

REMIT regulation: to whom, and what has to be reported?

According to the new regulation, all deals regarding wholesale natural gas and electricity products need to be reported, including supply and transport agreements, and related derivatives and commercial assignments. Reporting obligation regarding contracts of electricity or natural gas supply applies to those end users as well which are technically capable of consuming 600 GWh or more annually.

The reporting obligation applies to **wholesale energy market participants** engaged in transactions that qualify to be reported to ACER. Any person, including transmission system operators trading in one or more wholesale energy markets is considered a market participant, such as:

- ◆ Electricity and natural gas users (with a minimum of 600 GWh annual consumption capacity);
- ◆ Electricity and natural gas producers (large or small power plants);
- ◆ Electricity and natural gas distributors;
- ◆ Operators of natural gas storage facilities;
- ◆ Electricity traders (including universal service providers, traders with license or limited license) and natural gas traders.

Wholesale energy market in the scope of REMIT means any market within the EU where wholesale energy products are traded. **Wholesale energy product** covers the following contracts and derivatives, irrespective of the market and the method of how they are traded:

- contracts for the supply of electricity or natural gas where delivery is in the EU;
- derivatives relating to electricity or natural gas produced, traded or delivered in the EU;
- contracts on the transportation of electricity or natural gas in the EU;
- derivatives relating to the transportation of electricity or natural gas in the EU.

Contracts for the supply and distribution of electricity or natural gas to an end user are not considered wholesale energy products in general. However, in case the annual consumption capacity of electricity or natural gas contracted for the supply and distribution to a final customer reaches up to 600 GWh or more, then it will qualify as wholesale energy product.

In general, the previously mentioned parties are obliged to report all transactions made on wholesale energy markets, including spot and forward transactions, also orders on the stock market and broker platforms.

Compared to EMIR, the regulation applicable to capital markets, which outlines the reporting obligation of derivatives traded in all asset classes in Organised Market Places including the financial settlement of energy trades, REMIT's reporting obligation extends to any transaction effected on wholesale energy markets, including OTC deals. In addition to the reporting of transactions, orders issued on a power exchange or broker platform must be reported too. In line with and in addition to the above, market players will be obliged to report all deal types of natural gas and electricity wholesale energy products, such as:

- supply contracts and orders (e.g. intraday, within-day, day-ahead, two-days-ahead, week-end, after-day contracts);
- transportation contracts and orders;
- derivatives (options, future, swap), deals and orders related to supply and transportation.

	Data to be reported	Reporting party	Can be reported through KELER?	Start date of reporting obligation	Reporting deadline
Transaction reporting					
1	Contracts related to wholesale energy products concluded on organized market places	The market participant is required to report both contracts and orders, however, the trading venue is required to offer to take over the reporting obligation	Yes	07.10.2015	T+1 day
1/a	Fulfilled and cancelled orders				
2	Contracts related to wholesale energy products that are already reported under EMIR or other EU financial regulations	Market participants are not required to send additional reports, the entities concerned (e.g. trade repositories) shall forward data to ACER	Yes	07.10.2015	T+1 day
3	Contracts related to wholesale energy products concluded outside organized market places (OTC)*	The market participants themselves or third parties acting on their behalf are required to report supply contracts, transportation contracts and contracts on derivatives	Yes	07.04.2016	T+30 days