

French registry and auctions of Guarantees of Origin

Paris, 31 December 2021

Agenda

- 1. Introduction**
- 2. French Auctions characteristics**
 - A. Overview on Auction Process
 - B. 2022 auctions calendar
 - C. Auction algorithm overview
- 3. Auction results**
- 4. Admission process**

Power guarantees of origin

Role of EEX as registry and auction operator

Issuing Body in France since 2013

- Designated by the French Ministry of Energy (DG Energy and Climate) and renewed end of 2018 for 5 years
- Hold the registry for renewable GOs and CHP GOs in France (issuance, transfer, cancellation of GOs)

Member of the Association of Issuing Bodies (AIB) since 2013

- French GOs can be exported to AIB members domain and French account holders could import GO
- EEX takes part actively in the development of the mechanism at an European level
- GOs issued by EEX meet the EECS standard

Improvement of the mechanism thank to a close collaboration with the French Ministry of Energy

- GO: the only instrument to trace electricity from renewable energies
- Implementation of the residual mix to better inform customer and avoid green attributes double counting
- More control on GOs issuance, transfer & cancellation

Mandated by the French State to organize the GO auction

- Auction of GOs issued and selected by the French State (GO from subsidized production devices)
- EEX is organizing auctions since September 2019

French GOs in numbers

82 090 GWh

Issued and certified GOs in France in
2020

+ 18 %

Growth of cancellation in France
between 2019 and 2020 (41 TWh
vs 49 TWh)

25 937 GWh

Traded on the EEX French GO
Auction in 2020

26

Trading participants
From **9** countries

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French Auctions characteristics

1

GOs from renewable production devices that receive support, classified according to 12 regions and 5 technologies (hydro, solar, wind onshore, thermal, marine energies)

2

Monthly Auction dedicated to one production month (important as mandatory matching between consumption month and production month in France since January 2021)

3

Production of M-3 is auctioned in Month M (GO validity = 12 months)

4

**A single seller, the French State
Multiple buyers**

5

Pay-as-Bid Auction

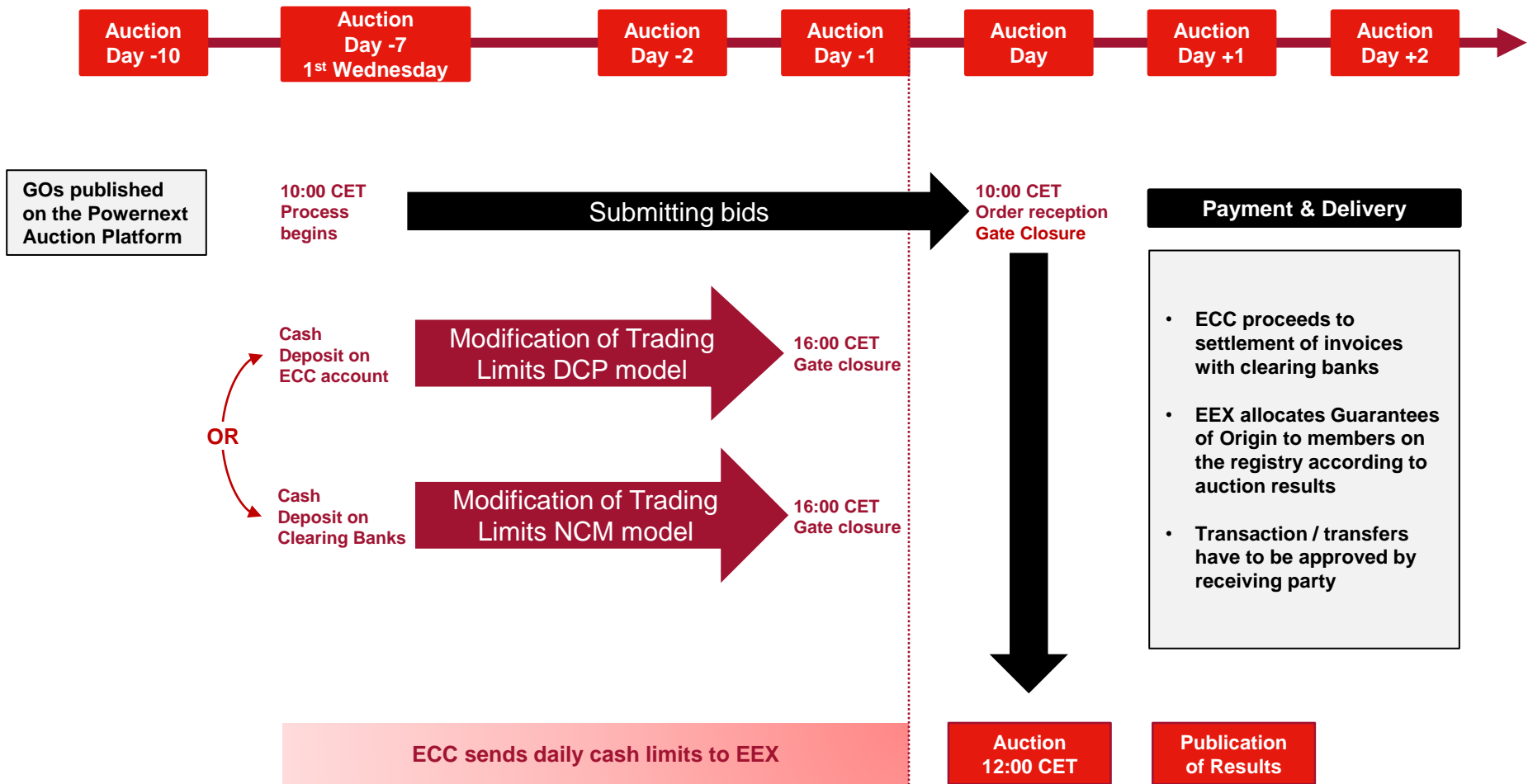
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In-house algorithm that enables to bundle liquidity while allowing specificities matching:
- bids on all technologies / all regions, specific regions, specific technologies or a specific couple technology/region
- Possible to indicate preferences for specific production devices

