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Guarantees of Origin Registry FAQ V2.0

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1. Registry

Powernext has been re-assigned for 5 years as registry for GOs in France starting as of 1st January 2019.

1.1 General Questions

1.1.1 If I am an existing member of the current registry, will I be required to re-register as of 1st January 2019?

Your membership will automatically be carried over to the new registry, however the Domain Protocol will be updated as of 1st January 2019 in order to account for the new regulatory changes introduced in the new decree. The new version containing all changes will be published by the end of November for actors to view. Within the first 6 months of 2019, you will also be asked you to sign a new Standard Contract that will also be published by the end of November. This new Standard Contract will contain very few changes but and primarily acts to clarify the new mandate of Powernext.

1.1.2 Will there be a change of fees starting as of 1st January 2019?

The price list starting as of 1st January 2019 will be as follows:

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

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

* All annual fees are paid once a year and will not be subject to pro-rata

1.1.3 What are the annual fees for the registration of production devices? How will the transition between price regimes be handled for customers who have already paid the three-year fee (450€) for registration of production device?

The new cost for the registration of production devices is set at 10€ (not including taxes) per year. This tariff will be due on the date of registration, and then will be invoiced each year in January. Each year will need to be paid for in full, regardless of when the device is registered or when the device is cancelled.

This pricing structure will enter into force as of 1st January 2019.

Production devices that were registered after the 1st January 2015 and that were subject to the previous pricing regime (whereby 3 years was paid in advance) will be reimbursed based on a pro-rata calculation and will be invoiced under the new scheme as of 1st January 2019.

According to the Energy Code, production devices subject to feed-in tariffs are registered to the DGEC account (see §1.2). There will be no registration fee charged for such devices.

1.1.4 Will there be IT changes to the registry?

We are working on automating some of the manual processes involved in the use of the registry.

In particular, we are working with network operators to ensure that metering data is made available in the platform for GO issuance. This would mean that Account Holders would be required to simply validate the meter data when requesting the issuance of a GO, instead of entering the value themselves. This functionality should be ready by the beginning of 2019.

We are also working to simplify the transfer and cancellation requests so that are easier to use. This evolution should be delivered by the end of 2018.

Some changes will also be introduced concerning production devices but these are still under discussion with network operators.

1.2 GOs from installations benefitting from subsidies

The regulation has been changed, and where it was previously not possible to ask for issuance of GOs for installations benefitting from feed-in tariffs or other subsidies, the DGEC will be able to request the issuance of GOs for such installations whose installed capacity is upper than 100 kW. The proceeds from GOs sold will be paid to the state and hence deducted from the CASTE (Compte d'Affectation Spéciale Transition Énergétique).

1.2.1 How can producers register their production devices under feed-in tariffs or other subsidies?

According to decree 2018-243 dated 2018 April 5th, producers who own production devices benefitting from feed-in tariffs¹ which have a production capacity of 100 kW or above, will be required to register such devices to the account of State in the registry.

In order to register the production devices, producers are invited to fill in a file “enregistrement_installations_NOM DU PRODUCTEUR.xlsx” downloadable on the Powernext Website and to send it to Powernext by email at go-encheres@powernext.com only. All transmission to another address won't be treated.

All demands will be submitted for validation by system operators and could take until 3 months. The list of the registered production devices will be published and updated on the Powernext Website.

1.2.2 If I am a producer benefitting from state subsidies (feed-in tariff or other), can I choose to register my production device under my own account and claim the GOs that are issued for myself?

According to decree 2018-243 dated 2018 April 5th, if a producer chooses to register their production under their own account and claim the GOs for themselves, they forfeit their rights to claim any further state subsidy. Additionally, they will be required to reimburse a portion of the subsidies received to date for their production device as explained in article L314-14 of the Code de l'Énergie.

1.2.3 If I am a co-contractor (according to art. R. 314-1 of the Energy Code), what do I have to do?

Each month, all co-contractors must update the list of production devices benefitting from feed-in tariffs or other subsidies in their portfolio (both for cancelled contracts and new contracts). This list should include all information necessary to register new production devices on the GO registry and sent each month to the relevant network operator(s). After aggregation, the lists will be transferred to Powernext in order to register new production devices to the State's account. The exact procedure will be published before the end of the year and is currently being discussed with all co-contractors

If a producer registers a subsidised production device on its own account, Powernext will inform the relevant co-contractor who will immediately cancel the feed-in tariff contract.

¹ Exact reference in decree: <https://www.legifrance.gouv.fr/eli/decret/2018/4/5/TRER1732096D/jo/texte>

2. Auction

Powernext has been appointed as of 1st January 2019 as the entity in charge of the organization of auctions for GOs for production devices benefitting from feed-in tariffs or other subsidies. The State will be the sole seller in these auctions.

2.1 Auction generalities

2.1.1 When will the first auction take place?

The first auction in 2019 will take place the 18th of September. From the 11/09/2019, participants could access to the auction platform in order to submit their bids.

2.1.2 How often will auctions take place?

Auctions will take place every month. Below the 2019 calendar.

