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## CRE decision on the ARENH's price on the 1 July 2011 and 1 January 2012

The CRE has received a draft order setting the price of the ARENH (Regulated Access to Historic Nuclear Energy) at 40 € / MWh as at 1 July 2011. This price is set in line with the TaRTAM (transitory regulated tariff for market adjustment, which business customers who have requested it can benefit from until 1 July 2011). This price level is determined by the intersection of several factors: market prices and volumes attributed to ARENH. The CRE has approved to proposal of 40€/MWh for the ARENH price from 1 July.

For the 1 January 2012, the CRE was informed of an ARENH price of 42 € / MWh. In its deliberations, the CRE recalled that the method for determining this price must be framed by a State Council decree. In the absence of such decree, the CRE was required to determine the method of identifying and accounting for the costs it considered to appropriately reflect the economic conditions of producing historic nuclear power to issue a reasoned opinion on the draft law presented for its assessment. According to the criteria selected, this calculated method provides an ARENH price of between 36 € / MWh and 39 € / MWh.

The government explained the ARENH's price of 42 € / MWh proposed in its draft order took into account future investment required to ensure the safety of nuclear power plants. However, without commenting on the level of investment, the CRE considers that it is unable to assess the costs associated with it. It recommends that potential effects on production costs due to audits carried out on all French nuclear power plants are only valued as they materialise in EDF's accounts and are subsequently fully integrated into the ARENH's price.

*Founded on 24 March 2000, the French Energy Regulatory Commission (CRE) is an independent administrative body. CRE works to guarantee smooth and efficient operation of the electricity and natural gas markets for the benefit of the end-user. It also works to guarantee the absence of discriminatory practices, cross-subsidies or restrictions on competition.*

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