ATRD Tariff: Chronology and regulation modes

ATRD 1  ATRD 2  ATRD 3  ATRD 4  ATRD 5

Cost plus  Increasing Incentive Regulations
What is the ATRD?

€3 billion

Net operating expenses allowed + Investment expenses allowed = ATRD tariff

Customer’s number + volume of gas distributed

11 million customers 300 TWh distributed

Tariff grid (01/07/2015 to 30/06/2016)

<table>
<thead>
<tr>
<th>Rate option</th>
<th>Annual subscription (€)</th>
<th>Price in €/MWh</th>
<th>Annual subscription of daily capacity (€/MWh/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td>34,56</td>
<td>27,35</td>
<td></td>
</tr>
<tr>
<td>T2</td>
<td>133,32</td>
<td>8,04</td>
<td></td>
</tr>
<tr>
<td>T3</td>
<td>757,08</td>
<td>5,65</td>
<td></td>
</tr>
<tr>
<td>T4</td>
<td>15 295,56</td>
<td>0,79</td>
<td>199,08</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Rate option</th>
<th>Annual subscription (€)</th>
<th>Annual subscription of daily capacity (€/MWh/d)</th>
<th>Annual price of gas distributed in € per meter T</th>
</tr>
</thead>
<tbody>
<tr>
<td>TP</td>
<td>35 684,40</td>
<td>99,24</td>
<td>65,15</td>
</tr>
</tbody>
</table>
• Target productivity increase for the ATRD5, based on maneuverable expenses (and excluding new project such as Gazpar...) and expressed in %/year (2014-2019).

• On the rate wage, the CRE defined 5%.

• Significant strengthening of the incentive regulation on:
  – Quality of Service
  – Unitary costs Investments
  – Capital expenses excluding networks: IT, real estate, vehicle
  – Increasing the number of consumers connected to the grid
  – R&D
– **Incentive regulation on the consumer's number**: the differences between the forecasted trajectory and the number of consumers really connected to the grid at the end of the tariff’s period will lead to a **bonus/malus system**: €100 for the categories T1 and T2; 3000 for the T3 and T4.

– **The R&D budget should be of €22.4 million/year** (on average). **Annual monitoring** of the GRDF’s R&D projects (already exists for ERDF and RTE); **return to customers the unused amounts allocated to R&D**.
GRDF role into biomethane production

**Feasibility studies**
- Injection potential regarding consumptions on the grid
- Connection to the grid cost
- Degree of risk regarding the dependence on few consumers

**Injection station**
Takes care of the connection to the grid.
Owns the installation of injection and offers to the producer a service of injection for a annual cost of 67 to 74 k€ including investment, operation, maintenance
Operates additional mensual controls of gas quality (2,5 k€/control)

**Guarantees of origins manager**
GrDF = guaranties of origin registry (public service delegation) for 5 years
The GoO registry guaranties:
- Green gas valorization registering and traceability
- Conformity of biomethane way of production
Contracts set roles and responsibilities share into biomethane production
The feed-in-tariff: a tool to ensure the producer’s business sustainability

Structure: Feed-in-tariff (€/MWh):

Depends on the production plant’s characteristic (size and type of production).
Favors sustainable projects: bonuses are added to the feedstocks for wastes.
It is modulated by the age of the facility in order to reflect the economic realities of the projects.

Feed-in-tariff = (Reference tariff + Feedstock’s bonuses) x Coefficient S

The producer sells for 15 years all its biomethane production to a supplier, chosen in a suppliers’ list held by the French Ministry of ecology, sustainable development and Energy.*