M&A Advisory

Project Finance

Strategic Advisory

RESULTS ANALYSIS
CRE 4 GROUND TENDER – 4TH SESSION

Large capacity photovoltaic plants
(500 kWc – 30 MWc)

August 8th, 2018

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CONTEXT

MINISTÈRE DE LA TRANSITION ÉCOLOGIQUE ET SOLIDAIRE

Liberté • Égalité • Fraternité
RÉPUBLIQUE FRANÇAISE

This tender for large capacity solar plants was announced in 2016. It initially aimed to support 3 GWp of capacity over 6 sessions ; this target was increased to 4 GWp in December 2017. Nicknamed "CRE 4", this tender focuses on ground-mounted plants and shadehouses with capacities between 500 kWp and 30 MWp.

In February 2018, we analysed the outcome of this tender's third session, in which we identified 30 developers who had collectively gotten 77 projects awarded. Today, we analyse **the results of the fourth session,** made public on August 6th, 2018 by the *Ministère de la Transition Ecologique et Solidaire*. The overall capacity of the winning projects is 720 MWp (up from 500 MWp for each of the 3 previous sessions).

SCOPE OF THE TENDER

- ✓ Capacity — **500 kWc – 30 MWc**
- ✓ Type — Ground-mounted plants and parking lot shadehouses
- ✓ Rating criteria:
  - ✓ **1st & 2nd categories -** Price (70) + Carbon Impact (21) + Environmental Fit (9)
  - ✓ **3rd category -** Price (70) + Carbon Impact (30)

PROJECT CATEGORIES

- ✓ The **first category** is for ground-mounted plants with a capacity between 5 MWp and 30 MWp
- ✓ The **second category** is for ground-mounted plants with a capacity between 500 kWp and 5 MWp
- ✓ The **third category** is for parking lot shadehouses with a capacity between 500 kWp and 10 MWp.

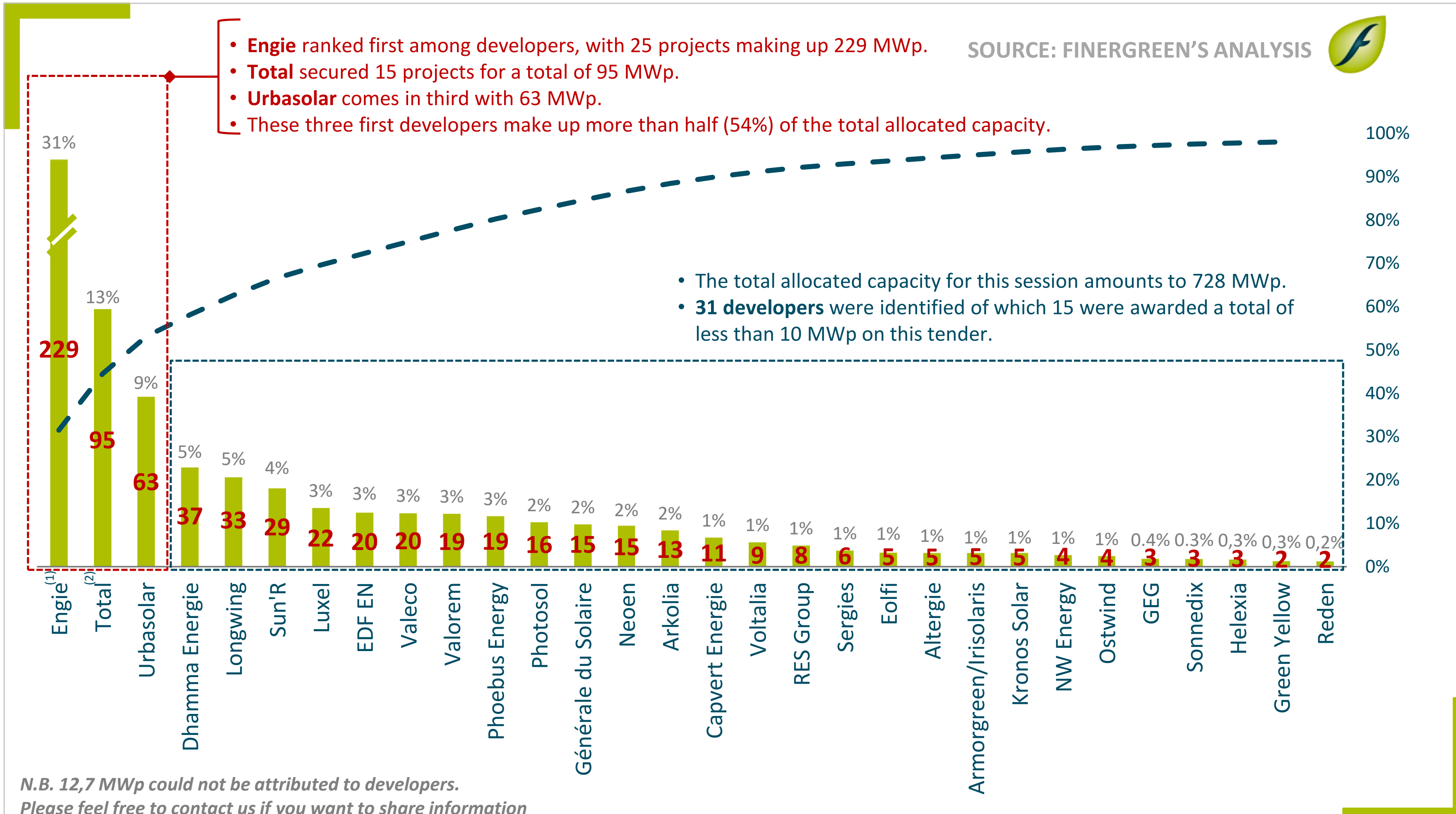
KEY METRICS – CRE 4 GROUND TENDER – 4TH SESSION

