

# Results analysis

## *PPE2 tender for ground-mounted PV – Session #3*

Version 1.02

— APRIL 18<sup>TH</sup>, 2023

# PPE2 ground-mounted PV tender – Introduction

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

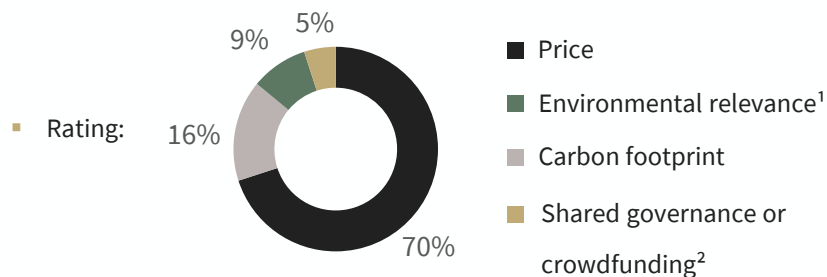
## Introduction

- 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
- We are today analyzing the results of the **3<sup>rd</sup> session of the PPE2 tender for ground-mounted PV**, released on April 7<sup>th</sup>, 2023. The **average tariff has sharply increased (+20.0%)** since the last session of the PPE2 tender for ground-mounted PV. The tender session was also **largely undersubscribed** with 115 MWp awarded for 925 MWp called **because of projects non-conformity on financial guarantees recent changes**

**As a direct consequence of this undersubscription, the French Ministry of Ecological and Solidarity Transition should exceptionally call 1.5 GWp of ground-mounted solar PV capacity in June 2023**

## Tender criteria

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



## Key data

	PPE2 Session #2	PPE2 Session #3
Awarded capacity	339.0 MWp	115.0 MWp
Number of awarded projects	38	7
Average awarded tariff	€ 68.51/MWh	€ 82.23/MWh
Maximum bidding tariff	€ 90.00/MWh	No maximum bidding tariff
Application deadline	May 20 <sup>th</sup> , 2022	December 23 <sup>rd</sup> , 2022

<sup>1</sup> Environmental relevance can either be maximum if the project is located on degraded lands, or null otherwise, <sup>2</sup> 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, <sup>3</sup> 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 – 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

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

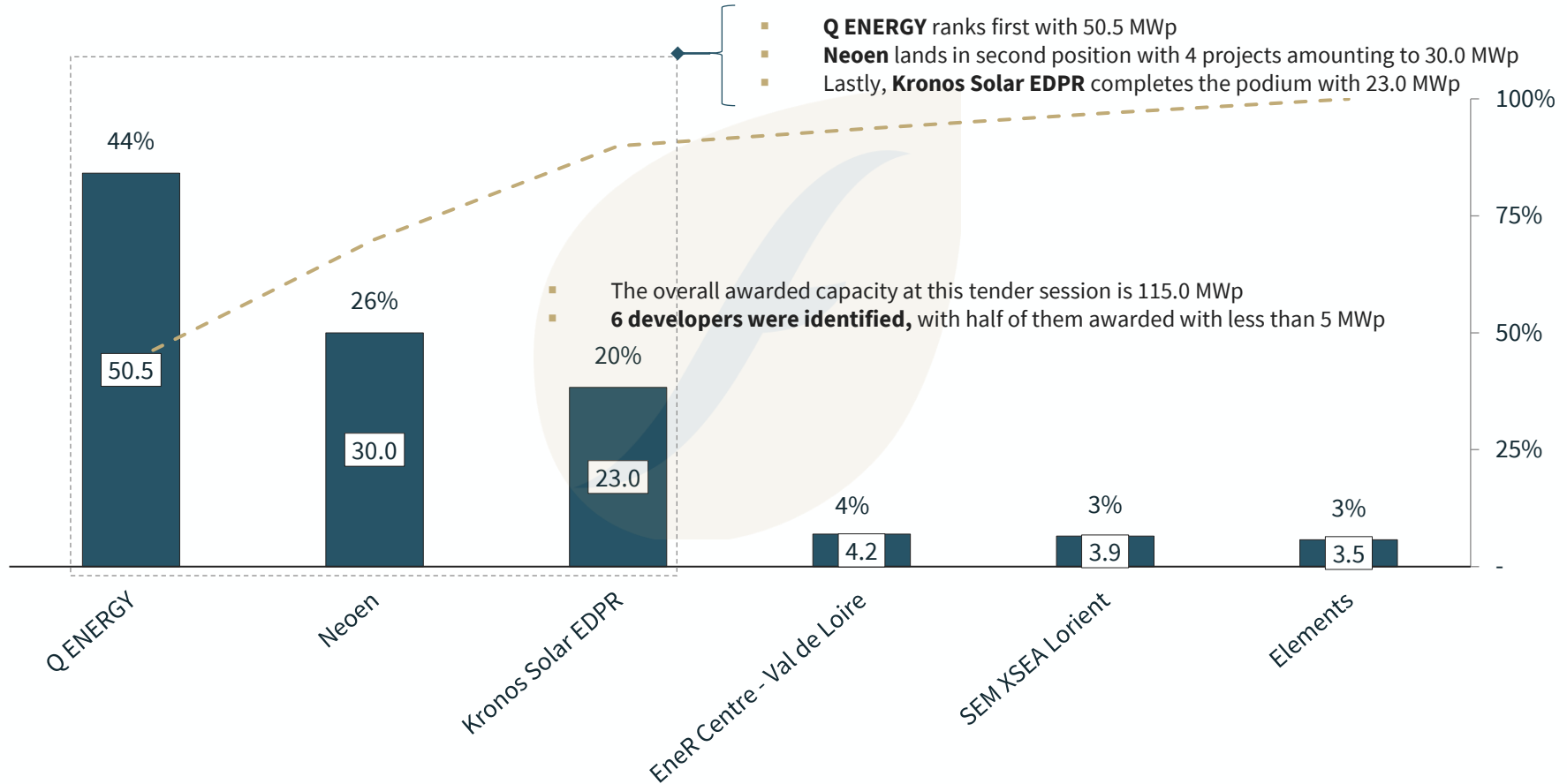
*N.B. Finergreen has recently released a comparative study on the key adjustments made since CRE4 in the different PPE2 tenders’ specifications. Please reach out to us if interested!*



