

**GME consultation document n. 01/2019 on the integrated management of guarantees
for GME spot markets**

■

EFET response – 4 February 2019

The European Federation of Energy Traders (EFET) welcomes the opportunity to provide views on the GME consultation document on the integrated management of guarantees. As we had stated in response to the previous consultation on the subject (DCO 05/2014) we would positively welcome an integrated guarantee management system for all GME markets. We believe that a guarantee system based on market participants' net exposures across the markets will provide a more efficient system and decrease the financial burden on market participants. This will facilitate market participation.

However, we have a number of suggestions to the proposed system:

First of all, we believe the system should be optional and that companies should be free to decide whether or not to exploit this opportunity.

Second, besides welcoming the fact that GME finally decided to re-launch the idea after several years, we wonder why the integrated management would involve only spot power & gas markets. We strongly encourage GME to extend this possibility to forward markets and the PCE, as originally envisaged in the above-mentioned consultation, in order to implement a fully efficient system.

Third, we seek confirmation that the guarantees already provided could simply be adapted in order to serve the netting purpose. In this case, a period of 3 months for the implementation of the new system would be fine. Instead, should there be the need to issue a brand new guarantee, a 6-month period would be preferable.

Fourth, we recommend setting the level of "margine di mantenimento" to a level equal to 3% as is already the case in the MGP and MI markets (while it is currently equal to 10% in the MP GAS).

Finally, a more effective way to monitor the exposure of a market participant in the different market segments should be made available (for example through a single page accessible on the relevant platforms), since the netting involves markets operated on platforms which are currently independently managed.

Moreover, we wish to provide few other suggestions falling outside the actual scope of this consultation:

- We recommend that GME start publishing the results of all M-Gas markets at the latest 7 days after, as it is the case for the power markets
- We recommend that GME strive to update its website, making it more user-friendly and create a mobile version