EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Internal Energy Market

Summary minutes – ACER REMIT fees stakeholder workshop

Wednesday, 15 July 2020 from 09:30 to 12:30

WebEx session

The workshop complements the public consultation (open from 8 June to 31 August 2020) on the fees that will be due to ACER under Article 32 of the ACER Regulation (EU) 2019/942 (https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12406-Commission-Decision-setting-the-fees-due-to-ACER-for-tasks-under-REMIT/public-consultation). Invited to the workshop were stakeholders financially affected by the planned fees: Primarily these are the around 120 reporting parties (also called Registered Reporting Mechanisms or RRMs) registered by ACER pursuant to Article 11 of Commission Implementing Regulation (EU) 1348/2014 on data reporting under Regulation (EU) 1227/2011 on wholesale energy market integrity and transparency (REMIT). Those entities report data directly to ACER and will need to pay the fees. Invited were also key EU associations representing, inter alia, RRMs as well as market participants (MPs) who report data via RRMs, since they will at least indirectly have to cover the costs RRMs will have due to the fee scheme. Around 70 entities were represented in the workshop.

The summary minutes follow the structure of the workshop's agenda:

1. Welcome and introduction by DG Energy & ACER

DG Energy and ACER highlighted the importance of achieving the European Green Deal as well as economic recovery post COVID-19, for which proper market functioning is key. In this context, REMIT fees will contribute to maintaining market integrity and transparency.

2. Setting the fees due to ACER for tasks under REMIT – presentation by DG Energy & ACER

Q&A

DG Energy and ACER presented their proposal for a fee scheme (see presentation in annex I).

During the subsequent Q&A DG Energy and ACER addressed the questions and contributions that had been submitted during the presentation by the meeting participants:

- Timing of the fee scheme
  - Fees will be levied from 2021 onwards.
  - The plan is to have a stable scheme for at least 3-4 years.
- Timing of the invoices (ex-post or ex-ante?). What if an MP changes the RRM via it reports during the year? Would the fixed fee part remain stable if some RRMs resign as RRMs?
  - The Commission Delegated Regulation (EU) 2019/715, the financial regulation for EU agencies, stipulates that where fees are charged, the services are only to be provided once the fees are paid.
  - This means that the invoices would have to be sent out at the beginning of each year and the records-based fee would be based on the records from the previous year.
  - Special provisions will be needed for new RRMs.
  - The enrolment fee is calculated per RRM, it does not change with the registration or de-registration of other RRMs.
- Transparency about the fees to be paid by individual RRMs and how they pass the costs on to MPs
  - The aim is to provide a fee scheme which provides precise guidance so that the RRMs should be able to calculate the fee estimates themselves.
  - The RRMs should be transparent about how they pass on the costs to the MPs.
- Scope of the fee scheme
  - Also RRMs only reporting fundamental data will have to pay the enrolment fee. Such RRMs also generate costs for ACER and the activities and services performed by ACER are similar for all RRMs. Therefore, no different fee levels ("buckets") are planned for the enrolment fee.
  - Fundamental data reporting itself (beyond the enrolment fee) will not be charged. Reason is that REMIT is a reporting regime for records of transactions, including orders to trade. Fees would be calculated based on the transactions listed in tables 1-4 in the annex to the Commission Implementing Regulation (EU) 1348/2014.
  - For example, RRMs which are TSOs that only submit Final Nominations (LT, DA and ID) or results of a primary explicit allocation would only pay the enrolment fee.
- Why do you distinguish between different organised market places (OMPs)? From our point of view it is only one parameter in the reported data which is different.
  - ACER's data analysis, including data quality analysis, also haven to be taken into account here. Big market traders will be present on many trading places, which is why the OMP element was introduced in order to add depth to the ver-

satility. ACER's work does not only depend on the amount of data, but also on how much effort it takes to process, aggregate, combine and analyse the data.

- Could the cap in the calculation of the records based fee be on group level?
  - ➢ This is not considered. REMIT and the Commission Implementing Regulation (EU) 1348/2014 always reference individual MPs, not groups of MPs.

- The proposed fee scheme is not proportionate! For small MPs the cost for REMIT reporting is significantly higher per transaction compared to MPs submitting most of the transactions.
  - ➢ Several principles have to be balanced – fees have to be proportionate to ACER's costs, but also without creating an undue burden on individual market players. For small MPs only reporting through one RRM/OMP, the records-based fee component would only amount to EUR 250.
  - ➢ There are different cost drivers: registration as an RRM and maintaining this registration as well as the ongoing reporting of data and its follow-up by ACER. RRMs reporting more records will pay a higher records-based fee, but the fixed enrolment fee is the same for all, because ACER performs similar activities for all RRMs. This is how proportionality is ensured.
  - ➢ In any case, fees almost exclusively based on the number of records would mean an undue burden for some market players which should be avoided according to the ACER Regulation. In addition, ACER could be perceived as losing neutrality towards the market if only a few market players pay almost all of total REMIT fees – this would be the outcome of a purely records-based system.

