

Results analysis

PPE2 tender for ground-mounted PV – Session #4

Version 1.01

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PPE2 ground-mounted PV tender – Introduction

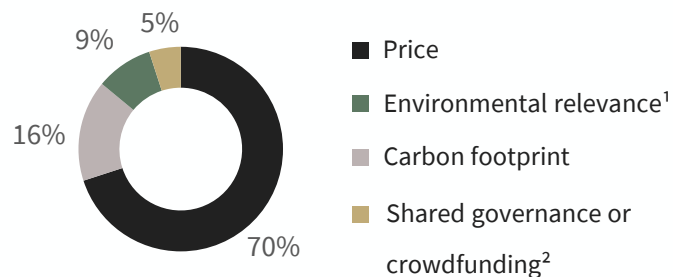
The PPE2 tender for ground-mounted PV grants solar developers a feed-in premium for their installation

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*), includes 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 – there is no capacity limit for projects eligible to some specific location requirements (e.g., industrial wasteland, old quarry, etc.)
- We are today analyzing the results of the **4th session of the PPE2 tender for ground-mounted PV**, released on September 26th, 2023. The **average tariff has stabilized** (+0.2%) since the last session of the PPE2 tender for ground-mounted PV. The capacity called **was exceptionally increased from 925 MWp to 1 500 MWp** to make up for the last session issues about projects non-conformity on financial guarantees. This 4th session **was slightly oversubscribed with 1 519 MWp awarded for 1 500 MWp called**. This is the largest capacity awarded since CRE and PPE2 tenders' inception

Tender criteria

- Type: Ground-mounted PV
- Capacity: Between 500 kWp and 30 MWp (or no limit for specific locations)



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)

Key data

	PPE2 Session #3	PPE2 Session #4
Awarded capacity	115.0 MWp	1 519.0 MWp
Number of awarded projects	7	129
Average awarded tariff	€ 82.23/MWh	€ 82.42/MWh
Maximum bidding tariff	No maximum bidding tariff	No maximum bidding tariff
Application deadline	December 23 rd , 2022	June 26 th , 2023



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 23 rd , 2021	700 MWp
2nd session	May 20 th , 2022	700 MWp
3rd session	December 23 rd , 2022	925 MWp
4th session (catch-up)	June 26th, 2023	1 500 MWp
5th session	November 20 th , 2023	925 MWp
6th & 7th sessions	2024 TBD	2 x 925 MWp
8th & 9th sessions	2025 TBD	2 x 925 MWp
10th session	2026 TBD	925 MWp

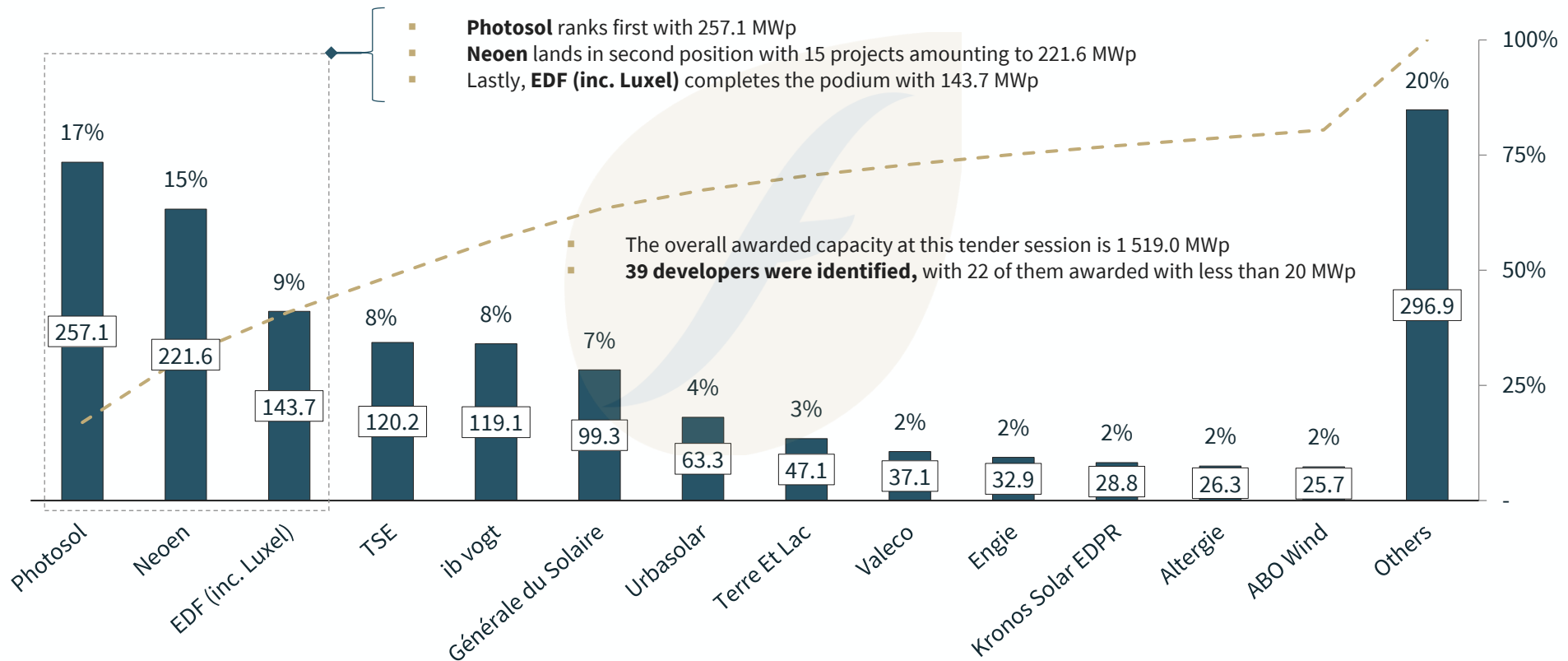
N.B. Finergreen has recently released a comparative study on the key adjustments made since CRE4 in the different PPE2 tenders’ specifications. Please reach out to us if interested!



