CREG

Commission for Electricity and Gas Regulation

Consultation report

(B)1637
21 December 2017

on

"a questionnaire on the market operators' assessment of the transparency of the freely available information on the wholesale gas and electricity markets"

conducted in application of Article 23, § 2bis, of the Act of 29 April 1999 on the organisation of the electricity market and of Article 15/14, § 4, of the Act of 12 April 1965 on the transport of gaseous and other products through pipelines, in conjunction with Article 46, § 1, of the Rules of Procedure of CREG's Management Committee.

Non-confidential

CREG – rue de l'Industrie 26-38, 1040 Brussels, Belgium
T +32 2 289 76 11 – F + 32 2 289 76 09 – info@creg.be – www.creg.be

TABLE OF CONTENTS

1. INTRODUCTION

The COMMISSION FOR THE REGULATION OF ELECTRICITY AND GAS (hereafter: CREG) organised a public consultation on the market operators' assessment of the transparency of the freely available information on the wholesale gas and electricity markets.

This consultation was held from 19 October until 17 November 2017. CREG referred to on its website. Respondents could send their comments to CREG by e-mail. The documents used for this consultation are included in Annexe 1 of this document.

This report contains three sections: the purpose, the responses received by CREG and its conclusions.

A copy of all the comments received by CREG is appended in Annexe 2 of this report.

CREG's Management Committee approved this report at its meeting of 21 December 2017.

2. PURPOSE

1. Well-functioning wholesale gas and electricity markets require fully transparent information. A lack of market transparency led to the 2008 financial crisis, which highlighted major weaknesses in the operation and transparency of the financial markets and, as a result, accelerated the incorporation of several new, more coercive rules into the regulations and directives. Adaptations to certain Regulations and Directives have already been scheduled for the coming months and years. The public consultation only related to the current Regulations and transposed Directives on Transparency, REMIT and the Financial Instruments.

2. At national level, the successful achievement of European transparency objectives regarding the monitoring of the market by its own operators, will supplement CREG's periodic monitoring of the market's operation and the changes in Belgian wholesale natural gas and electricity prices. The gas and electricity laws allow CREG to monitor "the degree of transparency, including that of wholesale prices" and to check "compliance with the transparency obligations" by electricity and natural gas companies.

3. CREG organised this public consultation, using this questionnaire, to assess the actual level of Transparency in these markets, including the Regulations/Directives on Transparency, REMIT and the Financial Instruments, and to find out the market operators' tangible experiences and concrete suggestions for improving the operation of the markets. This consultation follows from CREG's non-confidential study (F) 1637 of 28 September 2017, which aimed to inform the market of the many legal requirements, implications and consequences of the current European regulations and transposed European Directives on Transparency, REMIT and the Financial Instruments.

3. THE RESPONSES

3.1. PRESENTATION OF THE RESPONDENTS

4. CREG received responses from 4 respondents (in alphabetical order): CENTRICA, ENGIE, FEBELIEC and FEBEG

3.1.1. CENTRICA[1]

5. "CENTRICA's headquarters are in the United Kingdom. The company has expertise across the entire energy value chain: negotiation, exploration, production, storage, distribution and trade of energy.

6. CENTRICA is a major energy supplier in the British, Irish and North American markets. Moreover, CENTRICA offers residential consumers a wide array of products for connected homes (including: smart thermostat, connected appliances, and so on).

7. CENTRICA's Distributed Energy & Power Business supplies products to professional customers that allow them to be more energy-efficient and have tools for greater energy flexibility.

8. CENTRICA's Energy Marketing & Trading (EM&T) Business operates in all the European energy markets, including in the electricity and gas trade.

9. CENTRICA has production units in the United Kingdom and Ireland and operations in the North Sea. CENTRICA has no Belgian production unit.

10. CENTRICA also has a gas storage site in Rough, in the United Kingdom.

11. In November 2017, CENTRICA acquired REstore, with registered office in Antwerp. REstore is a demand response aggregator for very large industrial electricity consumers, offering demand side management software and monetising consumer flexibility in the primary and tertiary reserves markets. Currently, the peak load made available to the network operators (Belgium, France, Germany and the UK) by REstore amounts to 1.7 GW".

