

The logo for EFET, consisting of the letters 'EFET' in a bold, red, sans-serif font.

European Federation  
of Energy Traders  
SO YOU CAN RELY ON THE MARKET

# An Introduction to EFET

9<sup>th</sup> of November 2021

# Agenda



1. **A brief history of EFET and mission statement**
2. **Key EFET documents**
3. **EFET Deutschland**
4. **EFET staff members**
5. **Our member companies**
6. **Legal Committee**
7. **EFET Training & Legal Masterclass**
8. **Local Issuing Office for EIC codes**
9. **EFET Structure**
10. **Our Board**
11. **EFET Committee Chairs & Senior Officer Holders**
12. **EFET ways of working**
13. **Role of Committee Chairs and the Secretariat**
14. **Decision making & approval processes at EFET**
15. **EFET core principles & 10 pillars**

# A Brief History of EFET

1998 – The idea for EFET is developed by Jan van Aken and Paul van Son.

2001 – EFET Deutschland founded

22 April 1999 – EFET is established as a Stichting (a Foundation established under Dutch Law).

2005 – EFETnet founded

2011 – First Bye-Laws adopted

2017 – EFETnet divested via a management buy-out

- EFET has been a consistent advocate for **energy market liberalisation**.
- Influencing multiple pieces of **EU legislation**.
- The **EFET standard contract** is the basis for the majority of trading in Europe.
- Membership has grown from the original 5 members to **87 regular and 43 associate members in 2020**.

# The EFET Mission Statement



We promote **competition, transparency** and **open access** in the European energy sector.

We build trust in power, gas and associated markets across Europe, so that they may underpin a **sustainable, efficient** and **secure energy supply** and enable **the transition to a carbon neutral economy**.

We do this by:

- Working to maintain the **functionality** and **good design** of **European gas, electricity and associated markets** for the benefit of the overall economy, society and end consumers.
- Developing and maintaining **standard wholesale supply contracts** and **standardising related transaction** and **business processes**.
- Elaborating and promoting **wholesale market design improvements** and taking policy initiatives, for **discussion between traders, market operators** and **others** in the energy value chain on the one hand and **facilitating debate amongst TSOs, regulators, policy makers, and legislators** on the other.

***“Our mission is to improve conditions for energy trading in Europe and to foster the development of an open, liquid and transparent European wholesale energy market”***

