

PUBLIC CONSULTATION NO. 2024-13

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

The Commission de régulation de l'énergie (CRE) consults market players.

Public consultation of 24 July 2024 on the next tariff for the use of regulated LNG terminals

Participating in the meeting: Emmanuelle WARGON, Chairman, Anthony CELLIER, Ivan FAUCHEUX, Valérie PLAGNOL and Lova RINEL, Commissioners.

Articles L. 452-2 and L. 452-3 of the French Energy Code empower the French Energy Regulation Commission (CRE) to set the methodology for setting tariffs for the use of liquefied natural gas (LNG) facilities. CRE may make any changes to the level and structure of the tariffs that it deems justified, in particular with regard to the analysis of operators' costs and any expected changes in operating and investment costs.

The current tariff for use of the Elengy and Fosmax LNG terminals, known as the ATTM6 tariff, came into force on the 1st of April 2021, in accordance with the deliberation of 7 January 2021. The new tariff for the use of LNG terminals, known as the ATTM7 tariff, is expected to come into force on the 1st of April 2025 for a period of approximately four years.

This consultation sets out CRE's preliminary orientations concerning:

- the regulatory framework for the ATTM7 tariff, the level of charges to be covered and the resulting level of tariffs, as well as the tariff structure. CRE is seeking the views of market players on these issues before making its final decision at the end of 2024;
- the commercial offer for LNG terminals. CRE specifies that the commercial offer for LNG terminals and its changes will be the subject of a specific deliberation at the end of October 2024 so that they can be implemented from the 1st of January 2025. Elengy's proposal for changes to its commercial offer is presented at the end of this consultation.

1. Key issues in the ATTM7 tariff

Unlike transmission or distribution networks, LNG terminals are not natural monopolies, and are in competition with each other. The commissioning of several large terminals in Europe, either already underway or planned for the coming years, and the growth in new uses (bunkering, transshipment, truck loading) are tending to strengthen the European competition to which regulated French LNG terminals are exposed. However, since 2022, the end of Russian gas imports by pipeline has made the terminals essential to European supplies, resulting in a high level of subscription and use of European terminals. The long-term capacities of the Fos Tonkin, Montoir and Fos Cavaou terminals are fully subscribed, until 2028, 2035 and 2040 respectively. In this context, maintaining the attractiveness and competitiveness of French terminals is a particularly important issue for CRE in the next tariff.

The coming tariff period will be marked by the downward trend in natural gas consumption in France that has already been observed for several years, and which is an objective of the French multi annual energy plan. This decline has accelerated since 2022 as a result of high prices, efforts by gas consumers to save energy and the switch by some gas consumers to other energy sources. Against this backdrop, and as pointed out in the report entitled "The future of gas infrastructures in 2030 and 2050" published by CRE in April 2023, LNG terminals nevertheless play a special role in helping to secure long-term gas supplies for France and neighbouring countries.

This usefulness was demonstrated during the supply crisis following the cessation of Russian gas imports by pipeline. During this crisis, the French LNG terminals were able to import 69% of national consumption in 2022, with a utilisation rate for the regulated Fos and Montoir LNG terminals of over 90%. Over the next 4 years, Elengy forecasts an average utilisation rate of 75%, i.e., the ratio between the quantities of gas actually sent to the network and the maximum regasification capacity of the terminals.

In this context, Elengy must ensure the long-term availability of its Montoir and Fos Cavaou terminals. Major renovation work on the Montoir terminal, which is over 40 years old, must be undertaken during the next tariff period to ensure the site's proper operation and safety, as well as to comply with new regulatory requirements. This renovation programme will contribute to an average increase in the trajectory of capital charges of around €20m/year over the period 2025-2028 compared with the previous tariff period. The renovation of the Montoir site will result in an increase in the unloading tariff term of around €0.15/MWh. The Fos Cavaou terminal will also have to be renovated, but this work will not begin until after the end of the ATTM7 tariff period.

In addition to the objectives of simplicity, predictability and continuity pursued by CRE on an ongoing basis in its pricing decisions, the ATTM7 tariff must meet the specific challenges of the coming tariff period (2025-2028), but also prepare operators to deal with the longer-term issues of the gas system.

2. Framework for tariff regulation

Amortisation of the Regulated Asset Base (RAB)

In its study on the future of gas infrastructures, CRE put forward several possible measures to deal with the decline in natural gas. For the ATTM7 tariff, CRE plans to implement measures similar to those adopted for the ATRT8, ATRD7 and ATS3 natural gas transmission, distribution and storage tariffs:

- de-indexation of the RAB (previously indexed to inflation): the assets of LNG terminals coming into service from the 1st of January 2025 would be accounted at their net book value in the RAB. The associated remuneration would be defined and set in nominal terms;
- limiting depreciation periods to 20 years for new assets, in line with the ATTM6 decision concerning new assets at the Montoir site.

Elengy shares these views.

Net operating expenses

The general principles for regulating net operating costs implemented during the ATTM6 period will be maintained for the ATTM7 period.

Regulatory account (CRCP)

Elengy is requesting partial pooling of the CRCP, created from 2025, for the Montoir de Bretagne and Fos Cavaou terminals, and changes to the procedures for updating tariffs to make the clearing of the CRCP easier. CRE is seeking the market's opinion on this point.

The Fos Tonkin terminal is only subscribed until 2028. With this in mind, Elengy is requesting the suppression of the limit for clearing the Fos Tonkin CRCP as part of the mid-period tariff review. Elengy also asks that provision be made for the possibility of a specific recalibration of the Fos Tonkin tariff at the end of the period, depending on changes in terminal subscriptions beyond 2028.

At this stage, CRE shares this approach.

Increase in the CRCP clearance ceiling

In its tariff demand, Elengy is requesting that the ceiling on the balancing parameter k be raised from +/- 3% to +/- 5% to enable the CRCP to be cleared more quickly.

CRE considers that the fact that the ATTM is only updated every two years could justify a higher tariff increase than for other gas infrastructures. CRE notes, however, that this increase in the k ceiling, by allowing the CRCP to be cleared to a greater extent at mid-period, would limit the possibilities for natural compensation of the CRCP over the entire tariff period.

Quality of service

CRE remains vigilant about the quality of service at LNG terminals and proposes to maintain the indicators implemented during the ATTM6 period, both for compliance with maintenance programmes and for greenhouse gas emissions.

3. Tariff level

The operator of the regulated LNG terminals, Elengy, has submitted a request for tariff changes setting out its forecast costs for the period 2025-2028, as well as its requests relating to the regulatory framework, the tariff structure and supply. Among the significant elements influencing tariff levels, Elengy's requests are marked by increases in both normative capital costs (NCC) and net operating costs (NOC). The clearing of the CRCP for the ATTM6 period also has a significant impact.

Elengy's request constitutes an upper limit for the tariff changes that may be decided by CRE. CRE is considering several adjustments to Elengy's request. This adjusted trajectory constitutes a lower limit for possible tariff changes.

Normative capital charges

Elengy will continue to renovate the Montoir terminal and will have to undertake major works, the cost of which is estimated by the operator to be at least €180 million. This work is necessary to ensure the reliability of the site and, consequently, the country's security of supply. In particular, the work involves renovating the terminal's regasification function and carrying out civil engineering work to extend the service life of the facilities. These works will reduce CO₂ emissions from the terminal.

The level of NCCs depends on the terms and conditions for remunerating Elengy's assets. The rate of return on assets adopted by CRE for the ATTM6 tariff is equal to the rate of return applied for the gas transmission tariff, plus a premium linked to the operation of LNG terminals. For the ATTM7 period, CRE plans to renew these provisions.

For ATTM6, the premium has been set at 150 basis points for the new assets at Montoir, whose depreciation period has been reduced to 20 years, and at 200 basis points for all the other assets at Montoir, Fos Cavaou and Fos Tonkin. For new assets, Elengy is requesting an increase in this premium from 150 to 250 basis points.

At this stage, CRE considers that limiting the amortisation period to 20 years reduces the risk of stranded costs. As a result, CRE is considering:

- for former assets, to maintain the premium at 200 basis points, in line with Elengy's request;
- for new assets, as a lower limit to maintain the premium at 150 basis points and as an upper limit to maintain the premium at 250 basis points requested by Elengy.

Net operating expenses

As regards the NOCs, Elengy considers it necessary to increase its workforce. At the end of 2023, Elengy had exceeded its workforce trajectory by around 10% compared with the ATTM6 workforce trajectory assumption. Elengy wishes to continue strengthening its teams over the ATTM7 period and is requesting around 15% more staff (compared to the end of 2023). Elengy justifies this increase, some of which has already been achieved, by the need for additional staff to ensure the operational running of the facilities and to manage the renovation works after two years of intensive use of the terminals. The level of activity, which will remain high, and the introduction of new regulations are also leading Elengy to plan for additional maintenance expenditure.

In addition to its own analyses, CRE relied on a study by an external consultant to assess Elengy's request in terms of net operating costs (including energy costs and provisions on decommissioning). At this stage, CRE considers Elengy's request to be overestimated. It plans to limit the increase in Elengy's net operating costs, with the proposal resulting from the external consultant's audit representing a low limit (a total of €530 million over the ATTM7 period, or an average of €132.5 million per year), and Elengy's request a high limit (a total of €568 million, or an average of €141.9 million per year).

Key figures 2025-2028 (current €)				2023 actual (excluding provisions for risks and other exceptional expenses)
	Sites	Lower limit	Upper limit	
Average annual net operating costs (including energy costs and provisions for decommissioning) (M€/year)	Montoir-de-Bretagne	56,5	60,8	55,6
	Fos Tonkin	16,3	17,9	16,3
	Fos Cavaou	59,7	63,2	56,6
	All sites combined	132,5	141,9	128,5
Average annual capital expenditure (M€/year)	Montoir-de-Bretagne	55,6	58,4	35,0
	Fos Tonkin	8,4	8,4	5,2
	Fos Cavaou	89,0	89,4	88,1
	All sites combined	153,0	156,2	128,3
Actual WACC before tax (%)	All sites combined	4,1	4,1	4,25
Nominal WACC before tax (%)	All sites combined	5,4	5,4	5,6
Bonus for new employees (bps)	All sites combined	150	250	/
Premium for other assets (bps)	All sites combined	200	200	/

	2025	2026	2027	2028
Inflation assumptions	2,00 %	2,00 %	1,80 %	1,60 %

In addition to covering Elengy's NOCs and NCCs, CRE must also take into account the clearance over the next four years of the CRCP accumulated during the ATTM6 period. This is estimated at €8.3m/year for the Montoir terminal, €1.2m/year for Fos Tonkin and -€15.4m/year for Fos Cavaou.

Considering the elements of the tariff files sent to CRE by Elengy (NOC, NCC, CRCP) leads to an average annual authorised revenue on the ATTM7 per site, which is taken as the upper limit and is summarised in the table below. For the same site, the lower limit is derived from CRE analyses and the external audit:

Authorised site revenue in M€ / year	Lower limit	Upper limit
Montoir	120,4	127,4
Fos Tonkin	25,9	27,5
Fos Cavaou	133,4	137,2

4. Pricing structure

Elengy is proposing a change to its tariff structure, involving the introduction of a Variable Energy Term (TVE) proportional to the quantity unloaded, mainly induced by energy charges. This variable term would amount to around €0.06/MWh unloaded for the Montoir and Fos-Cavaou terminals and around €0.07/MWh unloaded for the Fos-Tonkin terminal.

CRE is seeking the views of market players on this proposal.

5. Illustrative price list

Taking the average between the high and low bounds, the tariff increase would be +€0.38/MWh for the Montoir terminal, +€0.54/MWh for the Fos Tonkin terminal and a reduction of -€0.28/MWh for the Fos Cavaou terminal.

Even if these price changes are significant, Elengy's LNG terminals would still be competitive with other European terminals. The terminal tariffs would be €1.04/MWh, €1.53/MWh and €1.14/MWh respectively for the Montoir, Fos Tonkin and Fos Cavaou sites in 2026.

The illustrative tariff grid, calculated using the average tariff terms between Elengy's request and the low limit proposed by CRE, would be as follows:

ATTM7 terms in 2025 (ATTM6 terms in 2024)	Unit	Montoir	Fos Tonkin	Fos Cavaou
Mooring number term TNA	€/docking	120 000 € (90 000 €)	75 000 € (75 000 €)	120 000 € (100 000 €)
Unloaded quantity term TQD base (over the first two years)	€/MWh	0.864 €/MWh (€0.551/MWh)	1.311 €/MWh (€0.818/MWh)	0.966 €/MWh (€1.306/MWh)
Unloaded quantity term TQD sport (75% of base TQD)	€/MWh	0.648 €/MWh (€0.413/MWh)	0.983 €/MWh (€0.614/MWh)	0.724 €/MWh (€0.980/MWh)
Variable energy term TVE	€/MWh	0.06 €/MWh (0 €/MWh)	0.07 €/MWh (0 €/MWh)	0.06 €/MWh (0 €/MWh)
Gas in kind term TN	% of quantity unloaded	0,5 % (0,5 %)	0,4 % (0,4 %)	0,1 % (0,1 %)
Fixed reloading term TFR	€/load	100 000 € (60 000 €)	50 000 € (40 000 €)	100 000 € (120 000 €)
Term of quantity reloaded TQR	€/MWh	0.45 €/MWh (€0.343/MWh)	(€0.343/MWh)	(€0.324/MWh)
Monthly emission term TEM	€/MWh	0.1 €/MWh (€0.07/MWh)		
Storage quantity term TQS	€/MWh/month	1 €/MWh/month (€1/MWh/month)		

6. Development of Elengy's commercial offering

Development of unloading and regasification capacity

The combination of high use of LNG terminals and high price volatility has highlighted some of the limitations of current LNG terminal supply. In particular, the quantities unloaded per shipper in a given month can differ significantly from the quantities sent to the network in that same month. This limitation has prompted the operator and users of regulated terminals to work on changing the offer, which had been designed in a context of very different prices and use of LNG terminals.

These changes were the subject of a consultation process between Elengy and terminal users between January and June 2024. Elengy is proposing changes that are considered to be consensual by all the users who expressed their views during the consultation process. In particular, Elengy wishes to modify its basic service, notably by changing the rule for calculating shippers' end-of-month stocks.

Finally, the banner service concept was introduced more than 10 years ago. Elengy still considers this tool to be relevant but would like to develop it further to correct certain biases, in line with the development of the basic service.

At this stage, CRE is in favour of the proposed changes.

Reverse-flow from transmission network at PITTM

During the preparatory work on the ATTM6 tariff, Elengy proposed a commercial interruptible virtual reverse-flow service at the PITTM, available to any shipper active on the transmission network. CRE did not include this proposal in the ATTM6 tariff. Elengy wishes to re-examine this commercial possibility.

CRE is keen to maintain an active dialogue on the commercial offer for regulated LNG terminals and is including this issue in the public consultation.

Paris, 24 July 2024.

**For the Commission de régulation de l'énergie,
The Chair,
Emmanuelle WARGON**

Respond to the consultation

CRE invites interested parties to send their contributions by at the latest 30 September 2024 by entering their contribution on the platform set up by CRE: <https://consultations.CRE.fr>.

In the interests of transparency, contributions will be published by CRE.

If your contribution contains elements that you wish to keep confidential, a version that conceals these elements must also be submitted. In this case, only this redacted version will be published. CRE reserves the right to publish elements that could prove essential to the information of all players, provided that they are not covered by secrets protected by law.

In the absence of a redacted version, the full version will be published, subject to information covered by legally protected secrecy.

Interested parties are invited to provide the grounds for their answers in responding to the questions.

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1. List of questions

Framework for tariff regulation

Part 5 of this public consultation (see p.18) presents the tariff regulation framework currently in force for LNG terminals, as well as the changes envisaged by CRE for the ATTM7 tariff period.

In particular, there are questions on:

- the main pricing principles (see p.18);

Question 1: Are you in favour of renewing the principles for allocating charges between regulated and non-regulated services as envisaged by CRE?

Question 2: Are you in favour of limiting the depreciation period for Fos Cavaou assets commissioned from 2025 onwards to 20 years?

Question 3: Are you in favour of adjusting the specific premium for new investments? Do you have any comments on the amounts involved?

Question 4: Do you consider that ending the indexation of the RAB and taking inflation directly into account in the rate of remuneration will provide better long-term control of the cost of using LNG terminals? Do you have any comments on the implementation of this measure for assets coming into service from 1^{er} January 2025?

Question 5: Are you in favour of the principle of pooling the "income from additional subscriptions to regasification capacity and additional services offered by operators" items of the CRCP for the Montoir de Bretagne and Fos Cavaou terminals, as proposed by Elengy?

- the principles for annual tariff changes (see p.25);

Question 6: Are you in favour of a mid-period update of the forecast references used to calculate the CRCP for subscription revenues, energy and R&D?

Question 7: For the Fos Cavaou and Montoir-de-Bretagne sites, are you in favour of increasing the k cap from +/- 3% to +/- 5% as proposed by Elengy?

Question 8: Are you in favour of updating the ATTM only halfway through the period or on an annual basis?

Question 9: Are you in favour of Elengy's request to remove the ceiling on the k coefficient for the Fos Tonkin terminal in order to minimise the remaining CRCP at the end of the period? With the same objective in mind, are you in favour of a tariff update to 1^{er} April 2028 for the Fos Tonkin terminal?

Question 10: Are you in favour of including the variable part of the pumping costs invoiced by the SPEM plant in the CRCP for the Montoir terminal, as proposed by the CRE?

Question 11: Are you in favour of differentiated treatment in the CRCP of price and volume effects on energy costs, in the event of the introduction of a variable energy term?

- the regulatory incentives to control costs (see p.30);

Question 12: Are you in favour of the cost control incentive mechanism for investments with a budget of more than €10m?

Question 13: Are you in favour of the cost control incentive mechanism for "non-infrastructure" investments?

- quality of service incentive regulation (see p.32) and potential new incentive regulation indicators (see p.32);

Question 14: Are you in favour of the system of incentive regulation of quality of service envisaged by CRE for the ATTM7 tariff concerning maintenance programmes for regulated LNG terminals and indicators relating to the environment?

Question 15: Do you think that certain additional indicators should be financially incentivised during the ATTM7 period?

- incentive regulation of R&D and innovation (see p.34);

Question 16: Do you have any comments on the incentive regulation framework for innovation and R&D envisaged by CRE for the ATTM7 tariff?

Price level

Part 6 of this public consultation (see p.34) presents the operators' tariff requests, the results of the audits on net operating costs and the rate of return, and CRE's preliminary adjustments concerning the level of Elengy's costs to be covered for the ATTM7 tariff period.

Question 17: Do you agree with the issues identified by CRE concerning the operating costs of LNG terminals?

Question 18: Do you have any comments on the forecast charges for the Montoir-de-Bretagne terminal?

Question 19: Do you have any comments on the forecast charges for the Fos Tonkin terminal?

Question 20: Do you have any comments on the forecast charges for the Fos Cavaou terminal?

Question 21: Do you have any comments on the capital expenditure planned by Elengy for the Montoir, Fos Cavaou and Fos Tonkin terminals over the period 2025-2028?

Question 22: Do you have any other comments on the level of costs to be covered for the ATTM6 period for Elengy?

Question 23: Do you have any comments on Elengy's forecast subscription assumptions for the period 2025-2028?

Pricing structure

Part 7 of this public consultation (see p.66) presents the current tariff structure and the associated tariff terms. It also presents the operator's request to include a new tariff term, taking energy charges into account. Finally, this section reviews all the tariff terms in the ATTM6 and presents the potential tariff terms in the ATTM7 for consultation.

Question 24: Are you in favour of maintaining the tariff terms presented? Are you in favour of Elengy's request for an increase in the number of berths? Are you in favour of equalising and changing the tariff terms applied to reloading operations?

Question 25: Are you in favour of the creation of an Energy Variable Term according to the terms requested by Elengy?

Question 26: Do you have any comments on the pricing terms?

Commercial offer

Part 8 of this public consultation (cf. p.69) details the service offer in force in tariff ATTM6 as well as the changes proposed by Elengy for the tariff period ATTM7.

Question 27: Are you in favour of implementing the changes to the regulated terminal offering from 1^{er} January 2025?

Question 28: Are you in favour of the changes to the basic service requested by Elengy?

Question 29: Are you in favour of maintaining the quarterly reservation mechanism for year N+1? If so, are you in favour of maintaining it under the existing arrangements?

Question 30: Are you in favour of Elengy maintaining the spot service as requested? If so, are you in favour of maintaining it under the existing arrangements?

Question 31: Are you in favour of Elengy's proposal to replace the strip option with a monthly send-out option? Do you think that this option should be auctioned?

Question 32: Are you in favour of maintaining dedicated storage and specific storage facilities under the current arrangements?

Question 33: Are you in favour of maintaining the M+2 inventory extension service under the current arrangements?

Question 34: Are you in favour of maintaining these services under the current arrangements?

Question 35: Are you in favour of setting up a virtual backhaul service at the PITTM as envisaged by Elengy?

Question 36: Are you in favour of maintaining the absence of regulation for these services?

2. Context and object of the public consultation

2.1. CRE's remit

Article L. 134-2, 4° of the Energy Code authorises CRE for setting the rules on the *"conditions for the use [...] of liquefied natural gas facilities, including the methodology for setting the tariffs for the use of these facilities and tariff changes [...]"*.

Articles L. 452-1, L. 452-1-1, L. 452-2 and L. 452-3 of the Energy Code govern CRE's tariff powers. In particular, Article L. 452-2 stipulates that CRE sets the terms and conditions for charging for the use of liquefied natural gas facilities. In addition, Article L. 452-3 stipulates that *"the French Energy Regulatory Commission will deliberate on tariff changes [...] with, where appropriate, any changes to the level and structure of the tariffs which it considers justified in the light in particular of an analysis of the operators' accounts and the foreseeable development of operating and investment costs. [...]"*.

2.2. Purpose of the public consultation

CRE wishes to obtain the opinion of market players on the guidelines it envisages for the ATTM7 tariff, with regard to the regulatory framework, the level of charges to be covered, Elengy's offer and the structure of the tariff.

3. Review of regulated LNG terminal activity in France

3.1. State of the world market

The global LNG market has been severely affected by Russia's invasion of Ukraine. The sharp rise in wholesale gas prices in Europe linked to the collapse of Russian pipeline imports has led to a redirection of streams from Asia to Europe. In 2023, Europe imported 134¹ billion cubic metres of LNG, an increase of 67% compared with 2021. However, Asia remains the world's largest LNG consumer, accounting for almost two-thirds of imports in 2022 and home to four of the five largest LNG importing countries.