- REMIT treats the direct reporting by MPs (as RRMs) and the use of third party RRMs as equal options. The fixed fee of EUR 15,000 will discourage the RRMs=MPs=TSOs to report their data directly to ACER and as such the proposed fee scheme will destroy the current reporting setup. We see the enrolment fee as a barrier for new-coming RRMs.
  - ➢ Costs are incurred through the registration and the continuous oversight of the registration of an RRM to ensure operational reliability for all reporting parties. With that in mind, EUR 15,000 is considered appropriate.

- Why haven't you considered a fee during CEREMP registration plus a yearly renewal fee? Buckets for different MP types could also be applied so the proportionality would be ensured.
  - ➢ The registration of MPs through CEREMP is within the purview of the national regulatory authorities (NRAs), not ACER. Please also note that some NRAs are already charging fees for the registration as an MP at national level.

- Why also orders are taken into account for calculating the records-based fee component, also since orders are not reported in a comparable manner for every product/market?
    - ➢ Since the reporting of orders is stipulated in REMIT and the Commission Implementing Regulation (EU) 1348/2014, it is part of ACER's costs. Cost-proportionality is to be observed.
- Considering that the invoice has to be accepted by the RRM, we suppose that a detailed situation per MP will be attached in order to be double-checked by the RRM (and to provide proof to the OMPs and MPs on demand).
    - ➢ This is currently under assessment.

3. Presentations by EFET and by Europex

EFET (European Federation of Energy Traders) and Europex (Association of European Power Exchanges) presented their views on the planned fee scheme (see their presentations in annexes II and III).

4. Contributions from other stakeholder associations representing reporting parties or market participants

ENTSOG (European Network of Transmission System Operators for Gas), ENTSO-E (European Network of Transmission System Operators for Electricity), Eurelectric (Union of the Electricity Industry) and IOGP (International Association of Oil and Gas Producers) shortly presented their views on the planned fee scheme.

- ENTSOG's opinion on the REMIT fee scheme is influenced by the fact that they represent TSOs (which are predominantly also RRMs) reporting Table 4 and fundamental data. ENTSOG's position is outlined on a slide (see annex IV).
- ENTSO-E's position is very similar to the one of ENTSOG. The TSOs are already very involved in collecting data from electricity markets and providing it to ACER; the special roles of the TSOs should be taken into account. ENTSO-E also highlighted the potential financial risks to which the RRMs could be exposed if the MPs do not pay their REMIT fees.
- Eurelectric stressed that it is essential to have a transparent and predictable system, and that fundamental data should be included in the REMIT fee scheme. Transparency is also needed with regard to ACER's budget and funding.
- IOGP stressed that it is important to keep the REMIT fee scheme as simple and predictable as possible, and that the principle of proportionality must be observed. ACER and the Commission should carefully consider the implementation of any fee structure that could increase the reporting concentration at RRM and OMP levels.

The Chair invited the previous presenters to respond to the contributions:

- EFET reiterated their, in principle, supportive view of the planned fee scheme as presented by DG Energy and ACER and their expectation that such a fee scheme would not impact the market negatively.
- Europex stated that they would like to see stakeholder involvement also during the next steps towards the adoption of a Commission Decision
- ENTSO-G acknowledged that there is a burden for ACER when a new RRM has to register and also that activities have to be carried out to assure compliance, but stressed that RRMs that have no changes in their activities, number of MPs, or profiles of the reported data should not have to pay the same cost year after year compared to the RRMs that do change their reporting.

5 Feedback from the audience

There were no requests from the audience to provide further feedback.

In response to the position of Europex that while RRMs can collect the fees from MPs on behalf of ACER, they themselves should not be charged, ACER noted that there are examples of other transaction reporting regimes, such as EMIR and MiFID, where only the parties that are directly registered with the authority collecting the data are charged, and that then these costs are distributed.

6 Conclusions and next steps – DG Energy

DG Energy thanked everyone for participating and summarised conclusions from the workshop:

- All stakeholders have an interest in a working REMIT implementation and there is broad understanding that it will be difficult to find a fee scheme which satisfies everyone.
- RRMs collecting fees from MPs on behalf of ACER, but without being liable for successfully levying revenues, is difficult to envisage. Ex-post invoicing would be against the applicable financial regulations which stipulate: first fees, then services.
- What needs to be further considered is especially if there is a need to align fees paid ex-ante with the actually reported data during the year and, if yes, how this could be done transparently and in a simple way.
- How to address the diversity of the reporting parties and type of records also needs to be further considered. The same applies to ensuring transparency as regards the definition of the eligible costs to be covered by fees and to the question if specific arrangements are needed for the first year.