## Our main activities

**Advocacy for liberalised markets**



**Promotion of energy trading in Europe**



**Standardisation of contracts**



**Improving the wholesale energy market through better**

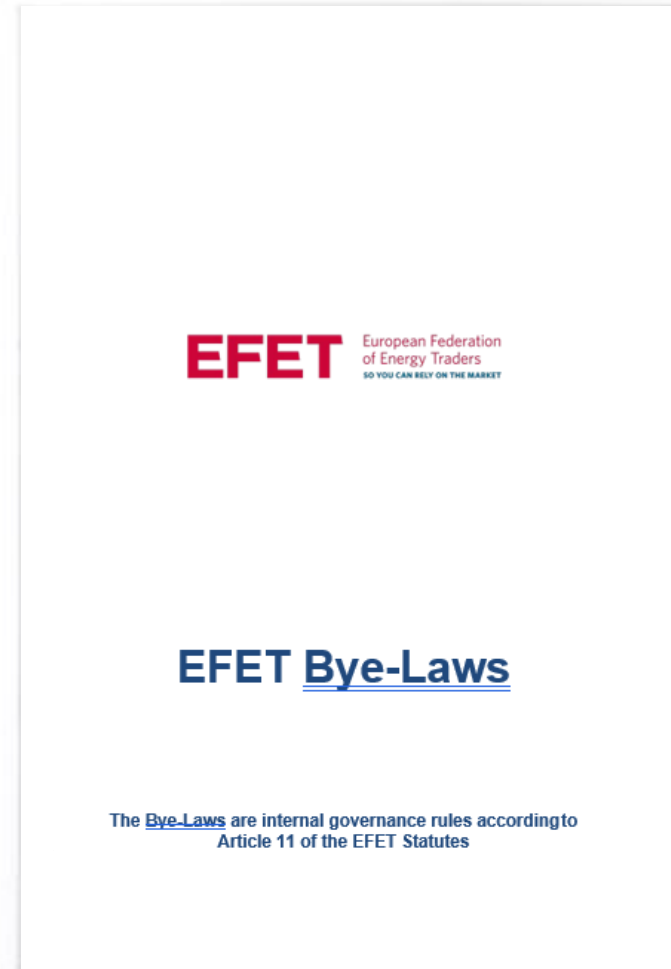


- Information transparency
- Data exchange
- Products and procedures
- Laws
- Regulation
- Taxation
- European Contracts
- Organised market

# Key EFET Documents



- **The Bye-Laws:**  
→ Which detail how EFET operates.
- **The Core Principles for Energy Markets:**  
→ Which guide our policy positions.
- **The 10 Pillars:**  
→ Which each member company undertakes to follow.





# EFET Deutschland

- **EFET Deutschland** is a separate organisation – headquartered in **Berlin**
- EFET Deutschland is run by Geschäftsführer **Barbara Lempp** with support from **Marko Cubelic**
- The EFET Deutschland **Board** is chaired by **Bernhard Walter (ENBW)**
- **5 of the 9 members** of the EFET Deutschland Board are also members of the EFET Board – to ensure consistency between the organisations



# EFET Staff Members



**Mark  
Copley**



**Doug  
Wood**



**Peter  
Styles**



**Marianne  
Alfenaar**



**Barbara  
Lempp**



**Marko  
Cubelic**



**Pawel  
Lont**



**Maria  
Popova**



**Lorenzo  
Biglia**



**Federico  
Barbieri**



**Jérôme  
Le Page**



**Sandra  
Milardovic**



**Jan  
Haizmann**



**Sonia  
Auguscik**



**Filip  
Sleeuwagen**



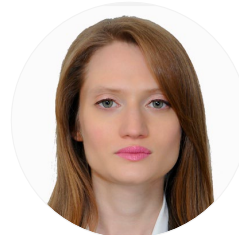
**Mike  
Bostan**



**Aygul  
Avtakhova**



**Nataliya  
Askerova**



**Mariana  
Liakopoulou**



**Stuart  
Beeston**



**Gavin  
Ferguson**





## Categories of Membership

- **Regular Membership** → gives members the right to
  - participate in all **meetings and activities** of EFET and its respective Committees, Working Groups and Task Forces
  - be involved in any **decision-making process** at such meetings as well as at the Annual General Meeting
- **Associate Membership** → gives full access to the member section of the EFET website. Associate Members cannot
  - become members of any task force, work group or committee (their status is purely informational)
  - vote at the Annual General Meetings.

**Members of EFET Deutschland must also be members, in some form, of EFET**

Membership Fee	2022 (euros)
Regular Membership	18,600
Associate Membership	5,600

## Eligibility

- EFET represents the interests of parties trading energy. That is parties who “trade on their own account”
- Active members include representatives of trading divisions of upstream oil & gas producers, utilities, competitive suppliers, power generators, banks, pure traders; EU & non-EU; state owned, privately owned & publicly traded
- Power exchanges, brokers and network operators are not eligible to join

**As of January 2021, EFET has 87 Regular members and 43 Associate members**

# A wide variety of EFET Member Companies ...

## Regular members



## Associate members



...all committed to the development of energy trading

# The Legal Committee



**EFET Legal Committee** is one of key standardisation arms of EFET tasked with coordinating EFET contract development, legal opinion procurement and similar activities intended to facilitate the trading of energy. There is a separate fee for membership of the Legal Committee and different categories of membership:

