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CRE COMMISSION DE RÉGULATION DE L'ÉNERGIE

PUBLIC CONSULTATION No. 2026-01

The Energy Regulatory Commission (CRE) is consulting market players.

Call for expressions of interest for financial coverage on the futures markets for electricity produced by renewable power plants supported through contracts for difference

Translated from the French: only the original in French is authentic

The public service energy charges (CSPE) cover, in particular, the costs associated with two support mechanisms for electricity production in mainland France: feed-in tariffs (FiT) and contracts for difference (CfD).

This public consultation addresses the hedging through forward products of the electricity supported through CfD in mainland France.

The main objective of these forward sales is to better protect the State budget against short-term wholesale price volatility and thus improve the predictability of budgetary expenses or revenues associated with the CSPE.

However, the strategy of forward valuation of this supported production is not intended to maximize the financial return for the State, as forward sales are, in theory, the best way to anticipate future spot prices.

As part of its assessment of CSPE[1] in mainland France, and more specifically support for renewable energies (RE) and natural gas cogeneration, the CRE assesses these expenses for a given year N on three occasions: an initial forecast during year N-1, an update of this forecast during year N, and finally an assessment of the charges eventually recorded during year N+1.

In accordance with Article R. 121-27 of the Energy Code, the CSPE charges resulting from CfD contracts compensate the difference between a reference tariff[2] and a market reference price ("M_0"), the latter being based on spot prices in most cases.

The successive CSPE assessments therefore depend on the wholesale electricity price references used to anticipate spot price levels. This can lead to significant discrepancies between these assessments and thus result in a lack of predictability for the CSPE and, in general, significant volatility in charges for two consecutive years, well beyond the fluctuations due to changes in reference tariffs over time.

Partial hedging on the futures markets for volumes supported by FiT is already in place: 26.7 TWh of volumes supported via the FiT scheme for 2024 (i.e., nearly 55% of the total FiT-supported volume) have thus been hedged on the futures market.

For several years, the CfD scheme has been the preferred support scheme for new electricity generation facilities (except for small facilities). The scope of CfD-supported power plants, which represents 25% of the electricity volumes supported in 2024 (i.e., 15.7 TWh), will therefore experience a rapid growth (31% expected in 2025, or approximately 23.9 TWh). As a result, the state budget is likely to be increasingly exposed to spot price fluctuations.

The implementation of partial financial hedging on the futures markets for volumes supported through the CfD scheme is therefore a major challenge in terms of public finances. This would provide better protection for the state budget against wholesale price volatility and therefore greater predictability of the related budgetary expenditure or revenue. This hedge could take the form of swap contracts

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[1] CSPE charges, which are mainly oriented to support for the development of renewable energies, include the additional costs incurred by various operators who are responsible, on behalf of the State, for paying subsidies to supported producers under Cfd contracts or FiT contracts. The amounts to be compensated to each CSPE operator are checked and assessed annually by the CRE.

[2] The tariff is either proposed by the project developer during a competitive bidding process or directly defined in a tariff decree.

replicating a strategy of averaged sales over time by the government of futures annual baseload products with financial settlement, and partial financial security prior to the delivery period.

Hedging this CfD-supported production would cause a cost for the government corresponding to the management fees charged by the operators with whom the government would sign these bilateral contracts. Apart from these management fees, the forward valuation strategy, compared to a spot market valuation, should be neutral in terms of the expected cost of support for the State, as forward prices are linked to forecasts of future spot prices. In return for these management fees, the State budget would, as mentioned above, be protected from price volatility, and therefore secured in terms of financial exposure.

In this context:

- the CRE launched a public consultation in October 2024 to gather the opinions of market players on different topics, including the forward valuation of electricity supported through the CfD scheme[3];
- the decree of June 25, 2025[4] amending the regulatory part of the Energy Code, and in particular Article R. 121-7, opens the possibility of valuing volumes supported through a CfD scheme on the futures markets. Market players responsible for futures trading would be appointed by the ministers responsible for energy and the budget after consultation with the CRE and in accordance with the terms and conditions defined by the CRE.

Thus, as part of this call for expressions of interest (CEI), the CRE wishes to gather:

- the opinion of market players on the terms and conditions for implementing futures hedging, as presented in section 3 of this document;
- the interest of players likely to carry out these forward hedging transactions on behalf of the State, and in particular the maximum volume for which they would be prepared to provide some hedging;
- the indicative level of management fees that would be charged for providing such a service (in €/MWh).

The CRE would like respondents to base their estimates of volumes and management fees on the assumption of forward hedging of a baseload for delivery in 2028 (*baseload Calendar* France – Cal-28). For informational purposes, the baseload that could be covered in this way could represent a total of 20 to 30 TWh for the year 2028.

Pursuant to the aforementioned decree of June 25, 2025, this CEI could be followed by a tender organized by the CRE in the coming months for the management of partial financial hedging on the futures markets for volumes supported via the CfD scheme starting in the delivery year 2028.