Annex I: Presentation DG Energy and ACER

ACER

REMIT fees overview

Fees shall be due to the Agency for the collecting, handling, processing and analysing of information reported by market participants or entities reporting on their behalf pursuant to Article 8 of Regulation 1227/2011 (REMIT).

Fees shall be proportionate to costs, **sufficient** to cover those costs, **non-discriminatory** and **avoid undue burden.**

The revenue received by ACER shall **not compromise its neutrality, independence or objectivity**.

Cf. Articles 31(5) and 32 of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ("ACER Regulation")

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ACER

REMIT fees overview

Preparation of Commission Decision

- Public consultation launched: 8 June
- Discussion in ACER Administrative Board: 18 June
- Stakeholder Workshop: 15 July
- ACER Board of Regulators: 16 July
- Public consultation ends: 31 August
- Consultation of Administrative Board: early September
- ACER Board of Regulators: 16 September
- Start of formal adoption process: mid September
- Adoption: early November

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REMIT fees overview

Basic Structure of Fee Scheme

- ACER identifies total eligible costs in Programming Document to be adopted each December, based on EU budget for next year.
- ACER calculates fee for each reporting party, based on:
  - A fix "enrolment fee"
  - A "records-based fee"
- Should the sum of all fees be higher than the total eligible costs, then the individual fees are reduced pro-rata.
- ACER sends out invoices in January.

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REMIT total eligible costs

- The basis for the calculation of the total annual REMIT fees in year (*n*) shall be the estimate of REMIT expenditure as included in ACER's budget for that year (as set out in Programming Document).
  - Fees will cover both HR and IT (non-HR) REMIT expenditures.
  - Annual adjustment of REMIT expenditure depending on development of IT costs and the HR (number of posts) granted by the Budgetary Authority.
  - HR expenditures are based on averages of the Commission per each type of staff and include overheads.
  - REMIT expenditures in year n = 2021 are estimated at 8.8 million EUR.
- REMIT expenditures are driven by:
  - the registration and ongoing supervision of reporting parties (RRMs);
  - the number of Market Participants (MPs) which RRMs report for;
  - the number and versatility of records of transactions reported to ACER.

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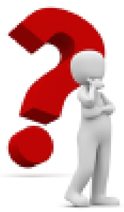
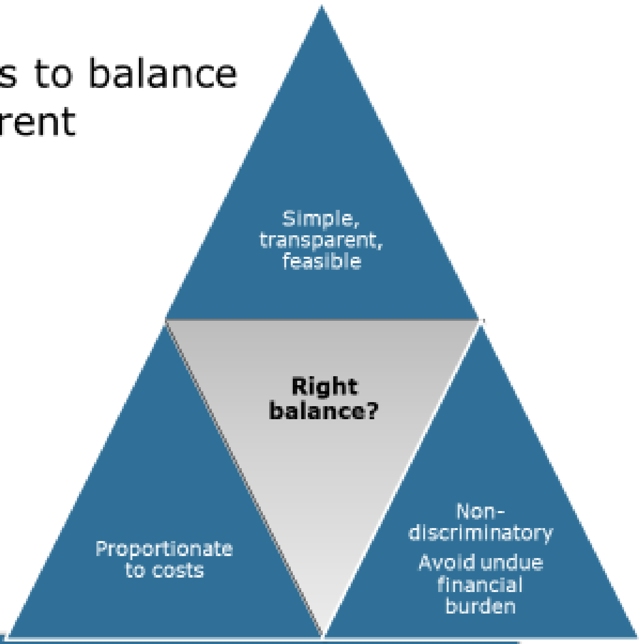
REMIT fee principles to respect

The model has to balance between different principles …





REMIT reporting landscape

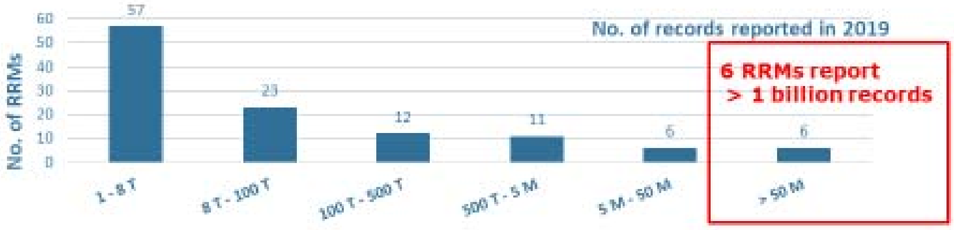
- In 2019, entities reported 1.2 billion of Table 1 records, 230 thousand of Table 2 records, 1.8 million of Table 3&4 records and 2.5 million of Fundamental records.
- Currently 120 RRMs are registered to report data to ACER.
  - 110 RRMs reported data in 2019, 13 of them reported only fundamental data.
- In 2019 9,601 MPs reported T1-T4 records of transactions.
  - Records were reported through 97 RRMs.
  - Some MPs reported through more than 1 RRM, resulting in 15,722 RRM-MP pairs.
- Transactions took place on 65 Organised Market Places (OMPs), even if most MPs traded only "off-OMP".