The energy crisis has also swayed investment decisions in the sector. Over the period 2022-2024, more than 10 European countries - including Germany, the Netherlands, Finland, France, Croatia and Italy - have launched plans to build additional regasification capacity. By 2027, Europe plans to increase its regasification capacity by 65% and its LNG storage capacity by 41% compared with 2022.

On the supply side, in 2023, global LNG production reached around 557² billion cubic metres, representing 15% of total global natural gas production. In the medium term, 19 liquefaction projects currently under construction are expected to increase LNG production by around 272 billion cubic metres by 2030.

3.2. Overview of French LNG terminals

There are four onshore LNG terminals and one floating terminal (FSRU) in France: the terminals operated by Elengy at Montoir-de-Bretagne, Fos Tonkin and Fos Cavaou are regulated. The Dunkerque LNG terminal and the TotalEnergies LNG Services France FSRU in Le Havre benefit from an exemption from regulation relating to third-party access to infrastructure and tariff regulation until 2036 and 2028 respectively.

Elengy is a wholly-owned subsidiary of GRTgaz. Among Elengy's terminals, the Montoir-de-Bretagne terminal was commissioned in 1980. It has a regasification capacity of 10 billion m³ /year (123 TWh) and a storage capacity of 360,000 m³. The Fos Tonkin terminal was commissioned in 1972 and has a regasification capacity of 1.5 billion m³ /year (18 TWh). The terminal has a storage capacity of 80,000 m³. The Fos Cavaou terminal was commissioned in 2010, with a regasification capacity of 10 billion m³ /year (117.2 TWh) and a storage capacity of 330,000 m³.

The Dunkirk terminal is operated by Dunkerque LNG, 61% of which is owned by a consortium comprising the gas infrastructure group Fluxys, AXA and Crédit Agricole Assurances, and 39% by a consortium of Korean investors led by IPM Group. It was commissioned in 2016 with a regasification capacity of 13 billion m³ /year (150 TWh) and a storage capacity of 600,000 m³.

The floating terminal at Le Havre was commissioned in 2023. It has a regasification capacity of around 5 billion m³/year (46 TWh), and around 140,000 m³ of liquefied natural gas storage. The FSRU (Floating Storage Regasification Unit) is operated by TotalEnergies LNG Services France ("TELSF"), a subsidiary of TotalEnergies.

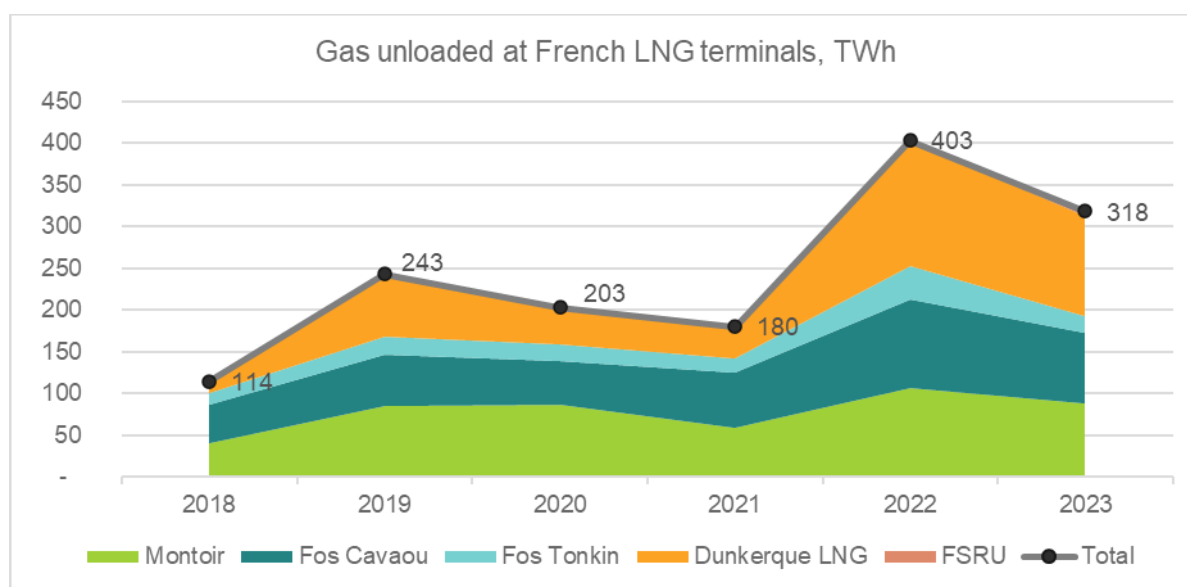
¹ IEA "[Baseline European Union gas demand and supply in 2023](#)".

² ACER "[Analysis of the European LNG market developments](#)".

3.3. Very sharp increase in activity at regulated French LNG terminals in 2022 and 2023

The end of gas imports by pipeline from Russia has led Europe to change its import sources and increase the use of LNG infrastructure. As a result, the ATTM6 tariff period is characterised by intensive use of LNG terminals in France, reaching an all-time high of 95% in 2022 and around 80% in 2023. In terms of volumes, France imported 403 TWh and 318 TWh of LNG by sea in 2022 and 2023 respectively.

A large proportion of the additional volumes of LNG imported in 2022 and 2023 came from the United States. While in 2021 only 18% of LNG tankers arriving in France were carrying US gas, this share has risen to 40% in 2022 and 2023. France has also received more LNG tankers carrying Norwegian and Qatari LNG since the start of the crisis. The number of ships carrying Russian LNG was reduced in 2023, after increasing in 2022, to represent only 13% of LNG arrivals (compared with 23% over the period 2019-2021).



Source: CRE data

The future of France's LNG terminals is secured by long-term subscriptions. Fos Cavaou is 100% subscribed until 2040, while Montoir is fully subscribed until 2035. Dunkirk is 100% subscribed until 2030, then 75% until 2036. In 2022 and 2023, half of the gas from the Dunkerque LNG terminal is transported to the heart of the GRTgaz network, while the other half is sent to Belgium.

3.4. Review of the ATTM6 tariff

The results of the ATTM6 tariff are positive. The unpredictable events of the period had a significant impact on all terminals. Nevertheless, the tariff framework remained resilient and the tariff level sufficient to cover the operator's costs. In particular, the ATTM6 tariff has proved to be adequate to allow terminals to operate despite the sharp rise in utilisation rates and the volatility of energy prices from 2022 onwards.

3.4.1. Authorised revenue

Net operating expenses excluding energy and provisions

The forecast utilisation rates and the inflation assumptions set out in the ATTM6 turned out to be well below the actual rates. Nevertheless, the Fos Tonkin and Montoir-de-Bretagne terminals had overall net operating costs excluding energy and provisions below the trajectory for the years 2021-2023 (-1.2 M€ and -2.1€ respectively) taking into account the inflation effect (the difference between forecast and actual inflation is covered by the CRCP). For the Fos Cavaou terminal, net operating expenses, excluding energy and provisions, were higher than the trajectory rebased for inflation (+€3.7m), in particular because the terminal's capacity has increased from 2022. Details of these differences are given in section 6.1.

Energy costs

In 2021, for all sites, energy costs remained in the same order of magnitude as the forecasts (+€0.2m). In 2022, on the other hand, energy costs significantly exceeded the trajectories for each of the terminals. This is mainly due to the energy crisis and high levels of activity. In total, for all sites, the difference between the actual and forecast trajectories was €11.5m for 2022. These effects have persisted into 2023, resulting in an energy cost trajectory that is significantly higher than forecast (+€13.4m for all sites). To take account of this change in the economic environment, CRE modified the framework for covering energy costs, at the time of the ATTM6 tariff changes, to cover the volatility of this item.

Normative capital charges

Normative capital expenditure at the Montoir site was higher than the expenditure forecast in the trajectory set by the ATTM6 tariff for the years 2021-2023 (+€2.5m). This is due to slightly delayed investments. For the Fos Tonkin site, capital costs were slightly higher in 2021-2023, due to underestimates of certain projects (€1.2 million). For Fos Cavaou, NCCs were higher than forecasts for the years 2021-2023 due to an increase in commissioning linked to maintenance work (+€9.7m). Details of these variances are given in section 6.1.

CRCP

With regard to the CRCP, for the Montoir terminal, the forecast balance at the end of the ATTM6 is +€30.2 million, to be returned to the operator during the ATTM7 (including its remuneration at the risk-free rate). This balance is mainly due to the overrun in energy charges, NCC and lower subscription revenues caused by unavailability (technical incidents, industrial action, etc.). For the Fos Tonkin terminal, the balance is €4.6m, for reasons similar to those for Montoir. For Fos Cavaou, the forecasted CRCP balance is -€56.0m, to be returned to users during the ATTM7. This balance is mainly due to a previous balance and to reasons similar to those for the other terminals. Details of these differences are given in section 6.7.

3.4.2. Subscriptions

During the ATTM6 period, Elengy's LNG terminals were almost fully booked. Nevertheless, unforeseen unavailabilities led to a situation where not all capacity could be billed to customers. In particular, the Montoir terminal was shut down due to a technical incident in 2021, which led to a drop in subscriptions. For the Fos Cavaou terminal, the operators succeeded in increasing regasification capacity from 100 TWh/year to 117 TWh/year between 2022 and 2024 thanks to technical debottlenecking. However, actual subscriptions were lower than forecasts due to unforeseen unavailability of the site. As regards to Fos Tonkin, actual subscriptions exceeded forecasts.

A more detailed account of subscriptions for the ATTM6 tariff period is given in section 6.9.1.

3.4.3. Overview of services offered

Regulated LNG terminals offer an unloading service comprising a basic service and a *spot* service. Elengy also offers a band option, which can be subscribed in addition to the unloading service and enables shippers to smooth their emission profile on the transmission network.

During the period covered by the ATTM6 tariff (2021-2024), regulated LNG terminals were used more than in the previous period. Shippers mainly used the basic service, particularly for long-term subscriptions. The band option was very popular from 2022 onwards. Only marginal subscriptions were made to the *spot service*, with terminals fully subscribed from 2023 onwards.

A more detailed analysis of the services proposed can be found in section 8.2.1.4 (assessment of the unloading service proposed in the ATTM6 tariff).

4. Principle of cost allocation between regulated and non-regulated activities

4.1. Presentation of the different services

French LNG terminals allow natural gas to be imported and regasified. They neither liquefy nor export gas from the network and are therefore supplied solely by unloading LNG shipments.

In recent years, French LNG terminals have adapted to meet a growing need for flexibility expressed by shippers. For example, LNG is no longer just used for regasification but can be temporarily stored in the terminal's tanks to be reloaded onto another LNG carrier, transhipped directly from one ship to another and loaded into tankers to supply the retail market (transported LNG).

In addition, LNG can be loaded onto small-scale LNG carriers, whose the main function is "bunkering", i.e., the supply of fuel to LNG-powered ships (container ships, ferries and cruise vessels) in neighbouring ports.

Of all these activities, some are regulated, and some are competitive.

The regulated services are:

- unloading LNG tankers;
- tank storage;
- regasification and transmission on the gas transmission network;
- LNG tanker reloading;
- a range of other specific services that are part of the terminal's day-to-day business (ship certification, chilling, etc.).

Non-regulated services include:

- transhipment;
- loading tankers;
- loading small-scale tankers.

4.2. Principle and method for allocating expenditures

Elengy has developed tanker-truck loading, small-scale tanker loading and LNG transshipment activities in an unregulated environment. The ATTM6 deliberation of 7 January 2021 provides for the following tariff treatment for these activities:

- the full allocation to these activities of the additional costs they incur. These specific costs are entirely borne in full by the subsidiary Elengy Hub & Expertise (EHE);
- the proportional allocation of expenses resulting from the using of assets and operating costs currently covered by the ATTM tariffs by applying objective allocation keys monitored by CRE. Usage of the terminal for a non-regulated activity is thus remunerated by the payment of a unit contribution remitted by EHE, which is deducted from expenses covered by the regulated tariff.

From 2021 to 2023, contributions from non-regulated services amounted to approximately €21 million. CRE considers that these contributions have adequately reflected the costs incurred by non-regulated services. Consequently, CRE is considering the renewal of these principles in the context of the ATTM7.

Furthermore, in a context of development of unregulated activities, CRE considers that the method of burden sharing must allow a fair distribution of commercial risks between activities. For this purpose, CRE is planning to set the level of the unit contribution in the light of the maximum number of transactions that can be carried out for each activity.

Question 1 Are you in favour of renewing the principles for allocating expenditures between regulated and non-regulated services as envisaged by CRE?

5. Pricing framework

5.1. Main pricing principles

5.1.1. An individual price per site

The ATTM3 tariffs³ which came into force on 1 April 2010 introduced the individualisation of the tariff for each terminal, in order to take into account the costs and specificities of each of these infrastructures. This individualisation has been maintained in the subsequent tariffs.

CRE is considering renewing this principle for the ATTM7 tariff.

In its tariff demand, Elengy asked for a partial pooling of the income and expenditure adjustment accounts (CRCP) set up from 2025 for the Montoir de Bretagne and Fos Cavaou terminals. This request is developed in section 5.1.5.2.

5.1.2. A tariff period of around four years with biennial changes

The duration of the tariff periods for regulated infrastructure is harmonised at approximately four years. CRE considers in particular that this duration gives the market visibility on the evolution of infrastructure tariffs and operators the time needed to undertake productivity efforts.

In line with the duration adopted for the other regulated gas infrastructures, therefore, CRE expects the ATTM7 tariff to apply for a period of approximately four years, starting on 1 April 2025.

³ CRE deliberation of 16 July 2009 on proposed tariffs for the use of LNG terminals

In addition, CRE is considering renewing the review clause in force in the ATTM6 tariff: thus, the possible consequences of new legislative or regulatory provisions or of a jurisdictional or quasi-jurisdictional decision could give rise to a revision of the tariff trajectory for the last two years of the tariff period if the level of net operating costs retained in the ATTM7 tariff were to be changed by at least 1%.

Since the ATTM4 tariff came into force in 2013, the tariff for using LNG terminals has changed on the 1st of April, with an intermediate tariff update after two years.

In its tariff demand, in addition to this mid-period change, Elengy requested an automatic change in the tariff term for the quantity unloaded (TQD) on the 1st of April 2026 and on the 1st of April 2028 in line with inflation. This request is developed in section 5.2.

5.1.3. Determination of the allowed revenue

In its deliberation concerning the decision on the ATTM7 tariff, CRE will set the allowed revenue forecasts for each LNG terminal for the period 2025-2028, on the basis of the tariff dossier submitted by the operators and its own analyses. The allowed revenues are intended to cover the operators' costs to the extent that they correspond to those of an efficient operator.

These projected allowed revenues consist of net operating costs (NOC), normative capital expenditure (NCC) and the clearing of the balance on the revenue and expenditure account (CRCP):

$$RA = NOC + NCC + CRCP$$

With:

- RA = forecast of allowed revenues over the period;
- NOC = forecast of net operating costs for the period;
- NCC = projected normative capital expenditures over the period;
- CRCP = clearance the expenses and revenues clawback account.

5.1.3.1. Net operating costs

Net operating costs (NOC) are defined as gross operating costs minus operating revenues (including production of fixed assets, non-price revenues and the contribution of competitive activities to the coverage of overheads).

Gross operating costs mainly include energy costs, external consumption, personnel costs and taxes.

The level of net operating costs used is determined on the basis of all the costs necessary for the operators' activity to the extent that, under Article L. 452-1 of the Energy Code, these costs correspond to those of a successful LNG terminal operator.

5.1.3.2. Standard capital charges

Normative capital charges (NCC) include remuneration and depreciation of capital assets. The calculation of these two components is based on the valuation and development of the assets operated by Elengy - the Regulated Asset Base (BAR) - and assets under construction (AUC), i.e., investments made that have not yet resulted in the assets being commissioned.

The NCC is the sum of the depreciation of RAB assets and the remuneration on capital assets. The latter is the product of the RAB value multiplied by the rate of return determined on the basis of the weighted average cost of capital (WACC) valuation and the product of the AUC value multiplied by the cost of debt.

$$NCC = \text{Depreciation of the RAB} + \text{RAB} \times \text{WACC} + \text{AUC} \times \text{cost of debt}$$

5.1.4. Return on assets and investment cover

5.1.4.1. Depreciation of commissioned assets

In the current ATTM6 tariff, the depreciation periods by type of asset are as follows:

Asset classes	Economic life (years) - Fos Cavaou and Fos Tonkin	Economic (years) - Montoir ⁴	life
Regasification facilities	40	20	
Civil engineering and construction	40	20	
Storage facilities	40	20	
Other installations (torches, tools, etc.)	40	20	
Auxiliary facilities and unloading device	20	20	
Equipment (remote operation, gas quality analyser, etc.)	10	10	
Real estate	30	20	
Sundry equipment (vehicles, etc.)	10	10	
Small equipment (microcomputers, etc.)	5	5	

In the ATTM6 tariff decision, CRE decided to reduce the maximum depreciation period for Montoir terminal assets coming into service after January 1st, 2021, from 40 years to 20 years. Major renovation investments were to be carried out during the ATTM6 and ATTM7 tariff periods. However, CRE decided not to reduce this period for Fos Cavaou, as the terminal had only been in operation since 2010.

In its ATTM7 tariff demand, Elengy states that the long-term risks for regasification are increasing. In addition, the Fos Cavaou terminal will require significant reinvestment from 2029, when the terminal will be around twenty years old. Elengy considers that depreciating new regasification assets until 2070 would generate a significant risk of stranded costs, even though use of the terminal would remain very high over the next 15 years. Consequently, the operator is requesting that the maximum depreciation period be reduced from 40 to 20 years for assets entering service after January 1st, 2025, at the Fos Cavaou terminal.

The assets at Fos Tonkin are not affected by this request. Elengy has asked for special depreciation term as part of the tendering procedure launched in 2019 to ensure the long-term future of the terminal. All the terminal's assets will be fully depreciated by 2028, which corresponds to the end of subscriptions for this terminal to date.

⁴ Maximum depreciation period for Montoir terminal assets entering service after 1^{er} January 2021.

5.1.4.2. CRE's preliminary analysis

In view of the medium to long-term uncertainties about the role of gas in the French energy mix and taking into account the investment programme to renovate the Fos Cavaou terminal from 2028, CRE considers that the approach proposed by Elengy corresponds to that of a prudent operator and reduces the risk of stranded costs in the long term. CRE also notes that this approach is consistent with the reduction in depreciation periods already decided for the Montoir terminal in its ATTM6 tariff decision, and for transmission and storage assets in its ATRT8 tariff decisions⁵ and ATS3⁶. Applying this measure would result in a final variation in the TQD (unloaded quantity term) of 0.4% compared with a status quo situation. CRE is therefore in favour of limiting the depreciation period for the Fos Cavaou assets to 20 years.

Question 2 Are you in favour of limiting the depreciation period for Fos Cavaou assets commissioned from 2025 onwards to 20 years?

5.1.4.3. Modalities for the return on assets

The rate of return on assets is historically constructed using a base rate of return and a premium related to the operating activity of the LNG terminals. A premium is therefore added to the gas transmission WACC, set at 4.1% actual before tax by the ATRT8 deliberation, to take account of the specific risks of LNG terminal operation compared with network operation. For the ATRT7 period, CRE plans to maintain this principle of enhanced remuneration in relation to gas transmission.

In its ATRT8 deliberation, CRE maintained the remuneration of fixed assets under construction at the nominal cost of debt before tax, which constitutes an effective incentive for the rapid commissioning of investment projects by the various operators. For the ATTM7 tariff period, CRE plans to renew the terms and conditions for remunerating IEC at the cost of debt. The other parameters for operator remuneration, such as the risk-free rate, would also be identical to those applied to the transmission networks.

During the ATTM6 period, the premium added to the gas transmission WACC was set at 150 basis points for assets commissioned from January 1st, 2021, onwards at Montoir and 200 basis points for all other assets at Montoir, Fos Cavaou and Fos Tonkin. In its ATTM6 decision, CRE had associated this premium with the increased commercial risk, i.e., the risk of under-recovery of long-term capital invested, which Elengy was facing in relation to the transport business. As regards the Montoir terminal, CRE considered that the reduction in the depreciation period reduced the risk of stranded costs, and that the level of the premium should be adjusted accordingly.

Elengy considers that the risks specific to LNG terminals have increased compared to previous periods. In particular, Elengy mentions the risk of additional constraints relating to methane emissions, the risk of accidents and technical failures. Elengy also considers that its risk of stranded costs is increasing, given the outlook for gas consumption in France in the medium term. Elengy also points out that each LNG terminal is an installation concentrated on a single site, that its terminals are not in a monopoly situation and that they depend on a limited number of customers. As a result, there is no guarantee that the activity of each site will continue over the very long term, once the capacity subscription contracts currently in the portfolio expire.

In view of the risks presented, Elengy is requesting that a revised remuneration premium be applied:

- from 200 basis points to 250 basis points for Fos Cavaou assets commissioned from January 1st, 2025;
- from 150 basis points to 250 basis points for Montoir assets commissioned from January 1st, 2021.

⁵ CRE deliberation no. 2024-22 of 30 January 2024 concerning the tariff for use of the GRTgaz and Teréga natural gas transmission networks (ATRT8)

⁶ CRE deliberation no. 2024-21 of 30 January 2024 concerning the tariff for the use of Storengy, Teréga and Géométhane underground natural gas storage facilities (ATS3)

Other assets would continue to be remunerated at the ATRT8 WACC, plus a premium of 200 basis points.

CRE analysis

CRE does not agree with Elengy's analysis of the increase in risks specific to LNG terminals. Indeed, the same regulatory constraints apply to other gas infrastructures. The risk of accident or technical failure does not seem likely to increase, given the renovation programmes undertaken by Elengy. The fundamental characteristics of LNG terminals (single site, limited number of customers, etc.) have not changed. Furthermore, the end of Russian gas imports via pipelines has considerably strengthened the role of LNG terminals in European supplies: one of the sources competing with LNG for Europe's supply has, in fact, almost disappeared. This development largely offsets the impact of the increase in the number of terminals in Europe and the fall in consumption on Elengy's commercial risk.