		Opening of Order Book	Closure of Order Book	Modification of trading limits	Order matching
Auctioning month	Production month	Wednesday 10am // D-7	Wednesday 10am // D-1	Tuesday 16:00 // D-1	Wednesday 12am // D
Sept 19	Mar 19	11.09.2019	18.09.2019	16.09.2019	18.09.2019
Sept 19	Apr 2019	11.09.2019	18.09.2019	16.09.2019	18.09.2019
Oct 19	May 2019	16.10.2019	23.10.2019	21.10.2019	23.10.2019
Oct 19	Jun 2019	16.10.2019	23.10.2019	21.10.2019	23.10.2019
Nov 19	Jul 2019	13.11.2019	20.11.2019	18.11.2019	20.11.2019
Nov 19	Aug 2019	13.11.2019	20.11.2019	18.11.2019	20.11.2019
Dec 19	Sept 19	11.12.2019	18.12.2019	16.12.2019	18.12.2019

Auction calendar planned for 2019

2.1.3 What products will be auctioned?

Actors will be able to submit orders for Guarantees of Origin organised according to geographical location in France (The DGEC proposes to use the Administrative Regions of France but this is subject to the results of the consultation currently ongoing) and according to production technology (The DGEC proposes four categories at present - solar, thermal, hydro and onshore wind - but this is subject to the results of the consultation currently ongoing). Actors will be able to bid on combinations of these products, with the possibility to specify either a location or a technology or a combination of both.

2.1.4 Will I be able to bid on a specific production facility?

Powernext and the DGEC would like to make this option available for actors. We propose to do this by allowing actors to state a preference specific production devices within a region and from a certain type of production technology. As such, actors would still bid on combination of geographical location/technology but could indicate a preference for one or multiple specific production devices, at most 10 preferences. In case of multiple actors stating a preference for the same production device, the actor with the highest bid would win the GO from that device under the auction, whilst other actors would be delivered GOs from production devices of the same location/technology.

2.1.5 What is the volume of GOs that will be auctioned by the DGEC per year?

This information is not yet available. The total amount of production benefitting from feed-in tariffs was around 44 TWh last year. However, at each auction, the DGEC will decide what volume of GOs should be sold. This amount may be as little as zero or as high as the full amount of production benefitting from feed-in tariffs for a given period.

2.1.6 What information will be available ahead of the auction for actors?

Powernext will publish on the auction interface and in the registry a full list of GOs issued by the State and available for purchase via the auction, at least 10 days before the auction. Breakdowns by technology, by region, and by combination of those two will also be available to enable actors to have maximum visibility over what is available for purchase. Powernext intends to publish these statistics at the start of each month, once the GOs have been issued to the State's account.

2.1.7 Will there be a reserve price for the auction?

Yes, a reserve price will be set for the auction. At this stage, there is no further information on the level of this reserve price, or indeed whether it will be made public or not.

2.1.8 What will the timing of the auction be? How long will I have to submit my orders?

The orderbook will be opened for a total of seven days (business days), from Wednesday at 10:00am to Wednesday at 10:00am. Actors will be able to submit their orders throughout this period. They will also be able to modify their trading limits (either with their clearing member or directly with ECC) until 16:00 the day before the auction.

2.1.9 How and when will my GOs be delivered to me following the conclusion of the auction?

GOs will be delivered automatically to your account following the conclusion of the auction at least two days after the auction.

2.1.10 When will the results of the auction be published?

The results of the auction will be published at the latest by D+2 following the conclusion of the auction. The precise timing will be decided in the coming months, subject in part to technical and surveillance requirements, and will be communicated clearly to actors.

2.1.11 What will the price and volume tick of the auction be?

The volume tick will be set at 1MWh, the minimum size of a GO. The price tick will be set at 0.01 €/MWh.

2.1.12 Am I able to provide my opinion on the auction parameters?

Yes, the DGEC has launched a consultation for interested parties, including current registry account holders, which will be open until 12th December 2018. The results of the consultation have been considered when finalising the auction parameters.

2.2 Access to Auction

2.2.1 Who can participate in the Auction?

Anyone who has a membership of the Registry is eligible to participate in the auction, provided that they comply with the Auction Rules and adhere to the associated Trading Agreement. Additionally, they need to have concluded and agreed a clearing agreement of some kind with our Clearing House, ECC. There is no requirement to have a French business entity or similar in order to access either the Registry or the Auction.

2.2.2 Will the auction be cleared?

Powernext will offer a system for securing transactions via our partner Clearing House, ECC. ECC will offer either its standard Non-Clearing Member Solution, which requires an agreement with an ECC approved Bank (the “Clearing Member”) or an alternative Direct Clearing Participant Model, whereby clients are required to deposit in a bank account a cash amount corresponding to the volume of GOs that they intend to purchase. Members of the auction can choose which option is best suited to their precise needs. More information will be provided on these options early in 2019. In principle, actors who are already members of ECC can re-use their existing agreements with their clearing members whilst the “Direct Clearing Participant” solution will probably be better adapted for new participants.

2.2.3 What type of information is required to respond to the KYC?

Powernext does not make public its KYCs for security reasons, but the requirements relate to financial and legal details concerning the applicant to ensure their trustworthiness and ability to participate in the Auction.

2.2.4 What are the costs associated with the Auction?

Membership of the auction will cost 2 000€ (not including taxes) per year per member. Additionally, members will be required to pay transaction fees (0,005€ not including taxes) for each MWh of GO purchased on the auction to cover transfer costs.

2.2.5 How long will it take me to become a member for the Auction?

The admission process will vary dependent on whether you are already a member of ECC and Povernext or not. For those actors who are already a member of one or both of these institutions, between 2-3 months is a reasonable time frame, although this can vary based on the individual application. If you are interested by the auctions, please send us an email to : go-admission@povernext.com in order to be ready for the first auction, in September 2019.