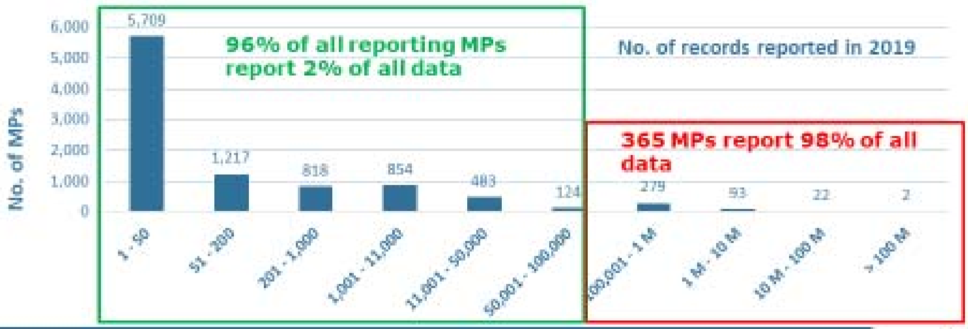
OMP stands for organised market place, RRM for registered reporting mechanism (= reporting party) and MP for market participant.

ACER

Modelling considerations (1)

The model has to work well for very "diverse" reporting entities, where 5% of entities report more than 95% of the data.

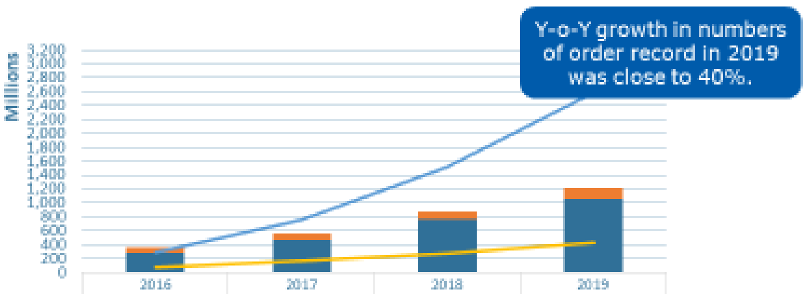




ACER

Modelling considerations (2)

The number of records (and with them costs) is expected to grow and the number of orders grows faster than number of trades. **Considering only trades would result in less proportionate model and may introduce instability in the fee scheme.**



	2016	2017	2018	2019
Trades	74,498,152	90,303,080	116,383,058	153,592,639
Orders	287,021,970	472,392,760	763,116,409	1,062,279,146
Orders - Aggregate	287,021,970	759,414,730	1,522,531,139	2,584,810,284
Trades - Aggregate	74,498,152	164,801,232	281,184,290	434,776,930

Since the model should reflect the costs for collection, handling, processing and analysing information it should not consider transactions' notional amounts.

+ Notional amounts are more prone to data quality issues.

Modelling considerations (3)

Ideally, model and fee collection should also have
- limited policy impact;
- no impact on MP registration;
- limited impact on reporting of records.

The fees should be charged to RRMs. The Agency should not interfere in the RRM's cost allocation towards MPs, but should aim at fee transparency.

While the REMIT data are reported on behalf of MPs, the Agency is only collecting REMIT information through RRMs, therefore the Agency can only provide data reporting services to these entities.

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Envisaged REMIT fee model (1)

Mixed RRM-OMP-MP model

- The overall REMIT fee is a sum of **RRM enrolment fee and records-based fee.**
- **Each RRM pays a fixed annual RRM enrolment fee [15,000 EUR].**
  - This fee is paid annually as well as at the initial registration.
  - The fee covers costs of the regulatory effort (1) necessary for the assessment and examination of the application and (2) necessary to ensure compliance with the technical and organisational requirements.
- **Each RRM pays an annual records-based fee** which depends on the **number** of submitted records of transactions as well as their **diversity and complexity**.
  - Complexity is driven by the number of different MPs using RRM services as well as the number of different trading channels used by these MPs.
  - Records-based fee is charged only for Table 1 to Table 4 records.

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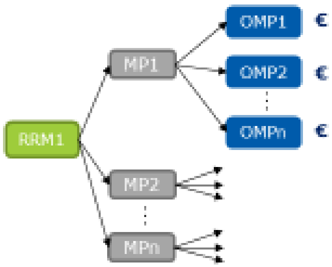
Envisaged REMIT fee model (2)

- **How is the RRM records-based fee component calculated?**
  - This fee component depends on the market specific data sets reported per MP.
  - Market specific data set reported per MP means all records of transactions, including orders as well as all lifecycle events, reported on behalf of an MP and executed at a specific market place (an OMP or other wholesale energy trading market place).
  - Records traded "off-OMP" are grouped and treated as reported on one fictitious market.
  - The exact amount paid for each market specific data set depends on the number of such records reported.