CRE therefore considers that the analysis developed in its ATTM6 tariff decision remains relevant: reducing the amortisation period to a maximum of 20 years leads to a reduction in the risk of stranded costs borne by Elengy. The Montoir and Fos Cavaou terminals are fully subscribed until 2035 and 2040 respectively. A larger proportion of the value of the assets will be depreciated over the period covered by the current long-term subscriptions.

CRE therefore considers that the level of the specific premium should be adjusted to take account of this reduction in risk.

In its ATTM6 tariff decision, CRE decided to cap the depreciation period for the Montoir terminal assets at 20 years and reduced the risk premium from 200 basis points to 150 basis points for new assets commissioned from January 2021 onwards at this terminal in order to reflect the reduced risk of stranded costs.

In line with its previous decision linking depreciation period and remuneration premium, CRE considers it justified to reduce the premium to 150 basis points for Fos Cavaou terminal assets coming into service from 1^{er} January 2025. Applying this measure would result in a final variation in the TQD (term for quantity unloaded) of this terminal of -0.2% compared with a status quo situation. This premium of 150 basis points is taken into account in the calculation of the lower limit of authorised revenue presented in part 6. The 250-basis point premium requested by Elengy is used to calculate the upper limit.

Lastly, as the Fos Tonkin terminal is not affected by changes in depreciation periods or by significant new investments in the future, CRE does not plan to change the 200-basis point premium for the terminal's assets.

Question 3 Are you in favour of adjusting the specific premium for new investments? Do you have any comments on the amounts involved?

5.1.4.4. Changes in RAB

The Regulated Asset Base represents the sum of the operator's tangible and intangible fixed assets (valued on January 1st each year):

- RAB increases when an asset is brought into service;
- RAB decreases as assets are depreciated, or if an asset is scrapped or disposed of.

Under the ATTM6 tariff, as with previous tariffs, the assets included in the RAB are revalued each year in line with inflation, and a real WACC that does not include inflation is applied.

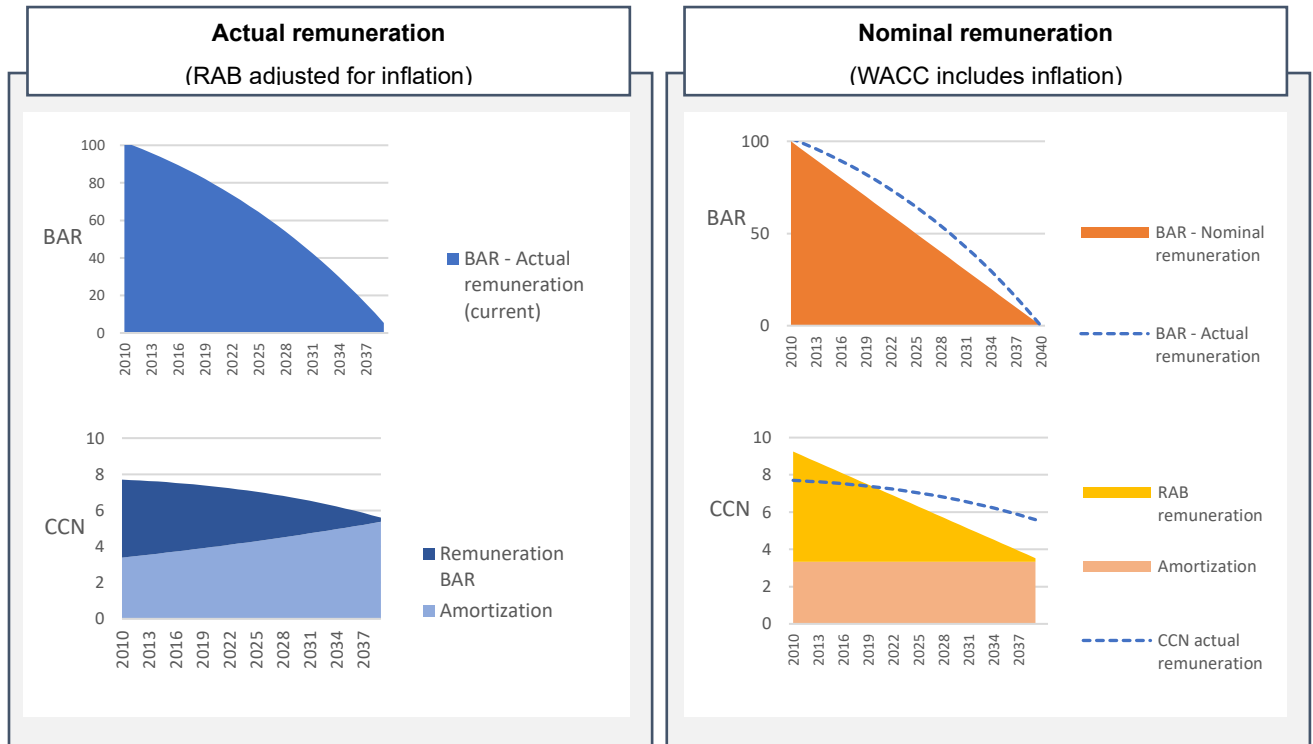
In its tariff decisions ATRD7⁷, ATRT8 and ATS3, CRE decided that gas distribution, transmission and storage assets coming into service from January 1st, 2024, would be recorded at their net book value in the RAB and would therefore be remunerated at a nominal rate.

⁷ [CRE Deliberation no. 2024-40 of 15 February 2024 concerning the regulated tariff for use of GRDF's public natural gas distribution networks](#)

In the case of remuneration at the real WACC, indexing the RAB to inflation means that the cost of current inflation is passed on to future users of the infrastructure, since the amortisation schedule increases progressively as inflation takes hold.

In the case of nominal remuneration, the effect of inflation is included in the WACC. Its impact on infrastructure users is immediate. This method results in depreciation for a given asset that is constant over time. The WACC is higher and the proportion of the NCCs linked to remuneration is therefore greater in the short term.

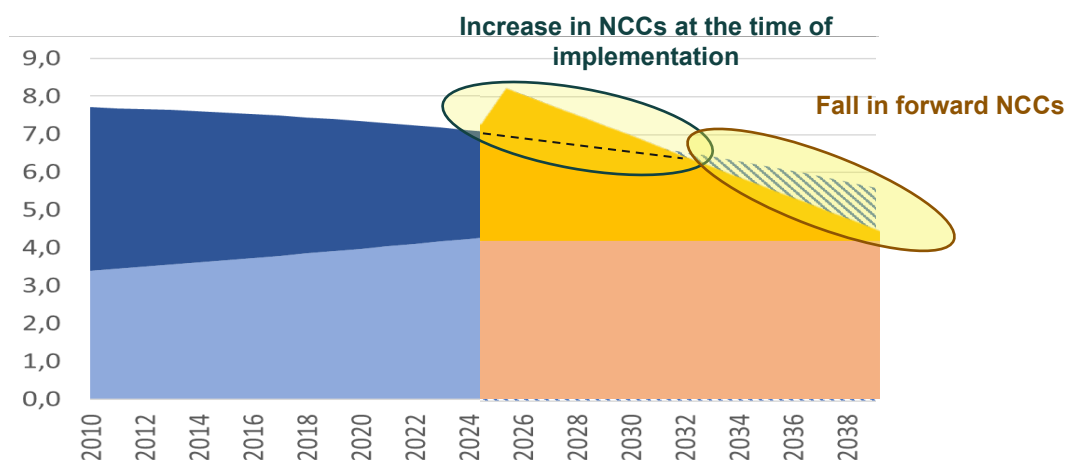
Both remuneration methods are economically equivalent in the long term.



Theoretical case - switch to nominal remuneration from 2025

CRE analysis

This method of remunerating RAB assumes a higher WACC than in the case of RAB indexed to inflation. It leads to a temporary increase in NCCs when it is implemented, but these then decrease as the level of RAB is reduced more rapidly.



Theoretical case - switch to nominal remuneration from 2025

In the same way as for other gas infrastructures, CRE considers that this is an appropriate solution for controlling potential increases in the unit cost of using LNG terminals over the long term. CRE plans to end the indexation of the RAB to inflation for assets coming into service from 1^{er} January 2025. Applying this measure would lead to a final variation in the TQD (unloaded quantity term) of 1.3% and 0.7% respectively for the Montoir and Fos Cavaou terminals compared with a status quo situation. The impact on the tariff term for the Fos Tonkin terminal would be negligible.

Question 4 Do you think that ending the indexation of the RAB and taking inflation directly into account in the rate of return will allow better long-term control of the cost of using LNG terminals? Do you have any comments on the implementation of this measure for assets coming into service from January 1st, 2025?

5.1.5. Principle of the CRCP

5.1.5.1. Reminder of the general principles in force during the ATTM6

The ATTM tariff is defined by CRE on the basis of hypotheses on the forecast level of charges and subscription revenues. An a posteriori adjustment mechanism, the income and expenditure adjustment account (CRCP), has been introduced to take into account all or part of the differences between the income and expenditure actually recorded and the forecast income and expenditure on predefined items (see section 5.1.5). As a result, the CRCP protects operators against changes in specific cost or revenue items. The CRCP is also used for the payment of financial incentives resulting from the application of incentive provision mechanisms, and also to take into account possible capital gains on disposals or stranded costs once validated by CRE.

The balance of the CRCP is calculated on December 31st each year. Under the ATTM6 tariff and for each terminal, the balance of the CRCP is cleared mid-period in constant annual instalments over a period of two years, within the limit of a tariff increase of +/- 3% associated with this clearance. To ensure financial neutrality, an interest rate equal to the risk-free rate used to calculate the WACC is applied to the balance of the CRCP. Finally, the entire balance of the CRCP recorded at the end of the tariff period is taken into account in determining the authorised revenue for the four years of the following period.

5.1.5.2. Pooling of CRCP

In its tariff demand, Elengy wished to study the possibility of pooling the CRCP accumulated from 2025 and cleared from 2027 for the Montoir de Bretagne and Fos Cavaou terminals.

Elengy does not wish to question the principle of a specific tariff for each terminal. However, the operator considers that pooling some of the terminal risks could make it possible to avoid significant changes in the CRCP, limit the variability of tariffs and encourage the convergence of tariffs at Montoir and Fos Cavaou.

During discussions with CRE, Elengy made it clear that it believed it was appropriate to pool only the item "revenues linked to additional subscriptions of regasification capacity and additional services offered by operators". As the gaps in capital costs are linked to the technical and operational specificities of each terminal and the gaps in energy costs are linked to the quantities actually unloaded and regasified at the terminal, these differences would be less easy to mutualise.

CRE analysis

As the Montoir and Fos Cavaou terminals are fully booked over the ATTM7 period, the differences between forecast and actual revenues should be small (due solely to spot cargo for an upward variation, or terminal unavailability for a downward variation).

CRE notes that pooling such risks could promote tariff stability for the two terminals. As the users of the Montoir and Fos Cavaou terminals are not the same, CRE is nevertheless attached to the principle of a specific tariff per site to take account of the costs and specific features of each of these infrastructures.

Question 5 Are you in favour of the principle of pooling the "income from additional subscriptions to regasification capacity and additional services offered by operators" items of the CRCP for the Montoir de Bretagne and Fos Cavaou terminals, as proposed by Elengy?

5.2. Pricing calendar

Since the ATTM4 tariff, which came into force in 2013, the tariff for the use of LNG terminals has changed on 1 April of each interim tariff update that takes place every two years. CRE is planning to maintain the evolution of the ATTM7 every two years, on April 1st.

CRE plans to develop the ATTM7 tariff according to the following principles:

- 1) the variable tariff terms (TQD, TQD spot and TQR, see part 7) of each terminal would automatically adapt on April 1st, 2027, by applying to all tariff terms in effect on March 31st of that year by applying the following percentage change:

$$Z = IPC + k$$

With:

- CPI is, for an update on April 1st of year N, the forecast rate of inflation excluding tobacco for year N taken into account in the Finance Bill for year N to which is added the difference between actual inflation for years N-1 and N-2 as calculated by INSEE (or failing that, the best available forecast, defined as the change in the average value of the consumer price index excluding tobacco, as calculated by INSEE for all households throughout France (INSEE reference 1763852)) and the forecast inflation rate excluding tobacco for years N-1 and N-2 taken into account in the CRE's tariff deliberation;

- k is the percentage change in the tariff schedule resulting from the clearing of the balance of the revenue and expenditure account for expenses and revenue (NCC, subscription revenue, energy costs, contributions from non-regulated activities to regulated expenses, etc.); k is between +3% and -3%.
- 2) the forecast reference used to calculate the CRCP for the following two years would be updated for energy costs and CO₂ quotas (updated price references and amounts not correlated with the quantities of LNG unloaded);
- 3) The TVE tariff term (see part 7) would be updated to reflect the forecast price of energy consumed by terminals in 2027 and 2028;
- 4) In addition, CRE may take into account, at the time of the interim change in the ATTM7 tariff, changes in the tariff structure, linked in particular to:
 - changes in operators' offerings;
 - developments in incentive regulation of operators' quality of service.

Elengy's proposed development

In its tariff application, Elengy is requesting that the ceiling for the balancing parameter k be raised from +/- 3% to +/- 5%, which would make it possible to clear the CRCP more quickly. This faster clearance would mean a smaller balance at the end of the tariff period, and therefore fewer tariff variations at the start of the next tariff period. Elengy considers that this ceiling of +/- 5% for a two-yearly tariff change is comparable to the ceiling of +/- 3% applied to annual changes in gas transmission tariffs.

In addition, Elengy is asking for the unloaded quantity tariff term (TQD) to change automatically on April 1st, 2026, and April 1st, 2028, in line with inflation, which would make it possible to limit the amount of the CRCP.

CRE analysis

CRE considers that the mid-period update of the "energy and CO₂ charge" item should take into account Elengy's proposal to create a Variable Energy Term (see section 5.3.1.2.2), which would cover energy charges correlated to the quantities of LNG unloaded and which would neutralise some of the differences caused by the difference between forecast energy consumption and consumption actually recorded. However, this tariff term will not be able to neutralise all the differences linked to the energy item. In particular, it should still be necessary to update the energy price references and the amounts not correlated with the quantities of LNG unloaded.

Concerning the increase in the ceiling for parameter k to +/- 5%, CRE considers that the fact that the ATTM is only updated every two years could justify a higher tariff increase than for other gas infrastructures. CRE notes, however, that this increase in the k ceiling, by allowing a larger CRCP clearing at mid-period, would limit the possibilities of natural CRCP compensation over the whole tariff period.

With regard to the automatic adjustment of the TQD on 1^{er} April 2026 and 1^{er} April 2028 in line with inflation, CRE notes that these tariff adjustments, although mechanical, would require a CRE tariff decision in January 2026 and January 2028 to be applicable. CRE also considers that indexation to inflation is not really relevant for minimising the differences charged to the CRCP. CRE nevertheless recognises that the question of an annual update of the ATTM, as for other gas infrastructures, may arise.

Question 6 Are you in favour of a mid-period update of the forecast references used to calculate the CRCP for subscription revenues, energy and R&D?

Question 7 For the Fos Cavaou and Montoir-de-Bretagne sites, are you in favour of increasing the k ceiling from +/- 3% to +/- 5% as proposed by Elengy?

Question 8 Are you in favour of a mid-period update of the ATTM or an annual update?

5.2.1. Settlement of the CRCP for the Fos Tonkin terminal

The Fos Tonkin terminal was commissioned in 1972 and is the oldest of Elengy's three LNG terminals. The end of the terminal's regulated activity is planned for 2028, and the terminal's capacity subscriptions end on that date, with no visibility at this stage on possible new subscriptions.

In this context, Elengy is requesting that the mid-period tariff increase currently limited by the coefficient k be removed from the ceiling, in order to limit any residual CRCP at the end of the tariff period, when there will no longer be any subscribers.

CRE analysis

CRE shares the need to minimise the residual CRCP at the end of the ATTM7 period, in order to minimise the risk of charges remaining uncovered after the end of subscriptions in 2028. Consequently, CRE considers that the request to remove the ceiling on k is appropriate. CRE is also considering updating the Fos Tonkin usage tariff on 1^{er} April 2028 in addition to the mid-period update, in order to clear the remaining CRCP during the last year of the tariff period.

Question 9 Are you in favour of Elengy's request to remove the ceiling on the k coefficient for the Fos Tonkin terminal in order to minimise the residual CRCP at the end of the period? With the same objective in mind, are you in favour of a tariff update to 1^{er} April 2028 for the Fos Tonkin terminal?

5.3. Regulation as an incentive to control costs

5.3.1. Incentive regulation of operating costs

5.3.1.1. The CRCP does not cover the majority of operating expenses

Under the ATTM6 tariff, net operating costs, with the exception of certain predefined items that are difficult for operators to control, are subject to a 100% incentive. CRE sets a trajectory for the tariff period, and any deviation from this trajectory is borne by or to the benefit of the operator. This mechanism encourages operators to optimise productivity gains and promote the best solutions for the system.

In view of the positive results of previous tariff periods (see 6.1), CRE plans to maintain this principle for the ATTM7 tariff, while changing the nature of certain expenses and income covered in whole or in part by the CRCP, as presented in paragraph 5.1.5.2 of this public consultation.

CRE will take into account the productivity gains made by operators during the ATTM6 period when defining the tariff trajectories for the ATTM7 tariff.

5.3.1.2. Coverage of certain CRCP items

Tariffs for regulated infrastructures are calculated based on assumptions on charges and revenues, which make it possible to define development paths for the various items.

As indicated in paragraph 5.1.5 of this consultation, the CRCP takes into account the differences between the expenses and income actually recorded and the expenses and income forecast for certain previously identified items, which are difficult to predict and difficult for operators to control.

CRE considers that the inclusion of an item in the CRCP should be assessed in the light of the following two principles:

- **Predictability:** a predictable item is one for which it is possible, for the operator and for CRE, to forecast with reasonable confidence the level of costs incurred and revenues received by the operator over a tariff period;

- control: a controllable item is one for which the operator is in a position to control the level of expenditure/revenue over the course of a year or has the power to negotiate or influence its level, if this comes from a third party.

Furthermore, CRE considers that the tariff treatment cannot be reduced to a single alternative for covering the item, between 100% and 0% in the CRCP. Therefore, for certain items that are partially controllable and/or predictable, CRE considers that it is appropriate to partially incentivise operators.

CRE plans to renew, almost identically, the coverage arrangements provided for in the ATTM6 tariff for the following income and expense items included in the CRCP scope:

- revenues collected from additional subscriptions of regasification capacities and additional services offered by operators (pooling, banner option, contractual storage space, flexible send-out at Fos-Cavaou), covered at 75%;
- income from additional subscriptions to the vessel recharging service, 75% of which is covered by the CRCP;
- capital charges borne by operators, covered at 100%, with the exception of those covered by the incentive-based regulation mechanism for "non-infrastructure" capital costs (see section 5.3.2.2);
- revenues from the LNG exchange point access service, covered at 50%;
- costs and revenues associated with non-regulated services, covered at 100%;
- for operating costs, an item covering the difference between the forecast inflation taken into account by CRE for the interim update the operators' operating costs and the actual inflation recorded, 100% covered at the CRCP;
- an item concerning the R&D trajectory: this is dealt with in detail in paragraph 5.5 of this resolution;
- an item concerning Montoir's maintenance trajectory on ATTM7. At the end of the tariff period, Elengy must present a report on the maintenance programmes actually carried out and the associated expenditure, comparing them with the programme as presented by Elengy in its tariff file. Where applicable, the financial amounts associated with maintenance that has not been carried out will be deducted from the net operating costs to be covered by the following tariff;
- an item concerning the Fos Cavaou biopolymer trajectory on ATTM7. At the end of the tariff period, Elengy must present a report on this programme. If necessary, the financial amounts associated with non-implementation of the programme will be deducted from the net operating costs to be covered by the next tariff.

Lastly, in its ATTM6 tariff decision of 31 January 2023⁸, CRE decided to cover energy costs:

- 90% coverage by the CRCP for the portion of the difference between the actual energy costs and the forecast reference trajectory that is less than or equal to, in absolute value, 50% of the forecast trajectory;
- 100% coverage by the CRCP for the portion of the difference between actual figures and the forecast reference trajectory for energy costs, in absolute terms, in excess of 50% of the forecast trajectory.

CRE is considering two changes to the way energy costs are covered by the CRCP, as described in the following paragraphs.

5.3.1.2.1. Inclusion of Montoir water pumping costs in the CRCP

Since 2012, the Montoir terminal has been using heated water from the SPEM gas-fired power plant to limit the amount of water drawn from the Loire. In order to improve regasification efficiency, Elengy plans to replace the gas-fired submerged-combustion regasifiers with water-run regasifiers (Ulysse project) as part of the terminal renovation work. The project is described in detail in section 6.6.1.1. This change will increase water requirements in the Loire, exceeding the terminal's current pumping capacity. To avoid building a new pumping station, Elengy proposes to use water pumped from the SPEM power station from 2027.

As a result, SPEM will have to re-invoice Elengy for part of the pumping costs according to the following rates:

- a fixed portion covering SPEM's investments;
- a variable part comprising maintenance, the Loire water price and the electricity needed for the pumps.

Elengy is asking for the variable part to be 90% covered by the CRCP, as the current pumping station is part of the energy costs covered at 90% by the CRCP. Subject to CRE's analysis of the effectiveness of these costs, CRE is in favour of covering the variable part of the CRCP in the same way as energy costs. Lastly, if the project takes longer to implement than initially planned, 100% of the forecast unspent operating costs will be included in the CRCP.

Question 10 Are you in favour of including the variable part of the pumping costs invoiced by the SPEM plant in the CRCP for the Montoir terminal, as proposed by the CRE?

5.3.1.2.2. Differentiated coverage in the CRCP of price and volume effects on energy costs

CRE considers it necessary to maintain an incentive on LNG terminal energy charges. Elengy is requesting the introduction of a Variable Energy Term (see section 7.1.2) to cover the proportion of energy costs correlated with the quantity of LNG unloaded. The creation of this tariff term would make it possible to neutralise a significant part (the volume effect) of the differences currently covered by the CRCP.