- **Regular membership** is **15.000 € / year** (and Regular/Full Legal Committee Members must be either Full or Associate Members of EFET)
- **Associate membership** is **12.500 € / year** (and Associate LC members must be Associate or Full Members of EFET)
- **Access to the Legal Opinions Module** is **11.000 € / year** – this module gives EFET members the right to access a section of the EFET website covering more than 30 legal opinions, otherwise reserved for EFET Legal Committee Members only. This requires members to be an EFET Subscriber Member
- There is a special **Subscriber membership** available for companies which only require the Legal Module and are not EFET members



## The EMTP

- **The Energy Markets Training Programme (EMTP)** is a specialised online training course providing a comprehensive insight into the complexities of energy commodity markets.
- Through **seven detailed modules**, the course provides participants with both a broad and deep knowledge of energy trading
- The course is available to both **EFET members and other interested parties** upon payment of a fee
- Anyone interested should contact **Marianne Alfenaar** at [academy@efet.org](mailto:academy@efet.org)

## Wider Training Activity

- We are always happy to share our experience with policy makers
- EFET partners with **the Council of European Energy Regulators (CEER)** to offer training to regulators
- We also organise sessions for **Commission** colleagues
- And have sessions planned with MEP Assistants via **the European Energy Forum**
- **Mike Bostan** ([m.bostan@efet.org](mailto:m.bostan@efet.org)) coordinates this activity

# EFET Legal Masterclass



The **EFET legal Masterclass** is an intensive, across-the-board training seminar for delegates currently using or wishing to become familiar with the EFET General Agreements Concerning the Delivery and Acceptance of Electric Power and Natural Gas

## Who should attend?

- Energy trading lawyers
- Traders and front office personnel
- Contract negotiators, back office personnel and contracts administration managers
- Risk and credit managers
- Treasury + all those who negotiate contracts

## Course outline:

- Clarify specific issues with the **industry expert** on the EFET agreements
- Learn the history of the **development of the EFET documents**
- Understand why and how certain **provisions** came to be drafted as they were
- Learn the **key risk allocation philosophies and mechanics** employed in the drafting of each of the EFET form Master Trading and Credit Support documents, related supplemental Appendices and other EFET form documents

