MERGERS & ACQUISITIONS PROJECT FINANCE STRATEGIC ADVISORY

Results analysis

PPE2 tender for rooftop PV – Session #3

Version 1.01

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FINERGREEN

PPE2 PV rooftop tender #3 – Introduction

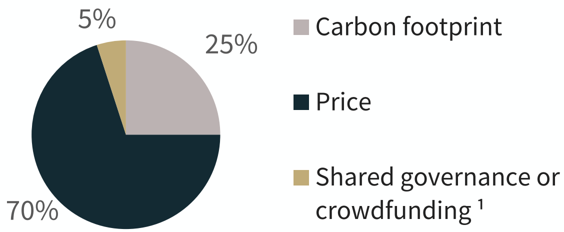
The PPE2 tender for rooftop PV grants solar developers a feed-in premium for their installation

Introduction

- With the CRE4 tenders program coming to an end in 2021, the French Ministry of Ecological and Solidarity Transition released in August 2021 its **new renewables tenders' plan to takeover**. Called **"PPE2"** due to its central role in France's second multi-annual energy plan (*Programmation Pluriannuelle de l'Energie*), this new program 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 PV rooftop installations above 500 kWp located in mainland France.
- We are today analyzing the results of the **3rd session of the PPE2 tender for PV rooftops**, released on September 12th, 2022. Since the last session of the PPE2 tender for PV rooftops, the **average tariff has increased** (+6.6%). The tender session was **undersubscribed** with 89.8 MWp awarded for 400 MWp called.

Tender criteria

- Type: Rooftops, green houses, barns & car parks
- Capacity: Above 500 kWp
- Rating:



Tender criteria

	PPE2 Session #2	PPE2 Session #3
Awarded capacity	122.1 MWp	89.8 MWp
Number of awarded projects	38	26
Average awarded tariff	€ 85.27/MWh	€ 90.91/MWh
Maximum bidding tariff	€ 96.00/MWh	€ 96.00/MWh
Application deadline	February 25th, 2022	July 1st, 2022

[1] *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*

PPE2 PV rooftop tender – What's new since CRE4

The PPE2 tender for PV rooftops, shade & green houses is a straight-forward follow-up to the CRE4 rooftop tender with some adaptations

Notable adjustments since CRE4 rooftop tender

The PPE2 tender for rooftop PV has evolved from the CRE4 rooftop tender:

- **Shade houses** are now **part of this tender** – under CRE4, shade houses needed to apply to the tender for ground-mounted plants (IAS);
- **Compatibility** of the tender **with installations featuring storage system** - although the latter can not be subsidized under this tender;
- **Rating criteria adjustments**: shared governance and crowdfunding are now part of the overall rating:
  - **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. It is to be noted that the shared governance and crowdfunding ratings are mutually exclusive: one grade will always remain null.
- The tender no longer differentiates different categories of assets. Instead, for each tender, **priority will be given to projects below 1 MWp for up to 50 MWp of tendered capacity**. In case of undersubscription for this reserved capacity, the CRE will eliminate the worst bids accordingly with the mechanism described in slide 6;
- The **commissioning delay is also increased** from 24 months to 30;
- **Financial guarantees** will now be **paid by project sponsors when applying to the tender** and released if the project is not awarded
- 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	October 22th, 2021	300 MWp
2nd session	February 25th, 2022	400 MWp
3rd session	July 1st, 2022	400 MWp
4th session	October 14th, 2022	400 MWp
5th session	February 24th, 2023	300 MWp
6th & 7th sessions	2023 TBD	400 & 400 MWp
8th, 9th & 10th sessions	2024 TBD	300, 400 & 400 MWp
11th, 12th & 13th sessions	2025 TBD	300, 400 & 400 MWp
14th session	2026 TBD	300 MWp

N.B. Finergreen has recently released a comparative study on the key adjustements made since CRE4 in the different PPE2 tenders' specifications. Please reach out to us if interested!

