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Results analysis

PPE2 technology-neutral tender – Session #1

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PPE2 technology-neutral tender – Introduction

The PPE2 technology-neutral tender grants renewable energy developers a feed-in premium for PV, onshore-wind and hydroelectric installations

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**
- With PPE2, a **new multi-technology tender** is introduced for **solar PV, onshore wind and hydro electricity**. This new technology-neutral tender was implemented in line with the **European Commission’s will to allow the direct and non-discriminatory competition between different renewable energy sources**
- We are today analyzing the results of the **1st session of this new PPE2 technology-neutral tender**, released on December 7th, 2022. The tender session was **oversubscribed** with 501.1 MW awarded for 500 MW called

Tender’s calendar

	Application deadline	Tendered capacity
1 st session	July 29th, 2022	500 MWp
2 nd session	2023 TBD	500 MWp
3 rd session	2024 TBD	500 MWp
4 th session	2025 TBD	500 MWp
5 th session	2026 TBD	500 MWp

Tender’s criteria & results

	PPE2 1st session
Awarded capacity	501.1 MWp
Number of awarded projects	34 in total , including: <ul style="list-style-type: none">▪ 15 ground-mounted PV plants▪ No rooftop & shade house PV plant▪ 19 onshore wind farms▪ No hydroelectric plant
Average awarded tariff	€ 76.89/MWh
Maximum bidding tariff	€ 90.00/MWh
Application deadline	July 29 th , 2022



PPE2 technology-neutral tender

Each technology will be rated based on its own criteria to allow a better competitiveness

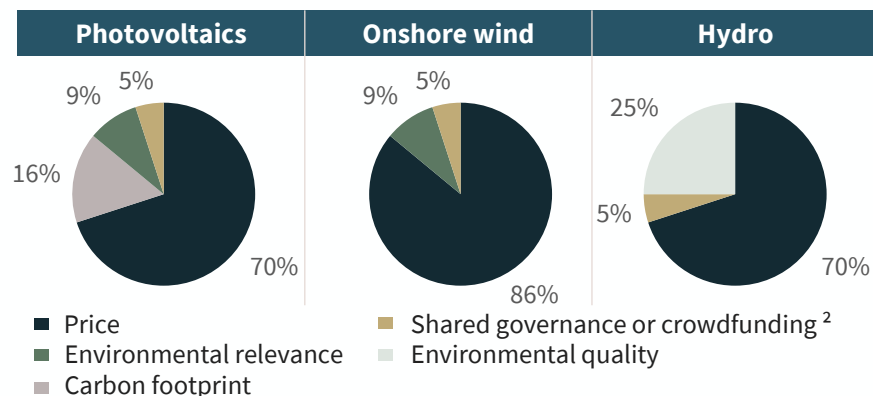
Key criteria under PPE2 technology-neutral tender

- 4 types of renewable installations are eligible to this new tender: ground-mounted PV, rooftop & share house PV, onshore wind & hydroelectric technologies
- Under CRE 4's 2018 bi-technology tender, wind and PV assets were solely rated based on their bidding feed-in premium price. As onshore wind bids were, on average, 35% higher than PV¹, only PV projects were awarded. With the PPE2 tenders, the **rating criteria are different for each technology** to grant wind projects with some winning chances:
 - Shared governance and crowdfunding** are part of the overall rating for all technologies:
 - 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.
 - Environmental relevance** will account in the **overall rating of wind and PV assets**:
 - For ground-mounted PV assets, it can either be rated maximum if the project is located on degraded lands, or null otherwise;
 - For other PV or onshore wind assets, it is rated maximum.
 - An **environmental quality** criterion aims at assessing the impact of hydro projects on their direct surrounding.

Eligible technologies

- Ground-mounted PV** installations starting from 500 kWp and, unless projects are located on degraded lands, capped at 30 MWp – which can be equipped with storage but the latter is not subsidized under this tender;
- Rooftop, green house, barn & car park PV** exceeding 500 kWp – which can also be equipped with storage with the latter not being subsidized under this tender;
- Onshore wind projects** regardless of the capacity – possibly equipped with storage with the latter not subsidized under this tender;
- New **hydro plants** over 1 MW.

Ratings



¹ Délibération de la CRE du 17 octobre 2018 relative à l'instruction des dossiers de candidature à l'appel d'offres portant sur la réalisation et l'exploitation d'installations de production d'électricité à partir d'énergie solaire photovoltaïque ou éolienne situées en métropole continentale