✓ Allocated capacity	**727.9 MWp**
✓ 1st category	453.5 MWp
✓ 2nd category	203.5 MWp
✓ 3rd category	70.9 MWp
✓ Total number of projects	**103 projects**
✓ Average tariff offered	**58.2 €/MWh**
✓ 1st category	52.1 €/MWh
✓ 2nd category	62.7 €/MWh
✓ 3rd category	83.8 €/MWh

AWARDED DEVELOPERS – 4TH SESSION OVERALL

CAPACITY TO IMPLEMENT BY DEVELOPER

✔ Results disclosed on **August 6th, 2018**
Updated on **September 7th, 2018**

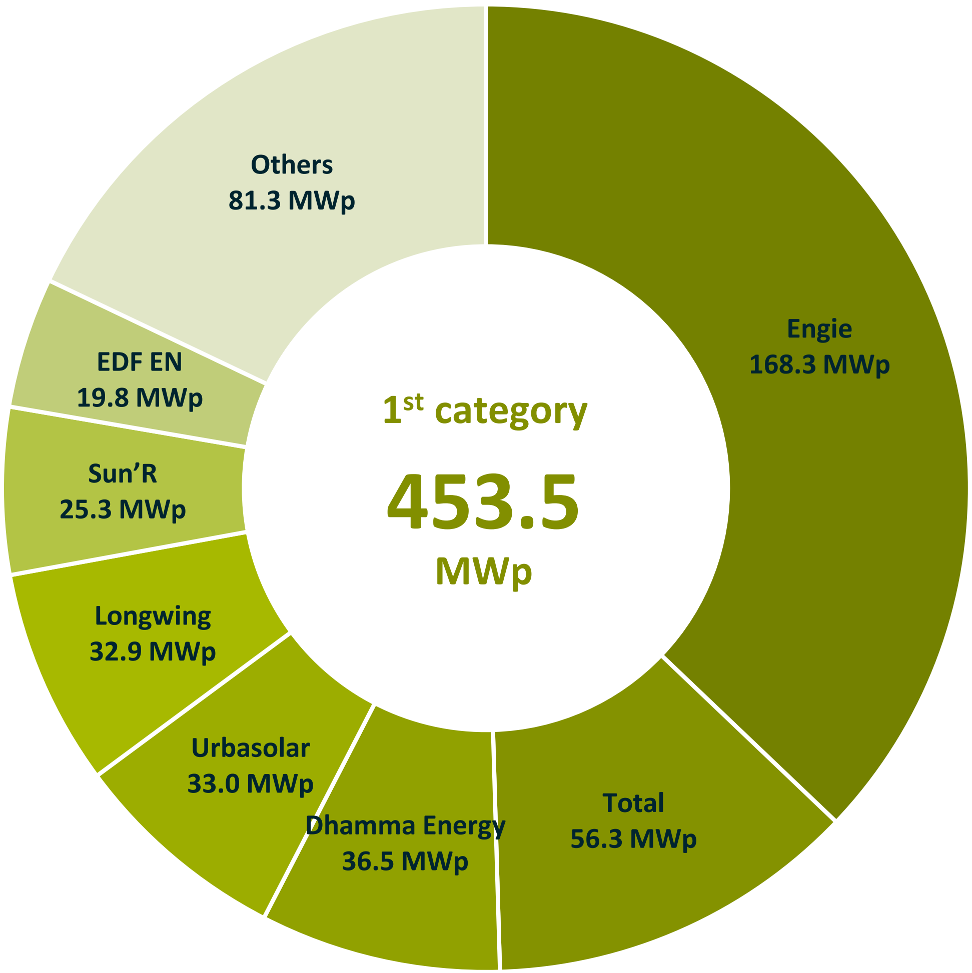


This graph aims to display the total capacity allocated by developer, even though some assets may be developed for third-parties.

(1) includes CNR, owned at 49% by Engie, and Langa Solar (2) includes Quadran, one of Total's subsidiaries