⁸ [CRE Deliberation no. 2023-44 of 31 January 2023 on changes to tariffs for use of regulated liquefied natural gas terminals from 1^{er} April 2023](#)

CRE considers that the introduction of the Variable Energy Term implies modifying the coverage in the CRCP of the share of energy charges correlated with the quantity of LNG unloaded. CRE plans to differentiate the treatment of differences caused by a "price" effect or by a "volume" effect on the basis of the following principle:

- the price effect is defined as the energy consumption proportional to the quantity of LNG unloaded forecast in the tariff trajectory multiplied by the observed price difference between the tariff forecast and the price actually paid, i.e. $a \times Q_{ref} \times (P_1 - P_{ref})$ where Q_{ref} is the forecast quantity of LNG, P_1 is the electricity price actually paid by Elengy and P_{ref} is the forecast electricity price;
- the volume effect is defined as the difference between the energy consumption proportional to the observed quantity unloaded and that included in the tariff trajectory, multiplied by the observed price of electricity, i.e. $a \times (Q_1 - Q_{ref}) \times P_1$ with Q_1 the quantity of LNG actually unloaded, Q_{ref} the quantity included in the tariff trajectory and P_1 the price actually paid by Elengy.

CRE plans to apply the 90% coverage rate only to the price effect of energy charges correlated with the quantity of LNG unloaded. On the other hand, CRE envisages not covering the "volume" effect in the CRCP, which would be largely neutralised by the creation of the Variable Energy Term.

On the other hand, CRE considers that the share of energy costs not correlated with the quantity of LNG unloaded (such as costs linked to CO₂ emissions) should continue to be covered at 90%, under the current arrangements.

Question 11 Are you in favour of differentiated treatment in the CRCP of the price and volume effects on energy costs, if a variable energy term is introduced?

5.3.2. Investment incentive regulation

5.3.2.1. Incentives to control costs for investments with a budget of more than €10m

In current electricity and gas network tariffs, including the ATTM6 tariff, major projects are audited to set a target budget, and a bonus or malus is awarded to the operator depending on the difference between the target budget and actual expenditure, with a neutrality band of +/-5% around the target budget.

In view of the positive results of the system, CRE plans to renew this principle for the ATTM7 period, adapting the threshold to Elengy's main projects.

As a result, CRE plans to set a target budget for the ATTM7 for investment projects for which the decision to commit expenditure will be taken as from the entry into force of the ATTM7, with an estimated budget of €10 million or more, as follows:

- CRE would set a target budget;
- whatever the capital expenditure incurred by the operator, the asset would be included in the RAB at its actual value when it was commissioned (less any subsidies);
- if the capital expenditure incurred by the operator for this project is between 95% and 105% of the target budget, no bonus or penalty will be awarded;
- if the capital expenditure achieved is less than 95% of the target budget, the operator would receive a bonus equal to 20% of the difference between 95% of the target budget and the capital expenditure achieved;
- if actual capital expenditure exceeds 105% of the target budget, the operator will be subject to a penalty equal to 20% of the difference between actual capital expenditure and 105% of the target budget.

This mechanism has been implemented on two occasions as part of the ATTM6, for the electrical and control system renovation project at the Montoir de Bretagne LNG terminal, and the project to renovate the supports and pipe lagging at the Montoir de Bretagne LNG terminal.

In view of the renovation programmes at the Montoir-de-Bretagne and Fos Cavaou terminals, it will be implemented again during the ATTM7 tariff period.

Question 12 Are you in favour of the cost-containment incentive mechanism for investments with a budget in excess of €10m?

5.3.2.2. Encouraging cost control for "non-infrastructure" investments

LNG terminal operators are encouraged to control their capital costs in the same way as their operating costs on a scope of "non-infrastructure" costs, including assets such as property, vehicles and information systems (IS). This regulatory framework was introduced in the ATRT6 tariff for transmission operators, then in the ATTM6 tariff for LNG terminals.

By their very nature, these cost items are likely to give rise to trade-offs between investment and operating costs. This mechanism therefore encourages operators to optimise their overall costs. It consists of defining, for the tariff period, a trajectory for changes in estimated capital costs for this type of investment, which will then be excluded from the scope of the CRCP. The gains or losses made are therefore retained 100% by the operators during the tariff period for both operating costs and these investments. At the end of the tariff period, the actual value of the fixed assets will be taken into account in the RAB, which means that gains or additional costs can be shared with users for subsequent tariff periods.

CRE is considering renewing this mechanism in the ATTM7 tariff. If it is maintained, the capital charges for these asset categories would be calculated on the basis of forecast values to be defined in the tariff deliberation. Given the specific nature of property at LNG terminal sites and the impossibility of arbitrating between leasing and construction at an industrial site, the scope of the incentive would be limited to vehicles and IS.

Under this system, at the end of each tariff period, CRE carries out an analysis of the commissioning trajectories for the investments concerned, to ensure that any gains made during the tariff period are not offset by higher costs in subsequent tariff periods, for example as a result of delays in certain projects.

The estimated amount of investments subject to this incentive regulation is €2m/year on average for Elengy.

Question 13 Are you in favour of the cost-containment incentive mechanism for "non-infrastructure" investments?

5.4. Incentive regulation of service quality

During the ATTM6 tariff period, CRE decided to extend the incentive regulation system for quality of service to the LNG terminal operator, following similar procedures to those applied to other infrastructure operators, in particular the procedures for calculating and publishing indicators and the associated objectives.

The new indicators introduced in the ATTM6 tariff were not financially incentivised in the previous tariff period.

In addition, the results of these indicators are presented to terminal customers at LNG consultation meetings.

5.4.1. Indicators relating to maintenance programmes at regulated LNG terminals

In order to give greater visibility to users of LNG terminals and to reduce terminal unavailability, particularly that which could have been avoided by better coordination of maintenance with that of the transmission network, the ATTM6 tariff has set five indicators relating to maintenance programmes:

- the annual reduction rate in subscribed unloading capacity, calculated as the ratio between firm unloading capacity made available and subscribed unloading capacity. This indicator is calculated annually for each terminal;
- the annual storage capacity reduction rate, calculated as the ratio between firm storage capacity made available and technical storage capacity. This indicator is calculated annually for each terminal;
- the daily reduction rate in regasification capacity, calculated as the ratio between daily available regasification capacity and technical regasification capacity. This indicator is calculated daily for each terminal;
- an indicator of compliance with LNG terminal operators' annual maintenance programmes, calculated according to the variation (as a percentage) in the capacity made available between the published forecast maintenance programme and the actual maintenance programme. This indicator is calculated annually for each terminal;
- an indicator for monitoring the provision of information in the event of technical incidents that could lead to a restriction in capacity for users of LNG terminals, and in particular the time taken to provide information in terms of hours. This indicator is provided annually for each terminal.

As regards the annual rate of reduction in subscribed unloading capacity, the level remained below 10% during the ATTM6 period at the three terminals. This 10% level is reached in 2023 at the Montoir de Bretagne and Fos Cavaou terminals due to several periods of unavailability this year.

The annual rate of reduction in storage capacity remained below 1% at the Fos Tonkin and Fos Cavaou terminals, and below 6% at the Montoir de Bretagne terminal during the ATTM6 period.

The daily rate of reduction in regasification capacity remained stable at between 5% and 10% for the three terminals during the ATTM6 tariff period. Only the Montoir de Bretagne terminal experienced a higher rate in 2021, at 21.5%. This was due to technical problems at this terminal, which were resolved from 2022 onwards at the time of the terminal's peak activity.

The indicator for compliance with annual maintenance programmes remains consistently above the 97% value over the ATTM6 period for all three terminals.

The indicator for the provision of information in the event of a technical incident increased over the ATTM6 period, reaching 7 events in 2023 for the three terminals.

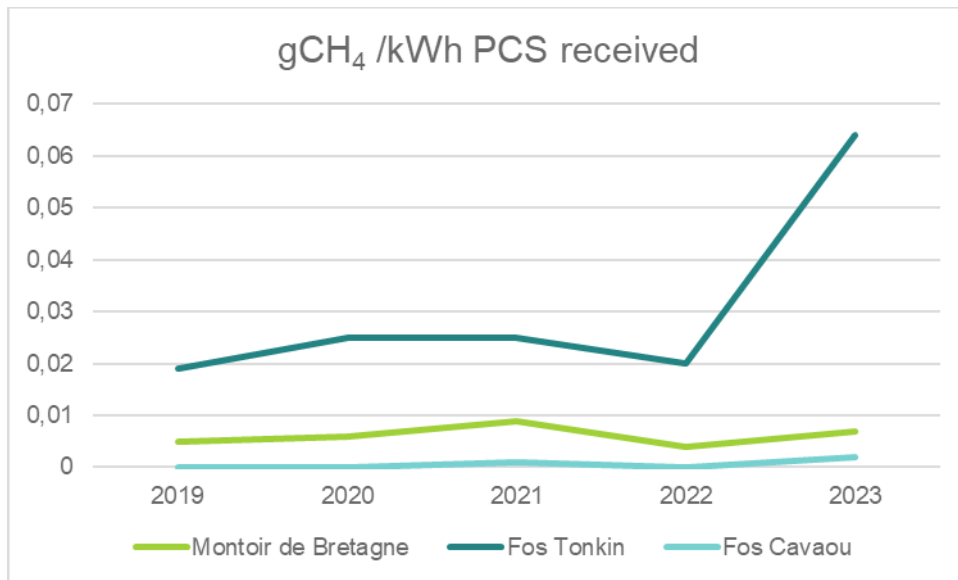
CRE plans to renew these indicators with the same provisions as for the ATTM6 period.

5.4.2. Environmental indicators

CRE has introduced the following indicators into the ATRM6 tariff:

- monthly greenhouse gas emissions in relation to the volume of gas emitted on the network;
- methane leaks (including diffuse losses, venting and accidents/incidents) in relation to the volume of gas discharged.

The graph below shows the indicator measuring monthly methane emissions in relation to the volume of gas unloaded. The increase observed at the Fos Tonkin terminal corresponds to an improvement in the assessment method. This terminal's methane emissions are therefore structurally higher than those of the other two regulated terminals.



CRE plans to renew these indicators under the same provisions as for the ATTM6 period.

In addition, CRE plans to introduce a new indicator relating to methane leaks. As part of the European Parliament's regulation on reducing methane emissions in the energy sector, Elengy will be required to take action to reduce methane leaks on its infrastructures during the ATTM7 period. This indicator would specify the cost (NOC and NCC for the operator) of reducing methane emissions in euros per tonne of CO₂ equivalent avoided. This indicator would be provided annually for each terminal.

Question 14 Are you in favour of the quality of service incentive regulation system envisaged by CRE for the ATTM7 tariff concerning regulated LNG terminal maintenance programmes and environmental indicators?

Question 15 Do you think that certain additional indicators should be financially incentivised during the ATTM7 period?

5.5. Incentive regulation of R&D and innovation

Against a backdrop of rapid change in the energy landscape, CRE attaches particular importance to the development of smart grids and the adaptation of infrastructures to the energy transition. Infrastructure operators must have the necessary resources to carry out their research and development (R&D) and innovation projects, which are essential if they are to provide an efficient, high-quality service to users and develop their network operating tools. In return, infrastructure operators must use these resources efficiently and transparently.

In the ATTM6 period, CRE has introduced, and proposes to maintain in the ATTM7 period, the system existing in the other gas infrastructure tariffs, based on the following principle:

- the incentive to control operators' R&D&I expenses is maintained, with the possibility of revising this trajectory halfway through the tariff period to offer operators greater flexibility in adapting their programme. At the end of the ATTM7 period, operators will submit an R&D financial statement to CRE, and any amounts not spent during the period will be returned to terminal users (via the CRCP), while any overruns on the trajectory will continue to be borne by the operator;
- Transparency and control of the effectiveness of R&D expenditure are maintained through two financial years:
 - the annual transmission to CRE of technical and financial information on all ongoing and completed projects;
 - Operators to publish a report for the public every two years, in line with the mechanism currently in place. The reports will have to be harmonised between operators, in particular using standardised indicators, and enriched with concrete information on the benefits of the projects for network users, as well as systematic feedback on the demonstrators financed by the tariff.

Question 16 Do you have any comments on the incentive regulation framework for innovation and R&D envisaged by CRE for the ATTM7 tariff?

6. Tariff level

6.1. Balance sheet for the ATTM6 period

6.1.1. Montoir-de-Bretagne

Over the period 2021-2023, the net operating costs (excluding energy, excluding provisions on decommissioning, including provisions for risks) borne by the Montoir site were slightly higher than the operating expenses forecast in the trajectory set by the tariff (+€0.7m). If provisions for risks are not taken into account, the costs borne by the Montoir site are lower than those in the tariff trajectory (€2.1m).

In current €M, including head office part	2021	2022	2023
NOC for ATTM6 tariff, rebased for inflation (excluding energy)	38,2	39,9	41,7
NOC (excluding energy)	41,5	41,4	37,6
<i>Of which provisions for risks</i>	3,1	2,3	-2,7
Differences	+3,2	+1,6	-4,1

Over the period 2021-2023, the cumulative difference between the ATTM6 tariff trajectory rebased for actual inflation and the actual trajectory amounts to +€0.7 million, or +0.6% in relation to forecast expenses. The annual variations in relation to the trajectory are due in particular to:

- additional expenditure on "external consumption" (+€4.7m over the period), linked to the increase in terminal utilisation rates (more consumables purchased to process unloaded gas, more maintenance). Some of this is offset by the mirror effect of the re-invoicing of certain services such as odorization (€2.5m);
- lower spending on "taxes and duties" (€1.9m), mainly due to the reduction in the territorial economic contribution (CET tax);

- additional expenditure on "personnel costs" (€1.0m), in particular due to the creation of the Terminal Renovation Team (TRT) to support the Montoir investment programme, and the reinforcement of operational teams in line with the increase in activity;
- more "capitalised production" (-2.2 M€), mainly due to the creation of the TRT, with a mirror effect on personnel costs, and to the creation of the Project Department (PD), responsible for managing investments;
- provisions for risks (+€2.8m);
- lower head office expenses, due to a reduction in the size of the head office and lower IT expenses. Head office costs are broken down by site.

Over the ATTM6 period, the Montoir site's capital costs were higher than the capital costs forecast in the trajectory set by the tariff, due to slightly delayed investments.

In current €M, including head office part	2021	2022	2023
Capital charges under the ATTM6 tariff	37,2	34,1	34,4
Realised capital costs	37,3	35,9	35,0
Differences	+0,1	+1,8	+0,6

Capital charges are 100% covered by the CRCP.

6.1.2. Fos Cavaou

Over the period 2021-2023, the net operating costs (excluding energy, excluding provisions on decommissioning, including provisions for risks) incurred by the Fos Cavaou site were significantly higher than the operating costs forecast in the trajectory set by the tariff (+€6.5m). If provisions for risks are not taken into account, the costs incurred by the Fos Cavaou site remain higher than those in the tariff trajectory (+€3.7m).

In current €M, including head office part	2021	2022	2023
NOC for the ATTM6 tariff, rebased for inflation (excluding energy)	39,1	40,2	41,2
NOC (excluding energy)	36,3	44,8	45,8
<i>Of which provisions for risks</i>	-0,2	3,1	0
Differences	-2,7	+4,7	+4,6

Over the period 2021-2023, the cumulative variance between the ATTM6 tariff trajectory and the actual trajectory amounts to +€6.5 million, or +5.4% compared to forecast costs. The annual variations in relation to the trajectory are due in particular to:

- the debottlenecking operation begun in 2022, which increases the terminal's capacity by +17%. As a result, operating costs have increased;
- additional expenditure on "external consumption" (+€5.3m over the period), linked to debottlenecking and higher terminal utilisation rates (more consumables purchased to process unloaded gas, more maintenance). Part of this increase was offset by the mirror effect of the re-invoicing of certain services such as odorization (€1.8m) and by additional sales of capacity, part of which went to the CRCP;
- lower expenditure on "taxes and duties" (€2.4m), mainly due to the reduction in CET tax;
- higher "personnel costs" (+€3.6m), in particular due to the increase in the number of operational teams, linked to the increase in activity and the debottlenecking operation;

- provisions for risks (+€2.8m);
- lower head office expenses, due to a reduction in the size of the head office and lower IT expenses. Head office costs are broken down by site by site.

Over the period ATTM6, capital charges at the Fos Cavaou site exceeded the capital charges forecast in the tariff trajectory due to an increase in commissioning linked to maintenance work. In particular, welding work was carried out on a line required for unloading operations, and modifications were made to the site's circuits to enable evaporation to take place during technical shutdowns.

In current €M, including head office part	2021	2022	2023
Capital charges under the ATTM6 tariff	82,8	82,2	82,1
Realised capital costs	82,7	86,0	88,1
Differences	-0,1	+3,8	+6,0

Capital charges are 100% covered by the CRCP.

6.1.3. Fos Tonkin

Over the period 2021-2023, the net operating costs (excluding energy, excluding provisions on decommissioning, including provisions for risks) borne by the Fos Tonkin site were slightly lower than the operating expenses forecast in the trajectory set by the tariff (-0.9 M€). If we exclude provisions for risks and exceptional income or expenditure, the costs incurred by the Fos Tonkin site remain lower than those in the tariff trajectory (- €1.2 M).

In current €M, including head office part	2021	2022	2023
NOC for the ATTM6 tariff, rebased for inflation (excluding energy)	12,8	13,8	14,1
NOC (excluding energy)	13,3	13,1	13,3
<i>Of which provisions for risks</i>	<i>1,2</i>	<i>1,1</i>	<i>0</i>
<i>Differences</i>	<i>+0,6</i>	<i>-0,7</i>	<i>-0,8</i>

Over the period 2021-2023, the cumulative variance between the ATTM6 tariff trajectory and the actual trajectory amounts to €0.9 million, or -2.2% compared to forecast expenses. The annual variations in relation to the tariff trajectory are due in particular to:

- an increase in "extra-tariff" income, mainly due to services provided to Air Liquide, which were not provided for in the initial trajectory (€2.0m);
- an increase in expenditure on maintenance (+€2.0m);
- lower expenditure on staff costs (-1.8 M€);
- a €0.9m fall in expenditure on taxes, mainly due to the CET tax;
- provisions for risks (+€2.4m);

- lower head office expenses, due to a reduction in the size of the head office and lower IT expenses. Head office costs are broken down by site using allocation keys.

Over the period ATTM6, capital charges at the Fos Tonkin site were slightly higher than the capital charges forecast in the trajectory set by the tariff. This was due to the underestimation of certain projects.

In current €M, including head office part	2021	2022	2023
Capital charges under the ATTM6 tariff	1,9	3,1	3,5
Realised capital costs	1,2	3,3	5,2
<i>Differences</i>	-0,7	+0,2	+1,7

Capital charges are 100% covered by the CRCP.

6.2. Tariff demand and key issues

Elengy considers that its request aims to respond to several issues, in particular:

- Operate industrial infrastructures that are crucial to security of supply, in compliance with high technical standards and in line with increasingly stringent environmental performance requirements;
- sustainably adjust the resources needed to operate LNG terminals to a high level of utilisation over the next few years, after the crisis period;
- maintain reliable and adaptable infrastructures to guarantee the insurance value of terminals whatever the level of use envisaged in the short or medium term;
- manage the volatility of LNG receipts by reflecting the variability of energy costs in the tariff structure;
- limit the risk of stranded costs by 2050 for the Montoir and Fos Cavaou terminals;
- prepare the future of the Fos Tonkin site.

6.3. Breakdown of indirect costs

Elengy's business is spread over three LNG terminals (Montoir, Fos Cavaou and Fos Tonkin), and within each of these terminals between various regulated (unloading, reloading) and non-regulated activities (see section 3).

Certain costs shared either by the different terminals or by the different activities are subject to allocation keys, so that each site and each activity bears the costs attributable to it.

6.3.1. Breakdown of regulated indirect costs between LNG terminals

The costs attributable to the regulated activity of each terminal are made up, on the one hand, of direct costs, corresponding to costs borne directly by the site in question, and on the other hand, of a proportion of indirect operating costs: head office rent, IT services, overheads (studies, tertiary services, communication, temporary staff, crèche, etc.), head office staff costs and research and development expenditure.

The method used to allocate head office operating costs is based on a pro rata distribution of the maximum technical capacity of each LNG terminal:

	ATTM6	ATTM7
Montoir-de-Bretagne	123 TWh 51 %	123 TWh 48 %
Fos Tonkin	18 TWh 7 %	18 TWh 7 %
Fos Cavaou	100 TWh 41 %	117 TWh 45 %

The method used to allocate the head office's capital costs is based on a breakdown of the value of the RAB on January 1st, 2024:

	ATTM6	ATTM7
Montoir-de-Bretagne	237,8 M€ 26,1 %	247,1 M€ 26,5 %
Fos Tonkin	12,4 M€ 1,4 %	19,7 M€ 2,1 %
Fos Cavaou	660,8 M€ 72,5 %	665,2 M€ 71,4 %

6.3.2. Breakdown of costs between regulated and non-regulated activities

Certain assets at each LNG terminal, such as the wharf and unloading arms, are used by both regulated and non-regulated activities. The same applies to certain operating expenses, such as personnel costs and certain consumables.

All gross costs are borne by the regulated activity of each terminal. When these assets and operating costs are also used for non-regulated activities, users pay a unit contribution to the subsidiary dedicated to non-regulated activities (EHE), which then passes it on to the regulated activity.

This unit contribution is calculated for each terminal on the basis of three components:

- a proportion of the normative capital charges used by the non-regulated activity;
- a share of the direct operating costs contributing to the non-regulated activity;
- a share of indirect operating expenses (see previous paragraph) contributing to non-regulated activity.

These shares are calculated based on allocation keys applied to the assets (e.g., share of wharf used) and operating costs (e.g., number of man-days) involved in the non-regulated activity in question.

At this stage, CRE considers that the allocation keys used for the ATTM6 tariff are appropriate and allow for a proportional distribution of the costs resulting from the shared use of assets and the operating costs currently covered by the regulated tariffs.

6.4. Operating costs

6.4.1. Elengy's request

The forecast net operating costs presented by Elengy in its application for each LNG terminal for the period ATTM7 2025-2028, after allocation of common head office costs, are as follows:

In current € millions	2023 achieved	2025	2026	2027	2028
Montoir-de-Bretagne	53,0	57,7	59,5	60,8	65,2
<i>of which energy costs</i>	13,9	7,8	8,6	8,9	9,3
<i>of which provisions on decommissioning</i>	1,5	1,4	1,5	1,5	1,5
Fos Tonkin	16,3	17,4	17,8	18,1	18,1
<i>of which energy costs</i>	3,0	1,6	1,8	1,7	1,7
<i>of which provisions on decommissioning</i>	0,8	0,0	0,0	0,0	0,0
Fos Cavaou	56,6	61,4	63,2	64,1	64,1
<i>of which energy costs</i>	8,9	6,2	6,9	6,7	6,6
<i>of which provisions on decommissioning</i>	1,9	1,8	1,9	1,9	1,9

For Montoir, Elengy's demand would lead to an increase in net operating costs (excluding energy) of €10.8 million in 2025, i.e., +27.7% compared with 2023. Over the period 2025-2028, net operating costs (excluding energy) then increase by an average of +3.8% per year.

