

## *Danube Region Energy Markets Transparency*

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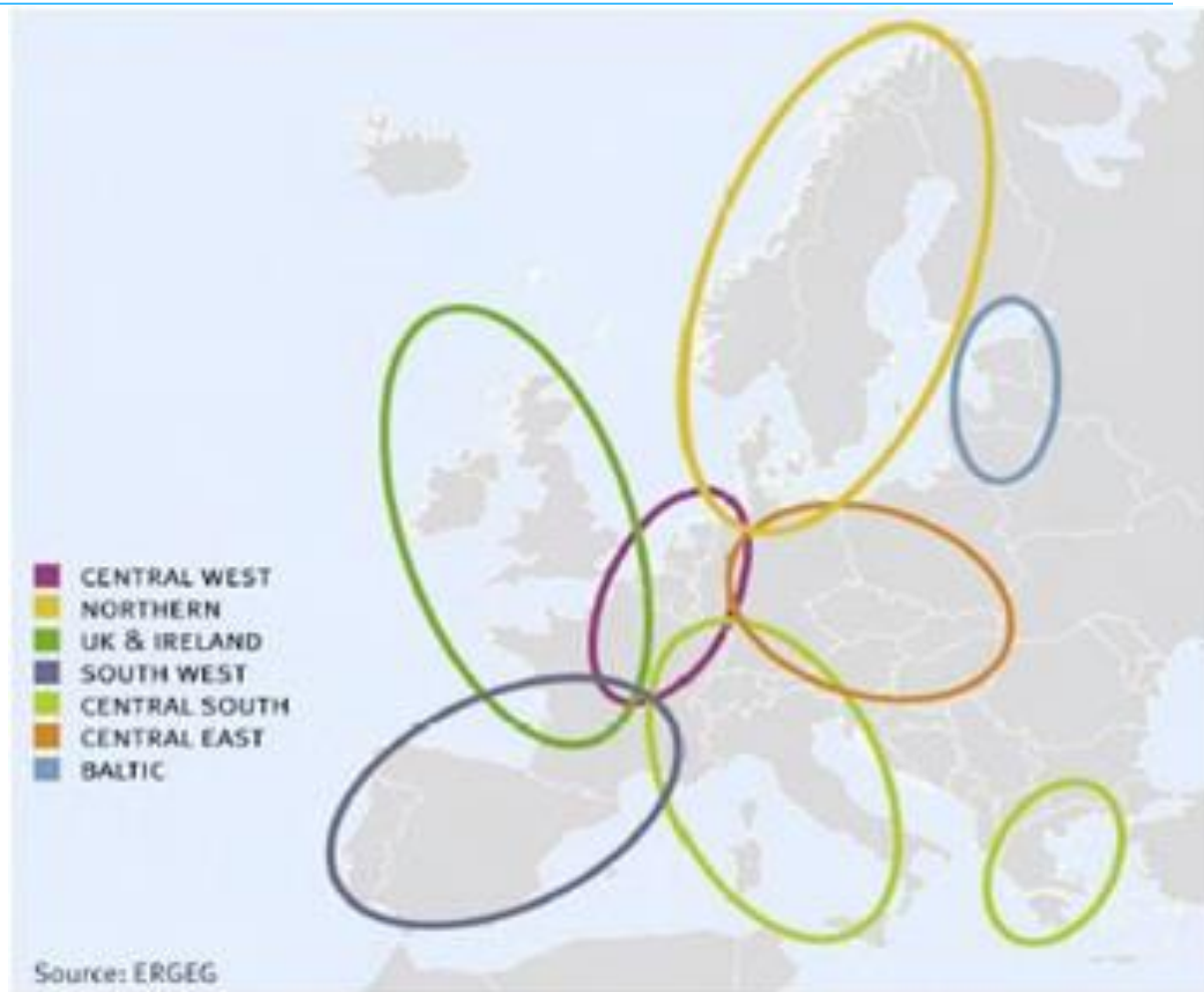
# DRS Energy Markets Transparency Analysis



# European context – Single energy market

## Direct advantages:

- ▶ Price convergence
- ▶ Security of supply
- ▶ Grid flexibility



# Main building blocks of the wholesale markets

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**Efficient  
infrastructures**