Paris, January 15, 2026.
For the Energy Regulatory Commission,
The Chair,
Emmanuelle WARGON

[3] Public consultation nos. 2024-17 and 2024-18 of October 16, 2024, on the future valuation of electricity produced by facilities supported through the purchase obligation and supplementary remuneration schemes in mainland France

[4] Article 4, paragraph 2 of Decree No. 2025-577 of June 25, 2025, amending the regulatory part of the French Energy Code relating to the assessment and methods of compensation and recovery of CSPE.

Answering the consultation

The CRE invites interested parties to submit their contributions by March 5, 2026, at the latest, by entering them on the platform set up by the CRE: https://consultations.cre.fr.

The collected information will not be published but will be shared by the CRE with the various government departments involved in compensating CSPEs.

Interested parties are invited, when answering the questions, to provide arguments for their answers.

Summary

1. List of questions

Question 1.1: Do you have any comments on the proposed terms and conditions of the hedging contract between the State and the preselected operator(s)? Do you consider the PN reference to be replicable enough?

Question 1.2: Do you identify any particular issues or difficulties with the proposed price reference (EEX settlement price)?

Question 1.3: Do you identify any particular issues or difficulties with the choice of a simple arithmetic average of settlement prices over two years? Would you prefer another reference (e.g., average settlement prices weighted by the volumes of each session), and if so, why?

Question 1.4: Do you have any other relevant price reference proposals for PN ?

Question 2.1: Do you identify any particular difficulties arising from the billing schedule imposed by the regulatory framework for public electricity service charges, particularly with regard to final adjustments?

Question 2.2: Would you be willing to enter into a contract providing for such a billing schedule?

Question 3.1: Do you have a preference between the two schedules presented above?

Question 3.2: Do you identify any particular difficulties with the fact that the volume to which the operator commits may be reevaluated after the bid is selected within a limit of +/- 20%? To what extent would such flexibility be reflected in the management fees charged?

Question 4.1: Would your company be able to meet the financial requirements detailed above?

Question 4.2: Does it have an external rating from Standard & Poor's, Moody's, or Fitch?

Question 4.3: Do you have any comments or recommendations on the requirements listed above?

Question 4.4: Do you have any comments on the possible implementation of a financial equivalence calculation tool?

Question 5.1: Do you have any comments on the proposed selection procedures?

Question 5.2: Based on the template provided in **Appendix 3,** could you indicate your current assessment of the possible amount of management fees according to the volumes managed?

Question 6.1: Do you have any comments on the minimum and maximum volumes proposed above per operator?

Question 6.2: What volumes would your company be willing to commit to?

Question 7: Do you have any comments or suggestions regarding the calculation of the guarantees presented in **Appendix 4**?

2. Terms and conditions of participation

2.1. Submission procedure

This CEI is in no way binding. Respondents' feedback will be taken into account in the defining of the terms and conditions for implementing this forward hedging. The CRE therefore invites respondents to provide as much details as possible in their responses.

Responses must be submitted online using the form available on the CRE's public consultation platform (https://consultations.cre.fr/).

The CRE reserves the right to request additional information or documents to facilitate the review of responses. The information collected is intended solely for internal use by the CRE in preparing the specifications for a future public tender to select the market operators responsible for providing forward hedging on behalf of the State.

2.2. Language requirements

The response form must be completed in French or English. Any submission in another language will be inadmissible.

2.3. Timetable

Responses to the CEI may be submitted from the date of its opening until March 5, 2026.

2.4. Contents of the response file to the CEI

The response file shall include the following elements:

- a presentation of the respondent's activities, in particular its activities related to the electricity futures markets (trading venues where the actor is active, volumes traded, etc.);
- the respondent's main financial indicators (financial rating, in particular if the respondent has one);
- the respondent's expression of interest;
- an indicative (non-binding) overview of the management fees that the respondent is likely to bid based on the volumes it would be responsible for hedging, in accordance with the format presented in Appendix 3 for a France *Calendar base* product delivered in 2028;
- the response to the consultation questions, as outlined in section 1;
- a contract template that the respondent considers appropriate to enter into with the State as part of this competitive procedure.

2.5. Definitions

Unless otherwise specified, the terms used in this document and beginning with a capital letter have the meanings assigned to them below.

Spot Price	Refers to the price, in €/MWh, for the delivery of one MWh resulting from the single coupling auction for next-day delivery in France. It corresponds to: • to the one resulting from the coupling of European markets if at least one of the active NEMOs (Nominated Electricity Market Operators) participates in the single coupling; • to the average price resulting from auctions organized by the various NEMOs, weighted by the volumes traded on each platform, if no active NEMO participates in the single coupling.

3. Description of the proposed scheme

This section first provides details on the main terms of the swap contracts that could be concluded between the French government[5] and market operators replicating a strategy of averaged sales over time by the government of futures annual baseload products with financial settlement, and partial financial security prior to the delivery period.

Contracts signed between the State and the operator(s) selected to carry out forward sales on behalf of the State will be subject to French law.

