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Results analysis

PPE2 tender for ground-mounted PV – Session #1

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PPE2 ground-mounted PV tender – Introduction

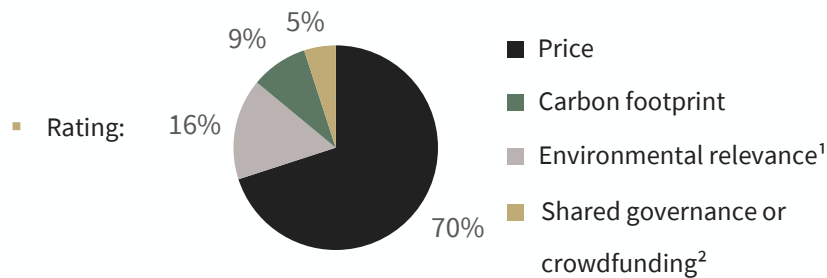
The PPE2 tender for ground-mounted PV grants solar developers a feed-in premium for their installation

Introduction

- The French Ministry of Ecological and Solidarity Transition released in August 2021 its **new renewables tenders’ plan to takeover** with the CRE 4 tenders program coming to an end in 2021. This new program, called “**PPE2**” due to its central role in France’s second multi-annual energy plan (*Programmation Pluriannuelle de l’Energie*), will include several tender rounds for nearly **29 GW called**, with applications **starting from 2021 and ending in 2026**
- Among all PPE2 tenders, one is supporting ground-mounted PV installations between 500 kWp and 30 MWp located in mainland France
- We are today analyzing the results of the **1st session of the PPE2 tender for ground-mounted PV**, released on March 8th 2022. The **average tariff has increased (+7,1%)** since the last session of the CRE4 tender for ground-mounted PV. This substantial increase needs to be put into perspective with the new PPE2 tender specifications (cf. next slide). The tender session was **oversubscribed** with 705 MWp awarded for 700 MWp called

Tender criteria

- Type: Ground-mounted PV
- Capacity: Between 500 kWp and 30 MWp



¹ Environmental relevance can either be maximum if the project is located on degraded lands, or null otherwise

² Shared governance and crowdfunding premium are mutually exclusive, with shared governance accounts graded between 0% to 5% while crowdfunding will be either 0% or 3% with no intermediate value

³ Adjusted data based on category #1 and category #2 of CRE 4 ground-mounted tender (therefore excluding category #3 which was designed for shade houses, no longer part of PPE2 ground-mounted tender)

Tender criteria

	CRE 4 10th session ³	PPE2 1st session
Awarded capacity	597,0 MWp	704,9 MWc
Number of awarded projects	65	71
Average awarded tariff	€ 54,96/MWh	€ 58,84/MWh
Maximum bidding tariff	N.A.	€ 90,00/MWh
Application deadline	July 26 th , 2021	December 23 rd , 2021



PPE2 ground-mounted tender – What’s new since CRE4

The PPE2 tender for ground-mounted PV is a straight-forward follow-up to the CRE 4 ground-mounted tender with some adaptations

Notable adjustments since CRE 4 ground-mounted tender

- **Shade houses** are **no longer part of this tender** which now solely aims at ground-mounted PV
- **Priority will be given to projects below 5 MWp for up to 200 MWp of tendered capacity** for each tender as the tender no longer differentiates different categories of assets. The CRE will eliminate the worst bids accordingly with the mechanism in case of undersubscription for this reserved capacity
- **Financial guarantees** will now be **paid by project sponsors when applying to the tender** and released if the project is not awarded
- **Compatibility** of the tender **with installations featuring storage system** - although the latter can not be subsidized under this tender
- Ground-mounted **installations located in i) “constructible” areas of municipal maps (Carte Communale) or ii) “urbanized” or “to be urbanized” areas (Urbanisé or A Urbaniser) in municipalities with a local urbanization plan (Plan Local d’Urbanisme) are now eligible**
- **Rating criteria adjustments:** environmental relevance, shared governance and crowdfunding are now part of the overall rating:
 - **Environmental relevance** for degraded lands
 - **Shared governance** accounts for the long-term ownership of the projects by local individuals or communities
 - **Crowdfunding** accounts for the financing of the project by local individuals or communities
- The **commissioning delay is increased** from 24 months to 30
- Implementation of the **Deggendorf rule:** the project sponsor can not apply if currently subject to a State order for repayment for unlawful aid