PPE2 ground-mounted tender #4 – Awarded projects

The total awarded capacity amounts to 1 519 MWp, with 39 identified developers

Capacity awarded per developer (MWp)



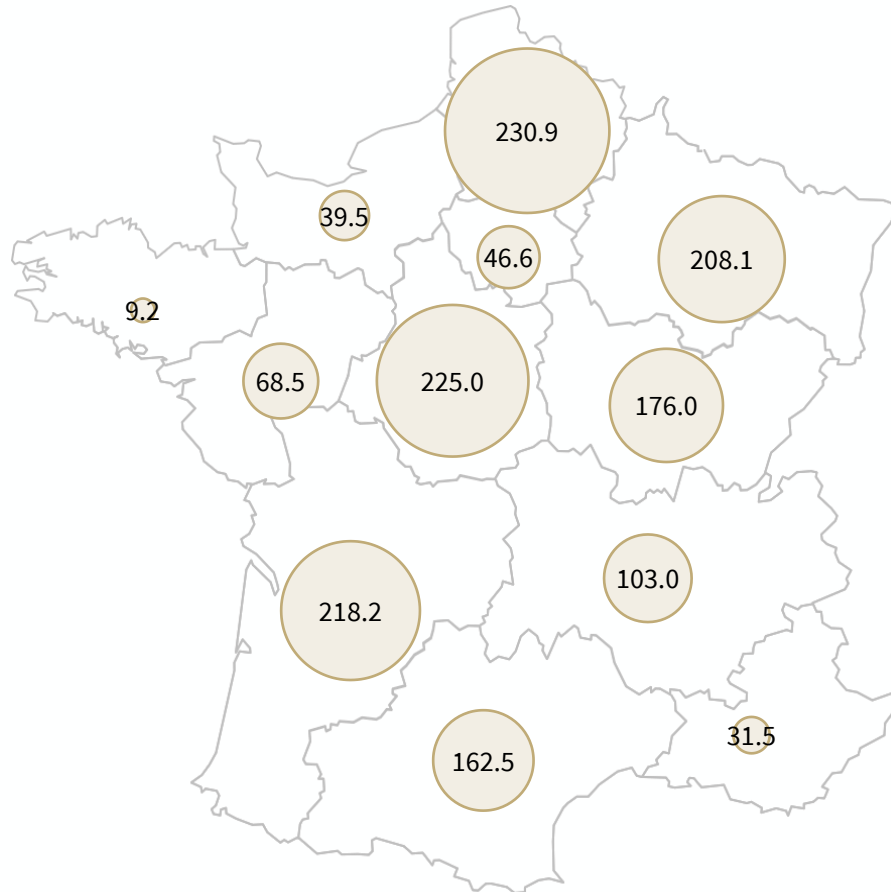
N.B.: This graph shows the cumulated projects capacity awarded to each developer; the developer might not be the final owner of the plant



