

# Results analysis

## *PPE2 tender for rooftop PV – Session #4*

Version 1.00

— APRIL 12<sup>TH</sup>, 2023

# PPE2 PV rooftop tender #4 – 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 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 PV rooftop installations above 500 kWp located in mainland France
- We are today analyzing the results of the **4<sup>th</sup> session of the PPE2 tender for PV rooftops**, released on April 7<sup>th</sup>, 2023. Since the last session of the PPE2 tender for PV rooftops, the **average tariff has sharply increased** (+15.0%). The tender session was **strongly undersubscribed** with 57.6 MWp awarded for 400 MWp called. Despite this important increase, **due to projects non-conformity on recently modified financial guarantees**

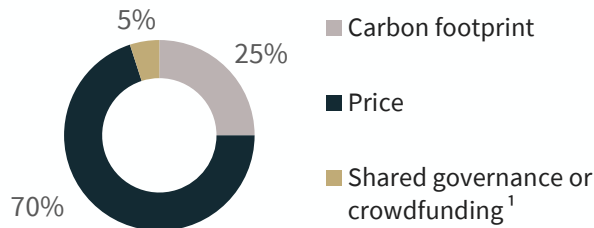
**As a direct consequence of this undersubscription, the French Ministry of Ecological and Solidarity Transition should exceptionally call 0.8 GWp of solar PV rooftop capacity in June 2023**

## Tender criteria

Type: Rooftops, green houses, barns & car parks

Capacity: Above 500 kWp

Rating:



## Key data

	PPE2 Session #3	PPE2 Session #4
Awarded capacity	89.8 MWp	57.6 MWp
Number of awarded projects	26	16
Average awarded tariff	€ 90.91/MWh	€ 104.52/MWh
Maximum bidding tariff	€ 96.00/MWh	No maximum bidding tariff
Application deadline	July 1 <sup>st</sup> , 2022	January 20 <sup>th</sup> , 2023



# 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
- 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

<b>Minimum</b>	200 kg CO2 eq/kWp
<b>Maximum</b>	550 kg CO2 eq/kWp

## Tender calendar

	<b>Application deadline</b>	<b>Tendered capacity</b>
<b>1<sup>st</sup> session</b>	October 22 <sup>th</sup> , 2021	300 MWp
<b>2<sup>nd</sup> session</b>	February 25 <sup>th</sup> , 2022	400 MWp
<b>3<sup>rd</sup> session</b>	July 1 <sup>st</sup> , 2022	400 MWp
<b>4<sup>th</sup> session</b>	<b>January 20<sup>th</sup>, 2023</b>	<b>400 MWp</b>
<b>5<sup>th</sup> session (catch-up)<sup>1</sup></b>	June 2023	800 MWp
<b>6<sup>th</sup> &amp; 7<sup>th</sup> sessions</b>	2023 TBD	2 x 400 MWp
<b>8<sup>th</sup>, 9<sup>th</sup> &amp; 10<sup>th</sup> sessions</b>	2024 TBD	300 & 2 x 400 MWp
<b>11<sup>th</sup>, 12<sup>th</sup> &amp; 13<sup>th</sup> sessions</b>	2025 TBD	300 & 2 x 400 MWp
<b>14<sup>th</sup> session</b>	2026 TBD	300 MWp