3.1.2. ENGIE[2]

12. "ENGIE has a presence in 70 countries around the world. The group has expertise across the entire energy value chain, in the businesses of electricity, renewable energy, natural gas and energy services.

ENGIE has 24 Business Units (BU), five of which also work for the group (Exploration and International Production BU, Global LNG BU, Global Energy Management BU, Tractebel Engineering BU, Gastransport and Technigaz BU).

ENGIE's electricity supply chain incorporates the centralized production of low carbon electricity and electricity produced from renewable sources like hydroelectricity, biomass, wind power, and solar power. The is supplemented by production from the *trade* and sale of electrical energy.

[1] https://www.CENTRICA.com/.
[2] https://www.engie.com/en/group/ and http://www.engie.be/en/.

In the gas sector, ENGIE's activities incorporates activities related to the supply, distribution, *trade* and sale of gas and the use of new gas technologies.

ENGIE's activities in Belgium include the production[3], storage, negotiation and sale of energy to consumers under the ENGIE-Electrabel brand ".

3.1.3. FEBELIEC

13. "FEBELIEC is the "Federation of Belgian Industrial Energy Consumers" and represents the industrial energy consumers (electricity and natural gas) in Belgium in issues about energy and climate politics on the Belgian and European level.

14. FEBELIEC set itself a double objective:

- perform competitive electricity and natural gas prices for businesses in Belgium;
- contribute to the security of the supply of energy in Belgium."

3.1.4. FEBEG

15. "FEBEG represents electricity producers and the traders and suppliers of gas and electricity as well as the laboratories in the electricity and gas sector.

16. FEBEG's mission is to:

- promote a sustainable, more secure and competitive energy supply by means of:
    - a free and properly operating gas and electricity market;
    - stable, favourable and non-discriminatory legal, regulatory and economic preliminary conditions for activities relating to the production, trade or supply of electricity and gas, offering energy services and the laboratories needed for these activities.
- group the companies in the electricity and gas industry and defend their general interests, more specifically on the social, economic, tax, legal and environmental level;
- study, encourage and achieve anything that may contribute to the normative, scientific or industrial development of Belgian gas and electricity companies;
- promote the quality and security of the data traffic and transactions between its members and other market players, more specifically by providing administrative support for the financial reconciliation in the Belgian electricity and gas market ".

[3] http://corporate.ENGIE-electrabel.be/wp-content/uploads/2017/02/productiepark-voor-website.pdf.

3.2. RECAP OF THE RESPONDENTS' RESPONSES

17. The respondents who answered the questionnaire and contributed to the publication of this survey thanked CREG for its efforts to improve market transparency.

FEBELIEC congratulated CREG on the quality and clarity of the study which led to the consultation. FEBELIEC hopes that CREG can organise a workshop in the next few months for all the stakeholders (producers, suppliers...) during which it presents this study and can receive feedback from market players on the application of transparency legislation in Belgium.

18. CENTRICA answered CREG's questionnaires as a user of the transparency platforms. CENTRICA's Energy Marketing & Trading (EM&T) business uses the information on unavailability, availability and flows to better understand the interaction between supply and demand and manage the risk associated with its portfolio accordingly.

19. ENGIE answered the questionnaire as an energy supplier in the Belgian market. ENGIE filled out the entire questionnaire, and discussed the problem of inside information and its assessment of transparency platforms.

20. While FEBELIEC did not actually fill out the questionnaire, it did send a letter with feedback about the study to which the questionnaire refers.

21. FEBEG did not fill out the questionnaire but gave comments in a letter, focussing essentially on market transparency.

22. The various responses or comments of respondents to the questionnaire focus on the following:

- the ENTSOE transparency platform;
- the ENTSOG transparency platform;
- the ALSI and AGSI+ platforms;
- the TSOs' transparency platforms;
- the problem of the public disclosure of inside information;
- suggestions for improving market transparency.