The description of how this solution would be hedging the state budget is provided in Appendix 1.

This section also specifies the procedures currently considered by the CRE for the selection of market players for the conclusion of the aforementioned contracts with the State in the context of a future public tender.

3.1. Framework of the solution

3.1.1. Form of the proposed contract

The hedging contract between the State and each selected operator would result into a financial flow from the State to each mandated operator for a given year N, with a final positive or negative amount equal to:

$$V_N = E_N * (SP_N - P_N + fdg), \text{ where:}$$

- E_N : the energy financially hedged for the said operator for year N in MWh. This volume is defined by the CRE in year N-3[6] following a public tender (see section 3.3);
- SP_N : the average spot price for year N in €/MWh;
- P_N : the forward reference price defined as the arithmetic mean between January 1st, N-2[7] and December 31st, N-1 of *the* daily settlement prices recorded on the EEX platform for the baseload Calendar product for delivery in year N, in €/MWh;
- fdg : the management fees proposed by the operator and determined through the competitive bidding process (see section 3.3), in €/MWh.

This transaction results in a payment from the State to the operators if the amount of V_N is positive, and from the operator to the State if it is negative.

Question 1.1: Do you have any comments on the above proposed terms and conditions for the hedging contract between the State and the preselected operator(s)? Do you consider the P_N reference to be replicable enough?

Question 1.2: Do you identify any particular issues or difficulties with the proposed price reference (EEX *settlement price*)?

Question 1.3: Do you identify any particular issues or difficulties with the choice of a simple arithmetic average of settlement prices over two years? Would you prefer another reference (e.g., average settlement prices weighted by the volumes of each session), and if so, why?

Question 1.4: Do you have any other relevant price reference proposals for P_N ?

3.1.2. Payment schedule for financial flows resulting from the contract

The contract will be subject to interim payments before the end of delivery year N, according to a schedule aligned with that of the CRE's annual assessment of CSPEs for year N:

[5] The state signatories would be the ministries responsible for energy and the budget.

[6] Respondents are invited to comment in section 3.1.5 on the advisability and feasibility of committing earlier to a volume that is likely to be reassessed prior to year N-2.

[7] Based on feedback from the first auctions, if any, consideration could be given to extending the maturity of the price reference to three years, i.e., the average settlement price for the days between January 1st, N-3, and December 31, N-1.

- an initial forecast of the amount V'$_N$ calculated in July of year N-1. This amount will be paid in twelve monthly payments starting in February of year N;
- a second forecast V"$_N$ in July of year N. The monthly payments are thus adjusted starting in August of year N, so that the cumulative payment since February of year N results in the amount V"$_N$ in January N+1;
- A definitive calculation V_N is established in July of year N+1. The monthly payments made from August N+1 to January N+2 bridge the gap between V"$_N$ and V_N.

This schedule is governed by Article R.121-33 of the Energy Code: "*The sums due to operators shall be paid to them in twelve payments made no later than the 15th of the months of February to December of the year for which the charges are to be compensated, and on the 15th of January of the following year*." This is a regulatory provision that cannot be modified.

In addition to the following, an example of a schedule is provided in Appendix 2.

Initial forecast in July N-1 of the amount of the transaction between the State and the preselected operator(s)

In July of year N-1, the CRE includes in its initial CSPEs deliberation[8] an initial forecast V'_N of the amount of the aforementioned transaction:

$$V'_N = E_N * (SP'_N - P'_N + fdg)$$

Where:

- E_N : as defined in the V_N formula above;
- SP'_N : the arithmetic mean of the settlement prices of the *Calendar base* France product observed on EEX on each trading day between May 15 and May 31 of year N-1 for delivery in year N[9] ;
- P'_N the weighted average at:
  - 17/24 of the arithmetic mean of the settlement prices of the *Calendar base* France product observed on EEX on each trading day between January 1st, N-2 and May 31, N-1 for delivery in year N;
  - 7/24 of the arithmetic mean of the settlement prices of the *Calendar base* France product observed on EEX on each trading day between May 15 and May 31 of year N-1 for delivery in year N[10];
- fdg : as defined in the V_N formula.

This initial forecast V'$_N$ serves as the basis for the first payments related to the transaction: for the months of February to July of year N, the operator receives $V'_N/12$ from the State (or pays it to the State if V'$_N$ is negative). At the end of these first six payments, the operator will have received $V'_N/2$.

Second forecast in July N of the amount of the transaction between the State and the preselected operator(s)

In July of year N, the CRE includes in its deliberations reevaluating the charges to be compensated in year N and evaluating the charges to be compensated in year N+1, a second forecast V''_N :

[8] The costs to be compensated to operators in N are initially assessed by the CRE in July N-1, for an amount of CP_N. They are paid monthly to operators between February and July N in the amount of $CP_N/12$. They are then reassessed in July N for an amount of CP'_N , resulting into a monthly payment of $\frac{(2*CP'_N - CP_N)}{12}$ between August N and January N+1.