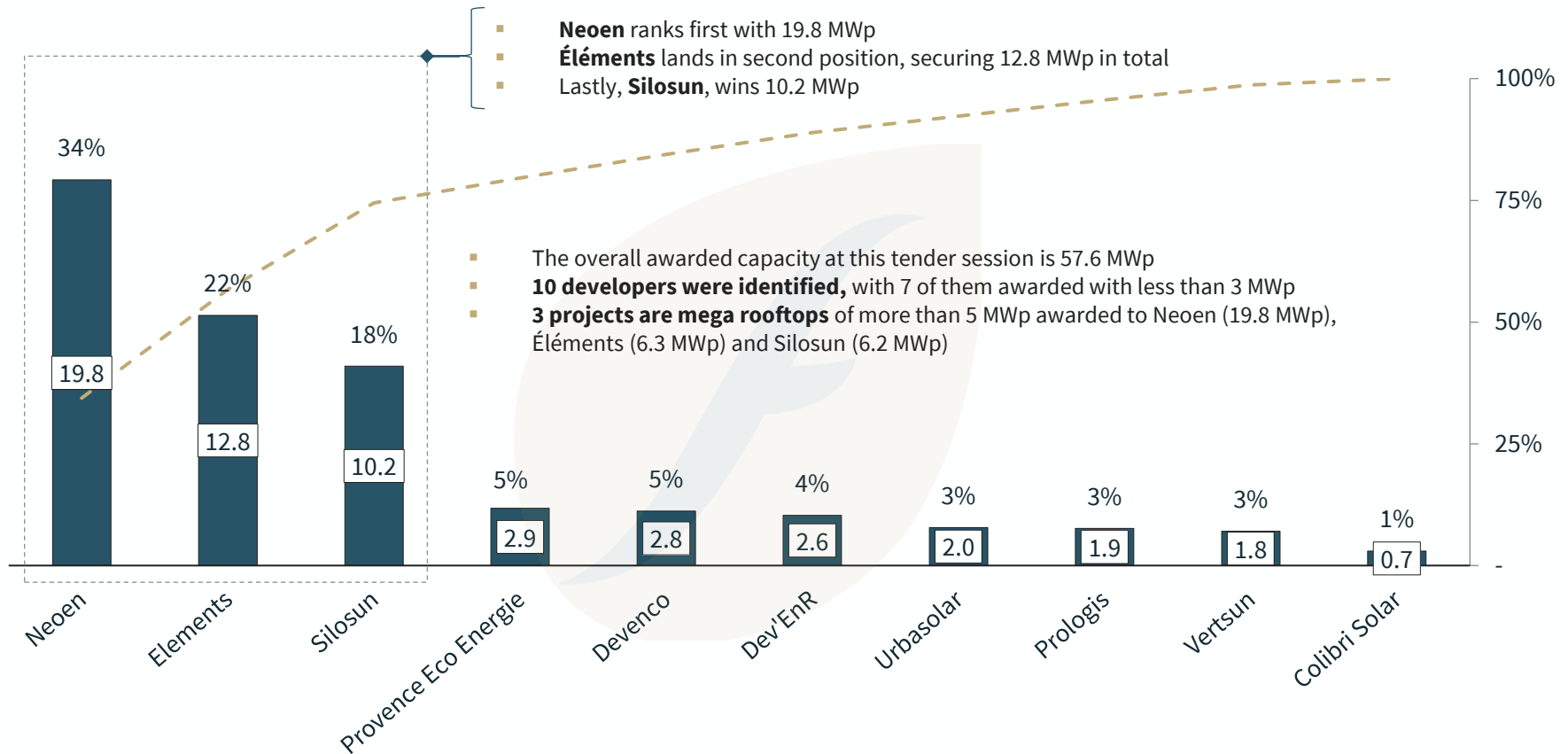
*N.B. Finergreen has recently released a comparative study on the key adjustments made since CRE4 in the different PPE2 tenders’ specifications. Please reach out to us if interested!*



# PPE2 PV rooftop tender #4 – Awarded projects

The total awarded capacity amounts to 58 MWp, with 10 identified developers

## Capacity awarded per developer (MWp)



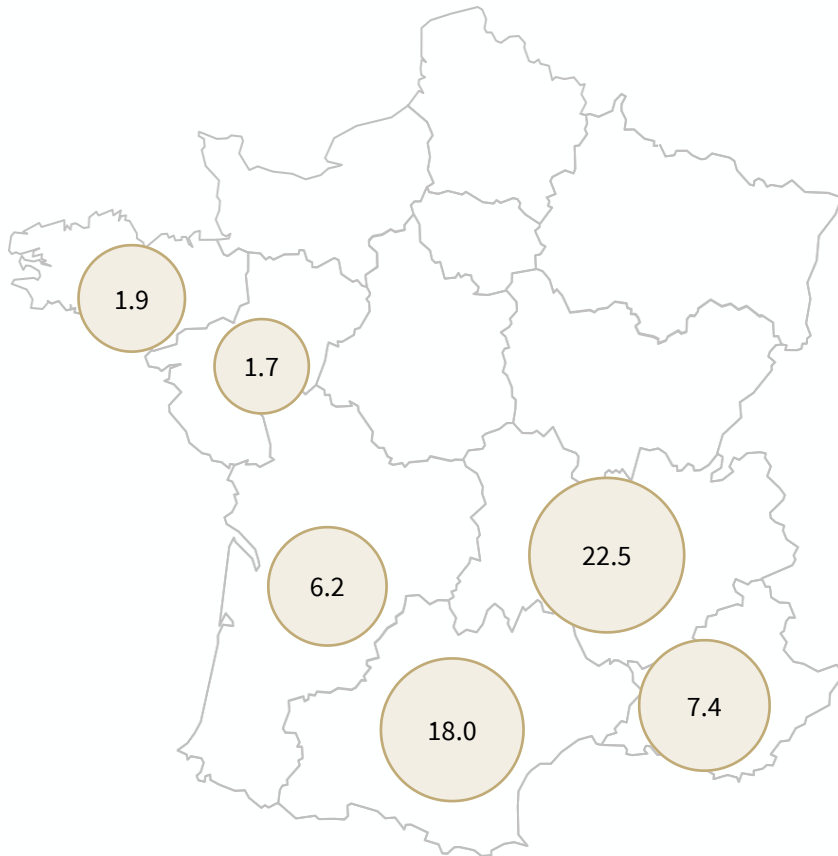
N.B.: This graph shows the cumulated projects capacity awarded to each developer; note that the developer might not be the final owner of the plant.