3.2.1. The ENTSOE transparency platform

3.2.1.1. *CENTRICA*

23. CENTRICA finds the ENTSOE platform very slow. The API[4] limits the number of returns leading to multiple telephone calls. ENTSOE does not seem to implement the most recent ACER Schema.

CENTRICA is not entirely satisfied with the overall presentation and user-friendliness of the ENTSO platform. CENTRICA highlighted problems with the availability and quality of the data for all six data themes and problems with the exploitation of the supplied data in terms of balancing.

CENTRICA would like to be able to query outages by publish data only and see overlapping outages.

[4] Application Programming Interface.

CENTRICA would also prefer to have information about long-term transmission capacities and a list of reporting units.

CENTRICA wants ENTSOE:

- to rethink the API as the document limitation makes no sense;
- improve the site's responsiveness;
- implement the full ACER Schema.

3.2.1.2. ENGIE

24. According to ENGIE, the ENTSOE transparency platform has changed in a good way since its launch in 2015, both in terms of the content and IT-wise.

The establishment in April 2015 of the ENTSOE Transparency User Group (ETUG) in which all the grid operators, market players and analysis companies participate, was a vital step in the development of the ENTSOE platform. This group aims to collect, analyse and prioritise data user issues regarding the platform's use and content, with a view to agree on and recommend solutions and action plans to assess the ENTSOE platform and possible implementation. The user group identified key areas for improvement and evolution: the user interface, data downloads and data quality.

The revision of specific data in the six main datasets (load, generation, transmission, balancing, outages and congestion management) as well as the improvement of the graphical user interface (including the download solutions) gained momentum as of 2016 and is a continuous concern of ENTSOE.

While considerable efforts have been made for all the above, data quality continues to be a major concern, more specifically the exhaustiveness of the data and the data quality check.

Specific attention should be paid to the data quality of the generation and transmission data:

- the generation data per unit available on the website and the FTP should be refreshed more regularly. ENGIE suggests a higher refresh data, at least once every hour.

  The two examples below explain their concerns about the data quality of the generation data:

  - on 10 May 2017, a news message[5] was published stating that the GEMINI offshore windfarm, which has 150 wind turbines and an overall capacity of 600 MW, was completely operational. At the time, no data was published to the ENTSOE transparency platform in the production units section;
  - in the UK, a windfarm called Thanet with a "current installed capacity' was listed as having a capacity of 300 MW but the installed capacity at the beginning of the year is listed as "N/A" on the ENTSOE platform! A quick Google search reveals that this windfarm has been operational since 2010.
- the transmission outage data on the website and the FTP should be refreshed in real time.

ENGIE would also like each new publication to come with a timestamp.

ENGIE also mentions that the user manual of the ENTSOE platform is of very high quality, in terms of the level of detail and the technical description of implementation. The manual is updated with the cooperation of ACER and ETUG members. Nonetheless, ENGIE would like to see faster

[5] http://geminiwindfarm.com/e_home.html.

updates/revisions. The fact that changes are made so slowly to the data descriptions and their implementation is entirely due to the very intensive negotiation process between the TSOs and their regulators (mainly ACER).

Regarding the “News & archives, Dashboard" section, ENGIE does not trust that all the events are actually announced. A modern, more user-friendly graphic interface (TP Vision Project) was announced one and a half year ago and the design phase (after a first unsuccessful attempt to implement it) was announced at ETUG's last meeting on 15 November.

ENGIE stated the ENTSOE platform had the following qualities:

- central collection and publication of data on electricity generation, transport and consumption and of information on the pan-European market;
- the data are consistent;
- the tool is user-friendly.

ENGIE indicated three improvements it would like to see implemented on ENTSOE:

- stable performance of the platform (fewer time-out or unavailability of the platform and faster loading speed of the webpage);
- reduction of the number of missing data items (e.g., the wind and solar generation and forecast data, more transparency about the transmission network);
- more accurate data (e.g., DA commercial exchanges are not in line with transmission capacities/DA prices, missing load data, wrong format, DST issues) thanks to a better data quality check.