**Infrastructure  
development**

**Source  
diversity**

**Data  
transparency**

# Energy transparency regulatory background I

*Financial regulations*

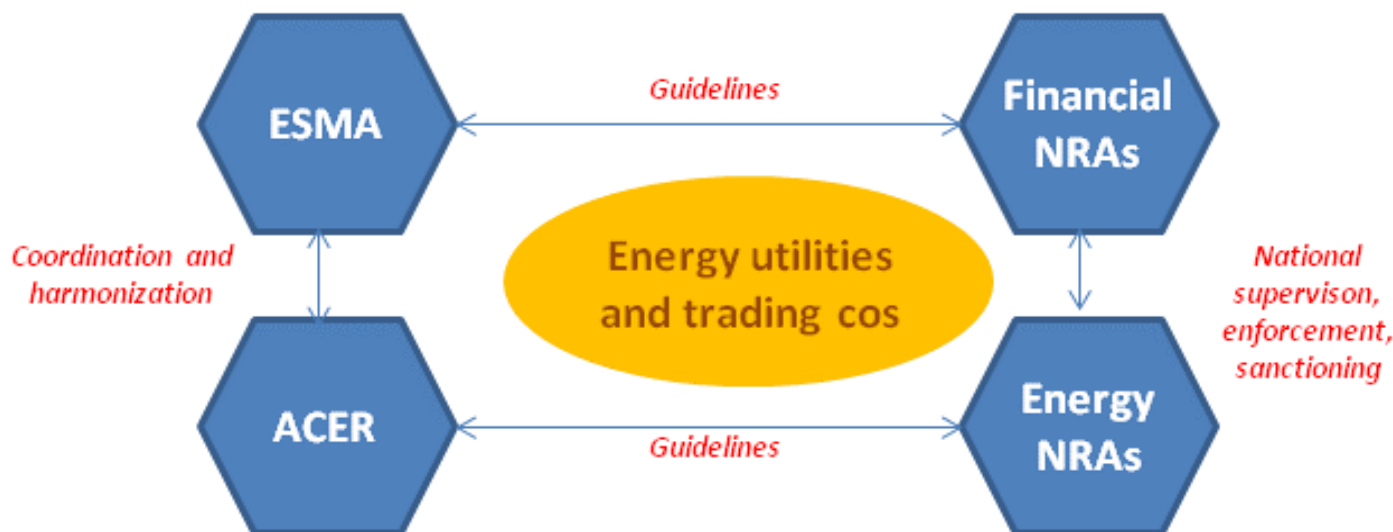
Market Abuse Directive

MiFID

Capital Requirements Directive (CRD)

EMIR

AUTHORITIES



*EU energy regulations*

Third Package

REMIT

SOS Directives

TEN-E, PCI, CEF



# Energy transparency regulatory background II

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Transparency regulation = impose obligations on network and system operators to provide systematically uniform information to the market.

REMIT = REMIT introduces an explicit prohibition of market abuse, insider trading and market manipulation

well implemented?

# Study objectives

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- ▶ What is the **level of transparency** of the energy markets and regulation in the countries of Danube Region? Can they fulfil the EU obligations?
- ▶ **Can similar patterns be found** in more developed energy markets particularly in the fields of data publication and the accessibility?
- ▶ Is it possible to draw **policy conclusions** for the whole Danube Region?
- ▶ Are there **any further measures** needed to increase the transparency in the market?