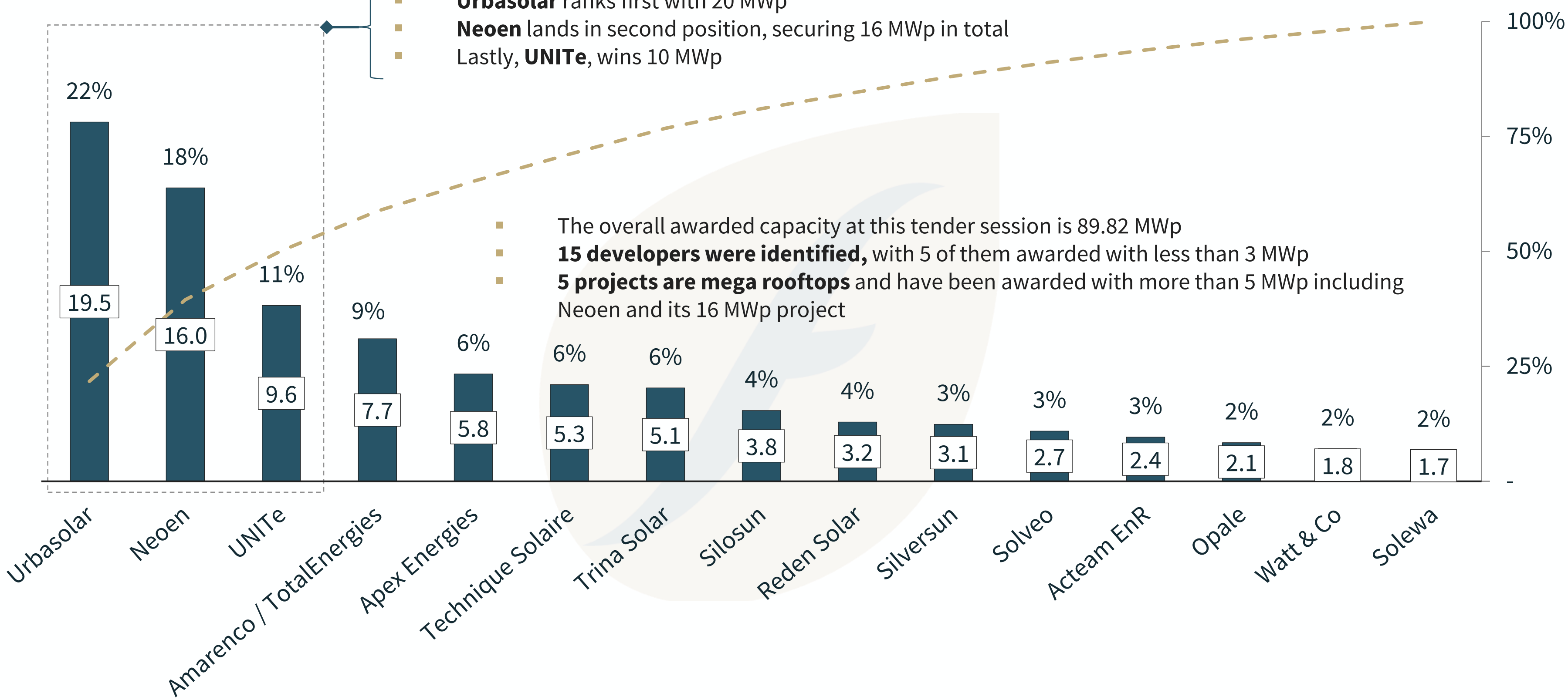
PPE2 PV rooftop tender #3 – Awarded projects

The total awarded capacity amounts to 90 MWp, with 15 identified developers

Capacity awarded per developer (MWp)

- **Urbasolar** ranks first with 20 MWp
- **Neoen** lands in second position, securing 16 MWp in total
- Lastly, **UNITe**, wins 10 MWp

- The overall awarded capacity at this tender session is 89.82 MWp
- **15 developers were identified,** with 5 of them awarded with less than 3 MWp
- **5 projects are mega rooftops** and have been awarded with more than 5 MWp including Neoen and its 16 MWp project