[9] The purpose of this reference is to represent the Spot Prices for year N based on information available in July of year N-1.

[10] The purpose of this reference is to represent the best estimate of the remaining prices of the *baseload Calendar* product for year N based on market information available in July of year N-1. It partially cancels out the SP'$_N$ reference. The coefficient 7/24 is representative of the remaining months of the reference coverage period (7 months remaining from June to December).

$$V''_N = E_N * (SP''_N - P_N + fdg)$$, where:

- E_N : as defined in the formula for V_N;
- SP''_N : the weighted average of
  - 5/12 of the arithmetic mean of the Spot Prices between January 1st, N and May 31, N in €/MWh;
  - 7/12 of the weighted average of the arithmetic averages of the settlement prices observed on EEX on each trading day between May 15 and May 31 of year N for the following products:
    - M6 "France base"
    - Q3 "France Base"
    - Q4 "France Base"
    - the weighting of each product is the number of delivery hours covered by each.
- P_N as defined in the formula for V_N;
- fdg as defined in the formula for V_N.

This second forecast V''_N serves as the basis for estimating the payments made between August of year N and January of year N+1. The operator receives the payment $(2V''_N - V'_N)/12$ each month. At the end of the last payment in January N+1, the operator will have received (or paid, as applicable) the amount V''_N.

Calculation of V_N and regularization of the transaction between the State and the preselected operator(s)

In July of year N+1, the CRE includes in its deliberations reevaluating the charges to be compensated in N+1 and evaluating the charges to be compensated in N+2, the final assessment of V_N, for which all the final parameters are known at this stage.

In accordance with the payment schedule, the adjustment between V''_N and V_N would be made between August of year N+1 and January of year N+2 with a monthly payment corresponding to $(V_N - V''_N)/6$.

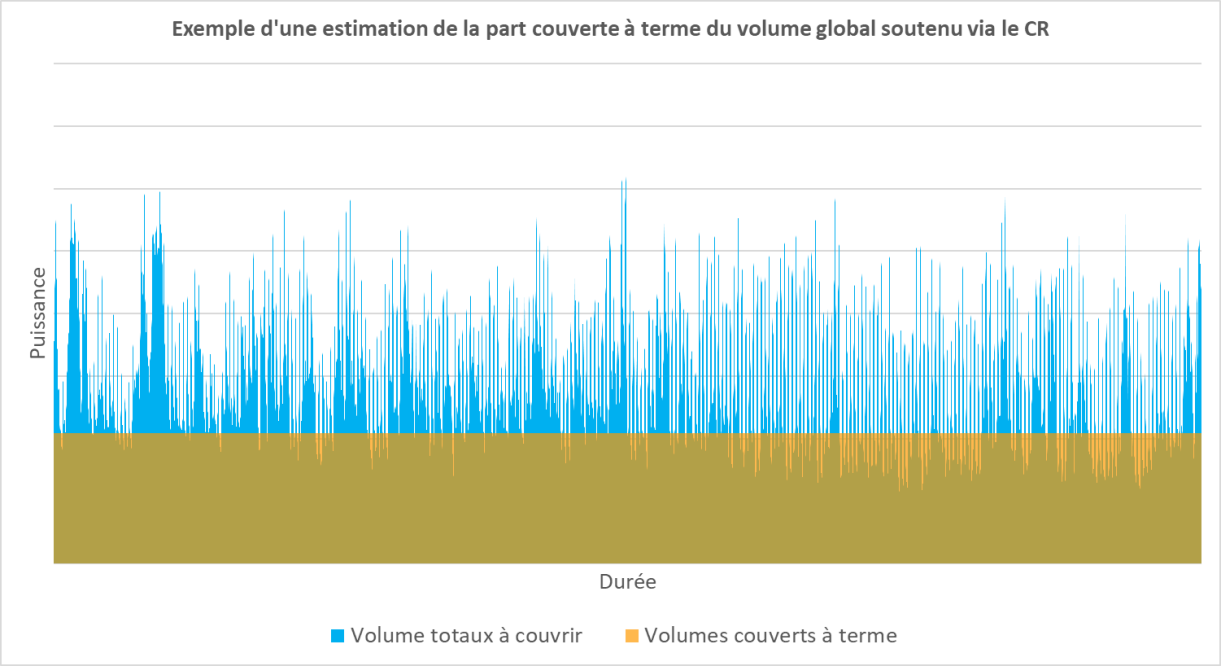
Question 2.1: Do you identify any particular difficulties arising from the billing schedule imposed by the regulatory framework for public electricity service charges, particularly with regard to the final adjustment?

Question 2.2: Would you be willing to enter into a contract providing for such a billing schedule?

3.1.3. Candidate selection schedule

The volumes hedged on a forward basis for a given year N would be determined by the CRE using a similar method to that used to for the volumes supported via the FiT regime covered on a forward basis[11]: the objective is eventually to estimate a ribbon energy volume (to be hedged in the form of a *baseload Calendar* product) representing a part of the total energy supported via CfDs.