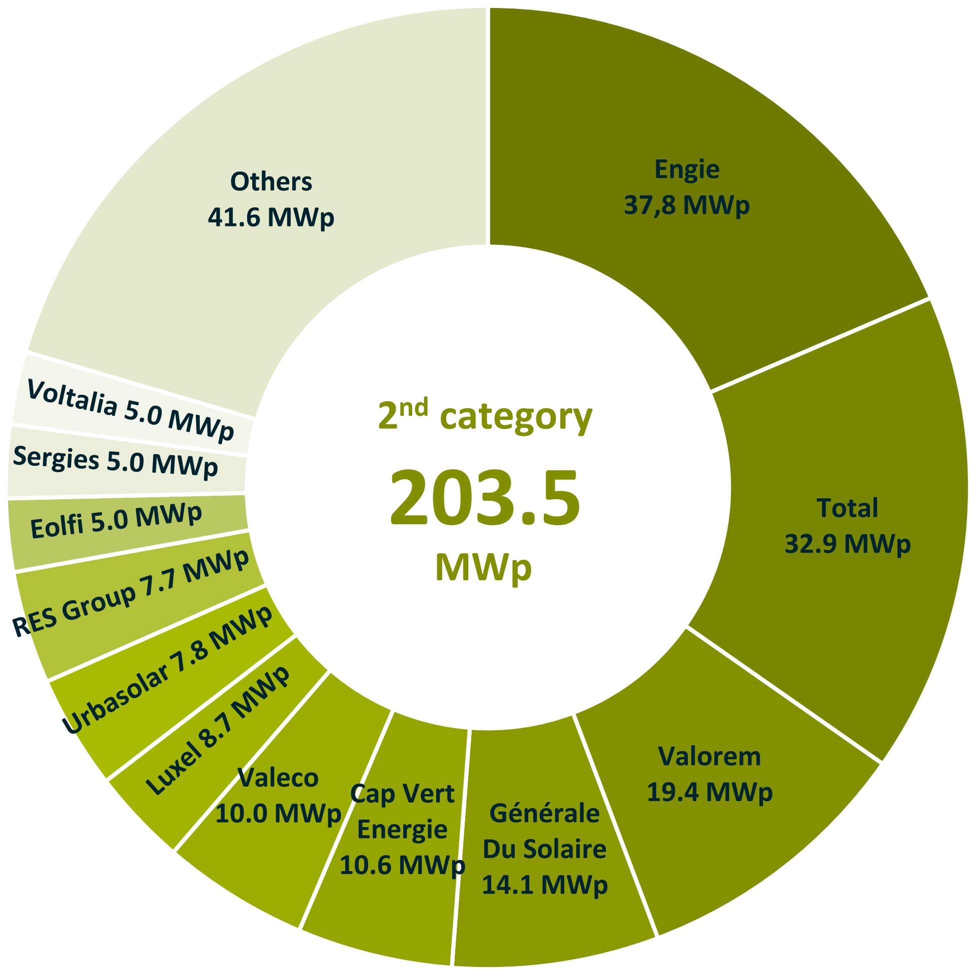
AWARDED DEVELOPERS – 1ST CATEGORY

1ST CATEGORY – GROUND-MOUNTED PLANTS WITH A CAPACITY BETWEEN 5 MWP & 30 MWP



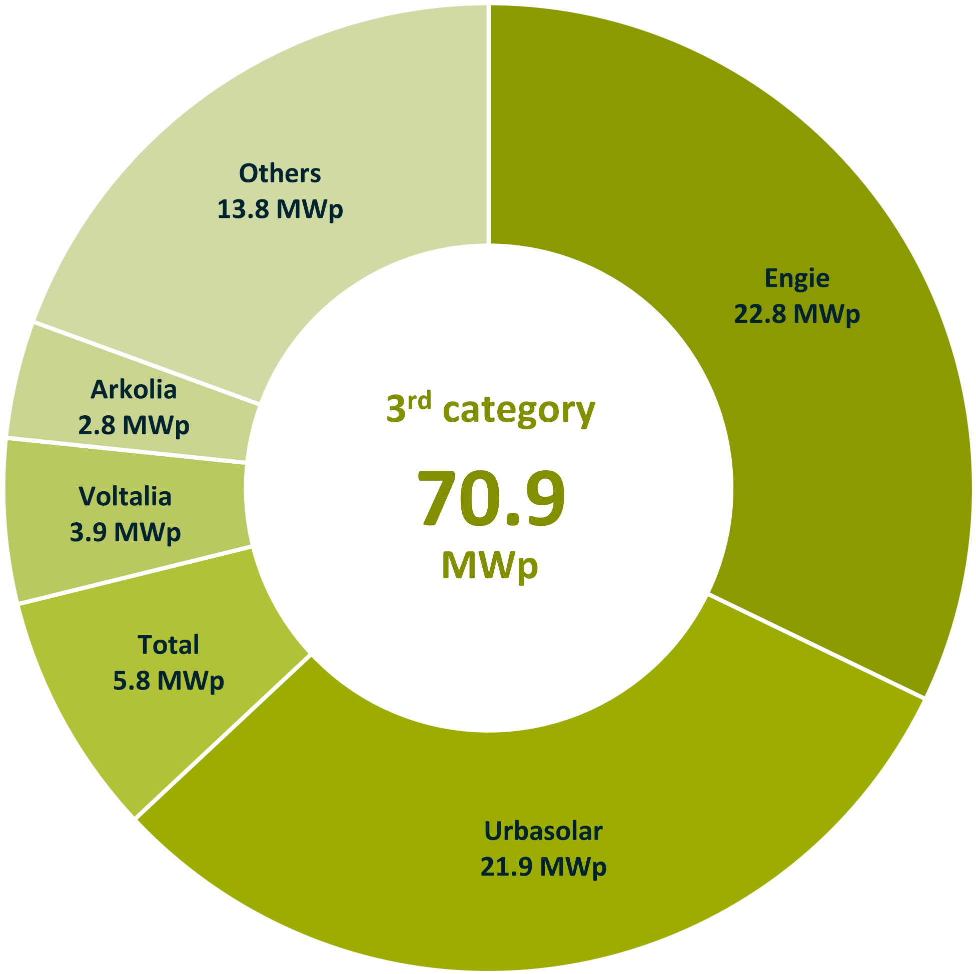
AWARDED DEVELOPERS – 2ND CATEGORY

2ND CATEGORY – GROUND-MOUNTED PLANTS WITH A CAPACITY BETWEEN 500 KWP & 5 MWP

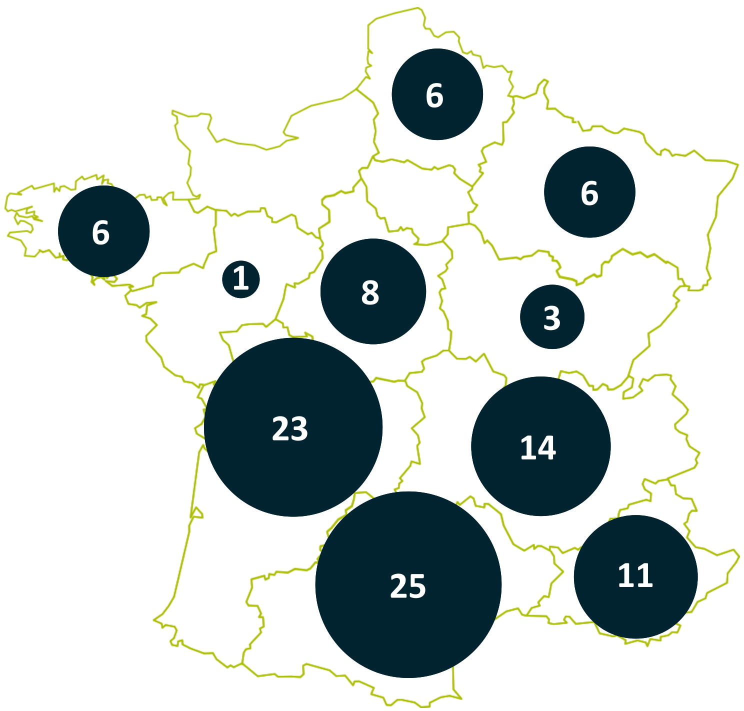