For Fos Tonkin, Elengy's demand would lead to an increase in net operating costs (excluding energy) of €2.5 million in 2025, i.e., +18.8% compared with 2023. Over the period 2025-2028, net operating costs (excluding energy) then increase by an average of +1.3% per year.

For Fos Cavaou, Elengy's demand would lead to an increase in net operating costs (excluding energy) of €7.5 million in 2025, i.e., 15.7% higher than in 2023. Over the period 2025-2028, net operating costs (excluding energy) then increase by an average of +1.4% per year.

The main items showing an increase between 2023 and 2025 in Elengy's demand are as follows:

- general maintenance of terminals to take account of the high level of activity in the future, the need to make up for maintenance not carried out in years of high activity in the past, and the ageing of certain sites (Montoir, Fos Tonkin);
- maintenance specific to compliance with methane regulations;
- a significant increase in personnel costs, linked in particular to persistently high utilisation rates (75%), major investment programmes and compliance with methane regulations;
- Non-stored purchases (in particular for odourising gas), in line with continued strong activity at all sites;
- IT services, in connection with the introduction of performance support tools (digital twins, *work it easy*, etc.);

- taxes.

CRE's preliminary analyses of these items are given in section 6.4.4.

Energy costs

Elengy expects lower electricity and CO₂ charges, due to:

- a reduction in the amount of electricity consumed at the Fos Cavaou and Fos Tonkin terminals;
- a reduction in the price of electricity consumed compared with 2023, due in particular to the end of the price crisis;
- a reduction in CO₂ charges due to a drop in the quantity of gas used in the regasifiers at Montoir.

In current € millions	2023 achieved	2025	2026	2027	2028
Montoir-de-Bretagne	13,9	7,8	8,6	8,9	9,3
<i>electricity</i>	9,6	6,3	7,1	6,9	6,7
CO ₂	4,4	1,4	1,5	2,0	2,6
Fos Tonkin (electricity)	3,0	1,6	1,8	1,7	1,7
Fos Cavaou (electricity)	8,9	6,2	6,9	6,7	6,6

Provisions on decommissioning

In its tariff file, Elengy has updated the parameters used to calculate the provisions on decommissioning for Montoir and Fos Cavaou, taking into account the parameters used in the ATRT8 deliberation, i.e., an inflation rate of 1.3% and a nominal risk-free rate of 1.8%.

In the case of Fos Tonkin, the provisions on decommissioning have been set aside in full at the end of 2020: Elengy's request does not provide for any allocation for the ATTM7 period.

In current € millions	2023 achieved	2025	2026	2027	2028
Montoir-de-Bretagne	1,5	1,4	1,5	1,5	1,5
Fos Tonkin	0,8	0,0	0,0	0,0	0,0
Fos Cavaou	1,9	1,8	1,9	1,9	1,9

6.4.2. Issues on operating costs identified by CRE

Competitiveness of LNG terminals

Unlike transmission networks, European LNG terminals are not natural monopolies but are in competition with each other. Over the last decade, the commissioning of several large terminals in Europe has increased competition from other European terminals and from onshore sources of supply.

French regulated LNG terminals must therefore constantly aim to control and optimise costs in order to remain competitive.

Maintaining the availability and safety of LNG terminals

Guaranteeing the safety of people and property is a major challenge.

The ATTM7 tariff should enable Elengy's LNG terminals to meet high demand, with an anticipated utilisation rate of 75%. The tariff should give Elengy the means to maintain a high level of security on its infrastructures, whether in terms of cyber security or taking into account the ageing of physical infrastructures. It should also enable Elengy to make the investments needed to achieve this objective.

Improve the environmental performance of terminals and comply with European regulations on methane emissions

European Regulation 2024/1787 on the reduction of methane emissions from the energy sector includes a series of measures applicable from its entry into force. The regulation was published in the Official Journal of the European Union on 15 July 2024.

Encouraging innovation in the LNG terminal operator business

Innovation and the new possibilities offered by the digital revolution are a lever for optimising the costs associated with the transformations imposed by the energy transition. LNG terminal operators should encourage the use of these innovative solutions if they reduce the total costs to the community and/or the risks of overinvestment or even stranded costs.

CRE wishes to ensure that LNG terminal operators have the resources they need to carry out these innovation projects, which are essential to provide an efficient, high-quality service to users and, in particular, to develop their operating tools. In return, operators must use these resources efficiently and transparently, in particular by allocating them to programmes directly dedicated to their activity.

Ensuring the proper management of investment programmes

From now on, and in particular during the ATTM7, Elengy intends to implement a major investment programme to continue to carry out its missions successfully. CRE notes that Elengy wishes to equip itself with the tools and levers needed to successfully manage industrial projects of this scale.

Question 17 Do you agree with the issues identified by CRE concerning the operating costs of LNG terminals?

6.4.3. NOC analysis methodology

The aim of incentive regulation of net operating costs is to give operators an incentive to improve their efficiency over the tariff period by leaving them 100% of the difference between actual costs and the tariff trajectory. The level of efficiency revealed during the ATTM6 tariff period must be taken into account when setting the ATTM7 tariff, so that LNG terminal users benefit from these productivity gains over time.

For these reasons, CRE has asked Elengy to present its tariff application with regard to the 2023 realisations, justifying any significant deviation from the latter.

CRE commissioned Orcom H3P to carry out an audit of operating costs excluding energy and provisions on decommissioning LNG terminals. The work was carried out between April and July 2024. In particular, the preliminary conclusions of the audit report gave rise to an adversarial discussion with Elengy in July 2024.

This audit will provide CRE with a clear understanding of the operating costs and income of the LNG terminals during the ATTM6 period and the forecast operating costs presented by Elengy for the coming tariff period (2025-2028). The objectives of this audit are to

- provide expert advice on the relevance and justification of the trajectory of LNG terminal operating costs for the next tariff period;
- assess the level of actual (2023) and forecast (2025-2028) costs;

- make recommendations on the efficient level of operating costs to be taken into account for the ATTM7 tariff.

CRE has also analysed certain specific items, such as energy costs, in connection with the creation of an associated tariff term (see section 7.1.2).

6.4.4. Summary of the results of the external audit of NOC excluding energy and provisions on decommissioning

6.4.4.1. Results of the external audit

At the end of his work, the auditor recommends the following trajectories for operating expenses excluding energy and provisions on dismantling.

Montoir-de-Bretagne €M	2025	2026	2027	2028
Trajectory requested by Elengy	48,5	49,4	50,4	54,4
Trajectory with adjustments proposed by the auditor	44,4	44,8	47,0	49,3

Fos Tonkin €m	2025	2026	2027	2028
Trajectory requested by Elengy	15,8	16,0	16,4	16,4
Trajectory with adjustments proposed by the auditor	14,5	14,5	14,6	14,8

Fos Cavaou €m	2025	2026	2027	2028
Trajectory requested by Elengy	53,4	54,4	55,5	55,7
Trajectory with adjustments proposed by the auditor	50,3	50,9	51,7	52,1

The main adjustments recommended by the auditors relate to personnel costs, external expenses, taxes and R&D&I.

Personnel costs

Elengy's demand comes against a backdrop of stabilisation of terminal utilisation rates at high levels (75% forecast), major investment programmes, particularly at Montoir (see section 4.5.1), and new regulations and requirements (e.g., methane regulations). For the period 2021-2023, Elengy has already increased its workforce beyond the anticipated level (~+10%) to cope with the exceptionally high utilisation rate during the crisis and to prepare for the major investment programme to come.

Compared with 2023, the operator plans to recruit additional staff over the entire 2024-2028 period. The operator has already started recruiting in 2024 (excluding ATTM7).

The auditor assessed this request on the basis that:

- the overall context of ATTM7 is very similar to that of 2023, particularly as regards the level of activity. It therefore considers that the number of operational staff at the end of 2023 should be sufficient to maintain the same level of activity;

- the level of internal resources required to manage Elengy's investment programmes needs to be considered in the light of the duration of these programmes;
- the need for manpower to bring sites into compliance with methane regulations is overestimated. The consultant considers that Elengy is overestimating the number of leaks over time, and *therefore* the number of people needed to repair them, for the years 2026-2028.

As a result, the auditor recommends moderating Elengy's request. This represents -€17.5m (-6.7%) in cumulative adjustments over the 4 years of the ATTM7 period.

External consumption

External consumption includes consumables, rents and royalties, maintenance, IT services and other external consumption and services (overheads, insurance, tertiary services, etc.). The auditor recommends -€9.8m in cumulative adjustments over the 4 years of the ATTM7 period for this item, i.e., -4.6% compared with Elengy's request.

This adjustment is mainly due to maintenance costs, which the consultant considers to be too high. By exploiting the correlation between activity levels and maintenance costs, the consultant was able to assess Elengy's maintenance costs for the ATTM7 period. It recommended an overall adjustment of €1.9m in general maintenance costs, out of a request of €59.9m (-3.2%). The consultant also considered that the specific costs of compliance with methane regulations (detection and repair of methane leaks) were overestimated by Elengy. In particular, it believes that the operator is overestimating the number of leaks to be repaired from 2026, after a first year of leak detection and repair at the new threshold prescribed by the regulation. As a result, it is proposing an adjustment of €3.1m, for a request of €9.7m (-32.0%).

Research and development and innovation

For this item, the auditor mainly looked at the link between research and development subjects and regulated activities. Accordingly, the auditor did not include requests that were outside the scope of the regulated activity and related to new decarbonisation vectors (hydrogen, carbon dioxide, ammonia). As a result, he recommended an adjustment of €3.3m, for a request of €6.1m (-54%).

Non-regulated activities

For the time being, there is no adjustment for "non-regulated activities". However, in a regulation published on 24 June 2024 (No. 2024/1745)⁹, the European Union has decided to prohibit the transshipment of Russian LNG in European ports, in particular at the Montoir terminal. The impact of this decision on tariffs is currently being analysed and could amount to a maximum of €21m over the ATTM7 tariff period.

6.4.4.2. Summary of preliminary analysis

The final decision taken by CRE will depend on the results of ongoing analyses of the adjustments recommended by the auditor, as well as any other adjustments envisaged by CRE.

At this stage, CRE considers that Elengy's request is overestimated. The level of net operating expenses excluding energy and provisions on decommissioning could be between a "high limit" corresponding to Elengy's request, and a "low limit" established based on all the conclusions of the external audit.

6.4.4.3. Montoir-de-Bretagne

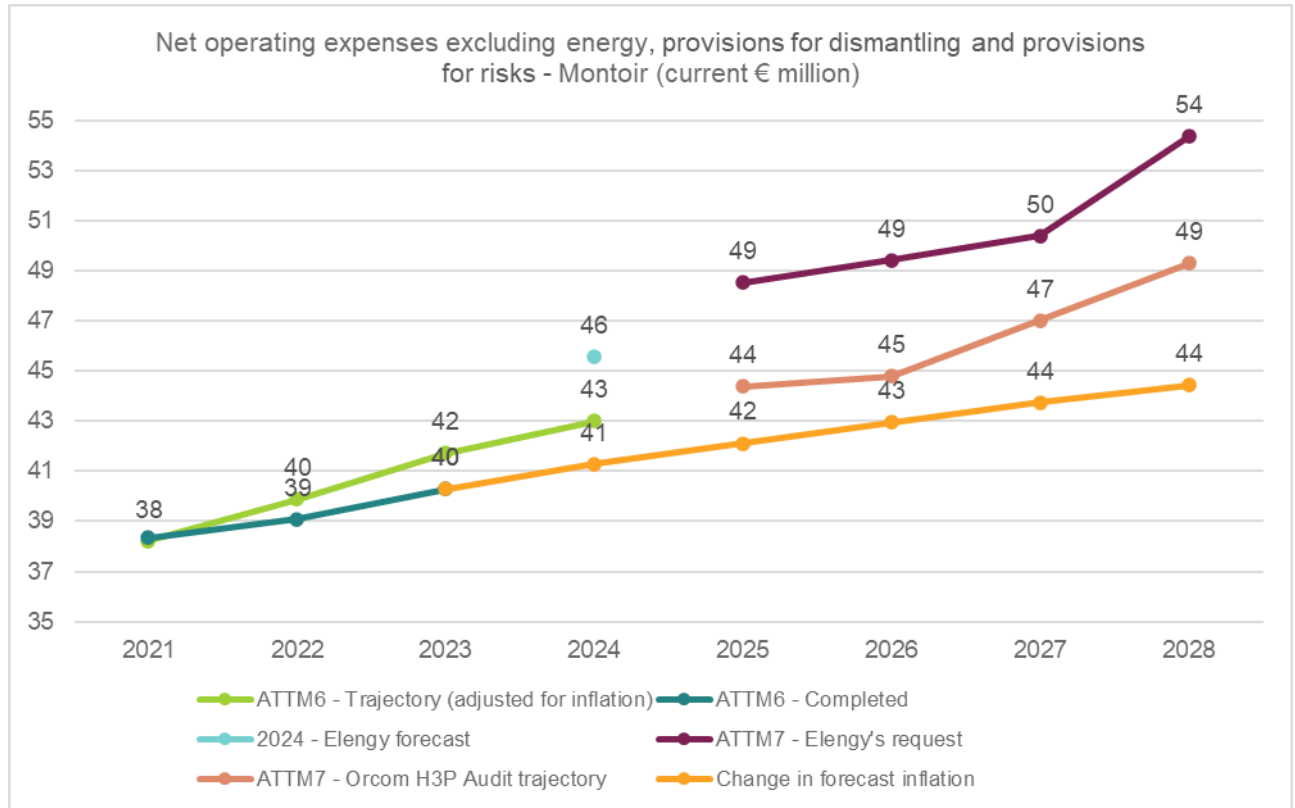
For Montoir-de-Bretagne, the low limit varies between €44.4m in 2025 and €49.3m in 2028, i.e., an average of €46.4m/year over the period, and the high limit varies between €48.5m in 2025 and €54.4m in 2028, i.e., an average of €50.7m/year over the period.

These average levels are significantly higher than those recorded in 2023, which stood at €40.3m (excluding provisions for risks):

⁹ Council Regulation (EU) [2024/1745](#) of 24 June 2024 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of destabilising Russian action in Ukraine

- High limit: 2023-2025 growth of +20.5% and a 2025-2028 CAGR of +3.9%/year;
- low limit: 2023-2025 growth of +10.2% and a 2025-2028 CAGR of +3.6%/year.

The possible trajectories for net operating costs presented below have been adjusted for provisions for risks, which are exceptional expenses or revenues.



Question 18 Do you have any comments on the forecast costs for the Montoir-de-Bretagne terminal?

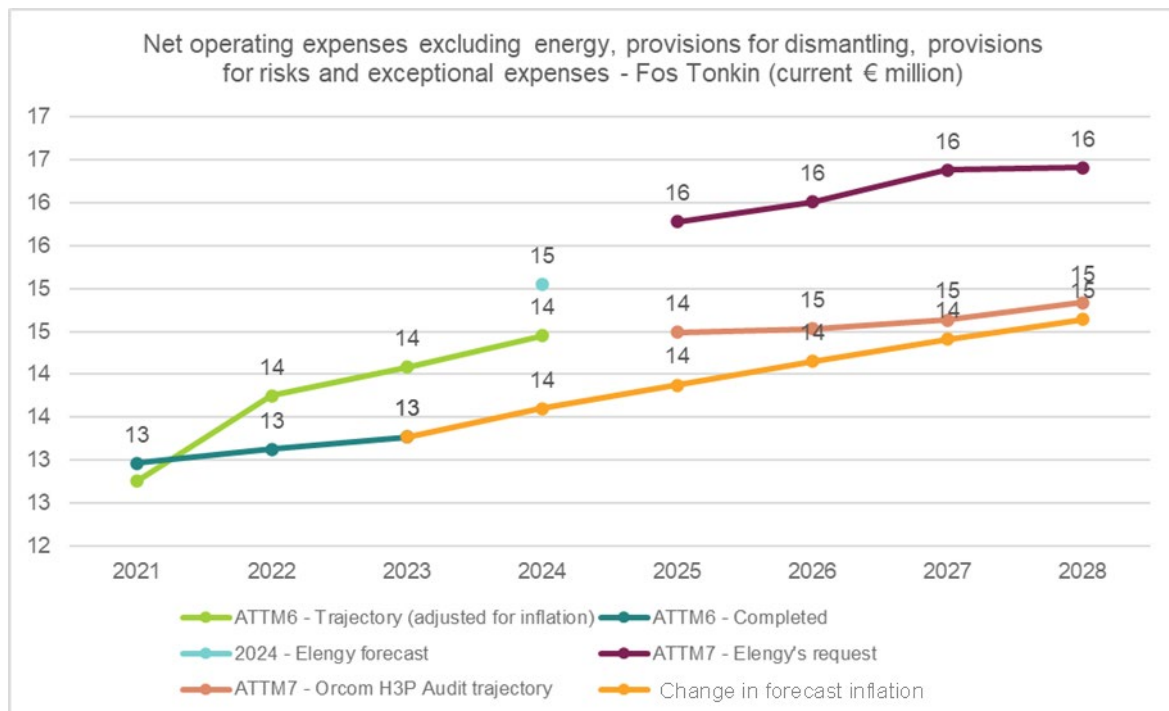
6.4.4.4. Fos Tonkin

For Fos Tonkin, the low limit varies between €14.5m in 2025 and €14.8m in 2028, i.e., €14.6m/year on average over the period, and the high limit varies between €15.8m in 2025 and €16.4m in 2028, i.e., €16.1m/year on average over the period.

These average levels are significantly higher than those recorded in 2023, which amounted to €13.3m (excluding provisions for risks and exceptional expenses):

- High limit: 2023-2025 growth of +18.9% and a 2025-2028 CAGR of +1.3%/year;
- low limit: 2023-2025 growth of +9.2% and a 2025-2028 CAGR of +0.8%/year.

The possible trajectories for net operating costs presented below have been adjusted for provisions for risks and other exceptional expenses.



Question 19 Do you have any comments on the forecast costs for the Fos Tonkin terminal?

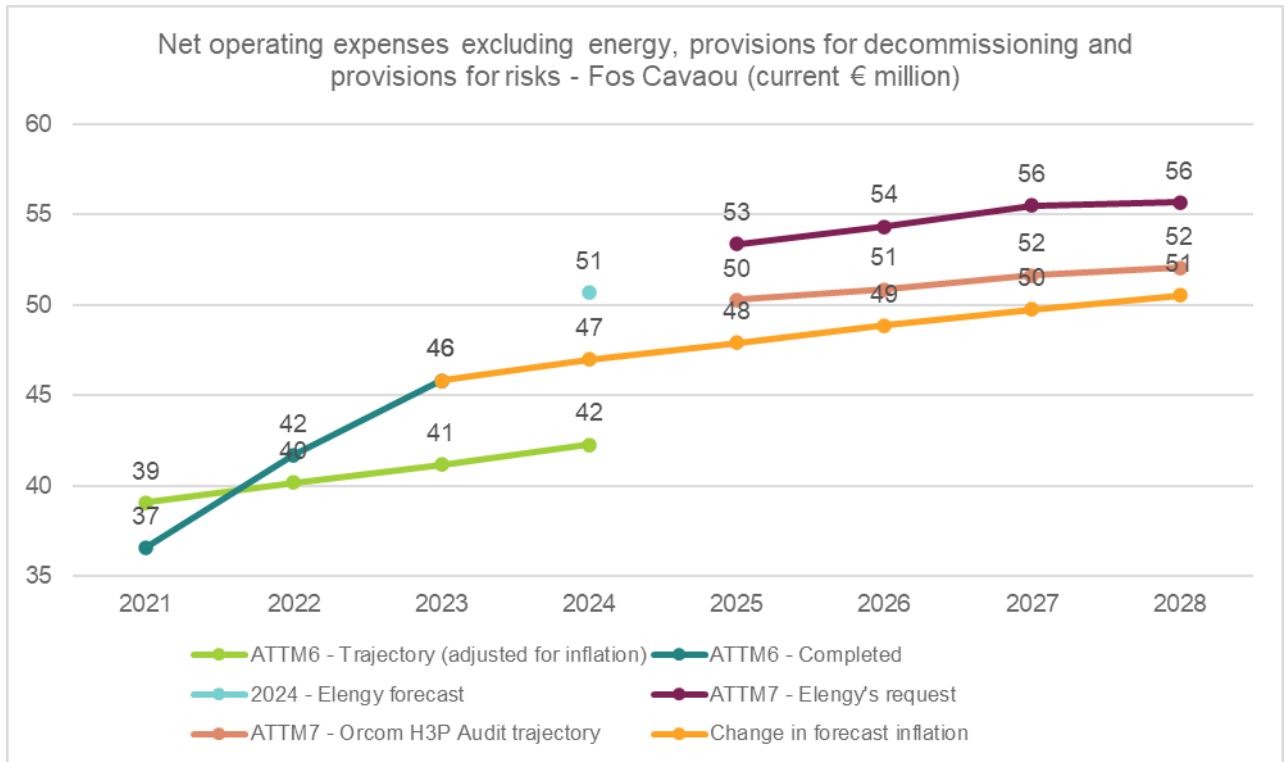
6.4.4.5. Fos Cavaou

For Fos Cavaou, the lower limit varies between €50.3m in 2025 and €52.1m in 2028, i.e., an average of €51.2m/year over the period, and the upper limit varies between €53.4m in 2025 and €55.7m in 2028, i.e., an average of €54.7m/year over the period.

These average levels are still higher than those recorded in 2023, which stood at €45.8m (excluding provisions for risks):

- High limit: 2023-2025 growth of +16.5% and a 2025-2028 CAGR of +1.4%/year;
- low limit: growth from 2023 to 2025 of +9.8% and a CAGR from 2025 to 2028 of +1.1%/year.