[11] For example, the latest assessment was carried out by the CRE in its deliberation No. 2025-269 of December 16, 2025, concerning the decision on the values of power sold forward for the calculation of the avoided cost of electricity produced under the purchase obligation in mainland France.



Example of an estimate of the Cfd-supported volumes hedged by forward contracts over a year: total CfD-supported volumes (blue) and volumes valued on a forward basis (orange)

Given the reference strategy resulting from the reference price P_N defined in section 3.1.1, the CRE identifies two possible schedules for determining the volumes covered by forward contracts and the candidates responsible for the operation:

- an annual tender by product: the estimate of the volumes covered for year N is established in year N-3, thus determining the volume called, and the volumes for which the winners are selected remain unchanged at the end of the tender;
- A public tender is issued every two years to cover two years of delivery: the estimated volumes covered for year N and year N+1 are established in year N-3. The winning bidders are selected for a volume covering years N and N+1. The volumes for year N+1 are subject to a clause allowing for a revision *a posteriori*. Thus, the volume to which a candidate commits for year N+1 could be revised by a margin of +/- 20%, for example (without re-evaluating the *fdg* management fees expressed in €/MWh) in year N-2.

Question 3.1: Do you have a preference between the two schedules presented above?

Question 3.2: Do you see any particular difficulties with the volume to which the operator commits being reevaluated after the bid has been selected within a limit of +/- 20%? To what extent would such flexibility be reflected in the management fees charged?

3.2. Qualification criteria

The process currently considered would be to organize, for each delivery year N, a public tender in year N-3 to determine:

- the market operators responsible for forward hedging volumes for year N;
- the volume E_N for which each selected operator would be responsible;
- the management fees *fdg* applicable to each of the selected operators.

3.2.1. Prerequisites relating to the financial strength of the candidate

In their bid, each candidate must demonstrate their experience in the electricity futures markets (access rights, volumes traded, etc.).

In addition, the financial robustness of the candidates for the public tender would be ensured through the prerequisites detailed below.

- Each candidate must have an external rating from Standard & Poor's, Moody's, or Fitch of at least B- (B3) without negative watch (if the candidate has an external rating from two or more of these three rating agencies, the rating used for qualification review will be the lower of the two best ratings obtained); or, in the absence of an external rating, have an equivalent assessment[12] . The credit rating of operators would be reviewed quarterly during the duration of the contract.
- Candidates with an external rating from Standard & Poor's, Moody's, or Fitch below BBB- (Baa3) without negative watch must provide a financial guarantee of at least €500,000 with a minimum maturity of two months at any time, the calculation methods for which are detailed in Appendix 4. This guarantee is intended to cover the entire opportunity risk[13] and settlement risk[14] . It is therefore updated every business day during the term of the contract.

Question 4.1: Would your company be able to meet the financial requirements detailed above?

Question 4.2: Does it have an external rating from Standard & Poor's, Moody's, or Fitch?

Question 4.3: Do you have any comments or recommendations on the requirements listed above?

Question 4.4: Do you have any comments on the possible implementation of a financial equivalence calculation tool?

3.3. Selection process considered for the public tender

3.3.1. Ranking criteria

Each candidate will be invited to propose a curve [average management fees based on volumes managed], describing the average management fees fdg in €/MWh associated with a total volume handled E_N in MWh. Candidates are free to propose negative management fees, if applicable.

Applications will be ranked in order to select the combination of eligible bids with the lowest costs proposed by the candidates to cover the volumes called.

If a bid is selected, the fees that will be applied will be those proposed by the candidate (*pay-as-bid* system) for the volume for which it has been selected.

In the event of a tie between several candidates in terms of the management fees proposed, the volumes will be divided equally between these candidates.

Question 5.1: Do you have any comments on the proposed selection criteria?

Question 5.2: Based on the template provided in Appendix 3, could you indicate your current assessment of the possible amount of management fees according to the volumes managed?

[12] A tool for calculating financial rating equivalence could be put in place.

[13] Risk measuring the marginal exposure of transactions concluded and not delivered in relation to the current market price. The calculation of this risk is detailed in Appendix 4.

[14] Risk of non-payment by the operator to the co-contractor for products currently being delivered. The calculation of this risk is detailed in Appendix 4.

3.3.2. Eligibility of bids

An operator cannot be selected for fees exceeding a limit value, which will be kept confidential in the future specifications.

An operator cannot be selected for a volume of less than 2 TWh.

The CRE also plans to set a volume cap for which a single operator could be selected, in order to diversify the counterparty risks borne by the State. This cap could be set between 10 and 15 TWh (corresponding to approximately 50% of the initial estimate of the volume of production under CR contracts to be covered in the long term for the year 2028[15]).

Question 6.1: Do you have any comments on the minimum and maximum volumes proposed above per operator?

Question 6.2: What volumes would your company be willing to commit to?