# PPE2 ground-mounted tender #3 – Awarded projects

The total awarded capacity amounts to 115 MWp, with 6 identified developers

## Capacity awarded per developer (MWp)



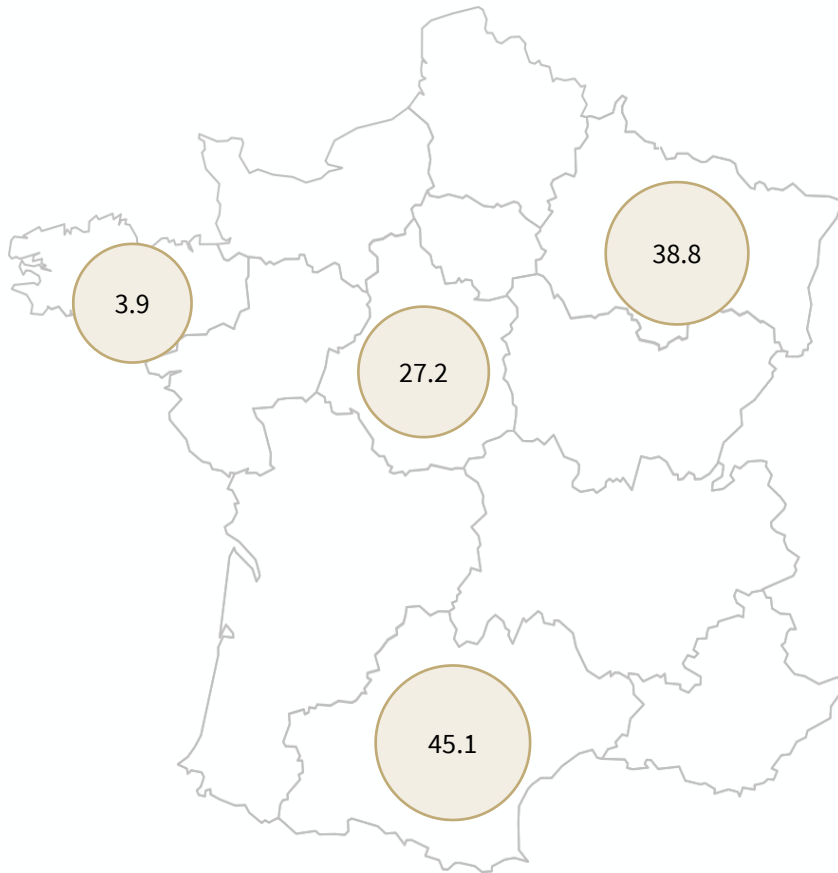
N.B.: This graph shows the cumulated projects capacity awarded to each developer; the developer might not be the final owner of the plant



