manual may assist in determining what information is appropriate on the consumption side where more clarification would be helpful. Lastly, as the P291 modification proposal in setting out implementation timescales into 2015 demonstrates, the required IT solutions will take time to put in place and this needs to be taken into account.

If you would be like to discuss any of these issues further, please contact me.

Yours sincerely

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