3.3.3. Case of under-subscription

In the event that the bids below the fees limit value do not cover the volume called for, the CRE reserves the right to recommend accepting bids resulting in a volume lower than the volume called for.

[15] These estimates are therefore subject to change following this call for expressions of interest.

Appendix 1: Description of the solution for covering the state budget

Description of current financial flows associated with the CfD scheme

The CfD contract is a financial contract: in this scheme the public contracting party (EDF Obligation d'Achat[16], acting on behalf of the State) is solely responsible for paying the Cfd amount, which, in simplified terms, is equal to:

$$\mathrm{CR} = E * (T - M_0), \text{ with:}$$

- E the energy produced by the installation over a month or a year;
- T the reference support tariff;
- M_0 a reference market price generally defined as a weighted average of spot prices over the production period.

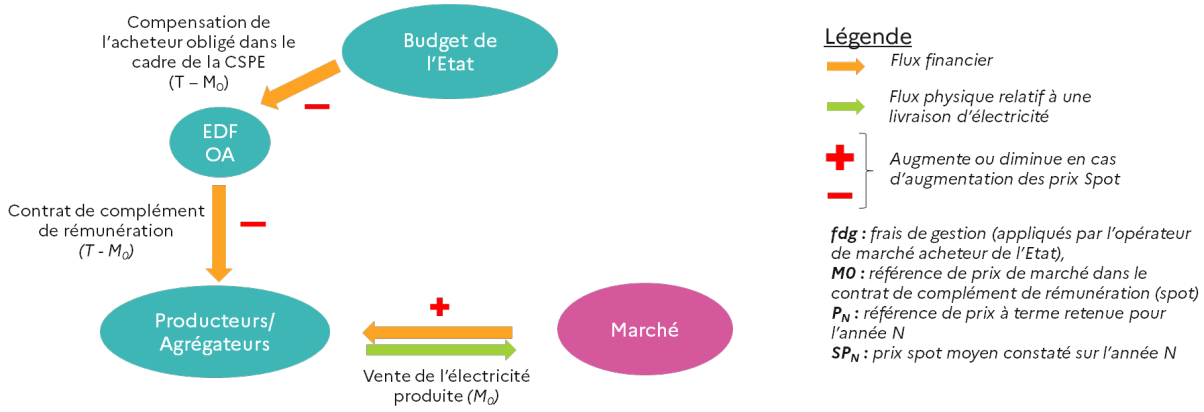
A drop in spot prices leads to an increase in CSPE and vice versa, which therefore exposes the state budget to spot price fluctuations during this year.

Due to the definition of M_0, producers are encouraged to sell their production through their aggregator on the spot market (replication strategy, in order to de-risk their total revenues R):

$$R = CR + \mathrm{E} * Sp_{ins} = E * T + E * (Sp_{ins} - M_0)$$

Where: Sp_{ins} is the spot price captured by the facility's production.

Figure1 : "Typical" physical and financial flows under a CR contract



Insertion of the forward hedging solution into the CfD scheme

In accordance with the provisions of Article R. 121-27 of the Energy Code, the solution considered by the CRE consists of having several operators carry out forward hedging of the volumes supported in France via the CfD scheme on behalf of the State.

The operators appointed would thus be responsible for selling predefined volumes of forward products on behalf of the State. Initially, for the sake of simplicity and to target high-liquidity maturities, the hedging strategy would cover the equivalent of a *baseload Calendar* product sold over two years (first year: Cal-28 sold in 2026 and 2027).

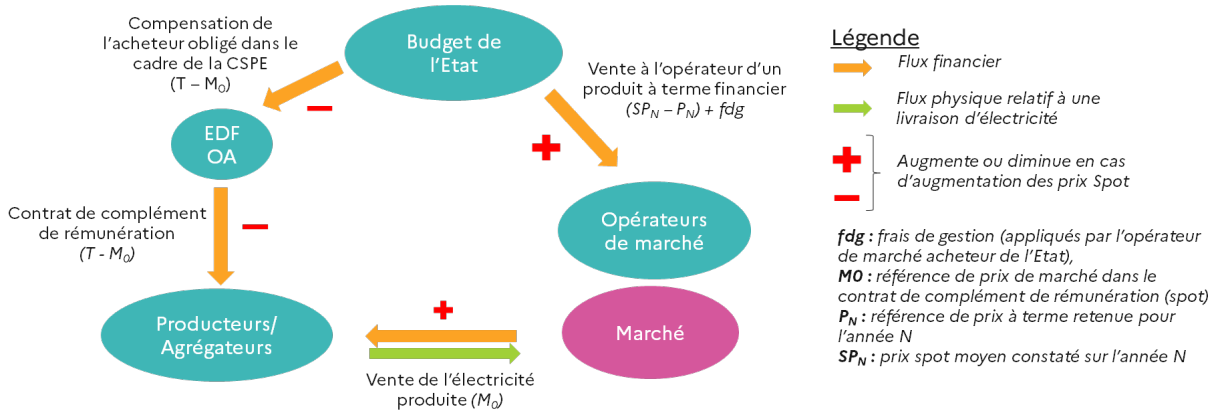
To this end, operators would sign a financial hedging contract with the State whereby the State would pay each operator the difference between the spot price and a forward price reference (see section 3.1.1), plus management fees.