7

Securization of transactions with a clearing house (ECC) with or without clearing member

Overview on Auction Process



2022 French Auctions Calendar

		Opening of Order Book	Closure of Order Book	Modification of cash trading limits	Order Matching
Auctioning month	Production month	1 st Wednesday 10:00 AM	2 nd Wednesday 10:00 AM	Tuesday 4:00 PM	2 nd Wednesday 12:00 AM
January 2022	October 2021	12/01/2022	19/01/2022	18/01/2022	19/01/2022
February 2022	November 2021	09/02/2022	16/02/2022	15/02/2022	16/02/2022
March 2022	December 2021	09/03/2022	16/03/2022	15/03/2022	16/03/2022
April 2022	January 2022	13/04/2022	20/04/2022	19/04/2022	20/04/2022
May 2022	February 2022	11/05/2022	18/05/2022	17/05/2022	18/05/2022
June 2022	March 2022	08/06/2022	15/06/2022	14/06/2022	15/06/2022
July 2022	April 2022	13/07/2022	20/07/2022	19/07/2022	20/07/2022
August 2022	May 2022	10/08/2022	17/08/2022	16/08/2022	17/08/2022
September 2022	June 2022	14/09/2022	21/09/2022	20/09/2022	21/09/2022
October 2022	July 2022	12/10/2022	19/10/2022	18/10/2022	19/10/2022
November 2022	August 2022	09/11/2022	16/11/2022	15/11/2022	16/11/2022
December 2022	September 2022	07/12/2022	14/12/2022	13/12/2022	14/12/2022

Auction algorithm overview

In house designed optimization algorithm

1

Maximize the revenues dedicated to the energy transition :

- price is the main criteria

2

Market participants flexibility :

- Possibility to select multiple orders (50 orders per auction)
- Possibility to specify all GOs, only technology or only a region or a couple of both
- Possibility to select production devices (20 preferences per order)

3

Increase competition and ensure equity between participants :