# PPE2 ground-mounted tender #3 – Mapping

Nearly two thirds of the capacity awarded is located in Northern France

## Capacity awarded per region (MWp)



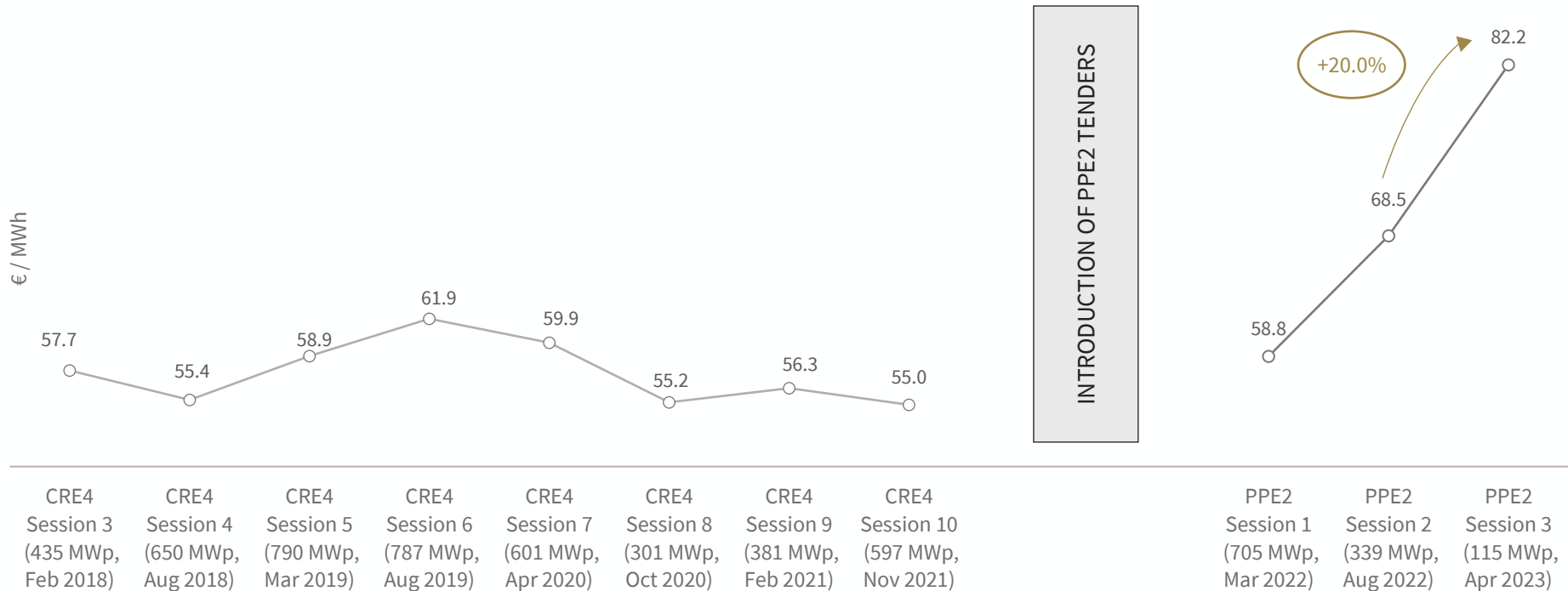
- **Occitanie is the region with the largest awarded capacity** with 39% (i.e., 45.1 MWp) of the globally-awarded capacity (i.e., 115.0 MWp). **Grand-Est is once again displaying great attractivity by landing at the second position not far from Occitanie** with 34% of the total capacity attributed (i.e., 38.8 MWp). In the meantime, Centre-Val de Loire gathers almost the remaining awarded capacity by securing 24%. Bretagne completes the tender offer with the last 3% of capacity attributed
- **Developers seem to have been bidding further north, most likely due to land pressure over the last ground-mounted tenders in France.** Only a little more than one third of the total awarded capacity is in Southern France
- The undersubscription likely favoured the northernmost projects, usually bidding at higher tariffs to compensate their lower irradiation levels.
- In this context where many projects were eliminated because of non-conformity with the tender's financial guarantee requirement, **only 4 regions are represented and Occitanie is the sole Southern region with awarded capacity**

# PPE2 ground-mounted tender – Average tariff evolution

Under this new PPE2 session, the average awarded tariff experienced, once again, an unprecedented increase (+20.0%)