The contracts signed between the State and the operator(s) selected to carry out forward sales on behalf of the State will be subject to French law.

[16] EDF OA.

The type and maturity of the products sold may be subject to future changes.

Figure2 : "Typical" physical and financial flows in the proposed hedging scheme



In this scheme, the operator is free to define its market strategy for implementing the solution, particularly with regard to risk hedging.

However, compensation between the operator and the State will be calculated on the basis of the reference price P_N as defined in section 3.1.1, which does not depend on the transactions actually carried out by the operator on the markets.

The operator is responsible for hedging its risks: the State will not compensate for any differences between the actual hedging carried out by the operator and the reference strategy.

Appendix 2: Schedule of the process for an operator selected for a given year N

As a reminder, the hedging contract between the State and the selected operator(s) would result into a payment (which may be negative) by the State to each selected operator of an amount equal to, for a given year N:

$$V_N = E_N * (SP_N - P_N + fdg) \text{ where:}$$

- E_N : the energy financially hedged for the said operator for year N in MWh. This volume is defined by the CRE in year N-3[17] following a public tender (see section 3.3);
- SP_N : the average spot price for year N in €/MWh;
- P_N : the forward reference price defined as the arithmetic mean between January 1st, N-2[18] and December 31st, N-1 of *the* daily settlement prices recorded on the EEX platform for the baseload Calendar product for delivery in year N, in €/MWh;
- fdg : the management fees proposed by the operator and determined through the competitive bidding process (see section 3.3), in €/MWh.

Table 1 – Example: payment schedule for baseload Calendar 28 volumes hedged – payment of preliminary assessments V'N then V''N

Deadline	Amount paid by/to the operator
February 15, 2028	$V'_N/12$
March 15, 2028	$V'_N/12$
April 15, 2028	$V'_N/12$
May 15, 2028	$V'_N/12$
June 15, 2028	$V'_N/12$
July 15, 2028	$V'_N/12$
August 15, 2028	$(2V''_N - V'_N)/12$
September 15, 2028	$(2V''_N - V'_N)/12$
October 15, 2028	$(2V''_N - V'_N)/12$
November 15, 2028	$(2V''_N - V'_N)/12$
December 15, 2028	$(2V''_N - V'_N)/12$
January 15, 2029	$(2V''_N - V'_N)/12$

At this point, the operator received the amount V"N. An adjustment between V"N and VN is then calculated by the CRE in its deliberation on public energy service charges on July 15, 2029, resulting in a final adjustment as follows.

[17] Respondents are invited to comment in section 3.1.5 on the advisability and feasibility of committing earlier to a volume that is likely to be reassessed prior to year N-2.

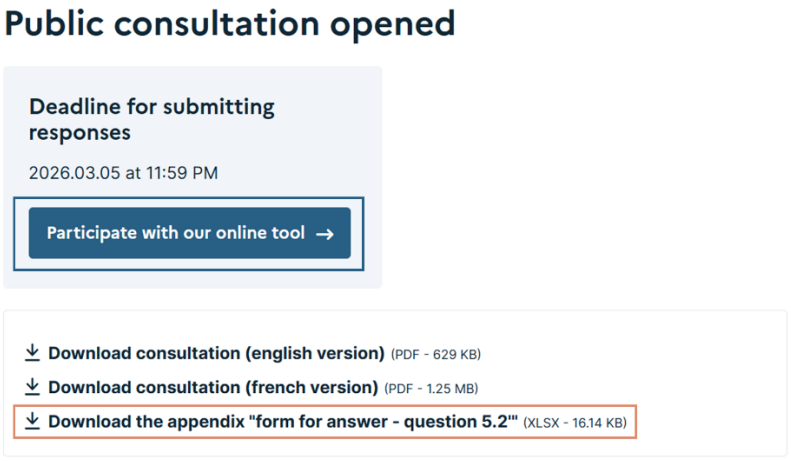
[18] Based on feedback from the first auctions, if any, consideration could be given to extending the maturity of the price reference to three years, i.e., the average settlement price for the days between January 1, N-3, and December 31, N-1.

Table 2 - Example: payment schedule for baseload volumes covered Calendar 28 – payment of the final adjustment V_N

Deadline	Amount paid/paid by the operator
August 15, 2029	$(V_N - V_N'')/6$
September 15, 2029	$(V_N - V_N'')/6$
October 15, 2029	$(V_N - V_N'')/6$
November 15, 2029	$(V_N - V_N'')/6$
December 15, 2029	$(V_N - V_N'')/6$
January 15, 2030	$(V_N - V_N'')/6$

Appendix 3: Format for declaring the cost/volume curve

The indicative curve declaration template [average management costs based on volumes managed], describing the average management costs *fdg* in €/MWh that the operator is likely to request, can be downloaded from the CRE website in Excel format.