3.2.2. The ENTSOG transparency platform

3.2.2.1. CENTRICA

CENTRICA thinks the ENTSOG platform is useful as an end user tool.

CENTRICA would like to see more TSOs publishing to this platform.

CENTRICA also wants ENTSOG:

- to allow RSS reporting on unavailability, in accordance with REMIT;
- to change the API so more refinement on search parameters is possible;
- wants outages to have an end date.

3.2.2.2. ENGIE

25. According to ENGIE, navigating the ENTSOG platform can be tricky and requires some experience.

Regarding the data, ENGIE feels that ENTSOG data lack comparability between operators. For instance, some TSOs report their net technical capacity of planned interruptions (and do not report planned

interruptions) while others report technical capacities and planned interruptions. For the sake of transparency, all the TSOs should adopt the same definitions.

In addition to this, ENGIE has noticed obvious inaccuracies in forward data (e.g., seasonal capacities reported over several years, followed by sudden flat capacities at 0 for the remainder of the period in question).

Regarding planned outages, the information is sometimes not reported to the platform or is outdated (compared to the information on the TSO's website).

ENGIE estimates that the frequency of updates is sufficient for some TSOs while the frequency is lower for others.

ENGIE would like to see the following improvements made to the ENTSOG platform:

- data relating to exits and to end consumers;
- extension of the availability of forward data (technical capacity, availability) to a minimum of 10 years;
- tariff data seem to be missing altogether in the platform's architecture;
- the history of the REMIT messages should also be published.

Moreover, ENGIE wants ENTSOG to improve data quality and reduce the missing data.

3.2.2.3. The ALSI AND AGSI+ platforms

3.2.2.4. CENTRICA

CENTRICA is not happy with the presentation of data and the frequency of updates of the ALSI and AGSI+ platforms.

CENTRICA observed a delay between the stated publication date and the actual date of publication to the website.

CENTRICA also noted that:

- ALSI and AGSI+ do not give access to unavailability data;
- the platforms do not use the ACER schemas.

3.2.2.5. ENGIE

26. ENGIE finds the ALSI and AGSI+ platforms very user-friendly.

The data on the ALSI and AGSI+ platforms could be updated faster than the current two-day delay.

Regarding data quality, ENGIE finds it annoying that some SSOs may publish incoherent data without any timely explanation (e.g., NAM for Norg in summer 2017). According to ENGIE, data consistency should be checked before publication.

ENGIE consider the provided data to be sufficient overall. Nonetheless, efforts should be made to increase the number of participants to these platforms (e.g. the number of SSOs on AGSI+).

3.2.3. The TSOs' transparency platforms

3.2.3.1. *CENTRICA*

3.2.3.1.1. *Elia*

CENTRICA finds the ELIA site difficult to read on a computer, meaning it is not user-friendly.

According to CENTRICA, the available data is insufficient, the frequency of updates not adapted and data quality is also insufficient.

CENTRICA mainly relies on ENTSOE for publications.

CENTRICA also notes that outages disappear and reappear on the Elia website. If there is no history, disappearing outages may be interpreted as cancellations.

3.2.3.1.2. *Fluxys*

CENTRICA finds the user interface difficult to use and not very user-friendly.

3.2.3.2. *ENGIE*

3.2.3.2.1. *Elia*

27. According to ENGIE, sometimes there are discrepancies between the ELIA website and the ENTSOE platform concerning transmission line outages. ENGIE finds it difficult to determine which source can be trusted.

The meteo data source is not mentioned for load/wind/PV forecasts.

According to ENGIE, the three qualities of the Elia website are:

- good availability of the data;
- fast navigation;
- the platform's structure.

ENGIE feels the following improvements could be made:

- include the REMIT message history;
- include an accurate calendar for the unavailability of grid components;
- include timestamps for the publication date on the unavailability of grid components.

3.2.3.2.2. *Fluxys*

The user manual on the Fluxys platform provides a detailed explanation of the platform's content and is therefore very useful.