Carbon footprint’s reference values for rating

Minimum	200 kg CO2 eq/kWp
Maximum	550 kg CO2 eq/kWp

Tender calendar

	Application deadline	Tendered capacity
1st session	December 23rd, 2021	700 MWp
2nd session	May 20th, 2022	925 MWp
3rd session	November 30th, 2022	925 MWp
4th & 5th sessions	2023 TBD	2 x 925 MWp
6th & 7th sessions	2024 TBD	2 x 925 MWp
8th & 9th sessions	2025 TBD	2 x 925 MWp
10th & 11th sessions	2026 TBD	2 x 925 MWp

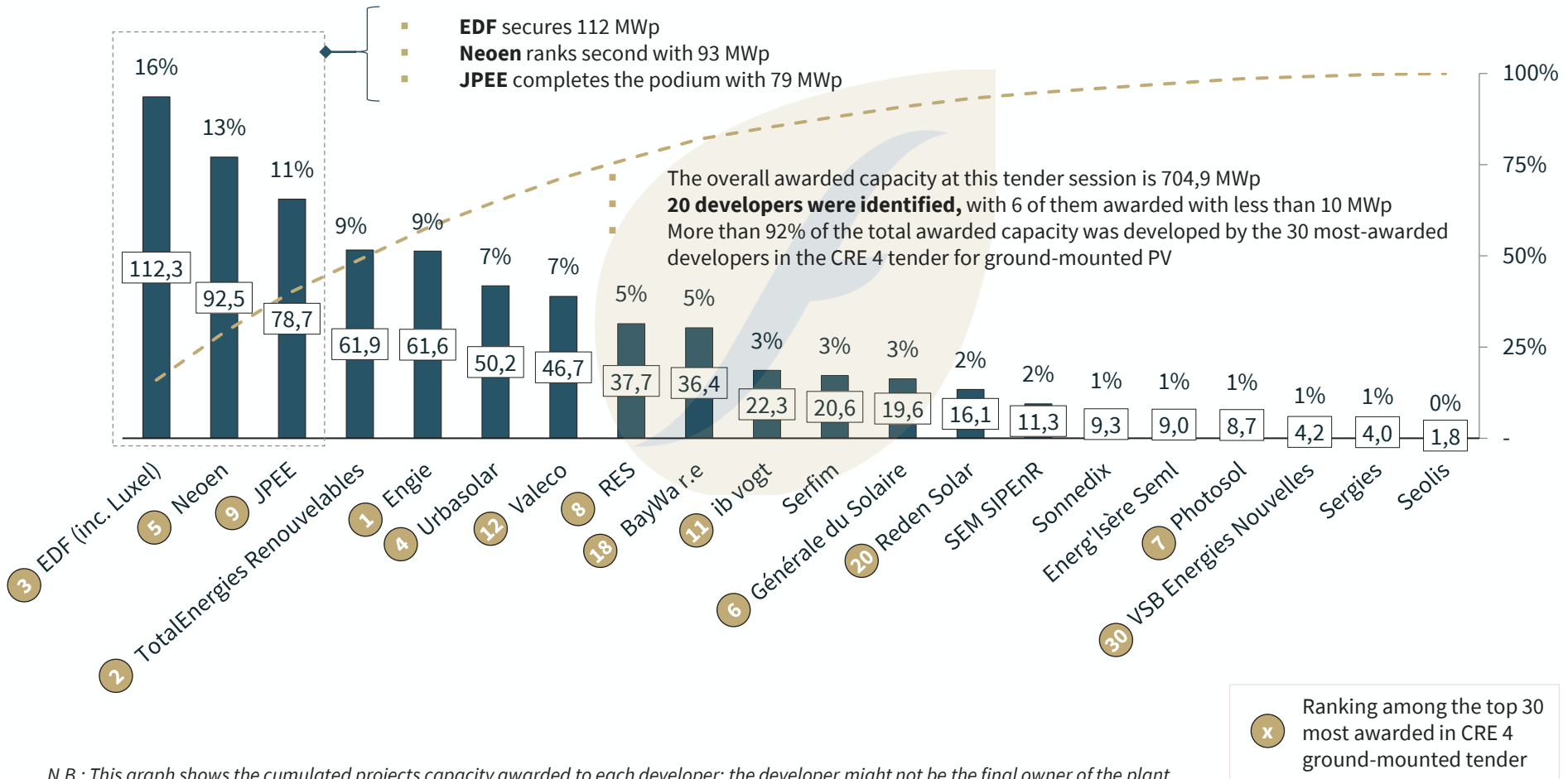
N.B. Finergreen has recently released a comparative study on the key adjustments made since CRE 4 in the different PPE2 tenders’ specifications. Please reach out to us if interested!