Number of records of transactions, including orders to trade, per RRM per market-specific data set per MP	Fee (EUR)
1 to 1,000	250
1.001 to 10,000	500
10,001 to 100,000	1,000
100,001 to 1,000,000	2,000
More than 1 but less than and including 10 million	4,000
More than 10 but less than and including 100 million	8,000
More than 100 million	16,000

Envisaged REMIT fee model (3)

- **Fee calculation – example**
  - RRM 1 submitted the following number of records:

	MP A	MP B
OMP X	150	200
OMP Y	1120	120 million
Bilateral deals		2,000
Records based fee (EUR)	**500+250 = 750**	**250+16,000+500= 16,750**

RRM 1 pays
15,000 EUR enrolment fee +
17,500 EUR records based fee =
32,500 EUR fee in total

  - RRM 2 submitted the following number of records:

	MP A	MP C
OMP X	55,000	
OMP Z	250,000	8 million
Records based fee (EUR)	**1,000+2,000=3,000**	**4,000**

RRM 2 pays
15,000 EUR enrolment fee +
7,000 EUR records based fee =
22,000 EUR fee in total

Envisaged REMIT fee model (4)

- **Fee estimates using 2019 data and envisaged fee levels**

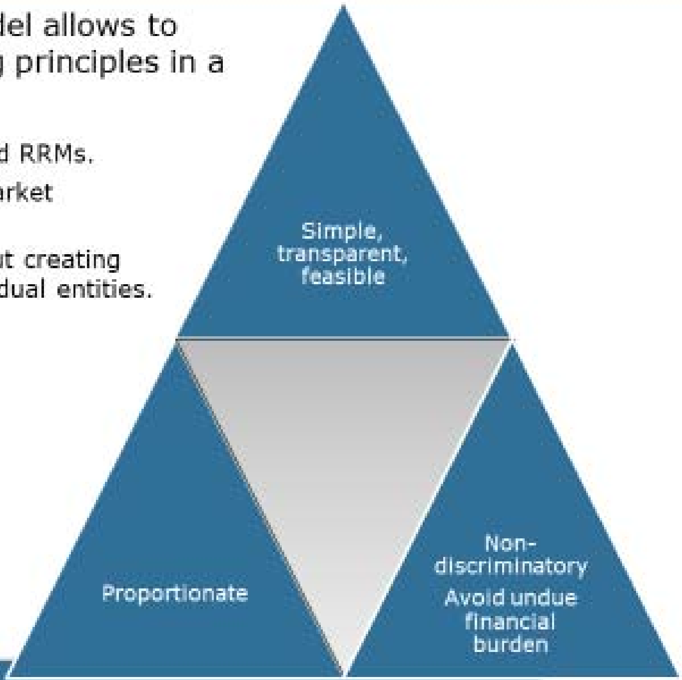
Fee interval (EUR)		Number of RRMs paying the total fee in the interval
-	20,000	52
20,000	50,000	39
50,000	250,000	20
250,000	500,000	6
500,000	-	3
MEDIAN amount paid (EUR)		22,625
MEAN amount paid (EUR)		76,033
Total (before pro-rata reduction)		9,124,000
Pro-rata reduction to stay within limit of EUR 8.8 million eligible costs would mean EUR 2700 less for each RRM [(9.124m-8.8m)/120]		

- Majority of the RRMs would pay less than 20,000 EUR.
- For RRMs paying larger amounts, this is due to one or more of the following:
  - they report for many market participants,
  - they report large amount of records,
  - the reported data is related to trading via various different trading channels.

Conclusion

The RRM-OMP-MP model allows to comply with conflicting principles in a balanced way.

- Transparent for MPs and RRMs.
- Negligible impact on market liquidity.
- Proportional, but without creating undue burden for individual entities.



Thank you for your attention!

www.acer.europa.eu
EU-ACER-REMIT-Fees@ec.europa.eu

Annex II: Presentation Europex

Introduction: non-discrimination, proportionality, predictability & minimised market and liquidity impacts

- Inappropriately designed REMIT fees risk causing a **significant negative impact on trading behaviour, market liquidity and general market development**. They may further distort the regulatory **level playing field** between various affected actors, including RRMs, and lead to cross-subsidisation and unfair competition between MPs or RRMs. The ultimate fee design must therefore **ensure that any such impacts are minimised as much as possible**.
- In addition, the REMIT fee levels should be **predictable, avoid any undue financial and administrative burden and be communicated transparently and sufficiently in advance**.
- Importantly, the REMIT fee design and the practical implementation of the fees need to be aligned with the wider **EU transparency and market policy objectives,** including the G20 Pittsburgh Commitments. Trading on transparent, efficient and secure regulated markets should be explicitly encouraged rather than the less transparent and less regulated alternatives such as OTC and bilateral trading.