According to ENGIE, the three qualities of the Fluxys website are:

- the exhaustiveness of the published data;
- the platform's organisation;
- the platform's availability.

ENGIE feels the following improvements could be made:

- the option to extract larger data amounts;
- the option to view data tables on one screen;
- the addition of a graphic interface to visualise data;
- the reduction of the data loading time.

3.2.4. The problem of the public disclosure of inside information

3.2.4.1. *ENGIE*

Within ENGIE, the implementation of relevant regulations is mainly coordinated by the group's Global Energy Management BU (BU GEM) and is mainly ensured by its regulating departments BU / GEM / Legal / Compliance.

BU GEM is the ENGIE business unit in charge of managing the group's assets and all its trading activities. The group has a MIFID-regulated entity, called ENGIE Global Markets, which is under the supervision of the banking and financial regulators, including the ACPR in France and the AMF and the FSMA in Belgium. Due to its specificities, BU GEM has put in place a dedicated organisational set-up to ensure its compliance with market abuse related matters for its trading activities. The following teams are involved:

- market regulation for the monitoring of market developments;

- internal control and compliance, focussing on ethics with prevention and controls;

- trading / Risk Department, for detecting market abuse;

- legal, in charge of regulatory surveillance and investigations.

The publication of inside information under REMIT is the task of its Global Energy Management Business Unit for the ENGIE Group, using ENGIE's transparency platform.

ENGIE has established and implemented internal procedures and policies to comply with any obligation to publish inside information that is applicable to ENGIE. This includes operational guidelines for the publication of inside information and monitoring to detect any failure to comply with this obligation to publish it in an effective and timely manner. The monitoring of the effective and timely publication of relevant information is based on key performance indicators (KPIs).

ENGIE distinguishes between electricity and gas:

- for electricity: ENGIE has put in place internal policies and procedures for the publication of inside information on ENGIE's transparency platform by dedicated teams for the power plants managed by ENGIE or for which ENGIE concluded specific agreements, requiring it to report inside information;

- for gas: the implementation of REMIT for ENGIE's gas activity is different, compared with electricity, as ENGIE is not the owner of the inside information for gas. As set out in the ACER Guide, "*the disclosure obligation is […] related to inside information in respect of business or facilities which the market*

participant of the respective undertakings own(s) or control(s), […and] in respect of business or facilities for whose operational matters the market participant or respective undertaking is responsible". Consequently, ENGIE considers that this information must be published by the transmission system operators, who are the only ones in possession of aggregated and relevant information for the market.

Pursuant to REMIT regulations, the inside information must fulfil four cumulative criteria, i.e., the information must:

- be precise; and
- not have been publicly disclosed; and
- is linked, whether directly or indirectly, to one or more wholesale energy products; and
- in all likelihood would significantly affect the prices of wholesale energy products if publicly disclosed.

To determine whether these four criteria are met, ENGIE has drawn up internal guidelines, to provide the operational teams with details and precisions for each of these criteria, in light of the ACER guidelines and the indicators of the national regulators.

For electricity activities, ENGIE applies the indicative threshold of 100 MW provided by ACER. ENGIE estimates that this threshold is fully relevant and appropriate for the disclosure of inside information in Belgium.

For gas activities, ENGIE is not the owner of the inside information. In any event, ENGIE always refers to the threshold provided by national regulators, when available.

3.2.5. Suggestions for improving market transparency

3.2.5.1. *CENTRICA*

CENTRICA feels that the data should be made available in near real time.

System operators should also be forced to publish transparency information and inside information to centralised platforms, in a standardised format. The other market players should be encouraged to do this, by limiting the responsibility of market players in case of technical failure of the platform. CREG, CEER and ACER should pursue this.

In relation to ENSTOE and ENTSOG administered platforms and other data asset owners in Belgium, CENTRICA is not entirely satisfied with the level of the quality of the data published, as fundamental data, and the technical manner in which this data is made available to be used by market players. ACER and CEER should pay more attention to improving the quality of fundamental data.

