


# ACER

 Agency for the Cooperation  
of Energy Regulators

## ACER Energy Taxonomy

# AET

***Geoff Boon***

Co-chair of the Market Monitoring and Governance Task  
Force

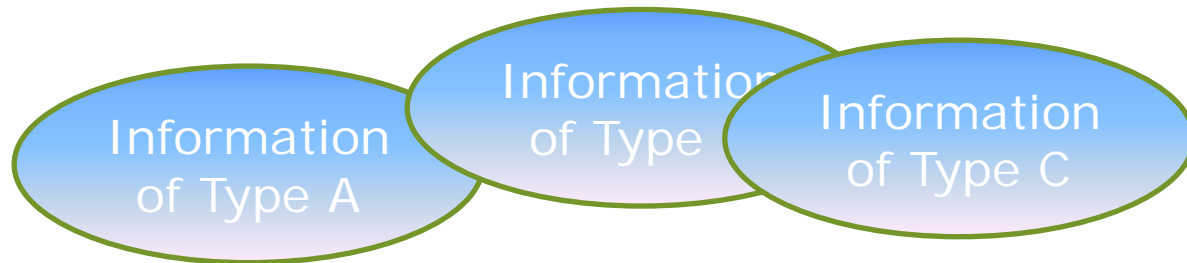
**Public Workshop on REMIT implementation  
Ljubljana, 7 November 2013**

- ▶ ACER will receive large amounts of information;
- ▶ Monitoring a market across a continent requires an extensive exercise;
- ▶ A pan-European regulator cannot function unless it has ready access to basic facts;
- ▶ Whereas volumes of data are not a problem;
- ▶ Moreover, it is correct interpretation of information, linking facts together, and making sense out of it that is a core challenge and why ACER will become consummate specialists over the coming months and years;
- ▶ Market participants, exchanges, brokers/OTFs, need to work in partnership to ensure markets function within the law.

- ▶ If the market perceives that fair prices for wholesale energy products are not being obtained, consumers and market participants themselves lose faith in those mechanisms;
- ▶ An effective regulation, effective NRAs and effective sanctioning is in everybody's interest;
- ▶ Suspicious transaction reports from market participants need prompt investigation and facts tied together quickly about who did what and when;
- ▶ Previously ACER consultations have focused on how information ought to be structured and what the rules might be to ensure operational reliability;
- ▶ A purely pragmatic standpoint, welcomed by market participants and venues alike, on which industry standards might be applicable.

- ▶ The feedback from the consultations was self evidence and helped us draw an number of conclusions:
  - ▶ Linking basic facts together **quickly** across all the information types is crucial and help to make sense out of large volumes of different data;
  - ▶ No mechanism is in place that spans wholesale energy transactions to provide such a linkage;
  - ▶ Applying a simple grouping mechanism helps ACER to utilise “what is already available” is the most effective way.










- ▶ The consultation put forward a taxonomy proposal that is now being finalised to provide this linkage.
- ▶ Representatives of service providers and experts from the field have provided considerable input so far as various version have been worked up in ACER's expert groups.
- ▶ A taxonomy allows grouping of items of information into relevant categories;



- ▶ Various taxonomies have been investigated but tend to group energy products into very broad categories that are not useful or relevant for market monitoring (e.g. ISDA taxonomies);

- ▶ An Acer Energy Taxonomy is proposed;
- ▶ Customised for the energy market;
- ▶ Specified, managed and maintained by ACER;
- ▶ Delegated to various parties where specialisms require;
- ▶ Should apply to all items of information including:
  - ▶ Transactions
  - ▶ Orders
  - ▶ Confirmations
  - ▶ fundamental data and
  - ▶ insider information reports and disclosures.

- ▶ Must be flexible to enable regulators to classify information to varying levels of detail when required
- ▶ Must take into account evolving markets/products.
- ▶ So that if a venue has a very complex structure for some spot auctions (e.g. nordic markets) these can be included within a “Specialised Level” without changing the format for everybody else;
- ▶ The taxonomy is definitely NOT a product code.

-  Market (Country: AT, UK, SW, FI)
-  Bidding Zone (EIC, Y Code)
-  Type of Asset (Electricity, Power, LNG, Emissions, Other)
-  Type of Record (Spot Auction, Forward, Fundamental Information, Inside Information Disclosure, Balancing, News, Future, Option...)
-  Settlement Type (Physical/Financial/Other(?))
-  Balancing Market (1=Primary, 2=Secondary, 3=Tertiary)
-  Duration (ISO 8601: 15mins, 1 hour, 2 hours, 4 hours, 1 day, 1weekend, weekdays, month, season, year)
-  Delivery Start Date ( Year,  Month,  Day,  Hour)

Specialised  
Level



The following form shall be adopted for a month ahead Physical Forward in Electricity within the APG bidding zone for Austria as executed on a broker MTF or Exchange for November 2013.

<1="AT"><2="10YAT-APG-----L"><3="E"><4="F"><5="P"><7="P1M">  
 <8="2013-10-31T00:00:00Z">

This is what will go  
 into the fields number  
 1, 10 etc...

Not applicable elements will be simply not be included. Here the 6th balancing level is missing.

The following form shall be adopted for the reportable elements of a day ahead secondary control energy auction for 15<sup>th</sup> October 2013.

<1="AT"><2="10YAT-APG-----L"><3="E"><4="CE"><5="P"><6="2"><7="P1D">  
 <8="2013-10-15T00:00:00Z">

## Batching:

Where there is a batch of data supplied as one file (e.g. balancing from APG), the header will contain information that applies to every row, until that row has a different value whereupon that value shall apply to every subsequent row. Taxonomy values should never transfer across multiple batch files!

### E.g.

```

<Taxonomy Type="ACER" >
<1="AT" ><2="10YAT-APG-----L" >
<3="E" ><4="CE" ><5="P" ><6="2" ><7="P1D" ><8="2013-10-
15T00:00:00Z" >
</Taxonomy>
<Record 1 > ←————— Record 1 adopts all values in the header
<Record 2 > <Taxonomy><7="P2D" ></Taxonomy> ←———— Record 2
                through 4: Taxonomy level 7 changes to 2D (e.g. weekend)
...
<Record 5 > <Taxonomy><8="P1D" ></Taxonomy> ←———— Record 5
                through 41 Taxonomy level 7 resumes with 1D
....
Record 40
Record 41
  
```

↑  
*Type of Taxonomy taken from the last entry (e.g. Type="ACER" ) for this single batch file.*

- ▶ Could introduce a level dedicated to:
  - ▶ Nordic Spot Auctions <9=A, B, C, D,...>;
  - ▶ Irish Market (CFDs) <10=X, Y, Z,...>
  - ▶ Etc...
  
- ▶ Could delegate specification to specific entities, if required.

- ▶ Create a Executive Taxonomy management team within ACER;
- ▶ Engage with Market venues as well as all reporting parties to help define the “Specialist Levels”;
- ▶ Mandatory for information to be sent to ACER;
- ▶ Pragmatic, simple and easy to understand.

**Thank you for your attention!**



**[www.acer.europa.eu](http://www.acer.europa.eu)**