2

DG ENER-ACER workshop on REMIT fee design and implementation | Brussels, 15 July 2020

Europex

Five Recommendations for the Design and Implementation of REMIT Fees

- REMIT fees should only cover operational costs and be strictly in line with the defined scope
- RRMs can collect the fees from MPs for ACER but must not be charged themselves
- The fee calculation formula should focus on transaction events and volumes per MP
- Different fee levels for transaction reporting of standardised & non-standardised contracts
- The fee should only be leveraged ex-post to ensure proportionality and minimise the financial risks of RRMs

3

Europex

1. REMIT fees should only cover operational costs and be strictly in line with the defined scope

- ACER should **be mainly financed from the general Union budget**.
- **Only relevant operational costs should be covered.** REMIT infrastructure costs (i.e. fixed costs related to investments) and other out of scope costs such as ACER support to NRAs must not be recoverable by fees.
- The total amount to be collected through fees should be **proportionate** and should not exceed the legal scope of covered activities.
- The fees should be proportionate to the occurred costs and the actual activities of Market Participants to **ensure non-discrimination and minimise market impact**.
- **The suggested 8.8 EUR million figure for the first year should be thoroughly reviewed and reduced** to a more appropriate level, possibly also with a higher contribution from the Union budget.

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DG ENER-ACER workshop on REMIT fee design and implementation | Brussels, 15 July 2020

Europex

2. RRMs can collect the fees from MPs for ACER but must not be charged themselves

- **The responsibility for paying the fees and the mechanism for collecting them** constitute two fundamentally distinct issues and **must be considered separately**.
- As outlined in Article 8 of REMIT, the 'overall responsibility' to report is with Market Participants (MPs). Hence, **the REMIT fee should be levied directly to MPs** and not to **RRMs who merely act as facilitators and aggregators of the system**. Levying a fee on RRMs and not MPs directly would be disproportionate, discriminatory and place an undue financial burden on RRMs.
- Given the 'overall responsibility' of MPs, **the financial liability should remain with the MPs throughout the fee levying process** until confirmed full payment of the fee to ACER.
- In addition, OMPs, unlike non-OMP RRMs, cannot discontinue their activity under REMIT which in itself is discriminatory and may eventually lead to a **situation where the REMIT fees would be mainly borne by OMPs**. Levying the fees directly to MPs will avoid this.

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Europex

3. The fee calculation formula should focus on transaction events and volumes per MP

- **A clear and simple formula is needed, and the calculation should be done by ACER for each MP.** Should the latter not be possible, at least the metrics and the data for the per MP calculation must be provided by ACER to all fee-collecting entities.
- The REMIT fees should be **applied per MP** and focus on the **number of transaction record events** as well as the related **traded volume**. This would ensure a high level of proportionality without losing the benefits of a simple, easy to calculate fee.
- The fee formula needs to distinguish between standardised- and non-standardised contracts and apply different rates to them. [See next slide for more details.]
- **Orders should not be considered for the fee calculation** as this is likely to have a significant negative impact on trading behaviour, leading to reduced order book depth and possibly to less overall trading.
- There are mixed views on whether a (small) fixed fee component could be appropriate or not.

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Europex

4. Different fee levels for transaction reporting of standardised & non-standardised contracts

- **A standardised transaction entails lower marginal handling costs for ACER than a non-standardised one.**

- **The variable fee for standardised transactions should therefore be considerably lower than the fees charged for non-standardised transactions** in order to reflect the real cost incurred by each of them. This is important to respect the proportionality principle and to ensure that the fee design does not discourage trading on transparent, efficient and secure regulated trading venues.