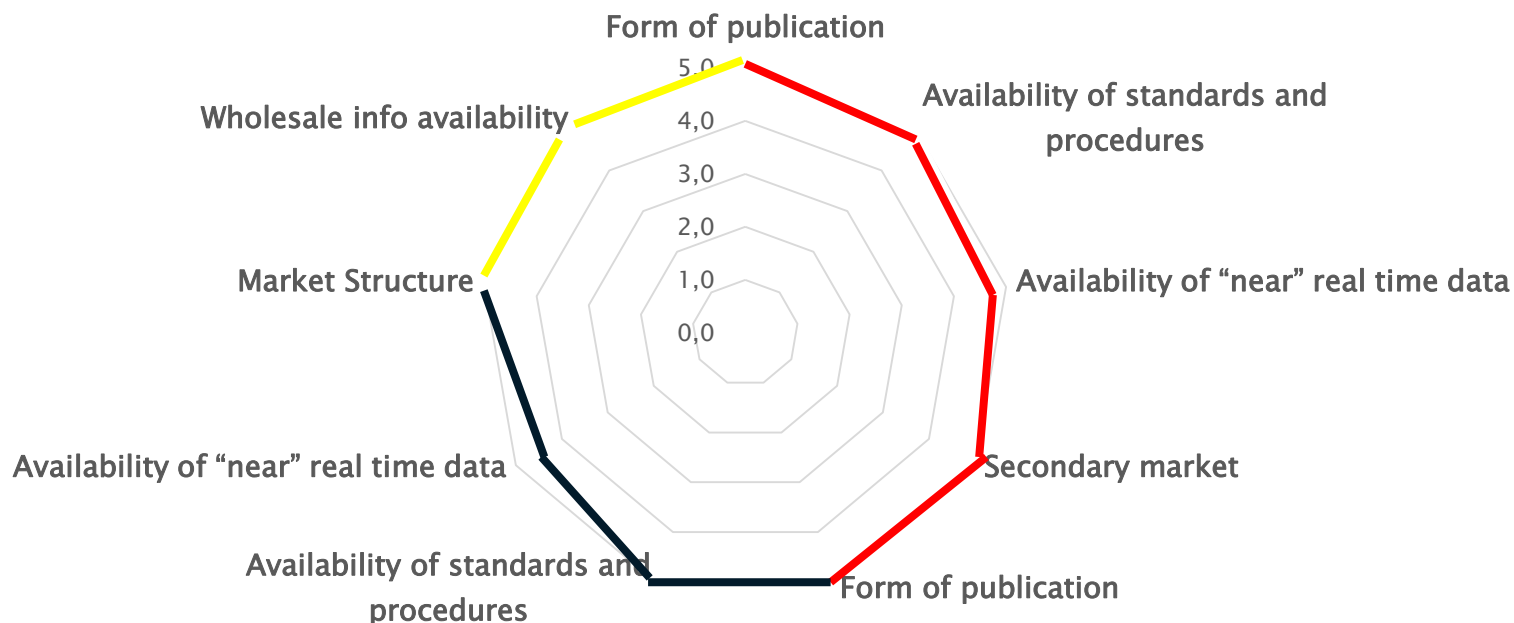
# Methodology through an example

## Germany

Transparency

REMIT

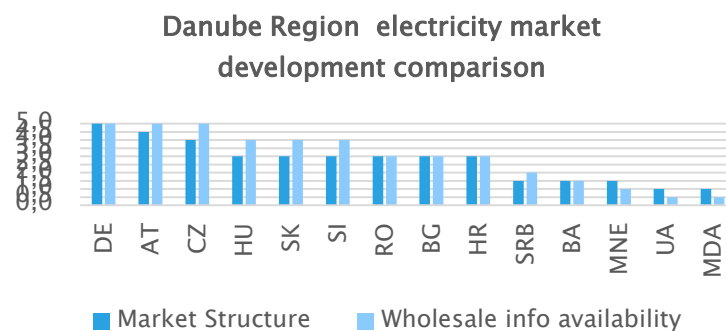
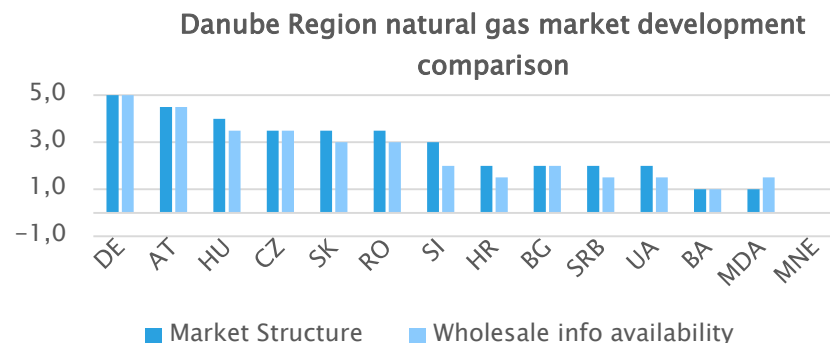
Market