# PPE2 PV rooftop tender #4 – Mapping

*Auvergne-Rhône-Alpes is the most awarded region with 22.5 MWp*

## Capacity awarded per region (MWp)

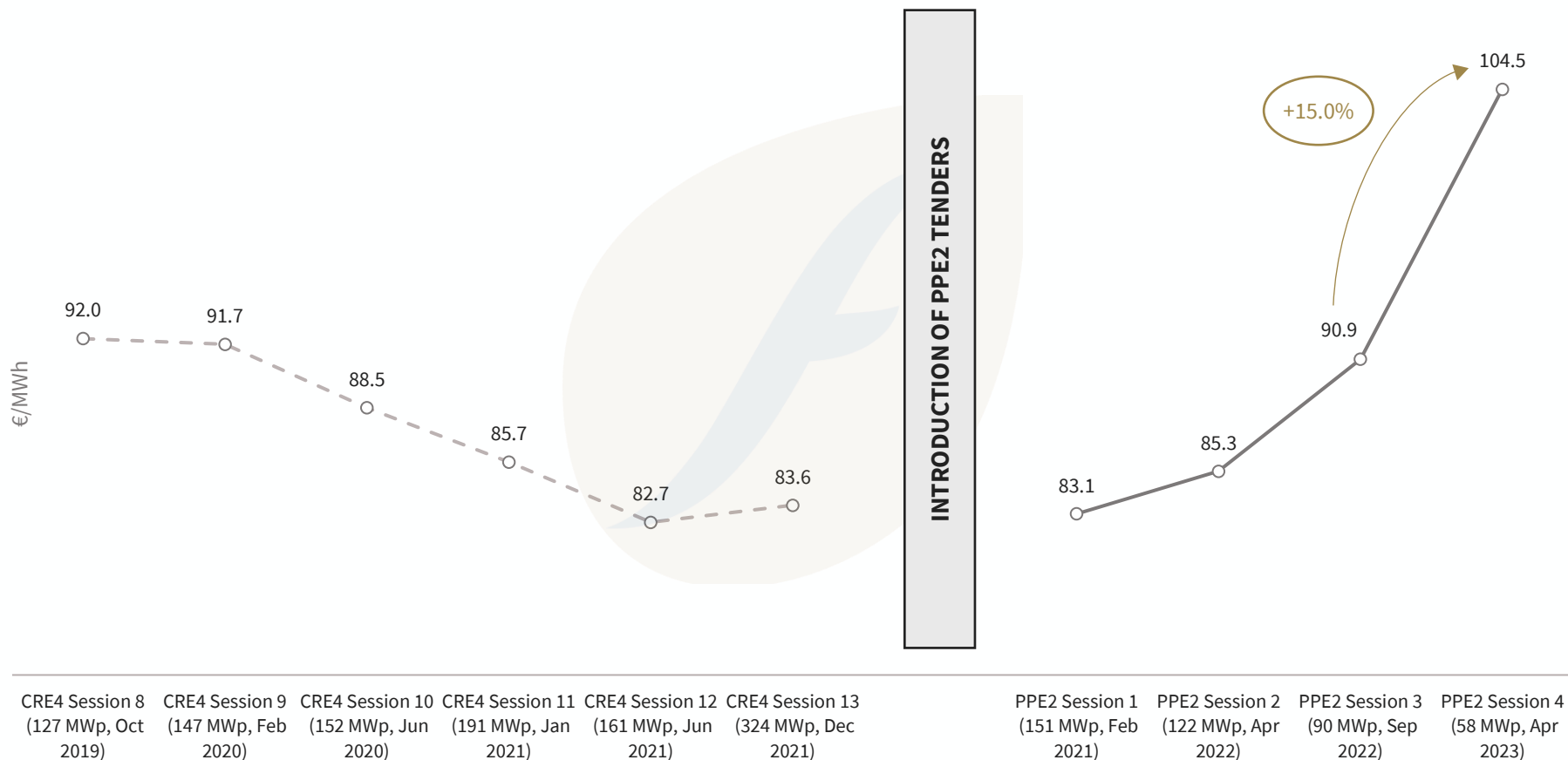


- **Auvergne-Rhône-Alpes** and **Occitanie** are the regions with the **greatest awarded capacities** on this 4<sup>th</sup> session of the PPE2 tender for solar rooftops, with respectively 22.5 MWp and 18.0 MWp. During the 3<sup>rd</sup> session, Auvergne-Rhône-Alpes had no project awarded
- Although many projects were eliminated due to non-conformity with the tender's financial guarantee requirement, the **Northern half is practically free of any awarded project** with **3.6 MWp out of 57.6 MWp**