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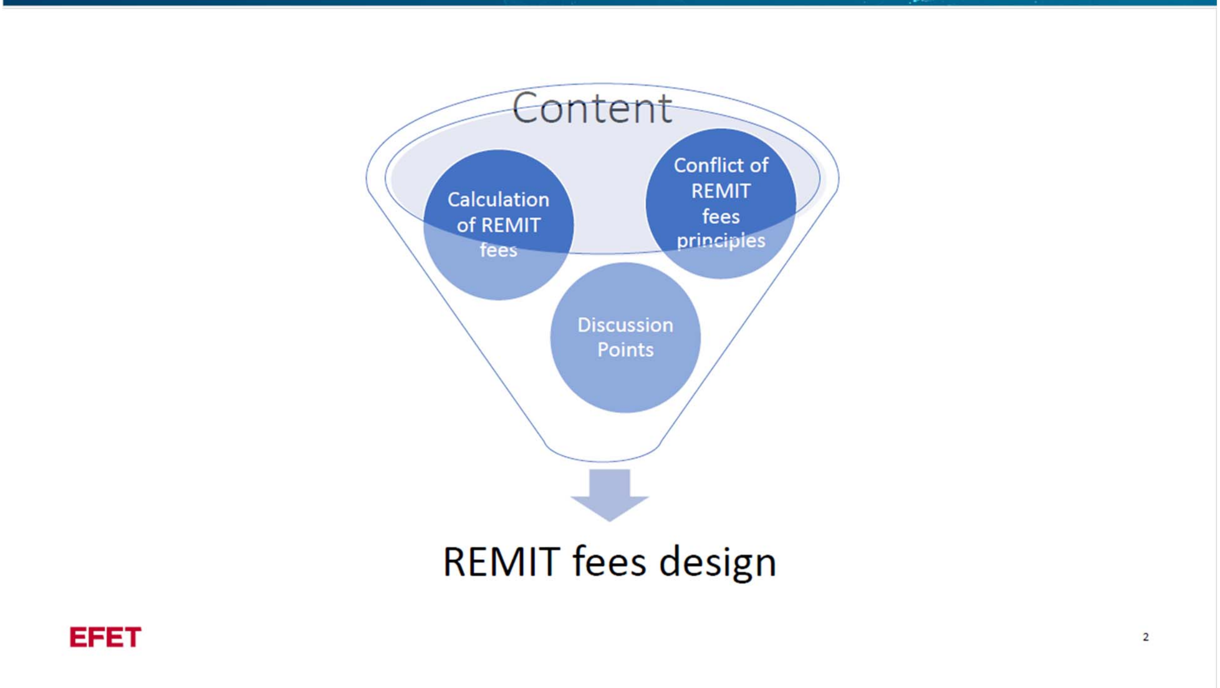
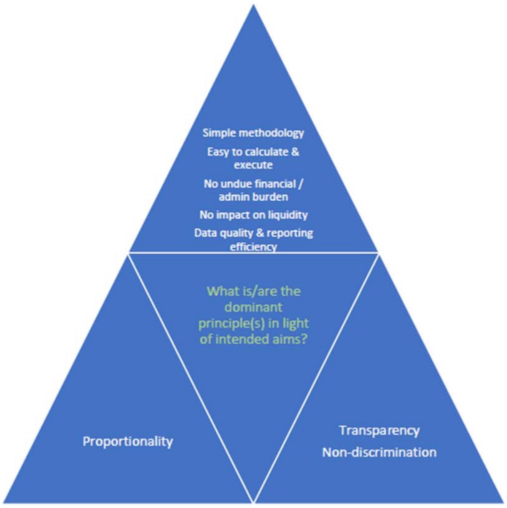
5. The fee should only be leveraged ex-post to ensure proportionality and minimise the financial risks for RRMs

- **Trading activity can be volatile** and is generally difficult to predict. In addition, **numerous changes occur throughout the year** in relation to the number of MPs, with some entering and others leaving the market, as well as MPs switching between or using several RRMs with differing levels of intensity.
- Hence, the only way to ensure proportionality of the fees in relation to the actual trading and reporting activity of MPs is to **levy the fees ex-post**.
- Collecting REMIT fees from market participants will further result in a substantial cash flow. **RRMs should not be put in a position where they would have to pay the fees upfront**, i.e. providing a credit line for ACER while not being sure that the expected fee recovery income later in the year would fully cover the upfront payment and needing to use their own capital to cover for the intermediate period. Such a system could potentially be detrimental, especially for smaller RRMs, and would certainly introduce a significant risk and competition element.

Annex III: Presentation EFET



1. Conflict of different REMIT fees principles (section 4.1)



EFET

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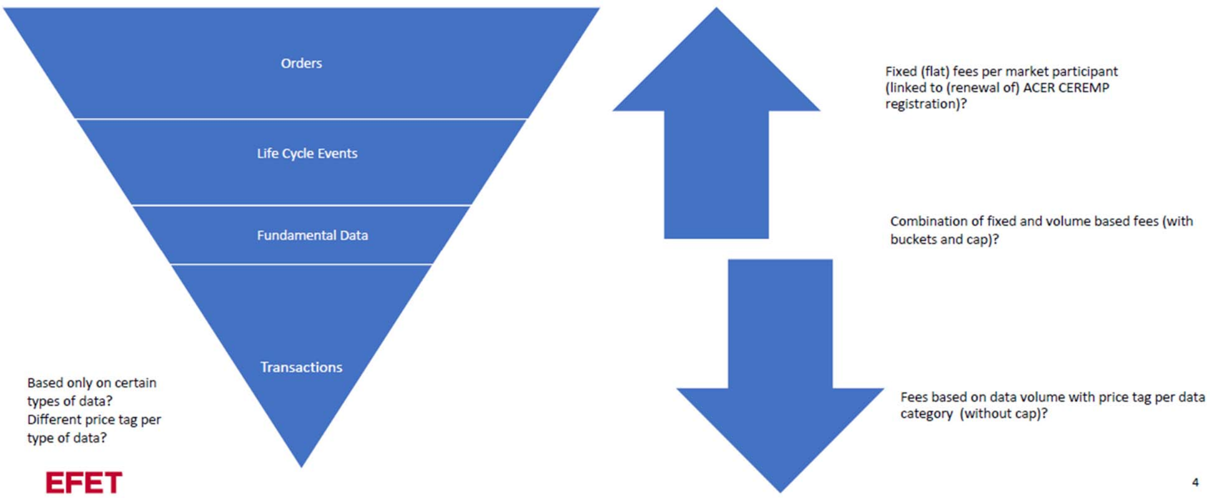
2. Calculation of REMIT fees (section 4.4)