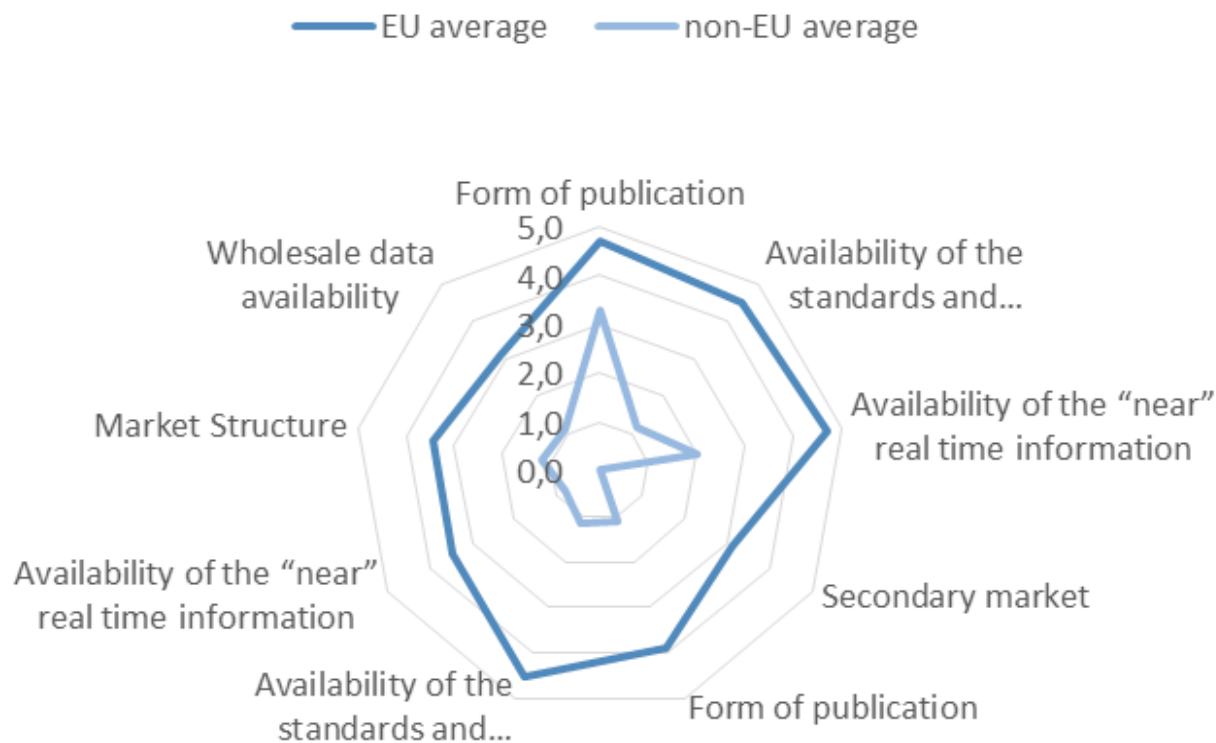
# Brief general conclusions

- ▶ EU countries perform well overall, HR, CR, SI, BG still a bit behind
- ▶ Most usual issues: low uniformity, missing English language
- ▶ Non-EU countries only partly compliant but progressing in waves (ex. UA)
- ▶ Publishing duplication is common, no single platform exist



# Natural gas comparative analysis

## Danube Region overall country score comparison



# Conclusions Natural Gas I

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- ▶ All data should be made available in a **uniform way**. Duplications should be eliminated.
- ▶ **Not only in national language but English** should be used as well.
- ▶ **Technical cooperation between transparency platforms** in the EU as well as between network and storage operators is needed as there is a confusion between company platforms and ENTSOG platform. A **unified european or regional platform** would be beneficial