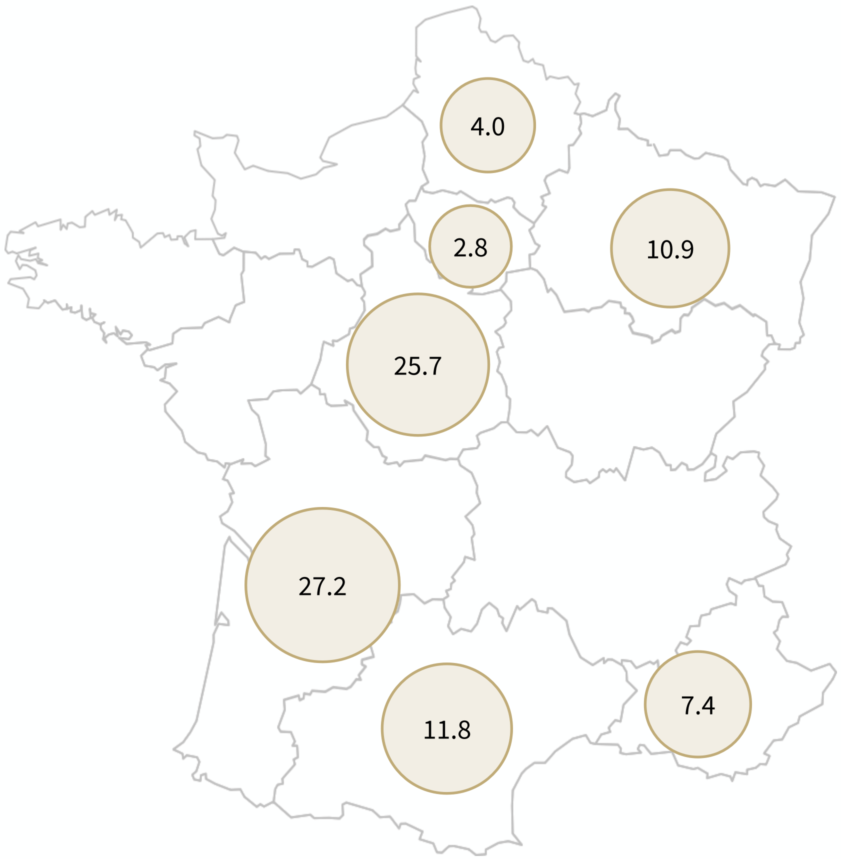


N.B.: This graph shows the cumulated projects capacity awarded to each developer; note that the developer might not be the final owner of the plant.

PPE2 PV rooftop tender #3 – Mapping

Nouvelle-Aquitaine is the most awarded region with 27.2 MWp

Capacity awarded per region (MWp)