EFET

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3. Discussion points

There is no perfect solution which satisfies needs of all stakeholders

REMIT fees design

Let's work together to reconcile all interests to the best extent possible

EFET

Required under REMIT Fees Principles	Pain Points from (some) Market Participants (MPs)
Stable, ex-ante, mid-term (3 years) forward-looking and transparent budget-setting for relevant services, subject to scrutiny	Size of budget / relevant budget activities Full cost vs. partial budget recuperation (EU to pay budget partially)
Fee cap to avoid (a) undue financial burden & (b) negative impact on liquidity & (c) market entry barriers, hence, bucket fee structure with fixed amounts dependent on transaction volume preferable	Flat fee vs. (unlimited) variable fees
Transparency of fees to be paid by RRMs and passed through to MPs (calculation tool) needed. Only ACER can calculated due amounts to be paid by RRMs and passed-through to MPs	Treatment of emission allowances & derivatives (reported under EMIR) / Fundamental data reporting vs. transaction reporting / MPs without production facilities, i.e., which only report transactions
Correction mechanism to avoid potential over- and underbudgeting	Yearly overbudget should be bankable / Underbudget to compensate by EU
Improved service level of ACER (post trade transparency & reconciliation)	Increased service level should not lead to higher budget
Easy implementation at RRM and MP level	Collection from RRMs may lead to implementation challenges for MPs, e.g., MPs reporting on behalf of its customers
Fee collection by ACER from RRMs as collection from MPs is unpractical and expensive	Directly levy fees from MPs
Transparent, fair and proportionate pass-through of costs by RRMs to MPs	Scope of regulation should include RRMs and MPs
Combination of fixed (RRMs) and variable fees (MPs) Variable fees dependent on transaction volumes, subject to a cap	Different fees per types of data (standardised vs. non-standardised, transactional vs. fundamental data, transactions vs. orders)
Yearly invoicing at the beginning of a budget year	Ex-post vs. ex-ante fee recuperation / Annual fluctuations in transaction / Order volumes

Annex IV: Slides ENTSOG

10/07/2020

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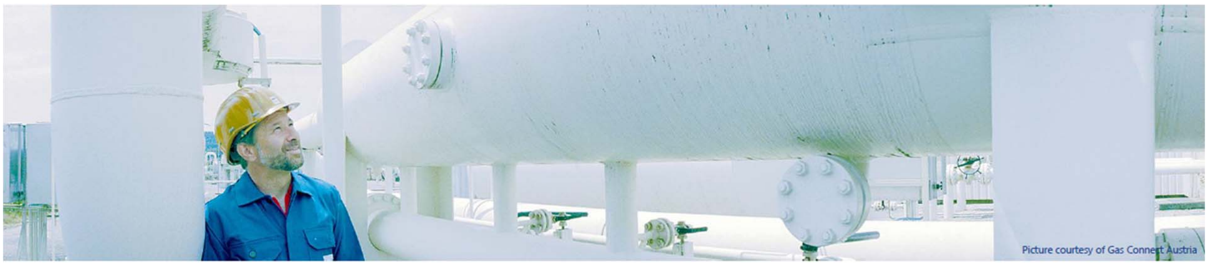

ENTSOG position on REMIT Fees

DG-ENER and ACER public workshop 15 July 2020

Kathrine Nygaard Stannov, Subject Manager Transparency

Online workshop

Summary of ENTSOG view on PC questions

REMIT budget establishment: In addition to the normal scrutiny of ACER's budget, the addressees of the fees should be given the chance annually, via public consultation, to influence and comment the priorities, activities to be covered by the fees, and their costs. Furthermore, based on a max. fee level, announced by public consultation, should be established on a 3-5-year basis.

Fee's methodology: The fee methodology shall be based on the number of reported transactions of trade data only (incl TSOs' gas trades). Fundamental data & transportation transactions shall be exempted => ENTSOs, GIE, TSOs/LSOs/SSOs shall be excluded from the fee scheme on these transaction types .

Fee's addressees: ENTSOG is not against RRMs collecting the fees as proxy between ACER and the Market Participants. ACER shall ensure a high level of transparency to facilitate the process (detailed overview of the reported data.)

Calculation and collection of fees: ENTSOG suggests calculation and collection of fees based on ex-post principle. This would ensure the cost-reflectiveness of the fees, decrease entry barriers for new MPs and RRMs and reduce costs associated with debiting and bill reconciliation.

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Thank you for your attention

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