

# LNG Price Assessment - Q&As

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Looking for answers on ACER's LNG Price Assessments under Council Regulation (EU) 2022/2576? Find below the most common questions we get asked about.

## **What is Council Regulation (EU) 2022/2576 and when did it enter into force?**

Council Regulation (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders (OJ L 335, 29.12.2022, p. 1) *inter alia* tasks the European Union Agency for the Cooperation of Energy Regulators (ACER) to collect all the LNG market data that are necessary to establish a daily LNG price assessment. The regulation entered into force on 30 December 2022, ACER's LNG price assessments shall be published no later than 13 January 2023.

## **What's the purpose of ACER's LNG price assessments?**

Given the unprecedented reduction of the natural gas supply from the Russian Federation and the persisting risk of further sudden supply disruptions, the Union faces the urgent need to diversify its gas supplies. However, the LNG market for Europe is still emerging and it is difficult to assess the accuracy of prices that prevail in this marketplace. In order to obtain an accurate, objective and reliable assessment of the price for LNG deliveries to the Union, ACER was tasked to collect all the LNG market data that are necessary to establish a daily LNG price assessment.

## **How to report LNG market data to ACER?**

Article 20 of Council Regulation (EU) 2022/2576 requires LNG market participants to submit daily to ACER the LNG market data in accordance with the specifications set out in Article 21 of the said Council Regulation, in a standardised format, through high-quality transmission protocol, and as close to real-time as technologically possible before the publication of the daily LNG price assessment (18:00 CET).

LNG market participants who need to comply with their reporting obligation under the new Regulation shall register and submit their LNG market data to ACER via the dedicated online reporting form available in [TERMINAL](#).

To submit their data, LNG market participants must be registered in Centralised European Register of Energy Market Participants ([CEREMP](#)) and identify themselves as an 'LNG market

participant'. In addition, LNG market participants also need create a user account at TERMINAL.

Detailed information on the registration process of LNG market participants in CEREMP and TERMINAL is available [here](#).

For further details on the reporting of LNG market data, please refer to the reporting guidance (available [here](#)) issued by ACER on the basis of Article 21(3) of Council Regulation (EU) 2022/2576. ACER's reporting guidance was consulted with the industry in end-2022 and should therefore answer the most burning questions concerning the reporting of LNG market data. ACER considers the reporting guidance as an evolving document and will release further updates and FAQ documents as required in consultation with the industry.

Reporting parties are invited to send their questions on LNG market data reporting to [transaction.reporting@acer.europa.eu](mailto:transaction.reporting@acer.europa.eu).

### **How do the obligations specified under Regulation (EU) No 1227/2011 of the European Parliament and of the Council and Commission Implementing Regulation (EU) No 1348/2014 (together referred to as 'REMIT') relate to the reporting obligation of LNG market data under Regulation (EU) 2022/2576?**

It is pertinent to differentiate between the existing REMIT reporting regime and the collection of LNG market data specified by Regulation 2022/2576. As the current competences vested in ACER by the REMIT legal framework do not suffice to collect a complete and comprehensive LNG market data, the new instrument introduced by Regulation (EU) 2022/2576 is expected to allow ACER to collect all LNG market data that is required to establish a comprehensive and representative assessment of the price of LNG deliveries to the Union.

The price assessment and the subsequent LNG benchmark, introduced through Regulation (EU) 2022/2576 and the related data collection, represent a new instrument that does not affect the existing reporting obligations under REMIT. According to Article 2 of Regulation (EU) 2022/2576 LNG market participants should be subject to the obligations and prohibitions that apply to market participants according to REMIT. Therefore, LNG market participants shall be registered in CEREMP.

Recital (57) of Regulation (EU) 2022/2576 clarifies that the establishment of a daily LNG price assessment and an LNG benchmark on a permanent basis should, at a later stage, be included in a more comprehensive revision of the REMIT legal framework, which can be adopted in accordance with the ordinary legislative procedure.

### **What do I do when facing technological difficulties in the reporting of LNG market data?**

LNG market participant shall submit daily to ACER the LNG market data as close to real-time as technologically possible before the publication of the daily LNG price assessment. Whilst the reporting obligation for both LNG transactions, bids and offers applies since 30 December 2022, when facing issues with the technical feasibility of reporting given the short implementation timeline, LNG market participants should currently prioritise the reporting of transactions over the reporting of bids and offers and to report bids and offers as soon as technologically feasible. ACER believes that the reporting of LNG market data was designed as straightforward as possible given the short implementation time and that LNG market participants should be able to overcome any potential technological feasibility issues concerning the reporting of bids and offers by 1 March 2023 at the latest.

### **How will ACER produce the LNG price assessments?**

ACER's LNG price assessments are based on ACER's [LNG price assessment methodology](#), which was published on 13 January 2023 as a beta version. Against the background of the limited implementation time, the document was published as a beta version as it is still work in progress and will be refined with the support of the newly established LNG price assessment/benchmark expert group in the first quarter of 2023.

### **When will ACER's LNG price assessments be published?**

As defined by Article 19(1) of Council Regulation (EU) 2022/2576, the LNG price assessment shall be published daily, and no later than 18:00 CET, for the outright transaction price assessment.

On occasions where there is not sufficient LNG market data reported for ACER to make the price assessment during the relevant (5-day) rolling time window, the last valid daily LNG price will be repeated. In such instances, ACER will communicate that the value is repeated and ACER will share the reason for the repetition via the same publication channels.

In a "no-price" scenario where there is no last valid daily price calculated by ACER to be repeated (due to the lack of LNG market data reported to ACER), the last valid daily price cannot be repeated and ACER will publicly inform about it accordingly.

### **Is the LNG market data submitted by reporting parties to ACER being kept confidential?**

As it defined by Article 18(3) of Council Regulation (EU) 2022/2576 the powers conferred on ACER under Regulation (EU) No 1227/2011 and Implementing Regulation (EU) No 1348/2014 (together referred to as 'REMIT') shall also apply in relation to LNG market participants including the provisions on confidentiality. All data reported to ACER will be kept confidential and stored in ACER's secure database.

**For further information see [here](#) the Webinar Slides of 11/01/2023 which also contains answers to questions asked by market participants.**