- leave a contribution;
- download the appendix 3 Excel file.

Appendix 4: Methods for calculating and establishing financial guarantees

If an operator is selected and until the expiry of the contract binding it to the State, where its rating is below BBB-, the operator must provide a guarantee in the form of one or more affiliate guarantees and/or financial guarantees and/or cash deposit. Its Gross Credit Limit will be the aggregate amount of its guarantees.

Each business day, the operator's Net Credit Limit is calculated by deducting the operator's financial exposure from the Gross Credit Limit, i.e., the amounts of financial guarantees required to cover the remaining operator's obligations under its Transactions at that time.

A Transaction is defined as the financial flows generated by the contract described in this document for a given year N. Under a long-term regime, the same operator could be simultaneously engaged in contracts covering different delivery years. The amount of collateral to be provided would then be calculated by aggregating all ongoing Transactions.

Thus:

$$Net\ Credit\ Limit\ =\ Gross\ Credit\ Limit\ -\ \sum Guarantees\ covering\ remaing\ Transactions$$

Where, for a calculation date j, $Guarantees\ covering\ remaing\ Transactions =$

$$Max\ [E * \left[\left(P_{avg}(j) - P_{sp}(j) - fdg\right) *\ Nb_{days\ gone}(j) +\ \alpha * N(j) * P(j)\right] + CSPE(j); 0]$$

- E is the contracted energy in TWh;
- $P_{avg}(j)$ is the arithmetic mean of the daily *settlement prices* recorded on the EEX platform for the *baseload Calendar* product for delivery in year N, in €/MWh between January 1st N-2 and:
  - the last business day preceding day j if j is after January 1st N-2 and before January 1st N;
  - December 31, N-1 if j is after December 31, N-1: $P_{avg(j)}$ is then equal to P_N[19];
- $P_{sp}(j)$ is:
  - if j is prior to January 1st N, the settlement price recorded on the last business day preceding day j, on the EEX platform, for the *baseload Calendar* product for delivery in year N, in €/MWh;
  - if j is between January 1st and December 31 of year N, the weighted average by the number of respective days:
    - of the average spot prices as defined in section 2.5 recorded during the months of year N completed up to day j;
    - the settlement price recorded on the last business day preceding the current month, on the EEX platform, for the *baseload Month* product for delivery in the current month, in €/MWh;
    - the settlement prices recorded on the last business day preceding day j, on the EEX platform, for *baseload Month* products for delivery in the remaining months of the current quarter, in €/MWh;
    - the settlement prices recorded on the last business day preceding day j on the EEX platform for *baseload Quarter* products for delivery during the remaining quarters of year N, in €/MWh;
  - if j is after December 31 of year N, the average spot price recorded during year N as defined in section 2.5;
- *fdg* represents the contractual costs as defined in section 3.3;
- $Nb_{days\ gone}(j)$ is the ratio between the number of days between January 1st N-2 and day j and the number of days between January 1st N-2 and December 31, N-1. This ratio cannot exceed 1;

[19] As defined in section 3.1.1

- α = 8%;
- $N(j)$ is:
  - if j is prior to January 1st N, equal to $Nb_{days\ gone}(j)$;
  - if j is between January 1st and December 31 of year N, the ratio between the number of days between day j and December 31 N and the number of days between January 1st, N and December 31, N;
  - equal to 0 otherwise;
- $P(j)$ is:
  - if j is prior to January 1st N, the settlement price recorded on the last day preceding day j, on the EEX platform, for the *baseload Calendar* product for delivery in year N, in €/MWh;
  - if j is between January 1st and December 31 of year N, the weighted average by the number of respective days:
    - of the settlement price recorded on the last business day preceding the current month, on the EEX platform, for the *baseload Month* product for delivery in the current month, in €/MWh;
    - the settlement prices recorded on the last business day preceding day j, on the EEX platform, for *baseload Month* products for delivery in the remaining months of the current quarter, in €/MWh;
    - the settlement prices recorded on the last business day preceding day j, on the EEX platform, for *baseload Quarter* products for delivery in the remaining quarters of year N, in €/MWh;
  - equal to 0 otherwise;
- $CSPE(j)$ the cumulative payments made by the State to the operator as of day j as presented in sections 3.1 and 3.2. This term may be negative, especially if V_N as defined in section 3.1 is negative (forward reference price P_N higher than the average spot prices for year N).

If $Net\ Credit\ Limit < 0$, then the operator is required to provide additional collateral to bring this limit back to a positive value.
If $Net\ Credit\ Limit \geq 0$, then the operator is not required to provide additional collateral.

If this additional guarantee is not provided no later than one business day after the calculation date, the operator may be considered in default, resulting in the termination of the contract and the payment by the defaulting operator of a corresponding termination balance for each transaction to which the operator has committed.

Question 7: Do you have any comments or suggestions regarding the calculation of the guarantees presented in this appendix?