## For more information, please contact:

**Aygul Avtakhova** ([a.avtakhova@efet.org](mailto:a.avtakhova@efet.org)) or

**Sonia Auguscik** ([s.auguscik@efet.org](mailto:s.auguscik@efet.org))

# EFET – Local Issuing Office for EIC codes

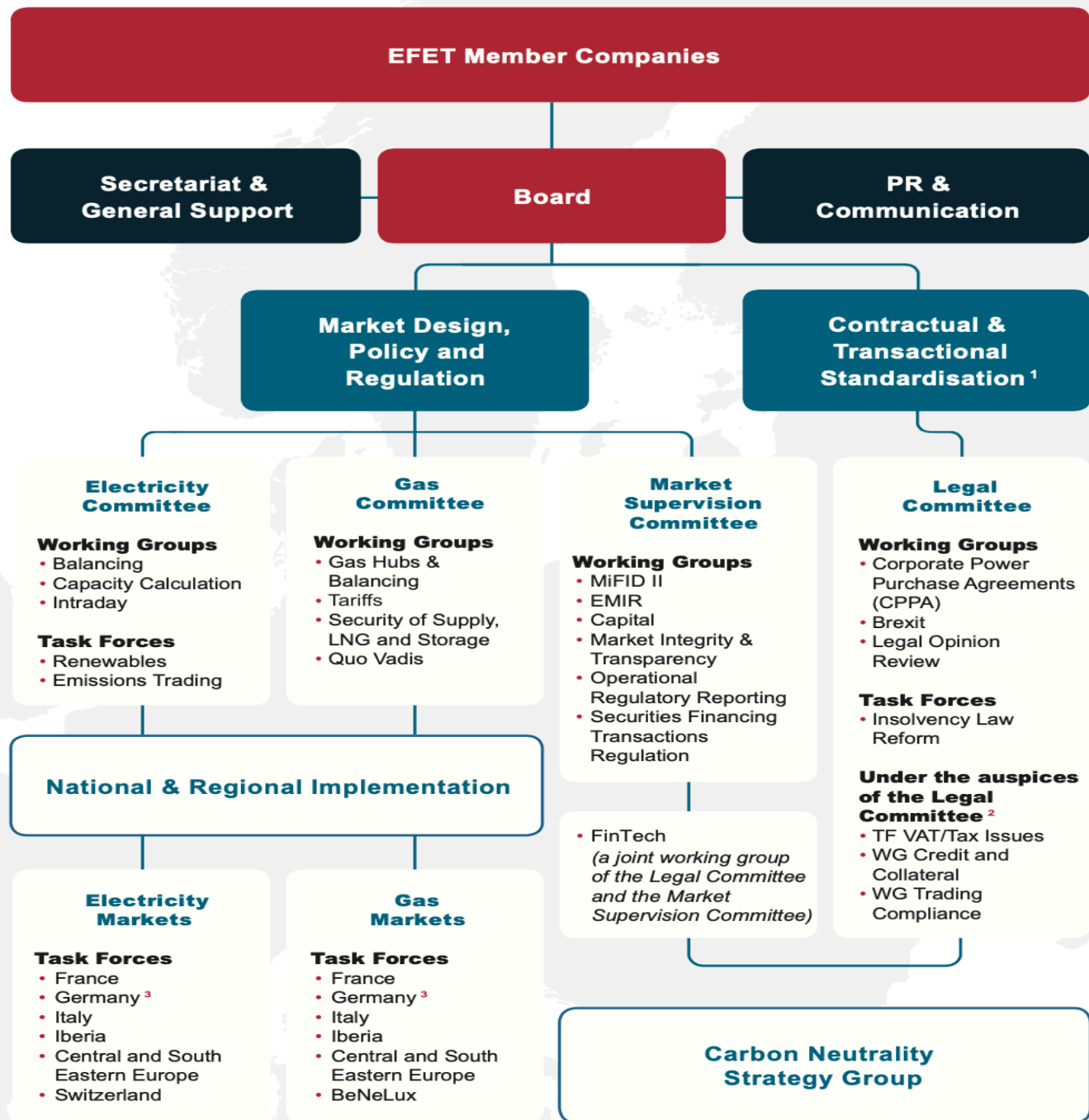


**A common identification scheme called EIC (Energy Identification Code)** has been introduced to guarantee an **efficient electronic data exchange** in the European energy sector (gas and electricity).

EFET is entitled to allocate and maintain EIC codes in its capacity of a **Local Issuing Office (LIO)**. The codes are allocated according to the current **Reference Manual of ENTSO-E (Central Issuing Office - CIO)**.

Local Issuing Office (LIO) Management → **Marko Cubelic** ([eic@efet.org](mailto:eic@efet.org))

# EFET Structure





## The Board

*There are 3 Board subgroups:*

→ *The Oversight sub-committee*

→ *The Finance sub-committee*

→ *The Grants sub-committee*

- EFET activities are overseen by a **Board** made up of **11 elected senior member company representatives** and of up to **8 co-opted executive and non-executive members**
- The Board typically meets on a **quarterly basis** and makes the decisions which steer the foundation
- Elections are held at the **Annual General Meeting** (normally November) for **Regular Member Companies** to appoint elected Board members
- The elected Board members may co-opt additional Board members by virtue of their essential functions in EFET
- For an elected member the normal term is **two years** and he or she may serve no more than up to **two further terms** of the same length



# Committee Chairs & Senior Officer Holders



**Doug Wood**

Gas Committee  
Chair



**Jérôme Le Page**

Electricity  
Committee  
Chair



**Peter Styles**

Carbon  
Neutrality  
Strategy Group  
Interim Chair



**Markus  
Bokermann**

EFET Chair



**Mark Copley**

CEO



**Barbara Lempp**

COO  
Business  
Process  
Optimisation  
Committee  
Chair



**Jan Haizmann**

Legal  
Committee  
Chair



**Karl-Peter  
Horstmann**

Market  
Supervision  
Committee  
Chair (RWE)