The possible trajectories for net operating costs presented below have been adjusted for provisions for risks, which are exceptional expenses or revenues.



Question 20 Do you have any comments on the forecast costs for the Fos Cavaou terminal?

In its pricing decision, which CRE plans to publish at the end of 2024, CRE will adjust the inflation assumption for 2024 and 2025 to reflect price trends as closely as possible.

6.4.5. Energy costs (electricity and CO₂)

Montoir-de-Bretagne	2023 achieved	2025	2026	2027	2028
Electricity (€m)	9,6	6,3	7,1	6,9	6,7
<i>Volume of electricity (GWh)</i>	75,2	78,5	78,5	78,5	78,5
CO ₂ (€m)	4,4	1,4	1,5	2,0	2,6
Total energy costs (€m)	13,9	7,8	8,6	8,9	9,3

Fos Tonkin	2023 achieved	2025	2026	2027	2028
Electricity (€m)	3,0	1,6	1,8	1,7	1,7
<i>Volume of electricity (GWh)</i>	23,0	19,3	19,3	19,3	19,3
CO ₂ (€m)	-	-	-	-	-
Total energy costs (€m)	3,0	1,6	1,8	1,7	1,7

Fos Cavaou	2023 achieved	2025	2026	2027	2028
Electricity (€m)	8,9	6,2	6,9	6,7	6,6
<i>Volume of electricity (GWh)</i>	73,9	77,7	77,7	77,7	77,7
CO ₂ (€m)	-	-	-	-	-
Total energy costs (€m)	8,9	6,2	6,9	6,7	6,6

Elengy's request concerning its electricity and CO₂ charges is based on:

- for the volume part, an estimate based on an existing correlation between the quantity discharged and the electricity consumed at the sites;
- for the price part, on estimates of the components of electricity and the price of a tonne of carbon dioxide.

CRE considers that these assumptions are reasonable. In particular, the quantities of energy are consistent with an assumed terminal utilisation rate of 75%. The price assumptions (electricity and tonnes of carbon dioxide) are in line with market data to date. Consequently, at this stage, no adjustments are envisaged in relation to this demand.

6.5. Weighted average cost of capital

6.5.1. Elengy's request

Elengy's request was established using a weighted average cost of capital identical to that of the current ATRT8 tariff, i.e., 4.1% (real, before tax).

About the remuneration of fixed assets under construction, Elengy is requesting that the remuneration be maintained at the nominal equivalent of the cost of debt before tax of 2.8%. This remuneration is then added to the specific LNG premium.

Elengy is requesting an increase in the specific LNG premium from 200 basis points to 250 basis points for Fos Cavaou assets commissioned from January 1st of 2025 and from 150 basis points to 250 basis points for Montoir assets commissioned from January 1st of 2021. For all other infrastructure assets, the 200-basis point premium would continue to apply.

Elengy is requesting a reduction in the depreciation period for the Fos Cavaou terminal from 40 years to 20 years. The operator justifies this request by an increase in the long-term risks for the regasification activity and by the need for significant reinvestment between now and the end of the decade,

In addition, the operator wishes to end the indexation of the RAB to inflation for new assets, and to take it directly into account in the rate of remuneration.

CRE is in favour of the reduction in depreciation for Fos Cavaou and the change in RAB. Both methods enable Elengy to better control the risk of stranded costs and changes in the unit cost of terminal use over time. Details of CRE's position are set out in section 4.1.4 of this consultation.

6.5.2. Rate of remuneration envisaged at this stage

CRE attaches the greatest importance to the stability of its principles for determining the WACC, in order to give market players visibility. At this stage, CRE plans to continue with the method used for previous tariffs, based on the WACC of the ATRT plus a specific premium.

For the ATTM7 tariff, in accordance with section 5.1.4.5 of this consultation, CRE plans to build the WACC on the basis of the ATRT8 WACC of 4.1%, plus the 150-basis point premium for assets entering service from 1 January 2021 at the Montoir terminal and from 1 January 2025 at the Fos Cavaou terminal. Other employees will continue to receive a 200-basis point bonus.

CRE is also considering changes to the tariff regulation framework to limit the risk of stranded costs at LNG terminals:

- reduction of the maximum depreciation period to 20 years for Fos Cavaou assets coming into service from 1^{er} January 2025 (see section 5.1.4.2);
- transition to remuneration at the nominal WACC and uninfluenced valuation in the RAB for assets entering service from 1^{er} January 2025 (see section 5.1.5.1).

In the remainder of this consultation document, the illustrative scenario presented as the lower bound is constructed taking these assumptions into account. This illustrative scenario also assumes that the AUC are remunerated at a cost of debt (nominal, before tax) of 2.8%, plus the 150-basis point premium that was already applied for the ATTM6 tariff.

6.6. Investment and normative capital charges

6.6.1. Capital expenditure trajectory

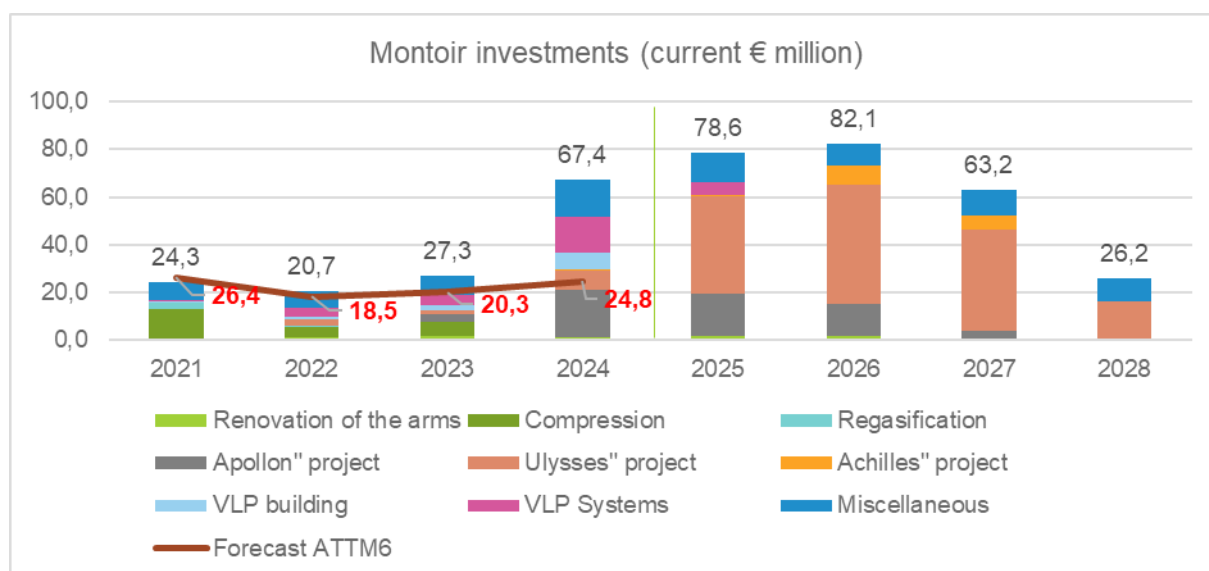
6.6.1.1. Investment trajectory for Montoir

Elengy's planned capital expenditure trajectory for Montoir over the ATTM7 period is marked by a significant increase, with average expenditure of €62.5m/year over this period, compared with around €33m/year over the ATTM6 period. This increase is mainly due to renovation investments, as the terminal, which is over 40 years old, is particularly used in the current market context.

Elengy plans the following capital expenditure over the next tariff period:

In current € millions	2025	2026	2027	2028	Annual average ATTm7	Annual average ATTm6*
Renovation of the arms	1,57	1,6	0,8	-	1,0	1,4
Compression	-	-	-	-	-	5,6
Regasification	-	-	-	-	-	0,9
Apollon project	17,9	13,4	3,1	-	8,6	5,7
Ulysses project	41,0	50,2	42,3	16,5	37,5	3,0
Achilles project	0,5	8,0	6,0	-	3,6	0,2
VLP building	0,04	-	-	-	0,01	2,7
VLP System	4,96	-	-	-	1,24	6,0
Miscellaneous	12,6	8,9	11,0	9,7	10,6	9,6
TOTAL	78,6	82,1	63,2	26,2	62,5	34,9

*Average of completed investment programmes 2021,2022,2023 and estimated 2024



In particular, Elengy is planning three major renovation projects:

- As part of the Apollon project, Elengy is renewing the racks, pipe supports and thermal insulation. On 5 October 2023, CRE set the target budget at €52.7m¹⁰. The project will reach its peak in 2024 and 2025;
- The Achille project aims to reduce methane leaks from the RV03 reservoir at Montoir. It will also involve renovating the civil engineering of this facility. The cost is estimated at €15m and will be carried out during the ATTm7 period;
- the Ulysse project mainly concerns the renovation of the regasification function. The estimated investment is €181m, including €150m for the ATTm7 period. The main aim of the project is to replace combustion regasifiers with trickle regasifiers (ORV¹¹) and to reduce the risks associated with high-pressure natural gas pipes leaving the regasifiers. Elengy is also planning to modify its facilities so that it can use the Loire water pumping facilities at the SPEM power plant near the terminal. The project is currently in the basic engineering phase, and Elengy is aiming for a construction decision by the end of 2024.

¹⁰ [CRE deliberation no. 2023-312 of 5 October 2023 concerning the definition of the target budget for the project to renovate the pipelines at the Montoir de Bretagne LNG terminal](#)

¹¹ Open rack vaporizer

Montoir's other investment projects concern the renovation of the automation systems (€5m over the ATTM7 period), the renovation and adaptation of the transfer arms (€3.2m over the ATTM7 period), and work on the wharf worth €2.4m over the next tariff period.

CRE analysis

With specific regard to the Ulysse project, Elengy has at this stage only provided CRE with preliminary assessments and has informed CRE that the full cost could be higher than the €181m initially estimated, up to €250m. According to Elengy, the NCC trajectory during the ATTM7 period should only be marginally affected by this reassessment, due to the project being spread over time and the commissioning of assets being postponed to the end of the ATTM7 period.

At this stage, and provided that the figures provided by Elengy to date do not change significantly, CRE considers that replacing the combustion regasifiers with trickle regasifiers and pooling the pumping facilities with the SPEM power plant seem to be appropriate choices. According to Elengy, the installation of new trickling regasifiers will reduce the terminal's self-consumption of gas and CO₂ emissions, as well as significantly reducing the terminal's downtime during the works. Elengy has also indicated that the pooling of SPEM's pumping facilities will make it possible to limit its investments.

Finally, given the scale of the project, it will be subject to an audit by CRE in the 4th quarter of 2024 to define a target budget, in accordance with the tariff framework in force.

6.6.1.2. Fos Cavaou investment trajectory

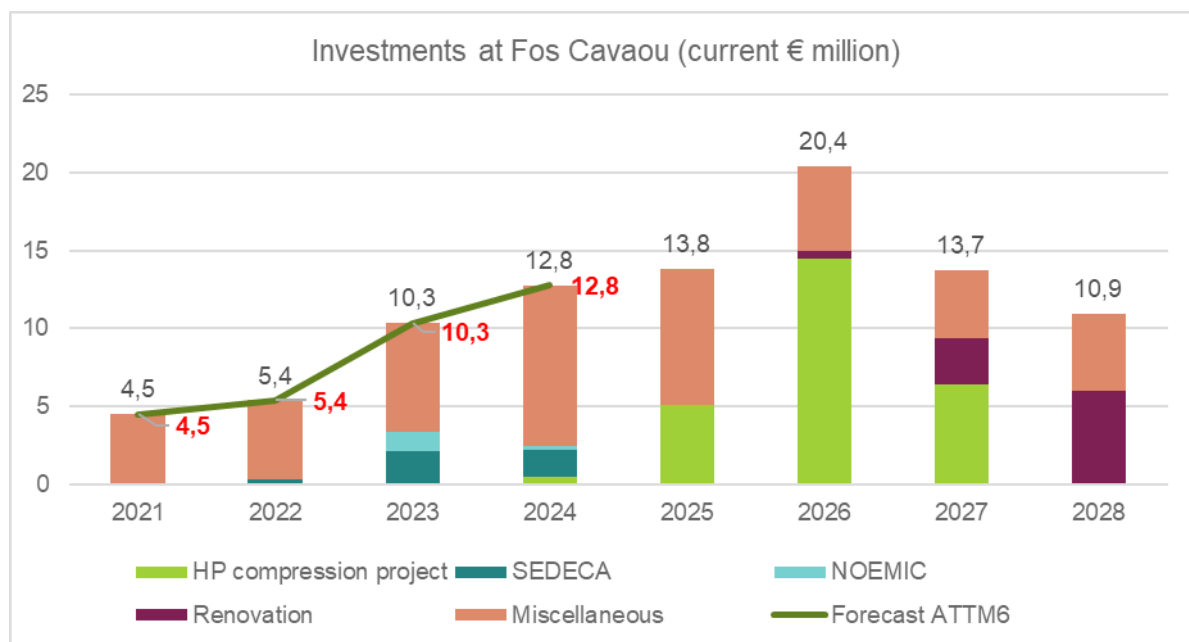
Elengy's planned capital expenditure trajectory for Fos Cavaou over the ATTM7 period is marked by a significant increase, with average expenditure of €14.7m/year over this period, compared with around €8.2m/year over the ATTM6 period. This increase is mainly due to renovation investments, as well as the evaporation compression project to comply with regulations on methane emissions.

Elengy plans the following capital expenditure over the next tariff period:

In current millions €	2025	2026	2027	2028	Annual average ATTM7	Annual average ATTM6*
HP compression project	5,1	14,5	6,4	0	6,5	0,1
SEDECA	0	0	0	0	0,0	1,0
NOEMIC	0	0	0	0	0,0	0,4
Renovation	0	0,5	3,0	6,0	2,4	0,0
Miscellaneous	8,7	5,4	4,3	4,9	5,8	6,7
TOTAL	13,8	20,4	13,7	10,9	14,7	8,2

*Average of completed investment programmes 2021, 2022, 2023 and estimated 2024

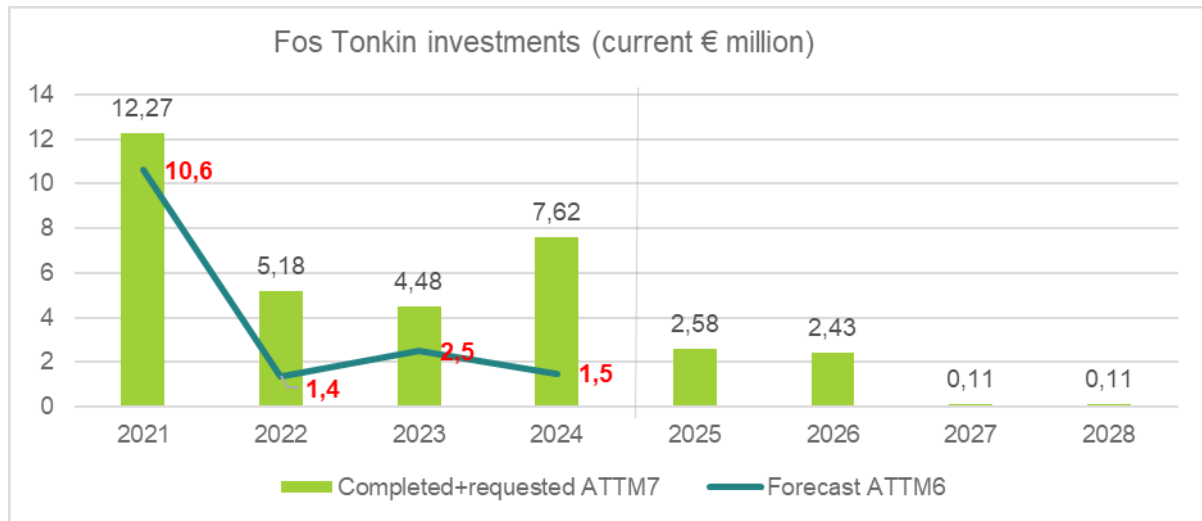
Elengy plans to install a high-pressure natural gas compressor to send evaporation to the GRTgaz network when the terminal is not emitting. This project will limit the quantities of methane that need to be flared. The cost of this project is estimated at €26.5m.



6.6.1.3. Fos Tonkin investment trajectory

The trajectory of capital expenditure at Fos Tonkin forecast by Elengy over the ATTM7 period is marked by a decline due to the potential shutdown of the terminal in 2028, with average expenditure of €1.3m/year over this period, compared with approximately €1.6m/year over the ATTM6 period.

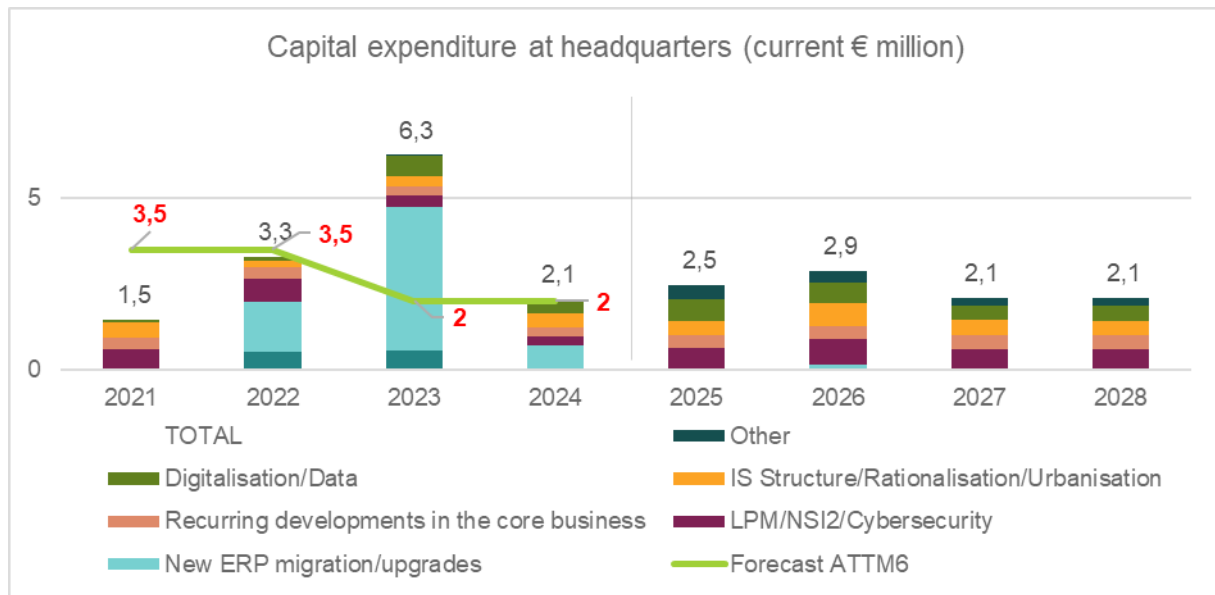
Elengy plans the following capital expenditure over the next tariff period:



In particular, Elengy plans to replace the transfer arms to comply with the Technological Risk Prevention Plan. The new LNG transfer arms must be fitted with emergency disconnection devices. The new equipment is scheduled to come into service in 2027.

6.6.1.4. Headquarters investment trajectory

Elengy's planned capital expenditure trajectory for Headquarters over the ATTM7 period is €2.4m/year on average, compared with around €3.3m/year over the ATTM6 period. Elengy plans the following capital expenditure over the next tariff period:



Expenditure for the next tariff period is stable. During the ATTM7 period, the operator plans to carry out recurring annual programmes, notably concerning the IT system.

6.6.1.5. CRE's preliminary analysis

In accordance with the incentive regulation system for capital charges (see paragraph 5.3.2.1), certain projects may be subject to audits to define a target budget. This is the case for the Ulysse and Achille projects at the Montoir terminal and the HP compressor project at the Fos Cavaou terminal, which have budgets in excess of €10m and are therefore eligible for this scheme.

At this stage, CRE has no plans to modify the investment trajectory requested by Elengy. As regards the Ulysse project, CRE is continuing its discussions with Elengy in order to ensure that this expenditure is effective and essential for the operation of the terminal.

Question 21 Do you have any comments on the capital charges planned by Elengy for the Montoir, Fos Cavaou and Fos Tonkin terminals over the period 2025-2028?

6.6.2. Capital expenditure trajectory

6.6.2.1. Montoir-de-Bretagne

The investment forecasts presented above, combined with a WACC of 4.1% (real, before tax) plus the 250-basis point premium, result in the following normative capital charge request in Elengy's tariff application:

Provisional NCCs, including head office (current €m)	2023 achieved	2025	2026	2027	2028	Annual average ATTM7	Annual average ATTM6*
Elengy request (WACC at 4.1% + 250 basis points + de-indexation of the RAB)	35,0	46,4	54,8	63,1	69,2	58,4	36,7
CRE scenario (WACC at 4.1% + 150 basis points for assets commissioned from January 1 st of 2021 + de-indexation of the RAB)	35,0	44,7	52,3	59,9	65,7	55,7	

*Average of completed investment programmes 2021, 2022, 2023 and estimated 2024

6.6.2.2. Fos Tonkin

Provisional NCCs, including head office (current €m)	2023 achieved	2025	2026	2027	2028	Annual average ATTM7	Annual average ATTM6*
Elengy request (WACC at 4.1% + 200 basis points + de-indexation of the RAB)	5,2	8,1	8,8	10,5	6,3	8,4	4,1
CRE scenario (WACC at 4.1% + 200 basis points + de-indexation of the RAB)	5,2	8,1	8,8	10,5	6,1	8,4	

*Average of completed investment programmes 2021,2022,2023 and estimated 2024

6.6.2.3. Fos Cavaou

Provisional NCCs, including head office (current €m)	2023 achieved	2025	2026	2027	2028	Annual average ATTM7	Annual average ATTM6*
Elengy request (4.1% WACC + 250 basis points + accelerated amortisation + de-indexation of the RAB)	88,1	88,3	88,9	90,0	90,2	89,4	86,5
CRE scenario (WACC at 4.1% + 150 basis points for new assets and 200 basis points for old assets + accelerated depreciation + de-indexation of the RAB)	88,1	88,2	88,7	89,6	89,6	89,0	

*Average of completed investment programmes 2021, 2022, 2023 and estimated 2024

6.7. CRCP level as of 31 December 2024

The overall balance of the CRCP is calculated before the final closure of the annual accounts. It is therefore equal to the amount to be paid or deducted from the CRCP (i) in respect of the previous year, based on the best estimate of annual income and expenditure (known as the estimated CRCP), and (ii) in respect of the previous year, by comparing actual income and expenditure with the estimate made one year earlier (known as the definitive CRCP), plus, where applicable, the balance of the CRCP not cleared in respect of previous years.