PPE2 ground-mounted tender #1 - Awarded projects

The total awarded capacity amounts to 705 MWp, with 20 identified developers

Capacity awarded per developer (MWp)



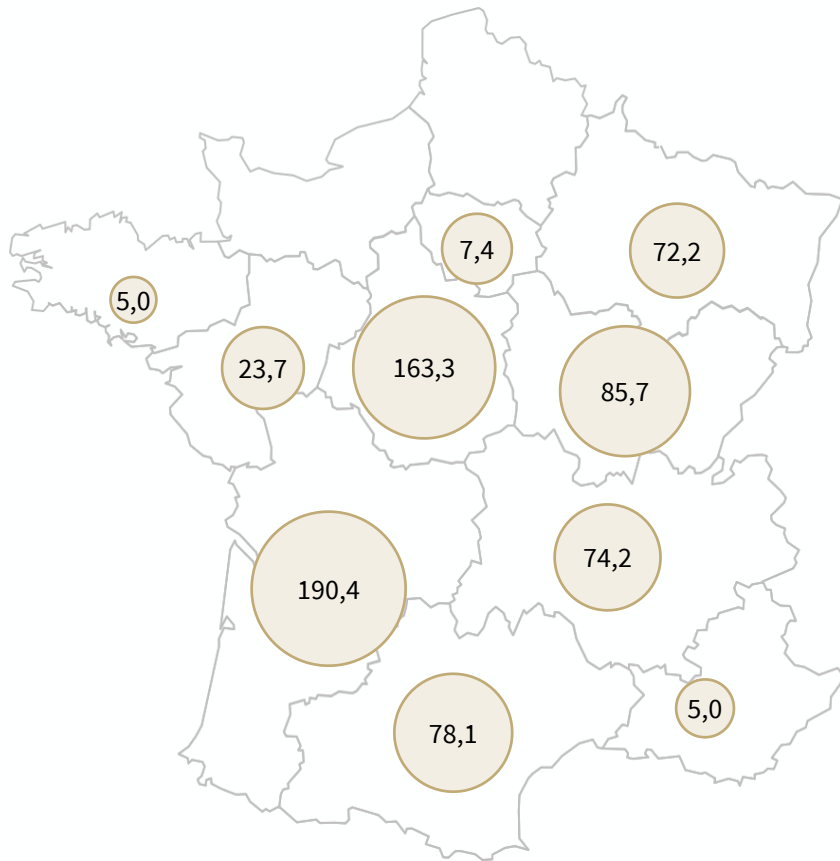
N.B.: This graph shows the cumulated projects capacity awarded to each developer; the developer might not be the final owner of the plant



PPE2 ground-mounted tender #1 – Mapping

Besides Nouvelle-Aquitaine, the southernmost regions are not the most awarded anymore

Capacity awarded per region (MWp)