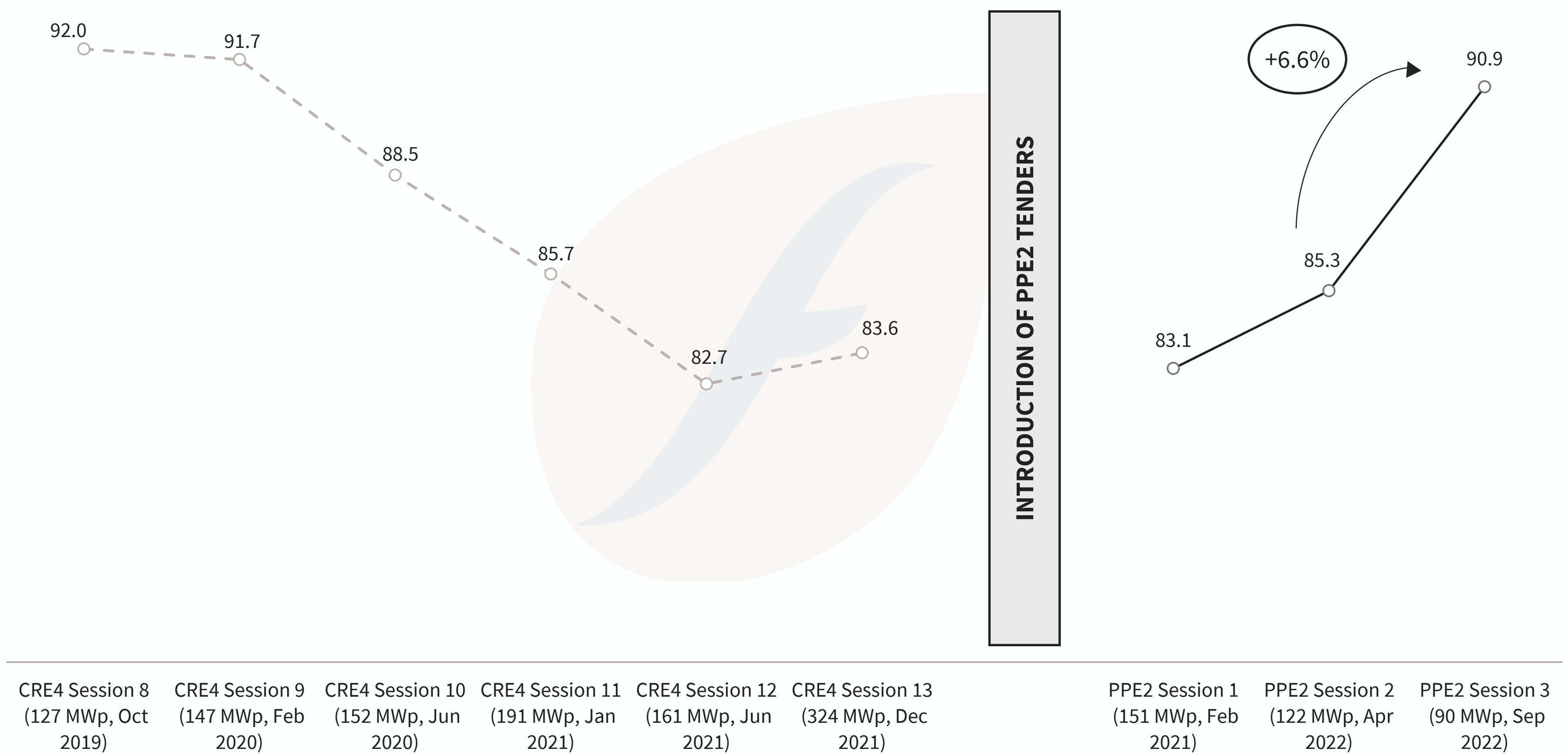


- **Nouvelle-Aquitaine and Centre-Val de Loire** are the regions with the **greatest awarded capacities** on this 3rd session of the PPE2 tender for solar rooftops, with respectively 27.2 MWp and 25.7 MWp
- The **Northern half of France displays once again an outstanding performance**, securing **just under half of the total awarded capacity** at this tender session
- On average**, projects located in the Northern half are about 1.5x as big as projects in the Southern half** (4.0 MWp vs. 2.8 MWp); this is likely due to (i) the **ever-heavier land pressure for solar assets in the sunniest regions** but also to (ii) the **need for Northern projects to achieve economies of scale with larger capacities to remain competitive** with Southern half projects

PPE2 PV rooftop tender – Tariff evolution

Since the last session, the average tariff has increased (6.6%) and is getting dangerously close to the maximum bidding tariff at 96.00 €/MWh

Average tariff evolution since CRE4 tender (€ per MWh)