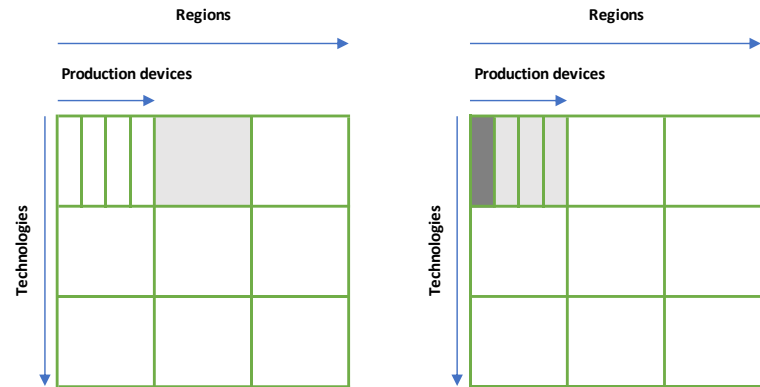
- All orders competing
- In case of equivalent bids : allocation with a pro rata of the initial asked volume

Auction algorithm overview

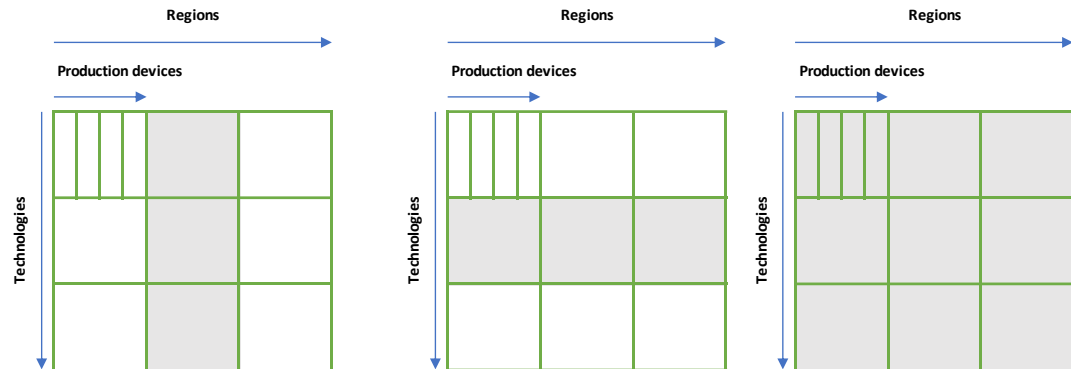
Different type of orders

Simple orders :

- **Specific simple orders:** volume/price concerning a pairing of region/technology + expression of preference for particular devices is possible



- **Generic simple orders:** volume/price concerning a whole region, a whole technology, or all regions and all technologies



Multiple Orders :

Combination of simple orders with **different prices, but all for the same volume.**

Auction algorithm overview

Production device preferences

In order to indicate preferences, the Market participant has to:

1. Make an order specifying a region and a technology
 2. Precise the name of the production device if GOs are available
 3. Choose at most 20 preferences per order
 4. No need to classify the preferences (there is no specific rank)
- First, the algorithm maximizes the revenue thanks to a mathematical optimization
 - Then, allocation of GOs for all orders accepted in descending orders (according to price)
 - The allocation of GOs taking into account of preferences is the last step of the algorithm

GOs available	Device 1	Device 2	Device 3
	10	5	5

Orders	Price	Volume	Region	Techno	Preferences		
Order 1	2€/GO	10 GO	PACA	Solar	Device 1	Device 2	Device 3
Order 2	1.5€/GO	5 GO	PACA	Solar	Device 1	Device 2	Device 3