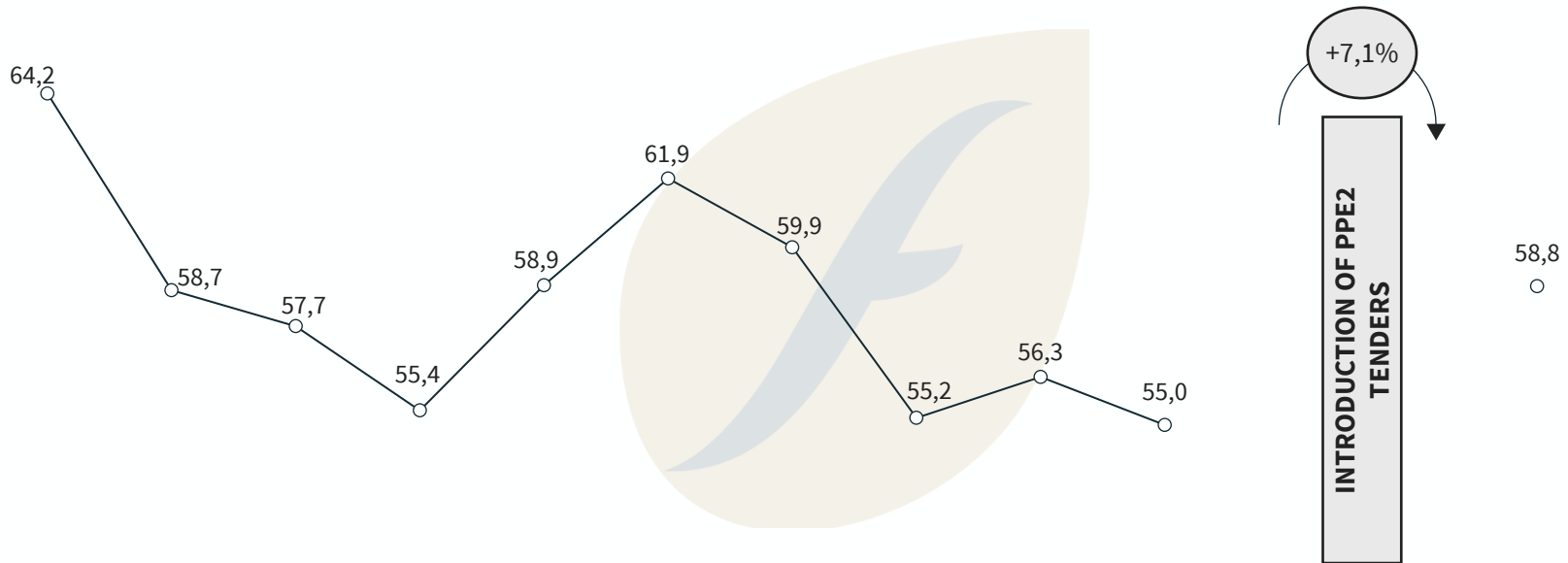
- As for the last CRE 4 ground-mounted session and the first PPE2 rooftop session, **Nouvelle Aquitaine is the region with the greatest awarded capacity** with 27% of the globally-awarded capacity
- The **Centre-Val de Loire region is the second most awarded region** under this tender, with 163 MWp secured amounting for more than 23% of the total capacity – it used to be the fourth region under the last CRE 4 ground-mounted session
- **Developers have been bidding more and more further north, most likely due to land pressure over the last ground-mounted tenders in France:**
 - The 4 southernmost regions were almost always the most-awarded under the first sessions of CRE 4 ground-mounted tenders
 - Grand-Est was the second-most awarded region in the last CRE 4 ground-mounted session, with Provence-Alpes-Côte d’Azur, Occitanie and Auvergne-Rhône-Alpes not even making it to the Top 3
- **Grand Nord** did not receive any awarded capacity under the first session of the PPE2 ground-mounted PV tender with close to 10% of the total capacity secured, despite its tremendous performance under the first session of the PPE2 rooftop tender

PPE2 ground-mounted tender – Tariff evolution

Since the last session of the CRE4 tender for ground-mounted PV, the average tariff has substantially increased (+7,1%)

Average tariff evolution since CRE 4 tender¹ (€ per MWh)

- The observed tariff increase could be due to the tightening of carbon footprint restrictions under PPE2
- It is however unlikely to be related to the recent Euribor interest rates increase, as tender applications were performed by December 23rd, 2021, at the latest, while Euribor interest rates started soaring from January



Session 1 - IAS	Session 2 - IAS	Session 3 - IAS	Session 4 - IAS	Session 5 - IAS	Session 6 - IAS	Session 7 - IAS	Session 8 - IAS	Session 9 - IAS	Session 10 - IAS
(435 MWp, Mar 2017)	(435 MWp, Jul 2017)	(435 MWp, Feb 2018)	(650 MWp, Aug 2018)	(790 MWp, Mar 2019)	(787 MWp, Aug 2019)	(601 MWp, Apr 2020)	(301 MWp, Oct 2020)	(381 MWp, Feb 2021)	(597 MWp, Nov 2021)

PPE2 Session 1
(705 MWp, Mar 2022)

¹ Adjusted data based on category #1 and category #2 of CRE 4 ground-mounted tender (therefore excluding category #3 which was designed for shade houses, no longer part of PPE2 ground-mounted tender)



Contacts

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