The amount to be paid to or deducted from the CRCP is calculated by CRE, for each past year, on the basis of the difference between actual or estimated figures, for each item concerned, and the reference

amounts defined in appendix 3 of the ATTM6 bis decision. The proportion of this difference paid to the CRCP is set out in the deliberation ATTM7.

Details of the amounts by item in the CRCP are shown below:

Total differences*, in current €m	Coverage rate in the CRCP	Montoir	Tonkin	Cavaou
Revenue from additional subscriptions	-75%	3,016	-3,581	9,960
Loading service revenue	-75%	-0,017	0,000	-0,013
LNG exchange point revenues	-50%	-0,029	-0,011	0,015
Revenue from non-regulated services	100%	0,294	0,244	-0,959
Infrastructure capital expenditure	100%	3,096	4,653	12,572
Non-infrastructure capital costs due to inflation	100%	0,011	0,001	0,032
Differences in NOC due to differences between the forecast inflation assumption and the actual inflation assumption	100%	0,535	0,180	0,527
Energy costs and CO2 quotas	100%	26,173	4,564	23,663
	90%	-9,577	-2,166	-14,497
Bonuses and penalties resulting from incentive regulation mechanisms	100%	0,000	0,000	0,000
Maintenance costs (Montoir)¹²	100%	-0,014	0,000	0,000
R&D&I	100%	0,155	0,008	0,431
Biopolymers programme (Fos Cavaou)¹³	100%	-	-	-0,031
Methane small-scale LNG carriers	75%	-	-	-1,761
Compensation for debottlenecking	100%	-	-	10,085
Residual balance from previous CRCP	100%	6,545	0,663	-96,058
Total		30,188	4,555	-56,035

*After applying the coverage rate to the CRCP

6.7.1. Montoir-de-Bretagne

In its tariff dossier, Elengy has estimated the total balance of the CRCP for the period 2022-2024 at +€30.2 million, to be returned to the terminal operator¹⁴ by increasing the authorised revenue for the ATTM7 period. This CRCP mainly consists of:

- energy costs well in excess of tariff forecasts, reflecting the significant increase in the cost of electricity consumed in 2023, as well as high utilisation rates over the period (+€16.6m);
- capital costs slightly higher than forecast, due to higher-than-expected capital expenditure and high inflation over the period (+€3.1m);

¹² Elengy provided figures for this item of expenditure over the ATTM6 period. Maintenance expenditure was higher than forecast for each of the 4 years of the tariff period. Consequently, almost no financial amount has been deducted from the net operating expenses to be covered by the ATTM7.

¹³ Elengy has provided figures for this item of expenditure over the period ATTM6. Due to a delay in implementing the programme, no expenditure has been incurred in 2021. As a result, €380k will be deducted from the net operating expenses to be covered by users from 2023.

¹⁴ By convention, as far as the CRCP is concerned, a "-" sign corresponds to an amount to be returned to users, and a "+" sign to an amount to be returned to the operator.

- lower subscription revenues than forecast, due to downtime (technical incidents, industrial action, etc.) during 2023 (+€3.0m).

The balance of the CRCP for the period 2022-2024 calculated by CRE in calculating the authorised revenue for Montoir-de-Bretagne is identical to that calculated by Elengy. This CRCP amount is preliminary and may be changed in the CRE's final decision.

6.7.2. Fos Tonkin

In its tariff dossier, Elengy has estimated the total balance of the CRCP for the period 2022-2024 at €4.6 million, to be returned to the terminal operator by increasing the authorised revenue for the ATTM7 period. This CRCP mainly consists of:

- lower subscription revenues than forecast, due to downtime (technical incidents, industrial action, etc.) during 2023 (+€3.6m);
- higher capital expenditure than forecast, due to higher-than-expected capital expenditure (+€4.7m);
- energy costs well in excess of tariff forecasts, due to the significant increase in the cost of electricity consumed in 2023 (+€2.4m).

The balance of the CRCP for the period 2022-2024 calculated by CRE in calculating the authorised revenue for Fos Tonkin is identical to that calculated by Elengy. This CRCP amount is preliminary and may be changed in the CRE's final decision.

6.7.3. Fos Cavaou

In its tariff dossier, Elengy has estimated the total balance of the CRCP for the period 2022-2024 at -€56.0 million, to be returned to terminal users by reducing the authorised revenue for the ATTM7 period. This CRCP mainly consists of:

- a substantial balance of CRCP from the ATTM6 period due to a higher number of subscriptions than initially anticipated (-€96m);
- lower subscription revenues than forecast, in particular revenues from additional unloading and reloading subscriptions (+€10.0m);
- higher capital expenditure than forecast, due to higher-than-expected capital expenditure (+€12.6m);
- energy costs well in excess of tariff forecasts, due to the significant increase in the cost of electricity consumed in 2023 (+€9.17m);
- 5m/year in additional revenue in 2023 and 2024 from the increase in terminal capacity.

The balance of the CRCP for the period 2022-2024 calculated by CRE in calculating the authorised revenue for Fos Cavaou is identical to that calculated by Elengy. This CRCP amount is preliminary and may be changed in the CRE's final decision.

6.8. Authorised revenue

6.8.1. Elengy's request

6.8.1.1. Montoir-de-Bretagne

Elengy's request results in an increase in Montoir's average annual authorised revenue of +64.6% between the ATTM6 trajectory (including the mid-period review) and the ATTM7 trajectory:

In current € millions ¹⁵	Annual average ATTM6 ¹⁶	2025	2026	2027	2028	Annual average ATTM7
NOC (excluding energy)	40,0	48,5	49,4	50,4	54,4	50,7
Energy costs	5,2	7,8	8,6	8,9	9,3	8,6
Provisions on decommissioning	1,4	1,4	1,5	1,5	1,5	1,5
NCC	35,1	46,4	54,8	63,1	69,2	58,4
CRCP clearance	-4,3	8,3	8,3	8,3	8,3	8,3
TOTAL	77,5	112,4	122,6	132,2	142,6	127,4

6.8.1.2. Fos Tonkin

Elengy's request results in an increase in Fos Tonkin's average annual authorised revenue of +58.1% between the ATTM6 trajectory (including the mid-period review) and the ATTM7 trajectory:

In current € millions	Annual average ATTM6 ¹⁷	2025	2026	2027	2028	Annual average ATTM7
NOC (excluding energy)	13,5	15,8	16,0	16,4	16,4	16,1
Energy costs	1,5	1,6	1,8	1,7	1,7	1,7
Provisions on decommissioning	0,0	0,0	0,0	0,0	0,0	0,0
NCC	3,1	8,1	8,8	10,5	6,3	8,4
CRCP clearance	-0,7	1,2	1,2	1,2	1,2	1,2
TOTAL	17,4	26,7	27,8	29,9	25,6	27,5

6.8.1.3. Fos Cavaou

Elengy's request results in an increase in Fos Cavaou's average annual authorised revenue of +15.4% between the ATTM6 trajectory (including the mid-period review) and the ATTM7 trajectory:

¹⁵ The trajectories presented in this public consultation have all been adjusted for revenues from non-regulated activities, which will become tariff revenues (see section 2).

¹⁶ Including the mid-period review.

¹⁷ Including the mid-period review.

In current € millions	Annual average ATTM6 ¹⁸	2025	2026	2027	2028	Annual average ATTM7
NOC (excluding energy) (including capitalised production)	40,0	53,4	54,4	55,5	55,7	54,7
Energy costs	4,7	6,2	6,9	6,7	6,6	6,6
Provisions on decommissioning	1,8	1,8	1,9	1,9	1,9	1,9
NCC	82,3	88,3	88,9	90,0	90,2	89,4
CRCP clearance	-10,0	-15,4	-15,4	-15,4	-15,4	-15,4
TOTAL	118,9	134,3	136,8	138,7	139,0	137,2

6.8.2. CRE analysis: lower limit of authorised revenue

In the following tables, CRE presents an authorised revenue for each of the LNG terminals, using the lower limits of the trajectories presented above for net operating costs, i.e.:

- for operating costs and energy costs: an illustrative trajectory taking into account the adjustments recommended by the auditor (explained in section 6.4.4 of this document);
- for capital charges, by way of illustration:
 - de-indexation of the RAB for employees entering service from 1st January 2025;
 - for Montoir and Fos Cavaou, the application of the 150-basis point premium on the assets concerned by the accelerated depreciation;
- Elengy's request for dismantling provisions;
- the clearance of the CRCP at the end of the ATTM6 period as estimated by CRE and a rate of clearance as envisaged by CRE (see section 5.1.5).

6.8.2.1. Montoir-de-Bretagne

For Montoir-de-Bretagne, the NCC trajectory assumes the application of de-indexation of the RAB.

¹⁸ Including the mid-period review.

In current € millions	Annual average ATTM6 ¹⁹	2025	2026	2027	2028	Annual average ATTM7
NOC (excluding energy)	40,0	44,4	44,8	47,0	49,3	46,4
Energy costs	5,2	7,8	8,6	8,9	9,3	8,6
Provisions on decommissioning	1,4	1,4	1,5	1,5	1,5	1,5
NCC	35,1	44,7	52,3	59,9	65,7	55,6
CRCP clearance	-4,3	8,3	8,3	8,3	8,3	8,3
TOTAL	77,5	106,5	115,4	125,6	134,1	120,4

This illustrative scenario leads to an average increase in authorised revenue of +55.5% between the ATTM6 period (including the mid-period review) and ATTM7. This increase is mainly due to a rise in NCCs as a result of the renovation programmes implemented on the site.

6.8.2.2. Fos Tonkin

For Fos Tonkin, the NCC trajectory assumes the application of de-indexation of the RAB.

In current € millions	Annual average ATTM6 ²⁰	2025	2026	2027	2028	Annual average ATTM7
NOC	13,5	14,5	14,5	14,6	14,8	14,6
Energy costs	1,5	1,6	1,8	1,7	1,7	1,7
Provisions on decommissioning	0,0	0,0	0,0	0,0	0,0	0,0
NCC	3,1	8,1	8,8	10,5	6,1	8,4
CRCP clearance	-0,7	1,2	1,2	1,2	1,2	1,2
TOTAL	17,4	25,4	26,4	28,1	23,8	25,9

¹⁹ Including the mid-period review.

²⁰ Including the mid-period review.

This illustrative scenario leads to an average change in authorised revenue of +49.1% between the ATTM6 period (including the mid-period review) and ATTM7. This increase is mainly due to a rise in NCCs as a result of asset depreciation and site safety improvement projects.

6.8.2.3. Fos Cavaou

For Fos Cavaou, the NCC trajectory assumes the application of the de-indexation of the RAB and the limitation of the depreciation period for new assets.

In current € millions	Annual average ATTM6 ²¹	2025	2026	2027	2028	Annual average ATTM7
NOC	40,0	50,3	50,9	51,7	52,1	51,2
Energy costs	4,7	6,2	6,9	6,7	6,6	6,6
Provisions on decommissioning	1,8	1,8	1,9	1,9	1,9	1,9
NCC	82,3	88,2	88,7	89,6	89,6	89,0
CRCP clearance	-10,0	-15,4	-15,4	-15,4	-15,4	-15,4
TOTAL	118,9	131,1	133,1	134,5	134,8	133,4

This illustrative scenario leads to an average increase in authorised revenue of +12.2% between the ATTM6 period (including the mid-period review) and ATTM7. This increase is linked to a rise in net operating expenses and energy costs.

Question 22 Do you have any other comments on the level of the charges to be covered for the ATTM6 period for Elengy?

6.9. Forecast of capacity subscriptions

6.9.1. Summary of ATTM6 subscriptions

The ATTM6 decision stipulates that 75% of revenues from additional subscriptions to regasification capacity are covered by the CRCP.

Over the ATTM6 period, the capacity subscriptions made corresponded overall to the subscriptions forecast in the tariff trajectory. The differences between actual subscriptions and the tariff trajectory can be explained mainly by:

- the creation of additional capacity at Fos Cavaou ("technical debottlenecking") from 2022;
- unavailability of sites due to force majeure (industrial action or technical unavailability such as at Montoir in 2021, etc.), leading Elengy not to invoice for certain unloading slots.

²¹ Including the mid-period review.

In TWh	Subscriptions	2021	2022	2023	2024 estimated
Montoir	Tariff	122,5	109,4	123,0	123,0
	Realised	112,9	112,2	111,7	
Fos Tonkin	Tariff	18,0	18,0	18,0	
	Realised	18,0	20,5	19,5	
Fos Cavaou	Tariff	89,2	89,2	113,6	117,2
	Realised	88,2	116,6	102,1	

6.9.2. Request of the operators

In 2022, against the backdrop of the supply crisis, Elengy carried out several market calls to help meet gas needs on the European continent. In particular, Elengy made additional access capacity available by "technical debottlenecking" of the Fos Cavaou LNG terminal. The terminal's capacity has been gradually increased by 17 TWh between 2022 and 2024, reaching 117 TWh in 2024.

Following these market calls, the capacities of the Montoir terminal (123 TWh), Fos Cavaou (117 TWh) and Fos Tonkin (18 TWh) are fully subscribed until 2035, 2040 and 2028 respectively.

Elengy proposes to base the forecast subscription trajectory solely on the subscriptions in the portfolio for each terminal:

	2025	2026	2027	2028
Montoir	123.0 TWh	123.0 TWh	123.0 TWh	123.0 TWh
	<i>123 discharges</i>	<i>118 discharges</i>	<i>116 discharges</i>	<i>116 discharges</i>
Fos Tonkin	18.0 TWh	18.0 TWh	18.0 TWh	18.0 TWh
	<i>36 discharges</i>	<i>36 discharges</i>	<i>36 discharges</i>	<i>36 discharges</i>
Fos Cavaou	117.2 TWh	117.2 TWh	117.2 TWh	117.2 TWh
	<i>113 discharges</i>	<i>113 discharges</i>	<i>113 discharges</i>	<i>113 discharges</i>

In view of the market conditions currently foreseeable, Elengy is not considering any reloading of large LNG carriers over the period.

6.9.3. Analysis of CRE

Given the successful calls for tenders, Elengy's three terminals are fully subscribed. In the current context of the European gas market, CRE considers that the assumptions proposed by Elengy are

coherent and therefore intends to use the subscription trajectories forecast by Elengy to calculate the ATTM7 tariff.

Revenues from subscriptions are 100% *ship or pay* (see section 7.1). Additional or missing revenues are covered at 75% by the CRCP.

Question 23 Do you have any comments on Elengy's planned subscriptions hypotheses for the period 2025-2028?

6.10. Evolution of tariffs

6.10.1. Elengy's demand

The changes in authorized revenues for the three LNG terminals requested by Elengy, combined with the subscription trajectories forecast by Elengy over the next 4 years, would lead to the following average changes in tariff terms between 2024 and 2026²² :

	Tariff increase from 1 ^{er} April 2025 (taking into account all tariff terms)
Montoir	+0.41 €/MWh <i>i.e.</i> , +64.1%.
Fos Tonkin	+0.59/MWh <i>i.e.</i> , +60.7%.
Fos Cavaou	-0.26 €/MWh <i>i.e.</i> , -18.4%.

6.10.2. Analysis of CRE: possible tariff evolution

In the following table, CRE presents the possible tariff evolution for each of the terminals, based on an illustrative scenario, using the average tariff terms between Elengy's demand and the low limit proposed by CRE as follows:

- for operating costs and energy costs: an illustrative trajectory taking into account the adjustments recommended by the auditor (explained in section 6.4.4 of this document);
- for capital charges, by way of illustration:
 - de-indexation of the RAB for employees entering service from 1st January 2025;
 - for Montoir and Fos Cavaou, the application of the 150-basis point premium on assets entering service from 1st January 2021 and 1^{er} January 2025 respectively;
- Elengy's request for dismantling provisions;
- the clearance of the CRCP at the end of the ATTM6 period as estimated by CRE and a rate of clearance as envisaged by CRE (see section 5.1.5).

²² As the year 2025 is split between the ATTM6 bis and ATTM7 tariffs, the year 2026 is more representative of the tariff differential.

	Tariff increase from 1 ^{er} April 2025 (taking into account all tariff terms)
Montoir	+0.38 €/MWh <i>i.e.</i> , +54.9%.
Fos Tonkin	+0.54/MWh <i>i.e.</i> , +51.2
Fos Cavaou	-0.29 €/MWh <i>i.e.</i> -20.9

7. Tariff structure

7.1. Adaptation of the existing tariff structure

Shippers' subscriptions at regulated LNG terminals relate to a number of ship discharges and a volume of LNG unloaded associated with these operations. The ATTM tariff is based on a "ship-or-pay" system: shippers are obliged to pay the tariffs applied to 100% of the quantities and number of discharges subscribed, even if they do not carry out the operation.

The following sections describe the existing tariff terms, which CRE considers should be maintained, and analyse the creation of a new tariff term to cover energy costs, as requested by Elengy.

7.1.1. Continuation of existing pricing terms

For each unloading subscribed, whether this involves several discharges subscribed over the year as part of long-term subscriptions, or an unloading subscribed on a short-term, first-come, first-served basis, shippers pay the mooring number charge (TNA).

Elengy is requesting an increase in the TNA at the Montoir de Bretagne and Fos Cavaou terminals. The operator would like this tariff term to be increased from €90,000 at Montoir and €100,000 at Fos Cavaou to €120,000 per berth for both terminals. Elengy points out that this tariff term has not changed since the ATTM4 tariff period, and that the proposed level is therefore consistent with inflation.

The unloaded quantity charge (TQD) applies to subscribed quantities intended to be unloaded at the terminal. The TQD applied to quarterly capacity reservations is increased by €0.1/MWh compared with the TQD for the basic service. The TQD applied to quantities unloaded under the spot service is equal to 75% of the TQD of the basic service.

Once a ship has docked and its LNG has been unloaded, LNG terminal operators offer a number of services to take advantage of the flexibilities offered for on-site LNG tank storage and for sending LNG to the transmission grid after regasification.

An optional storage quantity can be subscribed, in addition to the storage allocated according to the unloading capacity subscribed (see 8.2.1.5). This dedicated storage gives rise to payment of the storage quantity charge (TQS).

With regard to transmission to the transmission system, the operators are proposing a change to the uniform send-out option, which would become the monthly send-out option (see 8.2.1.3.1). This monthly send-out option would give rise to the payment of a new monthly send-out tariff term (TEM). Elengy requests that this term be set at €0.1/MWh (compared with €0.07/MWh for the uniform send-out option term currently applied).

LNG terminals also offer a regulated reloading service. Subscribed reloading gives rise to payment of the same TNA as unloading, a fixed reloading term (TFR) and a reloaded quantity term (TQR). Elengy would like to change the terms TFR and TQR in order to converge the offers of the Montoir and Fos Cavaou terminals. The TFR for Montoir and Fos Cavaou would be reduced from €60,000 and €120,000 respectively to €100,000. The TFR for Fos Tonkin would remain unchanged at €40,000. As regards the TQR, Elengy would like it to be set at €0.32/MWh for the three terminals, compared with €0.343/MWh for the Montoir and Fos Cavaou terminals and €0.324/MWh for Fos Tonkin during the ATTM6.

Finally, in order to cover the gas consumption necessary for the smooth operation of each terminal, a percentage of the volume of LNG unloaded is taken in kind, corresponding to the term gas in kind (TN).

A complete illustrative tariff schedule for the ATTM7 tariff is presented in section 7.2 and compared with the ATTM6 tariff schedule.

CRE analysis

CRE plans to maintain these tariff terms for the ATTM7 period (the new monthly send-out term replacing the uniform send-out option term, see section 8.2.1.3.1).

With regard to the changes in tariff terms requested by Elengy, CRE is not opposed to increasing the TNA for the Fos Cavaou and Montoir terminals, which would strengthen the incentive for shippers to make the best use of unloading slots.

CRE has some concerns about changes to the TFR and TQR tariff terms applied to reloading operations. The tariff applied to the reloading service must reflect changes in authorised revenue, in the same way as the tariff applied to the unloading service. In order to reflect costs, the TFR and TQR terms should evolve in a manner consistent with the authorised revenue of each terminal. The increase in the TFR from €60,000 for Montoir and €120,000 for Fos Cavaou to €100,000 for both terminals is consistent with the changes in authorised revenue for each terminal. Following the same logic, the TFR for the Fos Tonkin terminal should be around €50,000. On the other hand, the TQR should increase significantly at Montoir and Fos Tonkin and fall at Fos Cavaou. On the basis of Elengy's request for an identical TQR for all terminals, CRE considers that it should be around €0.45/MWh to reflect the increase in the sum of the authorised revenues of the three terminals.

Question 24 Are you in favour of Elengy's request to increase the TNA? Are you in favour of equalising and changing the tariff terms applied to reloading operations?

7.1.2. Creation of an energy variable term

Elengy is requesting the creation of a specific tariff term to cover part of the energy costs of its LNG terminals, the variable energy term (TVE).

As described in section 5.3.1.2.2 (coverage of energy costs in the CRCP), the quantities of electricity consumed by the terminals are highly correlated with the quantities of LNG unloaded (as a reminder, the quantities of gas consumed by the terminals are covered by the term in kind, TN).

The TVE would be calculated so as to cover the forecast cost of the energy needed to unload and regasify 1 additional MWh of LNG. This variable term would therefore only cover energy costs that vary according to the quantity of LNG unloaded. Energy costs that are not correlated with the quantities unloaded would be excluded from the calculation.

As each terminal has a different electricity consumption profile depending on the quantities of LNG unloaded, a differentiated variable term would be created for each site.

The energy charges covered by this new TVE term would be deducted from the base covered by the unloaded quantity term, which would therefore be mechanically reduced.

In view of the anticipated electricity prices for the coming tariff period, the indicative levels of the variable terms expressed in €/MWh of LNG unloaded would be:

- for Fos Cavaou: €0.060/MWh;
- for Fos Tonkin: €0.065/MWh;
- for Montoir de Bretagne: €0.056/MWh.

Analysis of CRE

CRE considers that the creation of a variable energy charge would better reflect the costs of each terminal. This term would also make it possible to minimise the amounts to be covered by the CRCP in

the event of variations in terminal activity. It would therefore promote tariff stability. At this stage, CRE is in favour of Elengy's proposal.