→
→

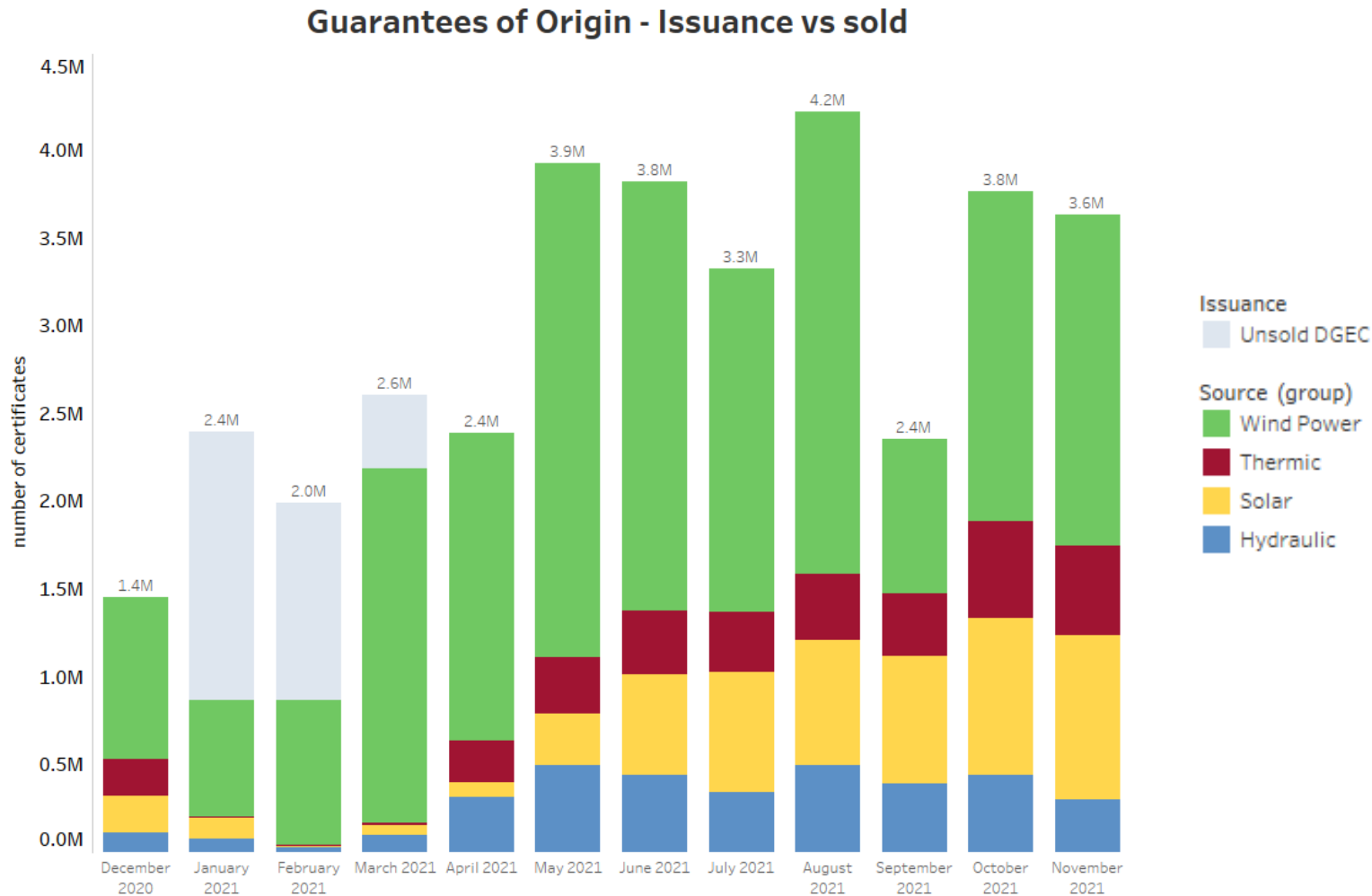
Allocation of GOs	
Device 1	10 GO
Device 2	5 GO