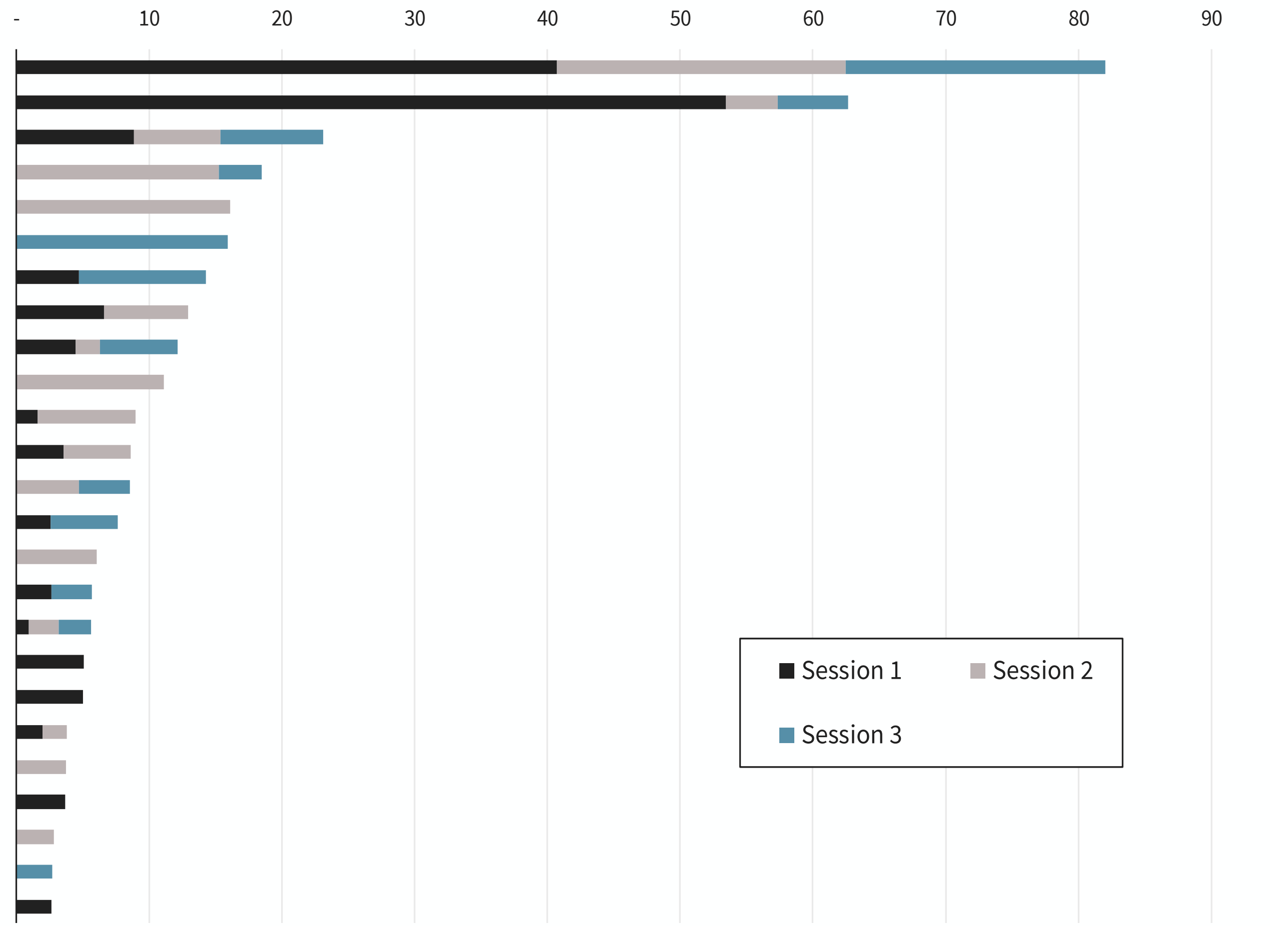


PPE2 PV rooftop tender – Top 25 developers

Urbasolar and Technique Solaire start to break away from other developers

Top 25 most-awarded developers under the PPE2 rooftop tender

		TOTAL (MWp)
1	Urbasolar	82
2	Technique Solaire	63
3	Amarenco / TotalEnergies	23
4	Reden Solar	18
5	Greenyellow	16
6	Neoen	16
7	UNITe	14
8	Reservoir Sun	13
9	Apex Energies	12
10	Générale du Solaire	11
11	Groupe Panhard	9
12	Elements	9
13	Silosun	9
14	Trina Solar	8
15	Qarson	6
16	Silversun	6
17	Acteam EnR	6
18	Enoé Energie	5
19	Photosol	5
20	Tenergie	4
21	EDF	4
22	Melvan	4
23	ENRIA	3
24	Solveo	3
25	Enerimmo	3



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

Contacts

Do not hesitate to contact us

Arthur OMONT
Vice President
M. +33 (0) 7 81 34 61 40
aom@finergreen.com

Bastien MARTINEZ
Associate
M. +33 (0) 7 60 03 29 06
bma@finergreen.com

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