AWARDED DEVELOPERS – 3RD CATEGORY

3RD CATEGORY – SHADEHOUSE PLANTS WITH A CAPACITY BETWEEN 500 KWP & 10 MWP



GEOGRAPHIC DISTRIBUTION OF THE PROJECTS



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Number of winning projects in the fourth session of the CRE 4 ground tender

As in previous sessions, the **Occitanie** and **Nouvelle Aquitaine** regions stand out in this fourth session. Close to 50% of the winning projects are located in these south-western regions.

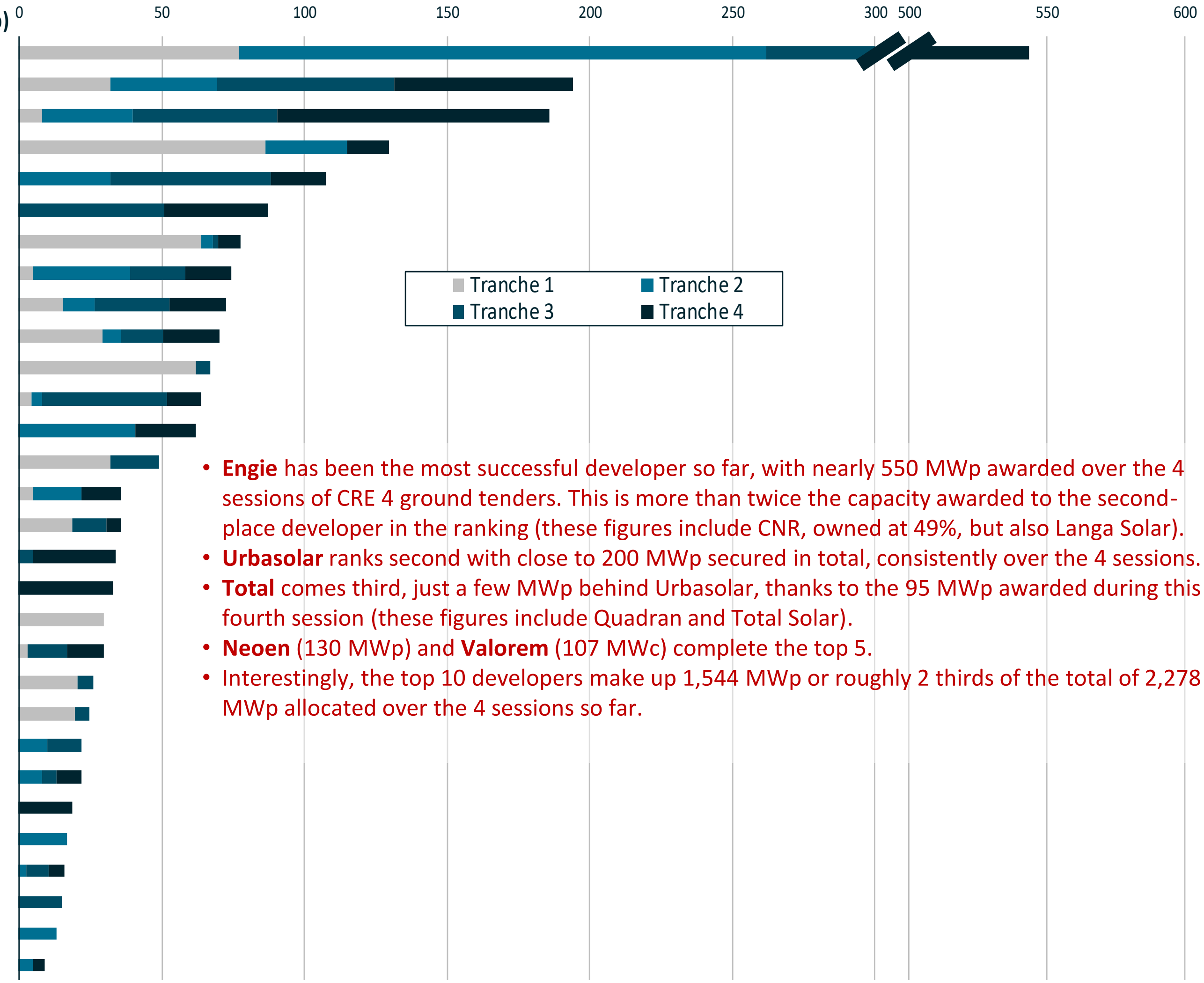
It is to be noted that northern regions are home to nearly 35% of the total capacity allocated. For example, 85 MWp of projects are in the Centre-Val de Loire region and 77 MWp are in the Hauts-de-France region.

