



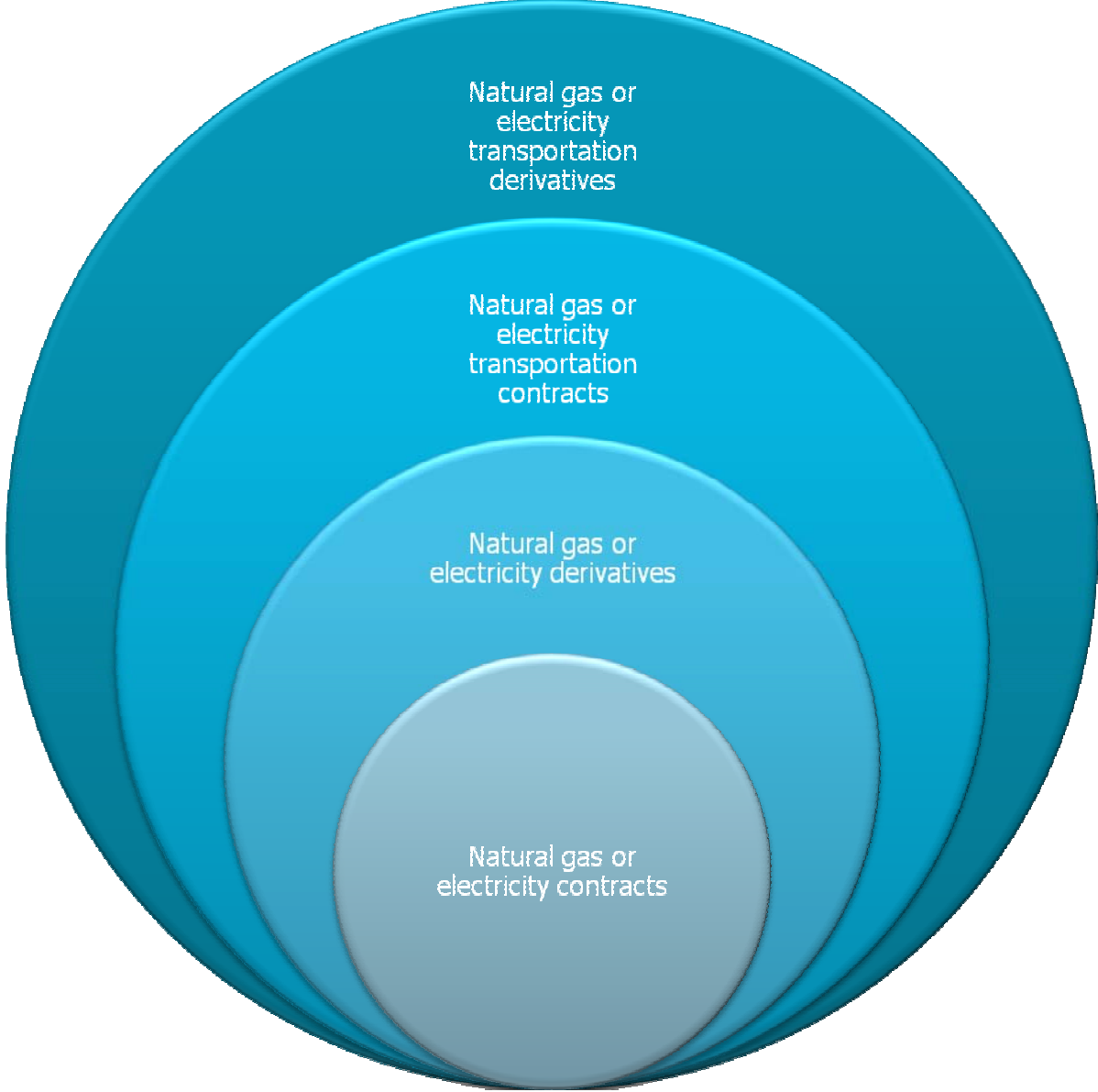
REMIT

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- » A new European piece of legislation:
 - Regulation on Energy Market Integrity and Transparency
- » Covers wholesale energy markets in the EU
 - Both electricity and natural gas
- » The 3 key themes of the proposed Regulation are to:
 - Prohibit insider trading
 - Prohibit market manipulation
 - Monitor trading activity, to detect and prevent trading based on inside information and market manipulation



Scope of REMIT (“wholesale energy products”)



+ contracts with final customers who have capacity to consume 600GWh or more electricity or gas





REMIT Reporting Requirements

- » Agency for the Cooperation of Energy Regulators (ACER) will monitor trading activity
- » Market participants must provide ACER with a record of wholesale energy market transactions but this can be done by a third party on behalf of the participant
- » European Commission will decide which trades will be reported after REMIT implemented
- » Market participants required to report must register with the national regulatory authority in the Member State in which they are established or resident



REMIT implementation

» Final stages

- Text can be found on the [Council of the EU website](#) (search for document 14696/11)
- European Parliament voted in favour on 14 September
- Now with the European Council
- Then publication in the Official Journal of the EU will start a 20 day notice period to implementation

» But in effect a phased implementation:

- Insider trading/market manipulation provisions from November?
- National regulatory authorities to have investigatory and enforcement powers after 18 months
- Reporting provisions at end of 2012 or 2013?