# EFET Ways of Working

## Responsive

Policy makers can rely on us for expert views, sometimes in short timescales

### We

- Avoid bureaucracy
- Set clear timescales for engaging
- Strive to provide as much time as feasible

### We ask members to

- Follow the timescales
- Recognise that making an impact sometimes requires us to respond fast

## Inclusive

Our positions balance member interests without resorting to the lowest common denominator

### We

- Ensure all members have a chance to input
- Consider all comments & explain inclusion/exclusion
- Always take a balanced, cross-organisation view

### We ask members to

- Help us understand the issues underlying concerns
- Recognise the need for trade-offs on occasion

## Consistent

Our reputation is enhanced/ protected through consistency in the positions we advocate

### We

- Ensure the EFET principles are followed
- Coordinate between groups and Committees
- Engage the Board where necessary

### We ask members to

- Be aware of broader EFET positions
- Coordinate within companies to ensure consistency

## Impactful

Our interventions reflect Europe's challenges & are timed to have a meaningful impact

### We

- Understand legislative timings
- Develop responses in advance
- Communicate and advocate

### We ask members to

- Share intelligence about timelines
- Use their networks and contacts to support advocacy work

# Role of Committee Chairs

- **Committee Chairs** play a central role in steering EFET work
- Working closely with the Chairs of relevant national/regional or subject specific **Task Forces & Working Groups**
- Chairs may come from **member companies** or the **Secretariat**



# Role of the Secretariat



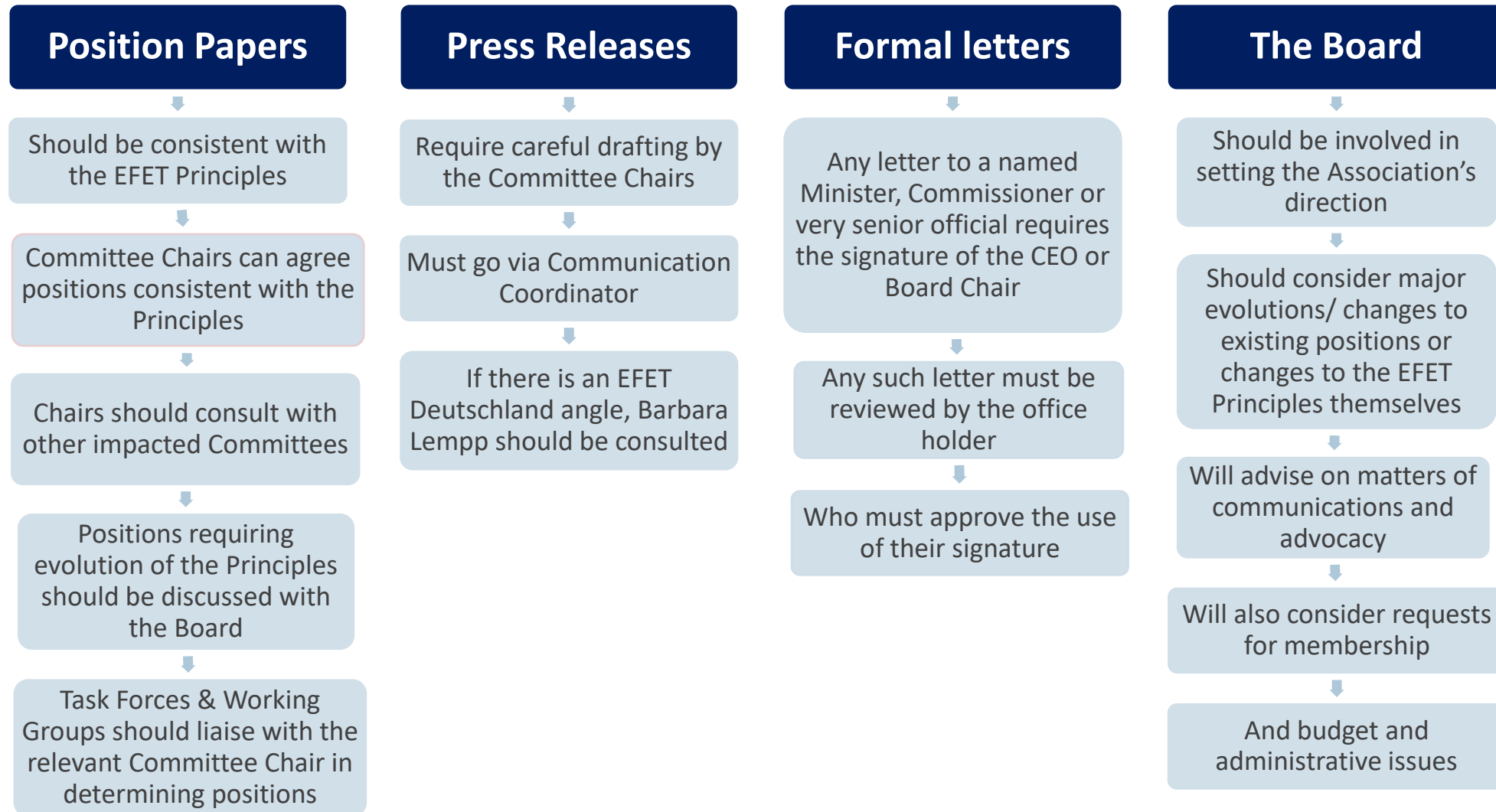
**The Secretariat** supports the work of all EFET Committees, Task Forces & Working Groups - working closely with chairs.