PPE2 ground-mounted tender #4 – Mapping

Hauts-de-France is the most awarded region with 230.9 MWp closely followed by Centre-Val de Loire and its 225.0 MWp

Capacity awarded per region (MWp)

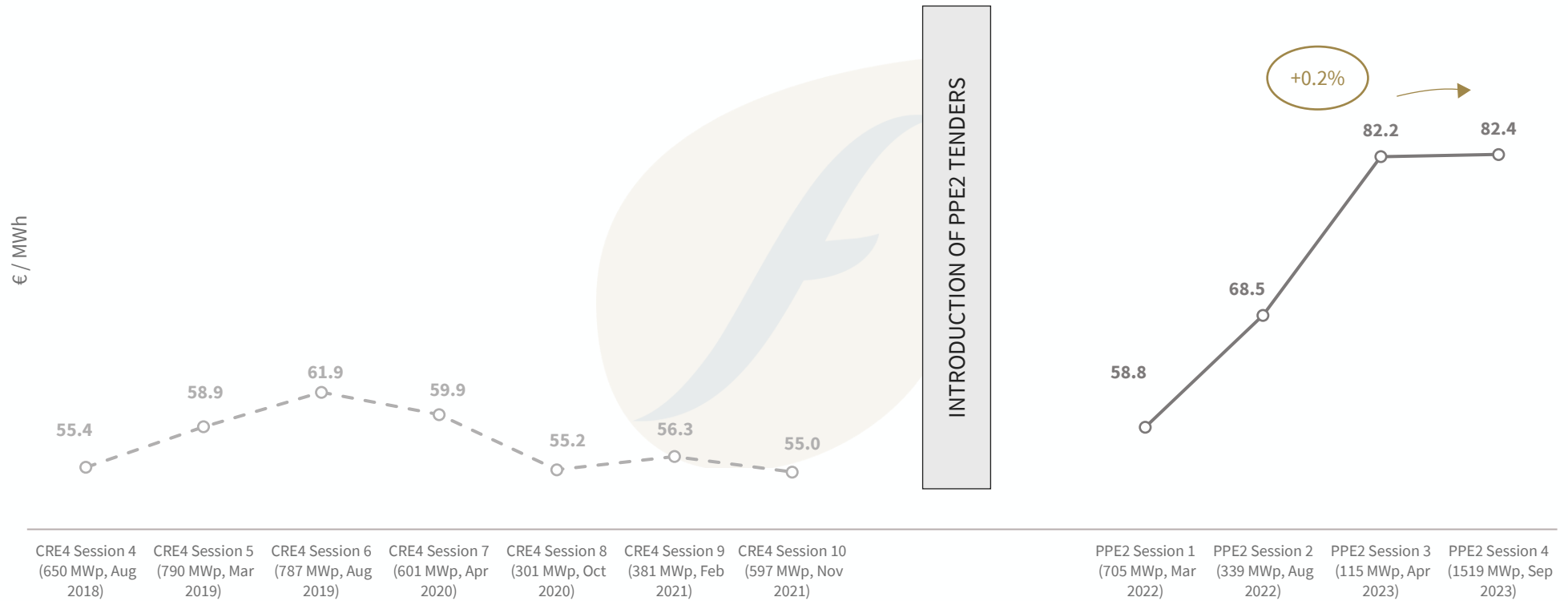


- **Hauts-de-France and Centre-Val de Loire** are the regions with the **greatest awarded capacities** on this 4th session of PPE2 tender for ground-mounted PV, with respectively 230.9 MWp and 225.0 MWp. Thanks to this make-up session, 4 regions are breaking the awarded capacity record which was set at 190.4 MWp by Nouvelle-Aquitaine in PPE2 tender session #1
- **Developers seem to have been bidding further north once again, most likely due to land pressure over the last ground-mounted tenders in France.** Only one third of the total awarded capacity is located in Southern France
- On average, **projects located in the Northern half are almost two times as big as projects located in the Southern half** (i.e. 18.0 MWp vs. 10.4 MWp)
- Just as for the previous tender sessions, Bretagne but also Provence-Alpes-Côte d’Azur are among the regions with the fewest capacity awarded. On the other hand, Normandie has been awarded its first ground-mounted PV projects of PPE2 tenders