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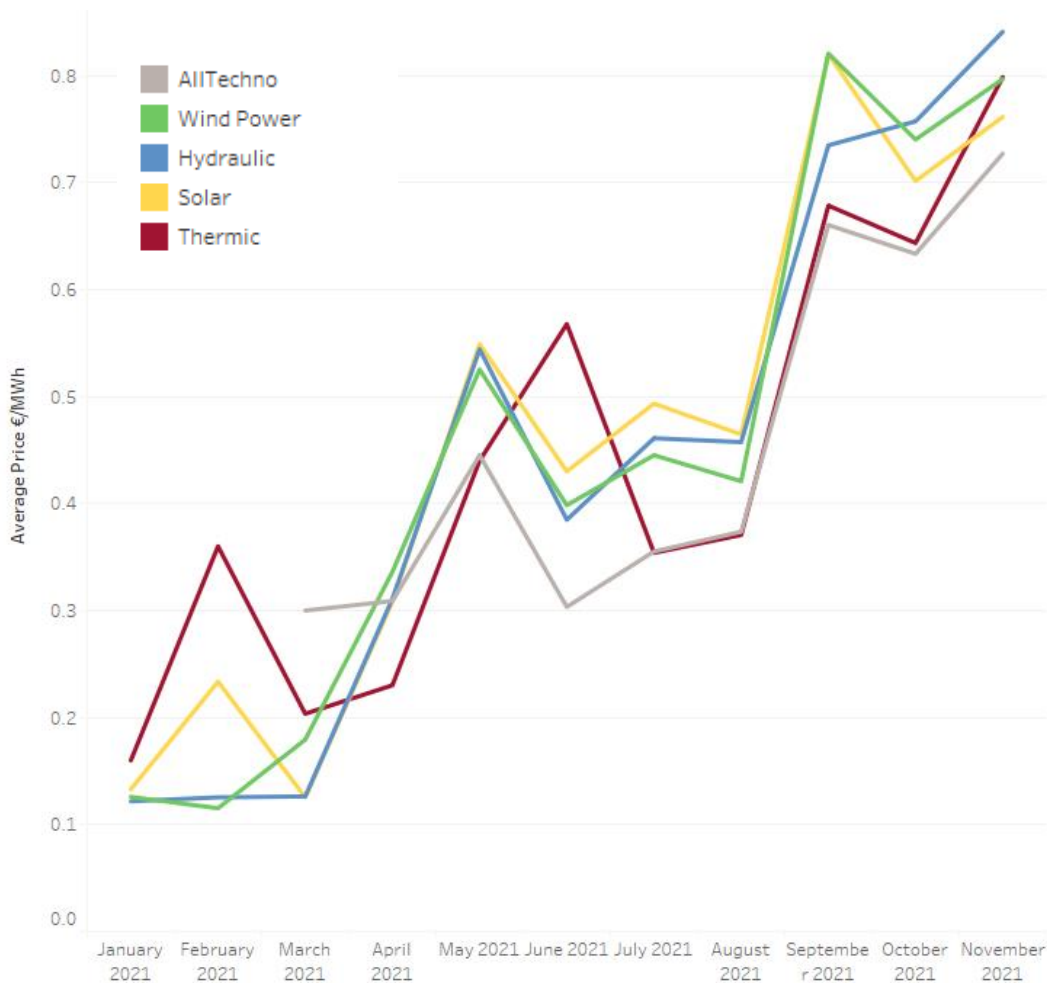
Auction results

- Since April 2021 all GOs are sold during each auction



Auction results

- Price references are published after each auctions, increasing market transparency



Average price/techno (€/MWh)		
AllTechno	0.727	▲
Wind Power	0.797	▲
Hydraulic	0.841	▲
Solar	0.761	▲
Thermic	0.798	▲

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Admission process

Registry Admission (3 weeks at reception of valid documents) :

- Commercial register extract (less than 3 months old) *
- The Articles of Association *
- Powers of Attorney of the signatory (if not already included in the commercial register extract) *
- a notarized copy of the ID card/passport of the signatory
- The last 3 annual reports / Business Plan otherwise
- VAT certificate
- Standard Terms and Conditions: please send one original version per post
- G01 form
- KYC Registry form

** if the original document is not in English, French or German, please also provide a translation in one of those 3 languages*

Admission process

Auction Admission forms (around 2 months) :

- Trading Agreement: please send two originals per post
- KYC Auction form

ECC forms: please choose one of the model below

Non-clearing-members model - NCM	dcp-clearing-members model - DCP
NCM01 (one original version to be sent per post)	DCP01 (one original version to be sent per post)
NCM02 (3 original versions to be sent to your Clearing Member)	CM02 (3 original versions to be sent per post)
TP07 – VAT form	
TP_03 : GO Auction admission request	

Fees for transactions & admissions

Transaction Fee	Amount (€) [without taxes]
Issuance	0,01 € / MWh
Import	0,01 € / MWh
Transfer / Auction fee	0,005 € / MWh
Export	0,005 € / MWh
Cancellation	0,01 € / MWh

Paid by the buyer

Annual Fees*	Amount (€) [without taxes]
Membership Registry	1 000 €
Membership Auction	2 000 €
Registration of Production Device	10 €

* All annual fees are payable once per year and are not prorated

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Thank you for your attention!

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