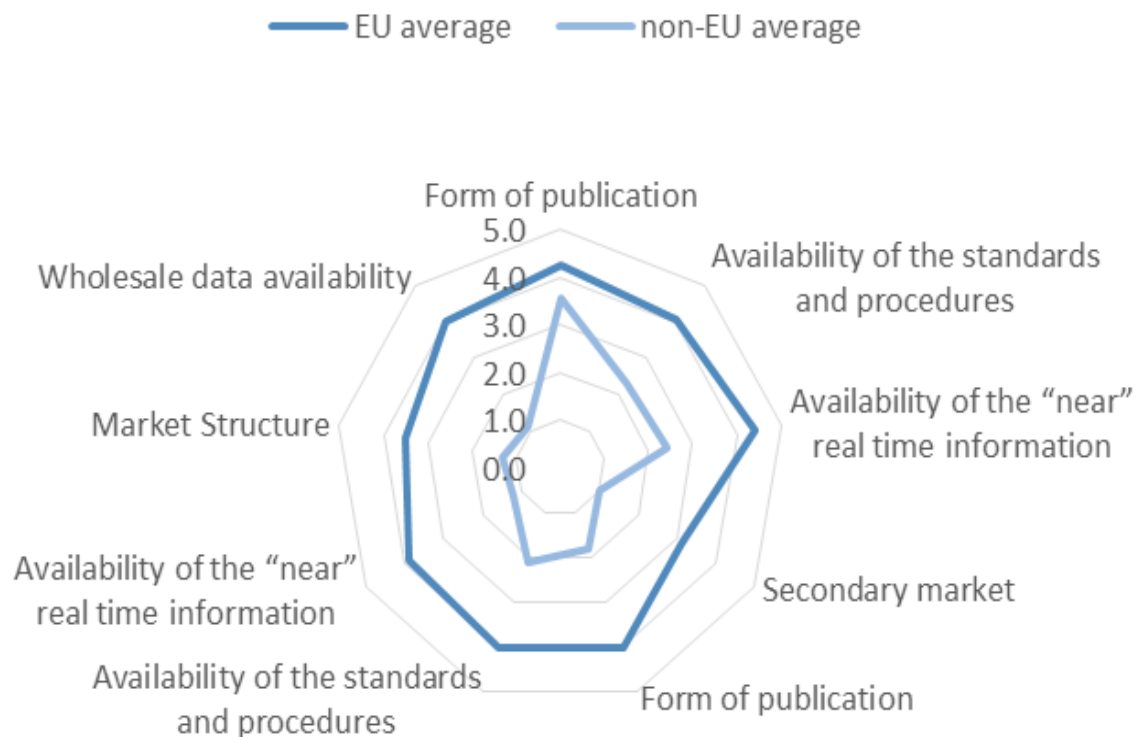
# Conclusions Natural Gas II

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- ▶ Publication of **REMIT-related information** is far from being **universally implemented** across all EU Member States ;especially in Romania, Bulgaria and Croatia.
- ▶ Some minor **questions and inconsistencies concerning the REMIT reporting process** (e.g. ownership of data, responsibility of NRAs) needs to be further clarified.
- ▶ The lack or inconsistency of market transparency and integrity information in the Danube Region countries is usually coupled with **low interconnectivity** between neighbouring countries and the liquid Western European traded markets.

# Electricity comparative analysis

## Danube Region overall score comparison - electricity



# Conclusions Electricity I

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- ▶ With regard to the **format of publishing**, the more extensive **application** of the structure of the relevant chapter of Regulation 714/2009/EC should be considered.
- ▶ In cases where the **auctions** are not conducted by the relevant transmission system operator, **more information** could be published and a better access to information could be ensured



# Conclusions Electricity II

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- ▶ The mandatory reporting obligation of fundamental data via the improved ENTSO–E Transparency Platform will kick in January, 2015. Though most of the TSOs are expected to comply with the new obligations on time, a full coverage of the EU Member States should be achieved.
- ▶ Energy Community Contracting Parties **should also report via the mandatory platform** in line with the current practice on reporting fundamental data on the voluntary ENTSO–E Platform.
- ▶ In the long run, the designation of a **centralised platform for the mandatory publication of inside information** should be considered in countries where no centralised REMIT platform is currently in operation

# Conclusions Electricity III

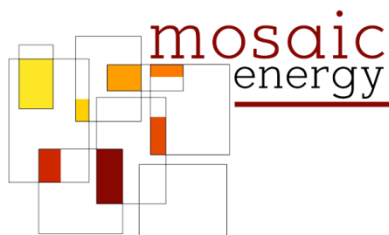
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- ▶ Information on the implementation and application of **REMIT shall be published by all national regulatory authorities**. NRAs should also aim to make available applicable legislation including on the functioning of the electricity markets in English.

# Thank you for your interest

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we see the big picture.