3.2.5.2. *ENGIE*

In terms of the REMIT messages, ENGIE has made substantial efforts to ensure the quality and the clarity of its publication, in compliance with the specific data structure required by ACER. ENGIE regrets that other market players fail to comply with these requirements.

Regarding transmission data, ENGIE asks that information on grid outages is reliable. Ensuring that the TSOs publish accurate unavailability information in due time and that this information is consistent with the publication on the ENTSOE platform is crucial.

For Flow-Based Market Coupling, flow-based implicitly refers to the entire transmission network, meaning there should be full transparency on all lines (and not just on the lines described in Flow-Based but on all the ones that may affect the PTDF matrix). All market information should be publicly disclosed.

3.2.5.3. FEBEG

FEBEG fully supports the establishment of a single European platform, which would allow market operators to consult all relevant information in an easy, fast, efficient and user-friendly manner.

FEBEG also stresses the importance of a level playing field, as - beyond the question of fair competition - preferential treatment of certain market participants leads to suboptimal market outcomes. Therefore, FEBEG is of the opinion that the indicative threshold of ACER of 100 MW which is currently applied is very important. FEBEG prefers a European harmonisation rather than a case by case approach.

FEBEG points out that there is still some lack of clarity regarding the transparency of gas infrastructure:

- publishing all relevant information about an asset should be the owner's responsibility and not the shipper's;
- the owners of gas infrastructure should not just publish information about the availability of their infrastructure, but also about the gas flows.

4. CREG'S CONCLUSIONS

28. CREG will take into account the various concerns of the respondents in the exchanges it has within ACER and CEER but also in the interactions with the two TSOs, i.e., Elia and Fluxys.

29. CREG notes that the market players indicate that there is still some room for improvement to the European transparency platforms.

The ENTSOE platform can be improved as follows:

- the platform must become more stable and more reactive;
- more exhaustive;
- the accuracy of the data can be improved;
- compliance with the ACER schema;

The ENSTOG platform can also be improved in terms of:

- the comparability of the data;
- the accuracy of certain data (e.g.: forward data);
- the completeness and updates of information on grid outages and implementation

  Of RSS;
- the frequency of data updates;
- the range of search parameters;
- participation with the TSOs.

The ALSI and AGSI+ platforms can also be improved in terms of:

- information publication times;
- number of participants of these platforms;
- schema used to comply with ACER's criteria;
- data consistency.

30. The sites of the Belgian TSOs are considered to be well-structured, with good availability.

The Elia site could incorporate the history of the REMIT messages, more detailed information (timestamp) on the publications and a calendar of unavailability of network components. It should include the weather data reference used to specify the load or the renewable production forecasts. Elia's site could still be improved, in terms of data quality, the frequency of updates and the stability of unavailability data.

The Fluxys site can make improvements in terms of load time, increase the volume of the loaded data and the visualisation of data and the user-friendliness of the user interface.

31. As far as the publication of inside information is concerned, the market players are all in favour of a European threshold and feel the information should be published to a European platform, in a standardised format. Various European working groups are currently discussing the publication thresholds.

32. CREG will continue to inform market players about regulatory changes and will contact the national TSOs to discuss the requested improvements.

For the Commission of Electricity and Gas Regulation:

Laurent JACQUET	Andreas TIREZ	Marie-Pierre FAUCONNIER
Director	Director	President of the Management Committee

ANNEXE 1

Documents used in the framework of this consultation

Public consultation by questionnaire on the market operators' assessment of the transparency of the freely available information on the wholesale gas and electricity markets, available online at http://www.creg.be/fr/consultations-publiques/consultation-publique-au-moyen-dun-questionnaire-sur-lappreciation-par-les.

Consultation document(s):

- Public consultation document (PRD)1637 of 19/10/2017;
- Questionnaire on the market operators' assessment of the transparency of the freely available information on the wholesale gas and electricity markets.

ANNEXE 2

Copy of all the versions of the received responses

CENTRICA

ENGIE

FEBEG

FEBELIEC

http://www.creg.be/fr/consultations-publiques/consultation-publique-au-moyen-dun-questionnaire-sur-lappreciation-par-les.