

**MILAN, Feb 28 (Reuters)** - ACER, the EU regulatory agency for energy markets, plans to build a unified market database to back its drive to enforce tough new rules on insider trading as the bloc moves closer to a single energy market, Italian energy regulators said.

ACER, the European Union's Agency for the Cooperation of Energy Regulators, started its work on March 3, 2011, originally focusing on cross-border regulations and coordination of activities of national energy watchdogs.

In December, ACER was given the task of monitoring the EU power and gas markets for cases of insider information and market manipulation under new regulations known as REMIT, part of the bloc's drive to tighten rules and boost transparency of its energy markets as they move towards a single market by 2014.

**"Originally, our scope was apparently rather narrow, but the new rules will have a relevant impact in the changing market"** Valeria Termini, who represents Italy at ACER's board of regulators, told Reuters in an interview.

**"With REMIT, for example, our scope has changed and it could widen more on other issues,"** said Termini, who is also a commissioner at Italy's energy regulator.

To prepare to implement REMIT, ACER and national regulators will create a database of standardised information about participants of national physical gas and power markets, Clara Poletti, director of the international affairs, strategy and planning department at the Italian regulator, said.

ACER would also collect information about transactions on the physical markets which, together with the database, would help it detect cases of insider trading or other irregular deals, Poletti said.

**"ACER will monitor physical markets and, at a later stage, it expects to oversee financial markets where gas and power futures contracts are traded in cooperation with financial regulators"**, Termini said.

**"ACER experts are currently at work to iron out precise rules on how the REMIT will be applied, for example, how the agency would act if insider trading cases were uncovered. The rules which will be binding for all EU member states, are expected to be ready within a couple of months"**, Termini said.

#### CROSS-BORDER REGULATIONS

As Europe moves closer to the single energy market, cross-border regulations for capacity use and transport rights are gaining greater importance. ACER has drafted rules to ease the grip of current energy majors over key infrastructure such as international pipelines and gas storage facilities.

**"The agency has set guidelines for European gas and power network codes under which transport capacity and transport rights would be allocated at auctions,"** Termini said.

**"Transport rights will be like products to be bought at an auction and no longer will be a privilege of a monopoly,"** she said, adding the European Commission is expected to approve network codes by the end of this year.

An expansion of spot gas trade in Europe in the past few years on the back of increased supplies of liquefied natural gas and shale gas is gradually easing Europe's dependence on long-term take-or-pay contracts with major suppliers, such as Russia.

**That has added flexibility to the EU gas market and highlighted the need to boost cross-border infrastructure in the 27-member bloc, Termini said.**

**As part of the EU plans to speed up authorisation of energy infrastructure projects backed by Brussels, ACER would analyse costs and benefits of such projects, she said.**

**"The role of ACER develops step by step, in a dynamic way, with evolution of responsibilities," Termini said, but stopped short of saying the agency would become a single super regulator once the EU energy market is unified.**