## Average tariff evolution since CRE 4 tender (€ per MWh)

- Even though the previous increase was already substantial, this session marks once again a record in both average awarded tariff (82.2 €/MWh) and tariff evolution with a 20.0% rise regarding to the previous session. **Since CRE 4 came to an end in late 2021, the average awarded tariff has increased by 49.4%**
- The sharp increase in tariff is **coherent with the rise in interest rates in 2022**, and could be one of the driving factors; **increases in CAPEX costs were also observed** over this period and are likely to have played a part as well



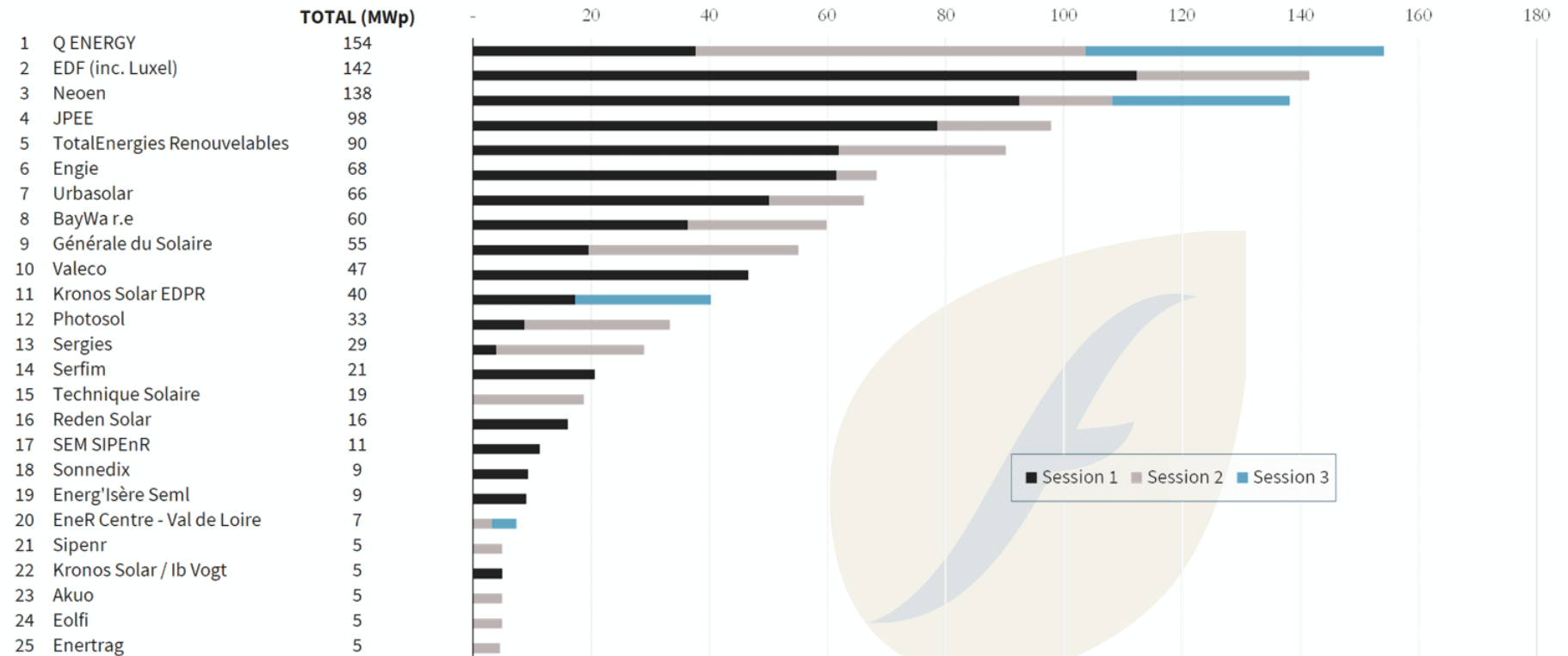
NB: Adjusted data based on category #1 and category #2 of CRE 4 ground-mounted tender (therefore excluding category #3 which was designed for shade houses, no longer part of PPE2 ground-mounted tender)



# PPE2 ground-mounted tender – Top 25 developers

*Q Energy is stepping in at the 1<sup>st</sup> place while Top 5 composition remains unchanged*

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



# Contacts

*Feel free to reach out*



**Arthur OMONT**  
Vice President

M. +33 (0) 7 81 34 61 40  
arthur.omont@finergreen.com



**Bastien MARTINEZ**  
Associate

M. +33 (0) 7 60 03 29 06  
bastien.martinez@finergreen.com



**Théo PICARD**  
Analyst

M. +33 (0) 6 73 96 20 35  
theo.picard@finergreen.com







FINERGREEN