The PACA region only has 11 projects which is low in comparison to the 14 projects awarded to the Auvergne-Rhône-Alpes region located north of PACA.

CRE 4 GROUND TENDER – GLOBAL RANKING

CUMULATED AWARDED CAPACITY RANKING OVER THE 4 SESSIONS OF CRE 4 GROUND TENDER

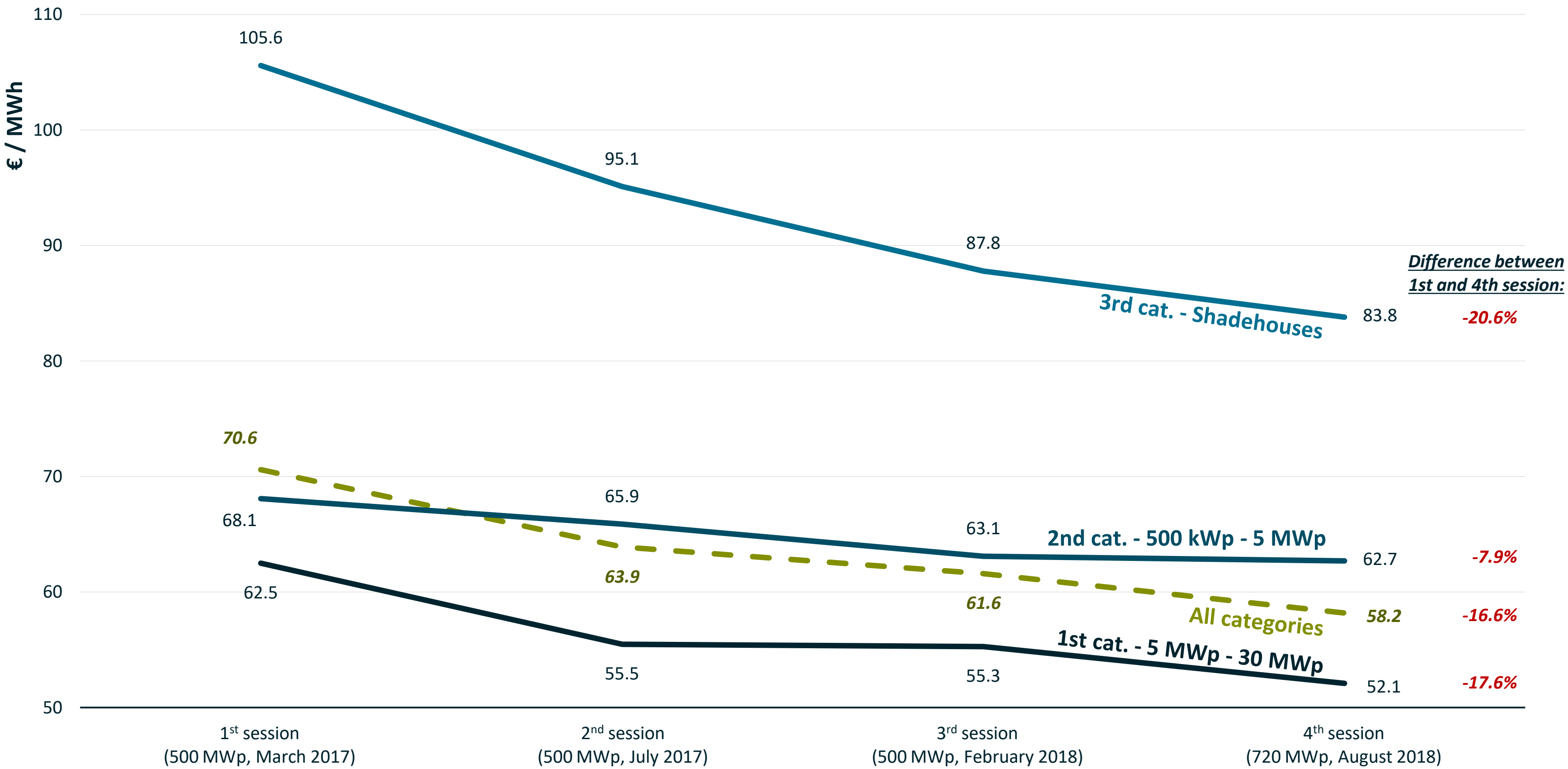
		TOTAL (MWp)
1	Engie	544
2	Urbasolar	194
3	Total	186
4	Neoen	130
5	Valorem	107
6	Dhamma Energy	88
7	RES	78
8	Photosol	75
9	EDF EN	72
10	Valeco	70
11	JPEE	67
12	Générale du Solaire	64
13	Luxel	62
14	Akuo	49
15	Cap Vert	36
16	Eolfi	36
17	Sun'R	34
18	Longwing	33
19	VSB Energies Nouvelles	30
20	Arkolia	30
21	Coruscant	26
22	Belectric	25
23	Reden Solar	22
24	Voltalia	22
25	Phoebus Energy	19
26	Hainaut Solar Compagnie	17
27	Sergies	16
28	Boralex	15
29	Cam Energie	13
30	NW Energy	9



- **Engie** has been the most successful developer so far, with nearly 550 MWp awarded over the 4 sessions of CRE 4 ground tenders. This is more than twice the capacity awarded to the second-place developer in the ranking (these figures include CNR, owned at 49%, but also Langa Solar).
- **Urbasolar** ranks second with close to 200 MWp secured in total, consistently over the 4 sessions.
- **Total** comes third, just a few MWp behind Urbasolar, thanks to the 95 MWp awarded during this fourth session (these figures include Quadran and Total Solar).
- **Neoen** (130 MWp) and **Valorem** (107 MWc) complete the top 5.
- Interestingly, the top 10 developers make up 1,544 MWp or roughly 2 thirds of the total of 2,278 MWp allocated over the 4 sessions so far.

CRE 4 GROUND TENDER – TARIFF EVOLUTION

TARIFF EVOLUTION OVER THE 4 SESSIONS OF THE CRE 4 GROUND TENDER



- The steepest tariff decrease is observed for shadehouses with rather consistent decreases over the 4 sessions that add up to 20% over the last 18 months.
- The global tariff across all categories decreased by 1/6th (-16,6%) in 18 months. The global tariff came down from 70.6 € / MWh to 58.2 € / MWh.
- The first category, which is for large capacity ground plants (5-30 MWp), reached an all-time low tariff in French tenders at 52.1 € / MWh at the fourth session. Between March 2017 and September 2018, the average tariff for this category declined by nearly 18%.

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