- Occitanie is the region with the largest number of projects (i.e. 7) while Pays de la Loire, Nouvelle-Aquitaine and Bretagne only have one project each

# PPE2 PV rooftop tender – Tariff evolution

The average tariff sharply went up by 15.0% as an answer to the current macroeconomic challenges (interest rates and CAPEX increases)

## Average tariff evolution since CRE4 tender (€ per MWh)

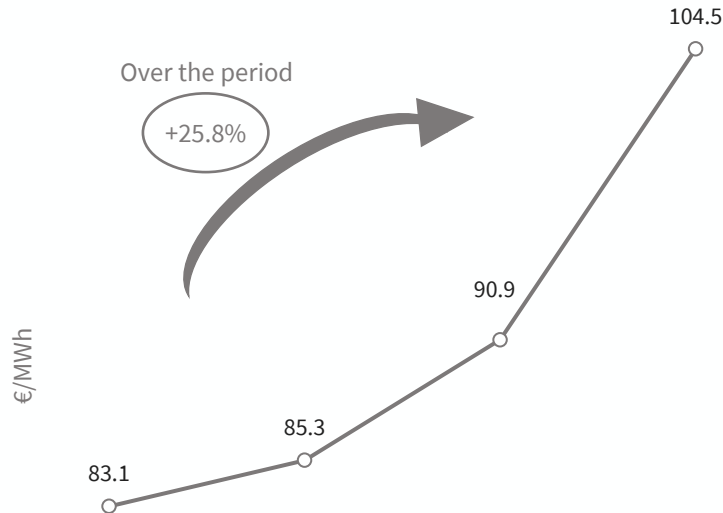


# PPE2 PV rooftop tender – Tender vs. Open counter

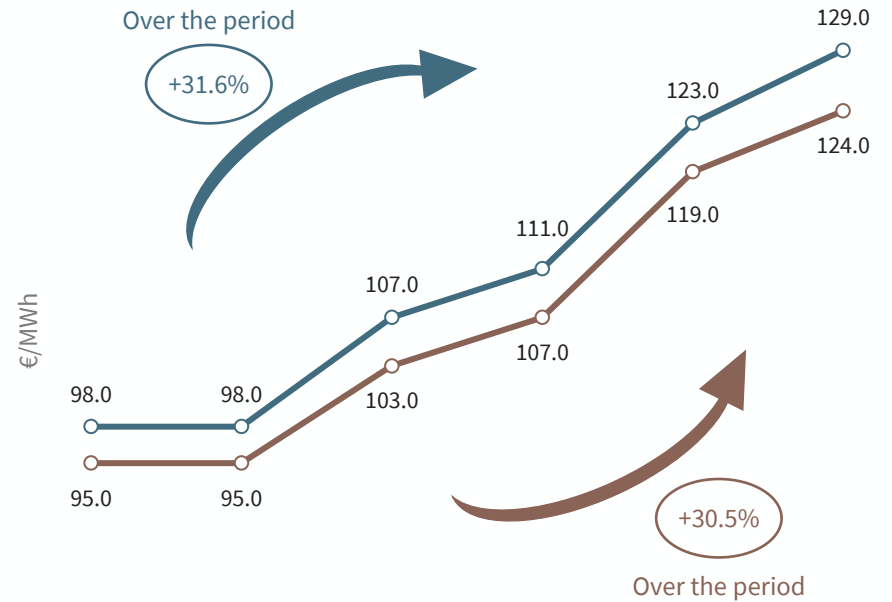
The rise in tenders average awarded tariff appears to be consistent looking at the open counter tariffs evolution since late 2021