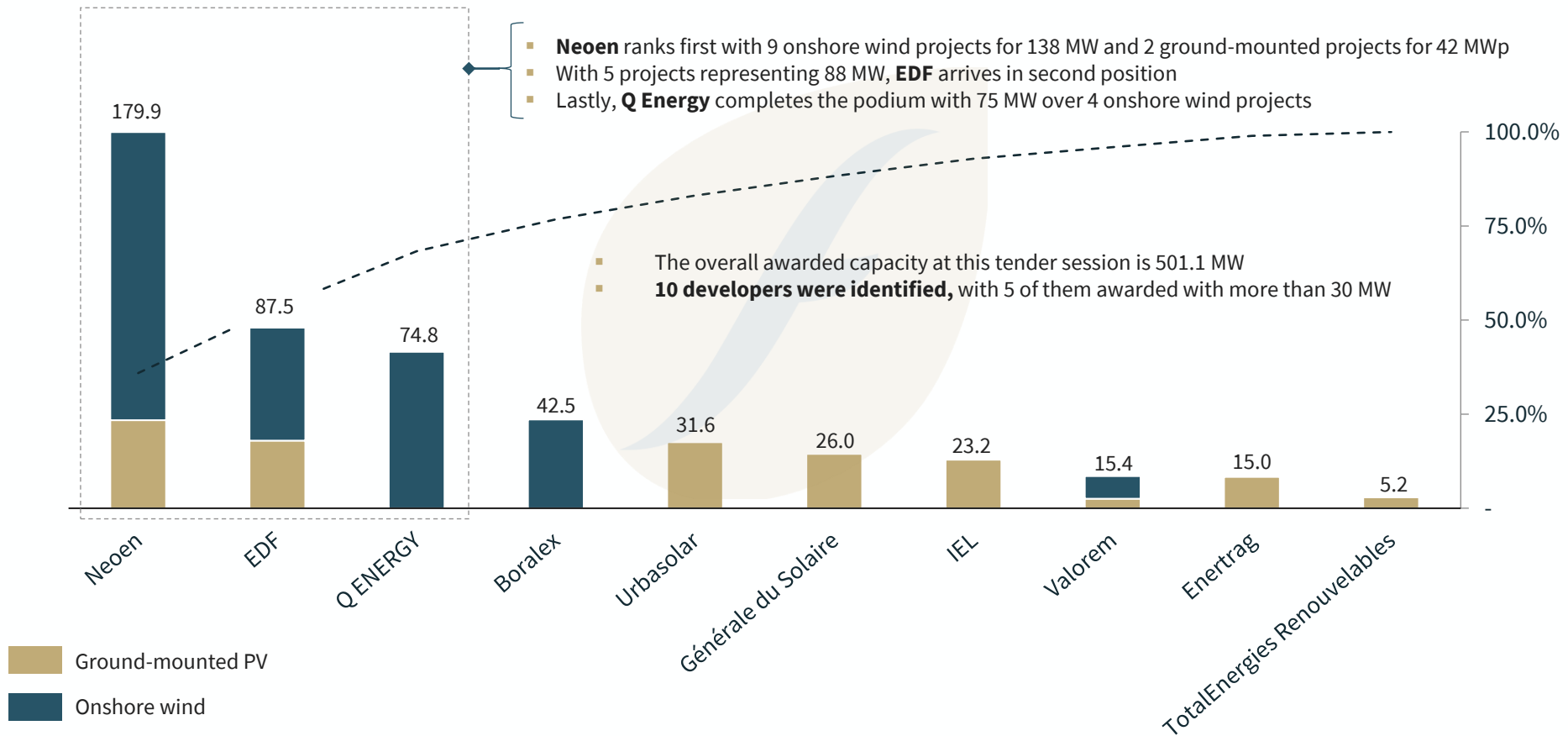
² Shared governance and crowdfunding premium are mutually exclusive, with shared governance accounts graded between 0% to 5% while crowdfunding will be either 0% or 3% with no intermediate value



PPE2 technology-neutral tender #1 - Awarded projects

The total awarded capacity amounts to 501 MW, with 10 identified developers

Capacity awarded per developer and type of technology (MW)



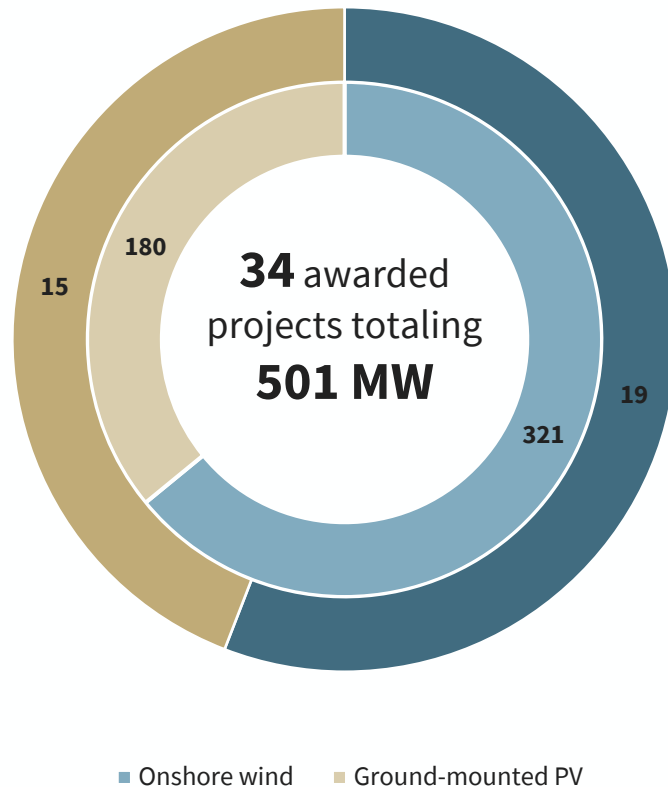
N.B.: This graph shows the cumulated projects capacity awarded to each developer; the developer might not be the final owner of the plant