Secretariat colleagues are **retained consultants**. This approach:

- Provides flexibility for consultants and EFET
- Enables the retention of senior individuals who EFET would not otherwise be able to attract
- Contributes to ensuring that EFET provides value for money to members.

Each consultant is required to declare all other clients and/or potential conflicts of interest.

# EFET Decision Making & Approval Processes



# EFET Core Principles for Energy Markets



- 1 **Competition and market access**
- 2 **Access to networks**
- 3 **Wholesale energy markets and price formation**
- 4 **Generation adequacy and capacity remuneration mechanisms**
- 5 **Transparency**
- 6 **Freedom of choice of trading venue**
- 7 **Carbon pricing**
- 8 **Integration of renewable energy in wholesale markets**
- 9 **Technology neutrality and allocating system costs**
- 10 **Flexibility and storage**
- 11 **System balancing**
- 12 **Market integrity**
- 13 **Standardisation**

# Our 10 pillars → companies engaged in trading in energy markets will:

1

Respect and promote free and fair competition as the basis for trading sustainable traded energy markets.

2

Not engage in any activities which would amount to market abuse, market manipulation or fraud, nor relay information known or strongly suspected to be false or misleading.

3

Deal with each other in accordance with established market practices and the standards expected of professional market counterparties.

4

Deal with customers fairly and with integrity and manage any conflicts of interest that may arise appropriately.

5

Organise their energy trading business effectively, respecting appropriate segregation of staff duties, and exercise diligent control over trading functions.

6

Establish effective risk management policies and control procedures governing the key risks managed by their energy trading functions.

7

Establish compliance policies setting out the company's procedures for fulfilling all legal and regulatory obligations and any related corporate governance rules relating to their energy trading functions.

8

Ensure that their traders are suitably qualified and properly supervised to carry out their duties, including where appropriate to have taken relevant industry examinations.

9

Prohibit employees from giving or receiving bribes and from indulging in other corrupt behaviour in all circumstances; establish policies governing gifts and hospitality, highlighting acceptable and unacceptable practices.

10

Maintain accounts related to trading transactions and risk books in accordance with relevant accounting standards, and respecting normal audit practices.



**EFET**

European Federation  
of Energy Traders  
SO YOU CAN RELY ON THE MARKET