PPE2 ground-mounted tender - Average tariff evolution

Under this new PPE2 session, the average awarded tariff has stabilized (+0.2%) after an unprecedented increases

Average tariff evolution since CRE 4 last tenders (€ per MWh)



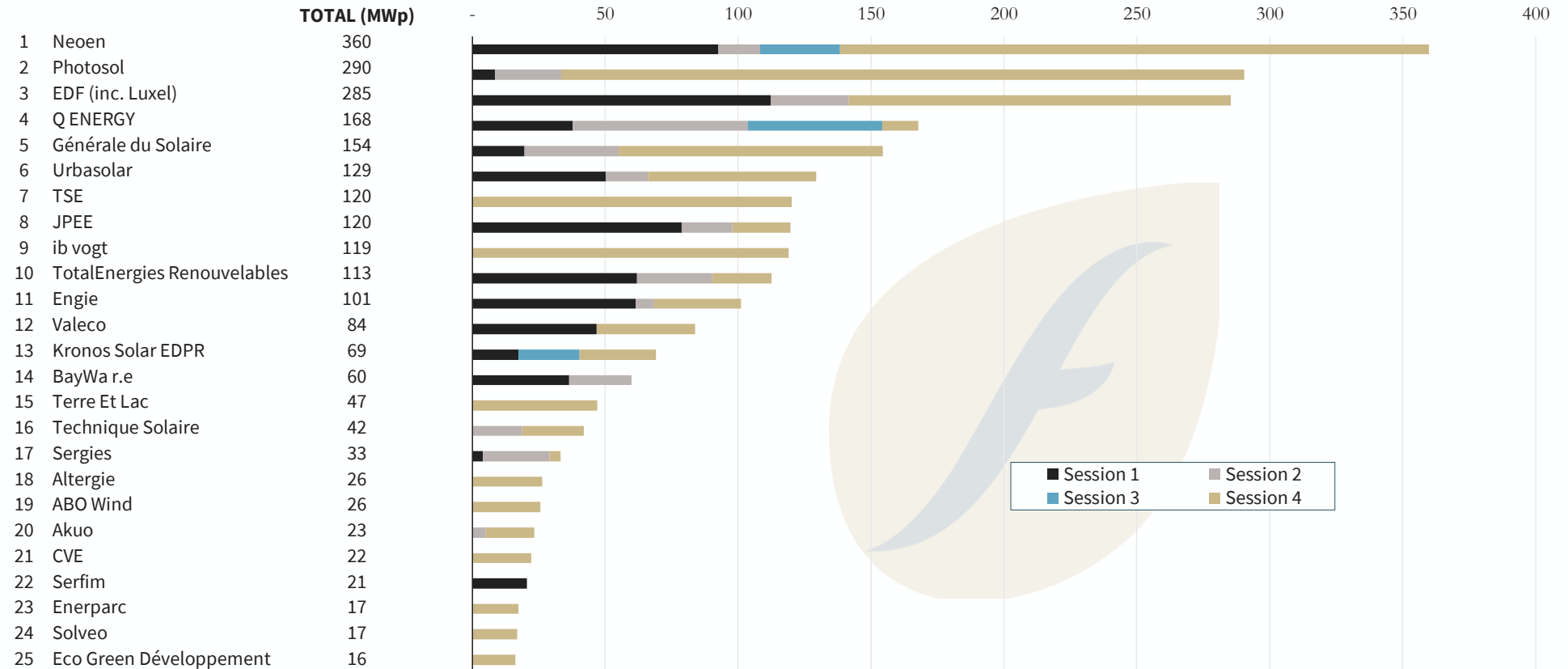
N.B.: Adjusted data based on category #1 and category #2 of CRE 4 ground-mounted tender (therefore excluding category #3 which was designed for shade houses, no longer part of PPE2 ground-mounted tender)



PPE2 ground-mounted tender - Top 25 developers

Neoen is stepping in at the 1st place while Photosol makes a big jump from the 12th to the 2nd place and EDF keeps its position in the Top 3

Top 25 most-awarded developers under the PPE2 ground-mounted tender scheme



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