## Tariff evolution comparison between PPE2 PV rooftop tenders and PV open counter mechanism

Tender offer – Average awarded tariff evolution



Open counter – “Tc” and “Tb” tariffs evolution



PPE2 Session 1 (151 MWp, Feb 2021)    PPE2 Session 2 (122 MWp, Apr 2022)    PPE2 Session 3 (90 MWp, Sep 2022)    PPE2 Session 4 (58 MWp, Apr 2023)

Q4 2021    Q1 2022    Q2 2022    Q3 2022    Q4 2022    Q1 2023

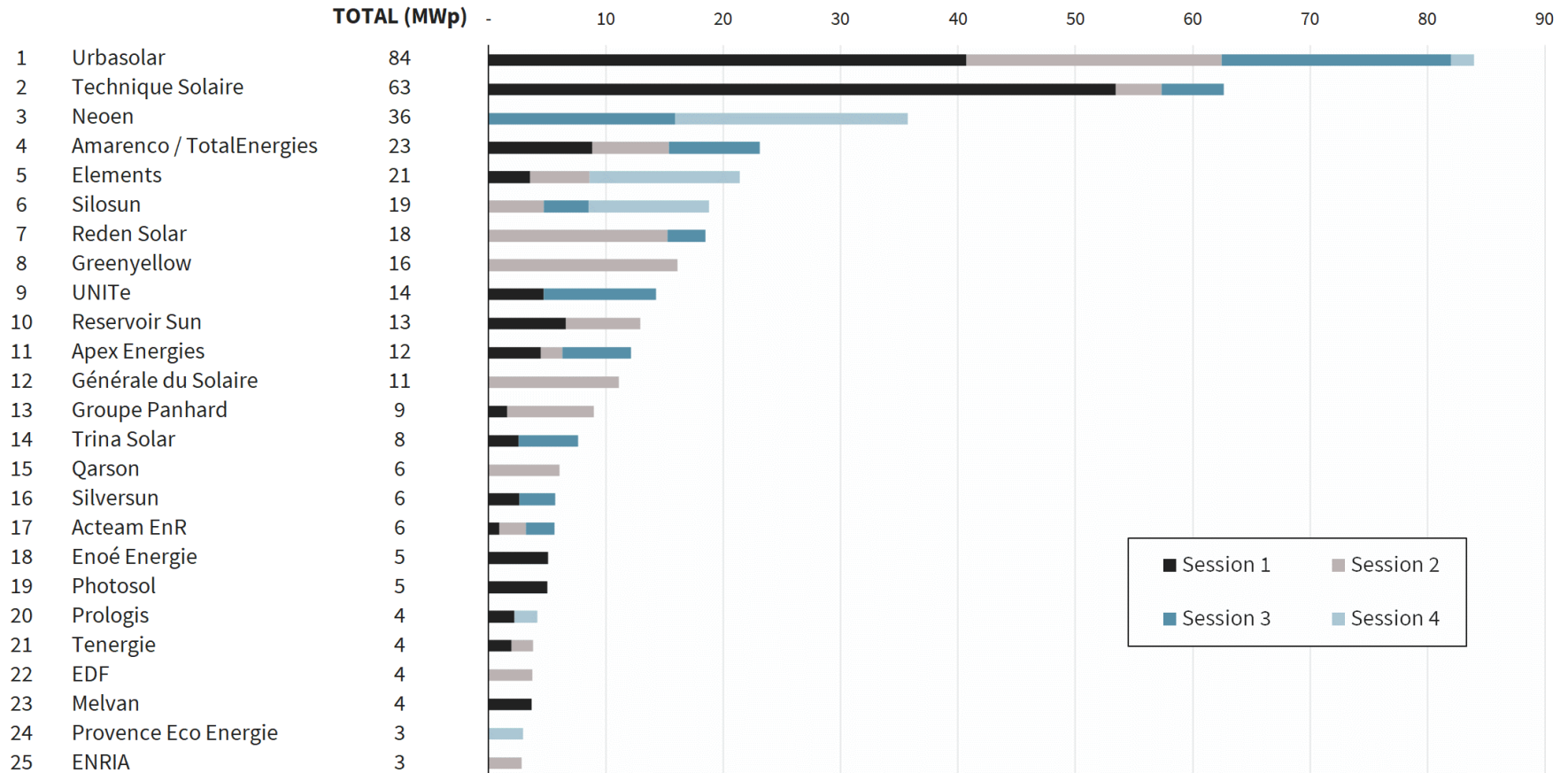
—○—"Tc" 100-500 kWp    —○—"Tb" < 100 kWp



# PPE2 PV rooftop tender – Top 25 developers

Neoen enters the Top 3 while Éléments and Silosun both win 7 ranks

## Top 25 most-awarded developers under the PPE2 rooftop tender



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*



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