



Calls for Tenders for Y+4/Y+5 calendar products

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Objective of the experimentation

Subject matter and scope of the calls for tenders

- The recent crisis has underscored the necessity for electricity consumers to have stable and predictable prices. In an effort to contribute to the stability of end consumers' bills, support decarbonization and the energy transition initiatives, all while safeguarding its financial trajectory, **EDF is dedicated to developing medium and long-term products aimed at assisting market actors in their endeavors.**
- Currently, the French wholesale market allows for the purchase of electricity for the years Y+1, Y+2 and Y+3. **EDF intends to invigorate the development of forward electricity sales contracts by offering standardized products with longer maturities.** At this stage, EDF is embarking on an experimental approach to gauge market actors' appetite for such products and to clarify the terms of allocation.
- The proposed products cover annual electricity strips for physical baseload deliveries in **year Y+4 and Y+5**. For each organized auction, a minimum volume **of 5 MW** per product will be offered for sale. This volume may be adjusted as needed.
- This experimentation will continue **until December 2024**. Beyond this deadline, EDF will continue at least until the end of 2026, to make available via auctions or any other market mechanism at least 5MW/day of each of the Y+4/Y+5 products.
- For any inquiries, EDF can also be reached at the following email address: **doaat-appels-offres@edf.fr**.

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Process

General planning



* The process between brackets is repeated for each tender. At this stage, EDF will organize auctions on working days, each covering a volume minimum of 5 MW. However, EDF will retain full flexibility to adjust the number of auctions as well as the volume offered as needed.

Focus on the qualification phase – Steps and criteria

1. Any counterparty wishing to participate in the auctions must submit a qualification application to EDF no later than 7 days before the first auction they wish to take part in. The application can be submitted upon the publication of the CTR and the GTS, which outline the required documentation.

2. The criteria to be met for qualification include:
 - i. Having/being a balance responsible party (BRP) ;
 - ii. Having a minimum credit rating of B- (B3) from one of the rating agencies (Moody's, Fitch, and/or Standard & Poor's) ;
 - iii. Providing the required financial guarantee, unless the counterparty has a rating of BBB+ (Baa1) or higher ;
 - iv. Possessing an ACER code.

3. EDF will notify qualifications no later than 2 days before the mentioned auction above.

Post-tender phases – Delivery and invoicing

Counterparties notify EDF of any changes in their qualification conditions. In particular, in case of a credit rating downgrade, EDF may require collaterals from the counterpart. When applicable, the amount of financial guarantees will be determined based on the "mark to market" calculated from public price references.

EDF communicates to the BRP identified by the buyer, the volumes to be delivered no later than one week before the start of the delivery year. Any BRP change must be promptly reported to EDF.

Deliveries follow to the scheduling rules published on RTE's website, especially concerning the nomination of block exchange programs on D-1.

Invoice is issued no later than the 5th working day of the month following the deliveries.

Invoice must be paid no later than the 10th working day of the month following the deliveries.

Focus on the tendering step

For each auction:

1. The gate opening time is on D day at 15:15. From this time onwards, qualified counterparties can submit their offers via email to doaat-appels-offres-depot@edf.fr (different from the generic contact address). In the event that the same counterparty submits multiple offers successively, only the last valid offer is considered.
2. The gate closure time is on D day at 15:45. This is followed by the evaluation of received offers, including (i) verifying their eligibility (EDF ensures that the offers were indeed submitted by qualified counterparties and by duly authorized individuals, and rejects any offers that does not meet these criteria); (ii) constructing an aggregated demand curve from the eligible individual offers.
3. EDF performs the clearing of the tender based on the aggregated demand curve and its offer parameters. It then establishes the list of selected counterparties and their allocated volumes. The auction results are communicated to each counterparty that submitted offers: for those selected, the allocated volume and the clearing price are provided; for those not selected, a notification of non-selection along with the clearing price is sent.
4. EDF issues Electrical Power Sale agreement with the selected counterparties based on the contract template included in the documentation and manages the signature process.

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Auctioned products, clearing and price formation

Auctioned products

Auctioned products are standard products which may be fungible with products traded on organized electricity markets. Their properties are detailed below.

	Produits
Term	CAL Y+4, CAL Y+5
Period	Baseload
Type	Physical
Price	Tax free, in €/MWh with 2 decimals

Submitted market offers must comply with the following conditions:

	Supports d'offres
Divisibility	Only divisible offers
Maturity	The offer must specify whether it applies for CAL Y+4 or CAL Y+5.
Minimum volume	1 MW
Multiple offers	Possibility to submit up to 10 offers (non-exclusive) per product and per auction for a given participant.
Linking offers	No links between offers are allowed whether they apply within the same auction or between different auctions.
Validity period	Submitted offers must remain valid until EDF communicates the results to participants

Clearing and price formation

- Each auction is a single-round auction.
- Auctions will follow the order of economic precedence. These will be pay as clear auctions, meaning that, for a given auction and product, the price will be the same for all awarded volumes. It will be set at the level of the lowest accepted bid. An economic precedence will be established for each of the previously defined products.
- A reserve price will be defined by EDF. The criteria for determining this reserve price will be set in advance of each auction. Offers below this reserve price will be excluded. This reserve price may result in the volume allocated within the auction being less than initially dedicated.
- In cases where the total requested volume above the reserve price exceeds the volume dedicated to the auction, the lowest-priced offer may be curtailed to meet the dedicated volume for the auction. If multiple offers are marginal, they will be curtailed to meet the dedicated volume for the auction, and the remaining volume will be allocated to them on a pro-rata basis based on their demand (rounded to a one hundredth if applicable).
- Volumes are allocated as long as their sum does not exceed the total volume dedicated to the auction and as long as their price is not lower than the reserve price.