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European Federation of Energy Traders

Trade transparency & market integrity

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Transparency in traded markets



- Establishing well functioning traded gas markets across the EU is the starting point – not there yet
- Traded markets must be underpinned by effective transparency levels
- Transparency of fundamental data from infrastructure operators is the priority – all agree significant improvements needed
- Post trade transparency and comprehensive & clear rules for market integrity will help underpin market development
- Transparency and market integrity must be seen together – an overarching regime required

Improving transparency: Fundamental data



- **EFET continues to seek transparency improvements in fundamental data** – a prerequisite for effective/efficient traded markets
- Proposed binding guidelines for gas TSOs important step forward – must be implemented as soon as possible
- EFET is currently developing minimum transparency requirements for gas storage operators
- Minimum transparency requirements for LNG operators also envisaged
- EFET would welcome opportunity to present storage & LNG minimum transparency requirements to Madrid Forum

Improving transparency: Disclosure of outages



- **EFET supports ultimate objective of immediate disclosure of outages** for individual power plants/gas infrastructure – simple fact based market messages
- Number of implementation issues (guidance may be needed):
 - Definition of 'immediate' disclosure
 - Appropriate thresholds – e.g. 100MW minimum
 - Potential differences between power and gas
- Some markets already require immediate (but anonymised/aggregated) outage disclosure – practical transition to ultimate objective
- Need to consider whether temporary solution is needed in less liquid power & gas markets – priority is establishment of effective traded markets and transparency from network operators
- Need to consider whether temporary solution is needed for very small players – e.g. operating one power plant or very low levels of total capacity

Improving transparency: post trade



- **EFET supports improving post trade transparency**, i.e. publish anonymous standardised transaction details (price, quantity, time etc) soon after execution
- Should be accessible to all – everyone should ‘see what the market sees’ **BUT** efficient/practical solution is needed
- EFET will work with exchange & MTF operators and brokers to identify most efficient way to deliver improvements
- Standardised non-brokered bilateral transactions should be included – need to find efficient/practical solution that protects commercial confidentiality
- Clear responsibilities and requirements in new EU transparency and market integrity regime – this will ensure common approach

An EU transparency & market integrity regime



- EFET supports EU overarching regime for transparency and market integrity – support further development of effective & liquid markets
- Regime must be comprehensive and tailor made for traded energy markets:
 - Cover all physical/financial products (power, gas, CO2) traded on all markets (exchanges, MTFs, OTC)
 - Energy specific definition of insider information and market manipulation required
- Effective regulatory supervision of any new regime is crucial
 - Clear responsibilities needed for monitoring, enforcement and information collection/exchange needed



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