Betreff: RE: Catch up Ops with Michaela - NOTES - Follow up
Datum: Donnerstag, 7. September 2023 um 13:27:42 Mitteleuropäische Sommerzeit
Von: Anca Bossons
An: Michaela Duve, Stuart Beeston
Anlagen: 2023 EFET_eCM_WG_Sep2023_V03.pdf, 2023 EFET_FasterSettlement_V07_Sep2023_Impact.pdf

Michaela

Thanks for taking the time to review the notes.
Intended to be presented in Brussels 19 - 20.09
Attached the DRAFT pack - FS workshop
DRAFT pack - eCM WG kick off
Please see below replies and reference to these slides **in purple**
Many Thanks
Anca

From: Michaela Duve <m.duve@efet.org>
Sent: Thursday, September 7, 2023 6:46 AM
To: Anca Bossons <a.bossons@efet.org>; Stuart Beeston <s.beeston@efet.org>
Subject: AW: Catch up Ops with Michaela - NOTES

Dear Anca,

Thank you very much for sending notes concerning our meeting. Please take a look at my comment below at the respective question in green. I fear that our notes differ.

BTW if I use terms in capitals, which are not otherwise defined, they have the meaning as defined in the EFET General Agreement.

Happy to clarify in more detail if there is a misunderstanding. With regard to Q2 (new) I added explanatory notes as I got the impression that we interpreted the question differently.

Many thanks,
Michaela

Von: Anca Bossons <a.bossons@efet.org>
Datum: Mittwoch, 6. September 2023 um 14:54
An: Michaela Duve <m.duve@efet.org>, Stuart Beeston <s.beeston@efet.org>
Betreff: Catch up Ops with Michaela - NOTES

Michaela
Thanks very much for your time last week.
Please feel free to add/amend the below.
Many Thanks
Anca Bossons

31.08.2023 - Held Call Legal (Michaela), Ops (Stuart/Anca)

1.eCM alternative options

Discussed eCM alternatives: 1) EFET certifies 2) Providers self-certify 3) EFET members ~~Third party~~ certifies. [According to my notes, the first opinion on the slide was members doing the testing and certification – not third parties. Did I get this wrong?]

Q: Which option would protect EFET's interest from Legal perspective?

A: (3) Third party has the highest risk, highest liability for EFET

1. EFET Grants - has lowest risk and lowest liability for EFET

same for (2) Providers certify, it has a lower liability for EFET, medium/high risk for members

From a legal perspective EFET interest would be *most protected* if (i) EFET members certify or (ii) If the providers self-certify. From legal perspective, the riskiest approach, for EFET, due to liability aspects, is if EFET certifies. Due to this assess I requested the correction (from low to medium/high risk) of the mark for EFET certifies in the table. **Fine to amend. Thanks for the clarification, to clarify in the deck <EFET Ops does the testing> vs. <EFET members do the testing> to remove ambiguity**

Alternative Options detailed descriptions (+) (-) in eCM pack slides 8-9-10.
Please review Slides 8-9-10 and let us know of any further amendments, thanks

Actions: Ops EFET eCM WG to be kicked off 20.09 Brussels and discuss the above options. To keep Legal updated with outcomes.

2.Central netting and payment party

Presented two alternatives:

1) NPSP- Netting & Payment Service Provider – carries out cross netting & payments to/from central account

2) NPO- Central Netting & Payment Optimizer – carries out cross netting, but does not do any payments, only informs the companies who would do the payment themselves

A: Legally, just changing the payment date is pretty easy, rather than having other level of payment overheads, would be more complex and add risk.

NPO seems to be like a "Portfolio Compression" i.e. disclosure of whole position, which would be riskier. Generally using a central payment party would be riskier than having direct payment. Clarification: The term "riskier" should not be understood as riskier for EFET, but from members perspective of what happens to their data/information. **Agreed, will include clarification, as it is for members.**

Actions: Ops EFET FS Implementation Group Workshop 20.09 Brussels. To keep FS Legal Group updated with FS workshop outcomes on these options.

3. Update on CSA

Informed that Juan Moya/Endesa presented at Equias conference Brussels Jun23 on extending eSM for bilateral margin.

A margining group is being initiated by Equias. Michael Jost (RWE) / EFET Credit has been invited to attend.

Credit/Legal in discussions:

- should CSA be amended ? still TBD
- there could be a threshold ? still TBD

Actions : Anca to forward CSA Endesa slide decks
M Jost /EFET Credit to be involved in future meetings