

## CEER is the winner of the Energy Transparency Award 2011

- **CEER's prototype for an EU market monitoring scheme will help detect and prevent market abuse**
- **CEER's work could help ACER in its new market monitoring tasks under REMIT**

CEER<sup>i</sup> has won the Energy Transparency Award (ETA) 2011. CEER was nominated (by a third party) for its work on a protocol for an EU-wide energy trade reporting and monitoring scheme.

The ETA<sup>ii</sup> is an annual competition that distinguishes a company or institution for their particular contribution to the transparency of energy markets in Europe.

The winner of the award was announced late last night (9<sup>th</sup> November) at an award ceremony dinner organised by the Florence School of Regulation (FSR) in Brussels. CEER's work on the protocol data reporting and monitoring scheme which could safeguard market integrity and help prevent market abuse, was praised as "remarkable" by the independent Selection Committee, chaired by Dr. Jorge Vasconcelos. Tribute was also paid to CEER's other work which promotes market and trading transparency.

### **CEER's prototype for an EU market monitoring scheme will help detect and prevent market abuse**

The "Energy Trade Data Reporting Scheme" pilot project<sup>iii</sup>, carried out by the regulators over a 6-month period (July 2010 – January 2011), tested the feasibility of a cost-effective standardised EU energy trade database. When launched, in May<sup>iv</sup>, it gained widespread support from the participants of the EU Regulatory (Madrid and Florence) fora.

Modestly accepting the award Walter Boltz, CEER Vice President (and the man who initiated this pilot project) referred to the active participation of stakeholders<sup>v</sup>, "*This project was made possible through the strong participation of traders, brokers and exchanges who provided us with data that allowed us to do dummy runs to screen, using actual data, for possible market abuse. I'm pleased to accept this award as a tribute to the many responsible stakeholder organisations that work hand in glove with the regulators in promoting transparency*".

CEER Vice President and head of CEER's Financial Services Working Group, Johannes Kindler, added "*The serious problems caused by a lack of transparency are well known. A major cause of the 2008 financial market crisis was a lack of transparency and accountability in financing mortgages. As well as setting the right overall legislative framework through REMIT, we must get the details like data reporting right. The challenge of reporting information accurately in the highly complex energy markets, which fuse with financial markets, is relatively new to us in Europe. As well as data, we need specialists and to develop our expertise. We encourage FSR to further promote the importance of transparency in dedicated workshops and training.*"

### **This CEER work could help ACER in its new market monitoring tasks under REMIT**

ACER Director, Alberto Pototschnig, pointed to the relevance of this pilot project for the new tasks<sup>vi</sup> for regulators and ACER under the new Regulation for Wholesale Energy Market Integrity and Transparency<sup>vii</sup>, "*This pilot scheme of CEER is a major input to ACER as we embark in 2012 on developing procedures, protocols and platforms for acquiring market participants data, and for monitoring trading activities and the detection of market abuse required under the new REMIT legislation.*"

Brussels, 10 November 2011

**Ends**  
**(see Note for Editors on next page)**

## Notes for Editors:

<sup>i</sup> The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER works closely with, and supports the work of, the Agency for the Cooperation of Energy Regulators (ACER). See [www.energy-regulators.eu](http://www.energy-regulators.eu).

<sup>ii</sup> The main purpose of the ETA is to promote the economic and technical efficiency of European energy markets through improved transparency. 2011 marks the second edition of the ETA, which is organised by the Florence School of Regulation. Nominations for the ETA may be presented by any “third party” organisation or individual. CEER was one of three organisations short-listed for the 2011 award – the other two finalists were EEX (a German power exchange) and Red Electrica (a Spanish TSO). Nominations are evaluated by a 3-person international and independent selection committee.

<sup>iii</sup> CEER Report “[Pilot Project for an Energy Trade Data Reporting Scheme](#)”, Ref: C11-WMF-11-03a. In order to strike a balance between providing reasonable and relevant results and sticking to the tight time schedule, the geographical scope of the project was limited to the region of Central Western Europe (including Austria). The pilot project covered the energy wholesale market, i.e. electricity and gas wholesale products. For the purpose of the pilot project, solely data from the electricity market was taken into consideration. The reason for this approach was the higher liquidity of electricity markets and the faster availability of data. However, the general conclusions apply also to gas markets and reference to the gas wholesale market is made wherever considered appropriate. With respect to trading venues and products, (historical) trading data was retrieved from a representative sample of brokers, traders and energy exchanges.

<sup>iv</sup> See general [information on the pilot project](#) and the Press Release entitled “Regulators propose a prototype of a central energy trade reporting scheme at EU level” ([PR-11-01](#)) dated 10 May 2011.

<sup>v</sup> In the “Energy Trade Data Reporting Scheme” pilot project, carried out from July 2010 to January 2011, significant importance was given to the involvement of all relevant authorities and market participants. A steering committee was set up comprising the European Commission (DG Energy and DG Market), regulators, the European Federation of Energy Traders (EFET), a foundation for research, exchanges and brokers.

<sup>vi</sup> The Regulation on Energy Market Integrity and Transparency (REMIT) defines market abuse and insider trading in the context of electricity and gas wholesale markets and grants a central role to ACER in monitoring trading activities so as to detect and prevent insider information and market manipulation (including an attempt). REMIT requires the registration of market participants (to a national regulator and reporting obligations to ACER). It provides for data collection and the monitoring of wholesale energy markets by ACER in close cooperation with national regulators. Under REMIT, ACER will collect trade and fundamental data and have access to the records of transactions on the carbon market (including derivatives). REMIT grants ACER a coordination role (as well as extra staff and financial resources) for monitoring and investigating market abuse at

cross-border level and grants additional investigatory and enforcement powers to National Regulatory Authorities (NRAs). ACER is currently preparing for these new market monitoring tasks – there will be “automatic screening” of trades based on pre-defined “alerts” ACER will do a preliminary assessment of “alerts” and notify “suspicious events” to NRAs who will carry out the investigation. There will be coordination of NRAs investigations (where needed) and annual reporting by ACER to the European Commission.

<sup>vii</sup> The results of this pilot project for energy trade data reporting and monitoring scheme gain even more relevance in the context of the Regulation of Energy Market Integrity and Transparency (REMIT), which was agreed this year. This final text will shortly be published in the Official Journal. The Regulation shall enter into force on the twentieth day following of its publication in the Official Journal of the European Union.