PPE2 technology-neutral tender #1 – Awarded projects

While this session was oversubscribed, no rooftop or shade-house PV nor hydroelectric projects were awarded

Capacity awarded per technology (MW)

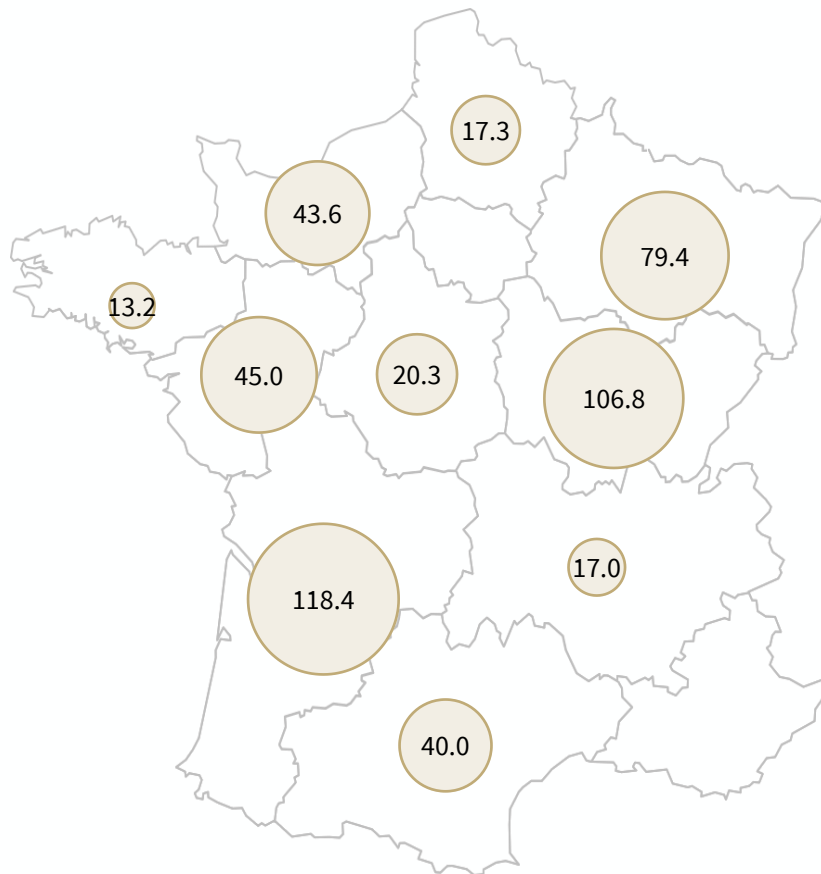


- **Out of the 34 awarded projects** under the first period of this PPE2 technology-neutral tender, **none of them were rooftop or shade-house PV nor hydroelectric plants**. All projects were either onshore wind (19 – 321 MW) or ground-mounted PV (15 – 180 MWp)
- Unsurprisingly, **onshore wind projects**, representing 65% of the total capacity awarded, are **on average greater than their ground-mounted PV counterparts** (17 MW vs. 12 MWp)
- With bidding price remaining the most important criterion for selection, **the absence of rooftop PV & hydroelectricity could be explained by the relatively low average awarded tariff** at this neutral tender session (€ 76.89 / MWh) compared to these technologies last specific tenders' average tariff, respectively at € 90.91 / MWh for rooftop and shade-house PV and € 95.70 / MWh for hydroelectricity

PPE2 technology-neutral tender #1 – Mapping

The total awarded capacity seems evenly spread throughout the French territory

Capacity awarded per region (MW)



- **Nouvelle-Aquitaine is the region with the greatest awarded capacity** with 24% of the globally-awarded capacity, including 92% of onshore wind projects. It is closely followed by the **second most awarded region, Bourgogne-Franche-Comté**, also with a majority of onshore wind project (6 out of 8 projects totaling 78.8 MW)
- **Grand Est stands out with 79.4 MW of awarded capacity** including **77% of ground-mounted assets** in line with the growing attractiveness of the region for this typology of assets: this region was ranked 1st in the previous PP2 session for ground-mounted projects
- **Pays de la Loire** is ranked **fourth** with 45 MW of awarded capacity - including c.25 MWp of ground-mounted PV projects
- **43.6 MW** of capacity were awarded in **Normandy**, especially due to **its distinctive potential for wind projects development** in the country, representing 88% of the total awarded capacity in the region
- **Grand Est** and **Province-Alpes-Côte d'Azur** did not receive any awarded capacity under this session

Contacts

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