Question 25 Are you in favour of the creation of an Energy Variable Term according to the modalities envisaged by Elengy?

7.2. Tariff terms table

The current tariff terms table is as follows:

Term	Unit	Montoir	Fos Tonkin	Fos Cavaou
TNA docking number term	€/docking	90 000 €	75 000 €	100 000 €
Discharge quantity term TQD base	€/MWh	0.551 €/MWh	0.818 €/MWh	1.306 €/MWh
Discharge quantity term TQD spot (75% of TQD base)	€/MWh	0.413 €/MWh	0.614 €/MWh	0.980 €/MWh
TN gas in kind term	% of quantity unloaded	0,5 %	0,4 %	0,1 %
FSI fixed reloading term	€/load	60 000 €	40 000 €	120 000 €
TQR reloaded quantity term	€/MWh	0.343 €/MWh	0.343 €/MWh	0.324 €/MWh
TB band term	€/MWh	0.07 €/MWh		
TQS	€/MWh/month	1 €/MWh/month		

The illustrative tariff schedule for 1st April 2025, calculated by taking the average of the tariff terms obtained on the basis of Elengy's request and the low limit proposed by CRE, would be as follows:

Term	Unit	Montoir	Fos Tonkin	Fos Cavaou
TNA docking number term	€/docking	120 000 €	75 000 €	120 000 €
Discharge quantity term TQD base (over the first two years)	€/MWh	0.864 €/MWh	1.311 €/MWh	0.966 €/MWh
Discharge quantity term TQD spot (75% of TQD base)	€/MWh	0.648 €/MWh	0.983 €/MWh	0.724 €/MWh
Variable energy term TVE	€/MWh	0.06 €/MWh	0.07 €/MWh	0.06 €/MWh
TN gas in kind term	% of quantity unloaded	0,5 %	0,4 %	0,1 %
FSI fixed reloading term	€/load	100 000 €	50 000 €	100 000 €
TQR reloaded quantity term	€/MWh	0.45 €/MWh		
TEM Monthly emission term	€/MWh	0.1 €/MWh		
TQS	€/MWh/month	1 €/MWh/month		

The variable energy term requested by Elengy and described in section 7.1.2 of this document has also been included to cover all forecast variable energy costs over the 4-year tariff period.

The TQD is determined in such a way as to loop through all the other terms.

Question 26 Do you have any comments on the tariff terms?

8. Commercial offer for regulated terminals

8.1. Evolution of the commercial offer

During the ATTM6 tariff period, Elengy's LNG terminals experienced a high level of utilisation, particularly from 2022 onwards, against a backdrop of very volatile LNG prices. This combination of events has highlighted some of the limitations of current LNG terminal supply. In particular, the quantities unloaded by shippers in a given month can differ significantly from the quantities sent to the network in that same month. The operators' offer had been designed in a different context, characterised by lower utilisation rates and relatively stable LNG prices from one month to the next.

As a result, Elengy and the users of the regulated terminals wish to change the offer to take account of the new situation. The envisaged changes, presented in the following paragraphs, concern the basic service and the optional uniform send out.

These changes were discussed during a consultation process between the operator and its users. Elengy held five meetings with its users between January and June 2024. This consultation process should lead to changes in the contractual rules between Elengy and its users. All the participants in these meetings expressed their wish to modify the offer described in the ATTM6 tariff with the aim of minimising the difference between the quantities unloaded and the quantities sent onto the network each month by each shipper, minimising the impact of the cancellation of a cargo on the other shippers and

treating each cargo fairly. To enable its users to make their own decisions, Elengy has simulated the consequences of several possible changes to its offer if they had been applied to the unloading schedules of the last two years. Elengy is proposing changes that are considered to be consensual by the users who have expressed their views in consultation.

According to the feedback from the public consultation, CRE plans to amend the description of the offers proposed by the operators before the end of October 2024 so that the amendments can take effect from 1st January 2025, i.e., before the ATTM7 tariff comes into force. This decision on regulated LNG terminal offers would enable Elengy to implement the new offer from 1st January 2025, and to draw up its 2025 unloading programme accordingly. The decision on the ATTM7 tariff will be published at the latest at the beginning of 2025, so that the ATTM7 tariff can be implemented from 1st April 2025.

Question 27 Are you in favour of implementing the changes to the regulated terminal offer from 1st January 2025?

8.2. Services offered

This section presents the current service offer in the ATTM6 tariff, and the changes requested by Elengy.

8.2.1. Integrated unloading services

Since the ATTM5 tariff period, regulated LNG terminals have offered an unloading service comprising a basic service and a *spot* service. The offer is integrated: for each unloading subscribed, corresponding storage and regasification capacities are allocated.

8.2.1.1. Basic service

This service is accessible to all shippers from the first subscription. It allows shippers to subscribe unloading for month M up until the 20th of month M-1. Shippers who have subscribed annual or quarterly capacity (see paragraph 4.1) automatically benefit from this service, up to the amount of annual (respectively quarterly) capacity subscribed.

In addition, a shipper may reserve, on a first-come, first-served basis, before the 20th of month M-1 for month M, an unloading via the basic service from among the free slots after the annual programme has been drawn up.

The terminal's physical send-out is allocated to shippers on the basis of the volumes of LNG unloaded and reloaded at the LNG terminal during the month, as well as the start-of-month stock level and the forecast end-of-month stock level (end-of-month reference stock).

During the ATTM6 period, the end-of-month reference stock level M (inventory level) of a shipper at a terminal is determined according to the following rules:

- if unloading is scheduled for this shipper for month M+1, its end-of-month reference stock level M is determined by assuming uniform emission from the last cargo unloaded during month M until the day of unloading of the first cargo of month M+1;
- if no unloading is scheduled for month M+1, a shipper's end-of-month M inventory reference level is determined by assuming uniform send-out of the last cargo unloaded during month M until the last day of month M+1.

From 1st January 2025, Elengy is requesting that the rule for calculating shippers' end-of-month reference stocks be changed as follows: each cargo brought in is considered to be issued linearly over 12 days. A shipper's end-of-month reference stock will therefore be the sum of the contribution to this stock of all its cargoes brought in during the last 12 days of the month. As the delivery of each cargo is considered to be linear, its contribution to the end-of-month inventory will be established on the basis of its delivery date. A cargo delivered 11 days before the end of the month will contribute 1/12th of its quantity to end-of-month inventory M, while a cargo delivered the day before the end of the month will contribute 11/12^{ths} of its quantity to end-of-month inventory M.

In this new offer, the start of transmission of cargoes unloaded during a month M is set at the first day of that month M.

CRE analysis

At this point, CRE is in favour of the changes to the basic service requested by Elengy, given the market situation encountered during the ATTM6 period, characterised by a high terminal utilisation rate and significant volatility in gas prices. Users have expressed positive feedback during consultations. CRE notes in particular that this change to the basic service should make it possible to limit the differences between the quantities unloaded and the quantities delivered by each shipper each month.

Question 28 Are you in favour of the changes to the basic service requested by Elengy?

8.2.1.2. Quarterly reservation for year N+1

Each year, during the fourth quarter, Elengy draws up an annual unloading programme for the following year on the basis of requests from users who have subscribed annual capacity at the terminal.

This annual programme also includes vessel reloading and transshipment operations, but the terminal's programming is subject to strict priority for unloading and regasification.

Intra-annual operations are booked on a first-come, first-served basis, either via the basic service, before the monthly schedule is drawn up, or via the spot service, after the monthly schedule has been drawn up (20th of month M-1 for month M), for the remaining slots available.

The ATTM6 tariff introduced a quarterly reservation service for year N+1. This service allows subscribers to unload a vessel for a targeted quarter of the following year. It is marketed from year N-1 for unloading during a quarter of year N. This service is allocated on a first-come, first-served basis.

For each terminal, the level of marketable capacity under this service corresponds to the difference between the capacity available at the terminal (i.e., 3/12^{ths} of the annual unsubscribed capacity) and the level of unavailability for maintenance scheduled for that quarter, with a safety coefficient of 50% applied to this difference. For a given quarter, the level of marketable capacity for the quarterly reservation is therefore defined as follows:

$$\text{level available to sell} = 0,5 \times \left[\frac{3}{12} \times \text{unsubscribed annual capacity} - \text{projected unavailability} \right]$$

For each terminal, the quarterly capacity reservation service only concerns the years for which there is still capacity available.

Quarterly capacity reservations are taken into account when drawing up the annual unloading schedule. In the event of an unloading date conflict during the preparation of the annual programme, priority is given to the long-term subscriber over the quarterly subscriber, while guaranteeing a slot for the quarterly subscriber.

CRE is in favour of maintaining this mechanism.

Question 29 Are you in favour of maintaining the quarterly reservation mechanism for year N+1? If so, are you in favour of maintaining it under the existing modalities?

8.2.1.3. Spot service

This service is reserved for discharges subscribed, for a given month M, after the 20th day of month M-1, if there is still capacity available after the monthly schedule has been drawn up. It is allocated on a first-come, first-served basis.

Subscriptions are made on the basis of the capacity available in the monthly schedule on the subscription date.

The send-out profile of a spot cargo is determined by the operator at the time of the shipper's request, and calculated in such a way as to correspond to the shipper's request, provided that its impact on the daily send-out of other shippers, in order to make the necessary space in the tanks before the arrival date of the cargo, does not exceed 35 GWh/d.

Elengy requests that this service be maintained unchanged from the ATTM6 tariff period.

CRE analysis

CRE notes the positive feedback received from users during consultations. It is in favour of maintaining the spot service offered by Elengy.

Question 30 Are you in favour of maintaining the spot service requested by Elengy? If so, are you in favour of maintaining it under the existing modalities?

8.2.1.3.1. Replacement of the optional emission send-out by the monthly emission option

In addition to the unloading service, Elengy currently offers an optional uniform send out. This option can be taken out in addition to the unloading service and allows shippers to smooth their emission profile on the transmission network over a period of 20 to 40 days from the date of unloading the cargo.

To meet the needs expressed by its users in consultation, Elengy is proposing to replace this optional uniform send out from 1st January 2025 with a monthly emission option.

This service would enable subscribers to smooth out all or part of their daily emissions in the form of a uniform stream over a calendar month. This uniform transmission would be distributed from the first to the last day of each month, with no volume carried over to the following month.

Like the optional uniform send out currently offered, the monthly emission option would only be accessible to subscribers to the basic service and could only be subscribed to up to 20% of the monthly quantities provided for in the annual unloading programme in order to limit the risks of distortion of emissions by other terminal users.

This service would be offered exclusively on an intra-annual basis under the following conditions:

- a user could send a subscription request up to the 20th day of month M-2 for months M and M+1;
- the request would have to be less than or equal to the smaller of the following two values: the quantity scheduled to be issued for the month in question and a maximum volume of 1,100 GWh per month;
- In the event of excess demand from shippers during a window, requests would be reduced on a pro rata basis;
- the last allocation window for month M takes place on the 20th of M-2;
- if the monthly emission option is not subscribed by the end of this window (in whole or in part), Elengy will offer the remaining capacity on a first-come, first-served basis.

Once the monthly emission option has been allocated to a customer, the operators would allocate a uniform daily emission for the month, taking into account the physical emissions scheduled for that month. Any volume to be issued for this customer in excess of the volume subscribed under the monthly emission option by this customer would be processed in accordance with the general rules.

CRE preliminary analysis

At this stage, CRE is in favour of replacing the optional uniform send out with the monthly emission option for the ATTM7 period, as requested by Elengy. In particular, CRE notes that this change to the optional uniform send out should make it possible to limit the differences between the quantities unloaded and the quantities transmitted by each shipper each month. As an alternative to the "first come,

first served" rule, although Elengy's request includes an allocation based on a fixed tariff, CRE questions the market players on the interest of allocating this option by auction if the total number of requests exceeds 1,100 GWh in a given month, in order to avoid reducing requests on a pro rata basis. The reserve price would be equal to the regulated tariff.

Question 31 Are you in favour of replacing the optional uniform send out with the monthly emission option proposed by Elengy, and do you think this option should be auctioned?

8.2.1.4. Review of the unloading service in the ATTM6 tariff

The unloading services currently offered were created when the ATTM5 tariff came into force, replacing the previous offer, which was more complex and more restrictive. The aim of this change, and in particular the introduction of the basic service, was to provide shippers with greater visibility and flexibility.

In the market conditions of the period covered by the ATTM6 tariff (2021-2024), and particularly with the influx of LNG into Europe, regulated LNG terminals have been used more than in the previous period. Shippers mainly used the basic service, particularly for long-term subscriptions. The optional uniform send out was highly subscribed from 2022 onwards, in a context of high terminal use where user send-outs were highly constrained by tank storage limits. Subscriptions to the spot service were only marginal, with terminals fully subscribed from 2023 onwards.

Number of subscribed shipments via basic service	2021	2022	2023	2024
Fos Tonkin	36	42	39	38
Montoir de Bretagne	128	96	94	114
Fos Cavaou	87	116	89	100
Number of subscribed shipments via optional uniform send out	2021	2022	2023	2024
Fos Tonkin	0	0	0	0
Montoir de Bretagne	5	17	18	9
Fos Cavaou	2	19	15	14
Number of subscribed shipments via spot service	2021	2022	2023	2024 ^{1^{er}} half-year
Fos Tonkin	0	1	0	0
Montoir de Bretagne	0	0	0	0
Fos Cavaou	1	5	1	0

8.2.1.5. Marketing of specific storage

Part of the available tank volumes at the Montoir and Fos Cavaou terminals is reserved for dedicated and specific storage services.

Dedicated storage and specific storage consist in setting aside part of the terminal's storage volumes to make them available to shippers. The tank volumes held in this way are freely available to shippers: the LNG can therefore be regasified and sent to the transmission network or used for retail activities (recharging, bunkering, tanker loading).

The terms and conditions of dedicated storage, which is a free service, are as follows:

- the total volume is set annually by the operator; to date:
 - At the Montoir terminal, 500 GWh of tank volume is reserved for dedicated storage;
 - at the Fos Cavaou terminal, 100 GWh of tank volume is reserved for the dedicated storage facility;
- as part of the "basic service", shippers subscribing annual and multiannual unloading capacities obtain a free and automatic allocation of a share of the total annual dedicated storage volume, in proportion to their subscriptions. Shippers who do not have annual subscriptions do not have access to dedicated storage through their subscriptions.

Dedicated storage, which is a chargeable service, was introduced under the ATTM6 tariff. The terms and conditions are as follows:

- when part of the dedicated storage volume remains free after the annual programme has been drawn up, a window for selling this residual volume is opened in December N-1 for year N. This window is open to all shippers and offered for sale on an annual basis. For each terminal, the storage capacity sold in this way is priced at the storage quantity term, TQS (see part 7 of this consultation);
- if storage capacity is still available at the end of the annual gate closure in December N-1, it is put back on sale, either on a monthly basis or for the rest of the year, at each monthly programme. On this occasion, the specific storage can be reserved for the rest of the year (from month M+1 to December of year N) or only for month M+1. For each terminal, the tariff corresponds to the storage quantity term, TQS (see part 7 of this consultation). If the volumes are not taken up, they are added back to the pooled stock for the month in question.

CRE is in favour of maintaining these mechanisms.

Question 32 Are you in favour of maintaining dedicated storage and specific storage facilities under the current modalities?

8.2.1.6. Extending the storage in month M+2 for retail LNG activities

This service was introduced during the ATTM6 tariff period. It enables operators with tanker or small-scale tankers loading capacity to keep LNG in stock until month M+2 following unloading in M.

The operational procedures for the M+2 inventory extension service are as follows:

- for each terminal, the tank volume dedicated to this service is set annually by the operator up to a maximum of 50 GWh;
- the service is reserved for retail LNG operators, i.e., those who can prove that they have subscribed capacity for loading tankers or small-scale tankers in the month concerned by the inventory extension;
- the shipper requests the use of this service at the latest when drawing up the monthly schedule for month M+1 (i.e., on the 20th of month M) for inventory extension to month M+2;
- the level of tank inventory which the shipper may request to be maintained for the 1st of month M+2 may not exceed the most restrictive of the following conditions:

- the difference between its tank storage level on the 1st of month M+1 and its balance of scheduled unloading and reloading for month M+1;
- the retail LNG loading capacity subscribed for month M+2, net of discharges subscribed to the annual programme for the same month M+2;
- the volume made available per terminal, up to a maximum of 50 GWh;
- once the volume has been allocated for M+2, the forecast inventory level at the end of month M+1 is used to calculate the shipper's send-out ratio for month M+1. Any rescheduling by the shipper modifies this end-of-month stock level upwards or downwards;
- for each terminal, the service is priced according to the stored quantity term (TQS).

The volume allocated to this service for each terminal may be reviewed at the time of the tariff update, on the basis of the work carried out in Concertation.

CRE is in favour of maintaining this mechanism.

Question 33 Are you in favour of maintaining the M+2 inventory extension service under the current modalities?

8.2.1.7. Ancillary services

8.2.1.7.1. Programming mechanisms

The ATTM6 tariff currently includes the following services:

- **pooling**, which allows any shipper who has subscriptions at least one of the three regulated terminals and who has not planned to use them all in month M, to use some of this capacity at one of the other regulated terminals on the basis of a specific tariff;
- **the subscription account** to which unscheduled transactions or transactions cancelled with sufficient notice are credited. This account can then be debited to schedule short-term transactions;
- **the " Use It or Lose It " (UIOLI) mechanism** for unused regasification capacity;
- **the capacity release mechanism**, which allows holders of regasification capacity to explicitly renounce the use of their capacity for months M+1 and M+2. These capacities remain due by their initial holder under the " ship or pay " clause until they are booked by another shipper (see part 7 of this consultation);
- **the secondary market** for regasification capacity.

Elengy proposes to maintain these services under the current conditions during the ATTM7 period. At this stage, CRE is in favour of maintaining these services in the ATTM7 tariff.

Question 34 Are you in favour of maintaining these services under the current modalities?

8.2.2. Reverse-flow from transmission network at PITTM

Elengy is requesting the creation of a commercial interruptible virtual backhaul service at the Transport LNG Terminal Interface Point (PITTM). Elengy proposes to start by trialling this service at Fos Cavaou from 1st April 2025 to 31 March 2026.

Currently, at each terminal, the operator provides shippers who have LNG in their tanks and who send gas to the transmission network (according to a profile notified by the operator) with a weekly flexibility service, enabling them to adjust their weekly emissions upwards or downwards if they so wish and if

terminal conditions allow. The flows involved are limited (around ten GWh per day) and availability is uncertain as it depends on physical storage constraints and the terminal's unloading schedule.

Elengy is proposing to no longer restrict the availability of these flexibilities to players with LNG in tanks and sending gas to the transmission network, but to offer them to any interested player via a commercial "backhaul to the PITTM" service. The operator presented this service to shippers at an LNG consultation.

Under this service, Elengy proposes to allocate LNG quantities at the weekly intraday flexibility allocation gate. This service would give priority to other flexibility services for players with LNG in tanks, and to the dedicated storage service. In addition, this service would be interruptible in the event of a shortage of LNG in tanks or if it is likely to exacerbate congestion on GRTgaz's system.

In the event of demand exceeding the quantities offered, allocation would be made on a pro rata basis to the requests made. As with the use of weekly flexibility, the use of the LNG thus obtained in tanks would have no impact on the inventory at the end of the week.

Elengy considers that the introduction of backhaul capacity at the PITTM represents a major challenge for its LNG terminals, which already offer LNG loading services for trucks and bunkering vessels. According to Elengy, the marketing of bunker capacity at the PITTM would facilitate and accelerate the development of the retail bioNGL market and, as a result, the decarbonisation of heavy road and sea transport.

Elengy considers that users of this service should pay a one-week Storage Quantity Term (TQS) of €0.25/MWh, equivalent pro rata temporis to that applied to the one-month unloading service, and a Virtual Liquefaction Term that it estimates at €0.1/MWh. The level of this tariff term, equivalent to a fraction of the unloading tariff term, is justified by the fact that a large part of the terminal's infrastructure is not used for the PITTM backhaul service. This service would also require the creation of a tariff term applicable to backhaul capacity at the PITTM in the tariff for use of the ATRT8 transmission networks.

CRE analysis

CRE considers it essential that the regulated French terminals offer all the daily flexibility available to shippers who have LNG in their tanks and who send gas to the transmission network, insofar as users are not in control of the send-out profile notified to them. CRE notes, however, that the service offered by Elengy exists at other European terminals.

CRE has already questioned the market on the offer proposed by Elengy in its public consultation of 26 July 2023 on the ATRT8. With the exception of the infrastructure operators, the respondents were opposed to the creation of this service. At this stage, CRE is not in favour of the new backhaul service at the PITTM proposed by Elengy.

Question 35 Are you in favour of introducing a virtual backhaul service at the PITTM? If so, are you in favour of the modalities envisaged by Elengy?

8.2.3. Other regulated services

Elengy currently offers the following services:

- the cargo reloading service enables shippers to load LNG that they have in the terminal's tank into a vessel. It is dedicated to the loading of ships with a capacity of more than 40,000 cubic meters, the loading of small-scale methane tankers being the subject of a specific non-regulated service (see paragraph 8.2.4). The cargo reloading service is allocated on a first-come, first-served basis;
- the LNG exchange point enabling users to exchange quantities of LNG in tanks between themselves;
- a secondary market for regasification capacity, enabling users to sell some or all of their capacity to other users. The operators do not charge the buyer and/or seller for this;
- certain specific services, such as the approval of LNG tankers, described in a catalogue of services published on the operator's website.

Elengy proposes to maintain these services under the current conditions during the ATTM7 period. At this stage, CRE is in favour of maintaining these services in the ATTM7 tariff.

8.2.4. Non-regulated services

In addition to the services that are subject to price regulation, operators offer a range of unregulated services: the terms and conditions of these services, including their price, are defined by the operators themselves. These include

- the transshipment service, which enables shippers to transfer LNG directly from one vessel to another, without using the terminal's storage tank;
- tanker loading, which enables shippers to load LNG in their possession from the terminal's storage tank into a truck;
- loading of small-scale tankers, which enables shippers to load LNG in their possession into the terminal's storage tank in a small-scale tanker (with a capacity of 40,000m³ or less).

At this stage, CRE considers that these services should remain unregulated.

Question 36 Are you in favour of maintaining the absence of regulation for these services?