

Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Joanna Whittington
Wholesale Markets
Ofgem
9 Millbank
London
SW1P 3GE

gillian.hilton@sse.com

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Dear Joanna,

Regulation on wholesale energy market integrity and transparency (REMIT)

We welcome the opportunity to comment on both Ofgem's registration user manual and the merits of establishing a transparency platform. We recognise that Ofgem's work in this area is still relatively high level, not least because the European Commission has yet to adopt certain REMIT Implementing Acts. However, we are conscious that following the adoption of these Implementing Acts, the timescales for meeting the requirements are tight.

To this end, we believe it is key that Ofgem's registration user manual is focused on streamlining the registration process and making sure that participants are able to complete this stage as efficiently as possible. Importantly, it must not introduce any additional requirements on participants over and above those already stipulated in ACER's decision document (01/2012).

In terms of making the information in this register public, we do not believe this is appropriate or indeed necessary. At most, this should be limited to market participants, but should not name individuals within organisations or personal details.

On transparency, we believe there is value in establishing a central platform, providing robust security measures are in place and the platform removes the need for individual market participants to replicate efforts on their own websites. However, the success of any platform will be determined by its ease of use, both by those uploading data and those looking to access it, and by the accuracy of the data posted. It is therefore key that all market participants are subject to the same expectations in terms of speed of information provision and data accuracy / scope.

I hope this is useful input, but should you wish to discuss any of the attached, please do not hesitate to contact me.

Yours sincerely,

Gillian Hilton
Regulation

ANNEX

REGISTRATION

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

ACER's decision relating to the registration format is fairly comprehensive in terms of what information is required for each market participant. Ofgem's user manual should not add to these requirements, but should simply provide clarity where this is deemed helpful. However, without experience of the registration process or sight of the user manual, it is difficult at this stage to provide more specific comment. Possible issues will inevitably become more apparent as market participants start to go through the registration process and use the registration system. As such, Ofgem's user manual should reflect this and be capable of being updated in light of actual experience.

- 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?**

Whilst we understand that ACER may like to publish an up-to-date list of market participants, we do not believe there is any reasonable justification for publishing additional information from the participant register, for example, named individuals, contact details, etc. Indeed, we would expect this to impinge upon data protection rights. As we understand it, the purpose of the Register is to facilitate market participants' transaction reporting. The value of publishing extracts from the actual register is therefore questionable.

TRANSPARENCY

- 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?**

The main benefit of a transparency platform is that outage data is centralised at some level (i.e. EU or national) rather than being published across a plethora of market participants' websites. It also ensures that there is maximum consistency in approach, not so much in terms of the information provided, as this is clearly set out in ACER's 2nd guidance document, but more in terms of format. This arguably minimises the likelihood of any breach through ineffective disclosure.

We agree that a platform should also reduce the organisational burden on market participants, notwithstanding the requirement on market participants to have in place back-up provisions in the event that any platform is unavailable. To this end, we support the current P291 modification proposal, which aims to make use of existing industry platforms for REMIT disclosure.

Separately, we note that ACER's guidance requires market participants to retain historic inside information on its own website for a period of two years if not accommodated by the transparency platform. To our knowledge, this is not a requirement of the REMIT Regulations (1227/2011) and, as such, should not be stipulated in ACER's guidance. We would welcome push back from Ofgem on this.

Our concerns relating to a platform arrangement are primarily from a data security perspective. Only last week, transaction information was disclosed in error by the Chicago Mercantile Exchange following a malfunction in the data repository. Extremely tight controls must be in place to guard against this, especially if there is a risk of personal details being disclosed. One possible solution would be to refrain from storing personal details electronically.

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

Despite the many differences between the electricity and gas markets, we are not aware at this stage of any differences that need to be reflected in the transparency platform.

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 transparency platform to be effective, it needs to be simple and quick to use, secure, and require only the minimum of data entry, i.e. it must not gold plate the requirements. Given the volume of data, it may be worth considering simple filters, for example to filter inside information by country / market.

In addition, to be considered effective, any information posted on the platform should be as reliable and accurate as possible. We note in ACER's 2nd guidance document the requirement on users to update any publication should their initial prognosis change. Users should be required to provide this update as soon as possible to ensure that users are in receipt of the most up-to-date and relevant 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?

The main users of inside information are likely to be our gas procurement and energy trading and supply arms.

In terms of what information should be published, the key information that would aid transparency is the name of the affected asset or an accurate reference to the geographical location of the outage, the scale and type of outage and a best estimate of its duration. As per ACER's 2nd guidance document, if the market participant's prognosis changes over time, it is key that other market participants are provided with an update.

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

We are comfortable that the 10 mcm/day threshold is broadly appropriate.