MERGERS & ACQUISITIONS PROJECT FINANCE STRATEGIC ADVISORY

Results analysis

PPE2 tender for rooftop PV – Session #5

Version 1.20

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FINERGREEN

PPE2 PV rooftop tender #5 – Introduction

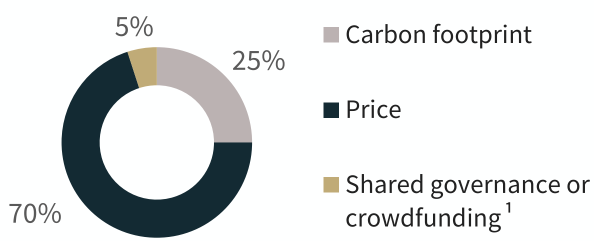
The PPE2 tender for rooftop PV grants solar developers a feed-in premium for their installation

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 **5th session of the PPE2 tender for PV rooftops**, released on August 25th, 2023. Since the last session of the PPE2 tender for PV rooftops, the **average tariff has slightly decreased** (-2.5%). The capacity called **was exceptionally increased from 400 MWp to 800 MWp** to make up for the last session issues about projects non-conformity on financial guarantees. Still, this 5th tender session was **largely undersubscribed** with 378.3 MWp awarded for 800 MWp called. The awarded volume is therefore close to the initial targeted capacity of 400 MWp

Tender criteria

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



Key data

	PPE2 Session #4	PPE2 Session #5
Awarded capacity	57.6 MWp	378.3 MWp
Number of awarded projects	16	90
Average awarded tariff	€ 104.52/MWh	€ 101.95/MWh
Maximum bidding tariff	No maximum bidding tariff	No maximum bidding tariff
Application deadline	January 20th, 2023	June 23th, 2023

[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
- 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 CO_2 eq/kWp
Maximum	550 kg CO_2 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	January 20th, 2023	400 MWp
5th session	**June 23rd, 2023**	**800 MWp**
6th session	December 1st, 2023	400 MWp
7th session	2023 TBD	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 released a comparative study on the key adjustments made since CRE4 in the different PPE2 tenders' specifications. Please reach out to us if interested!

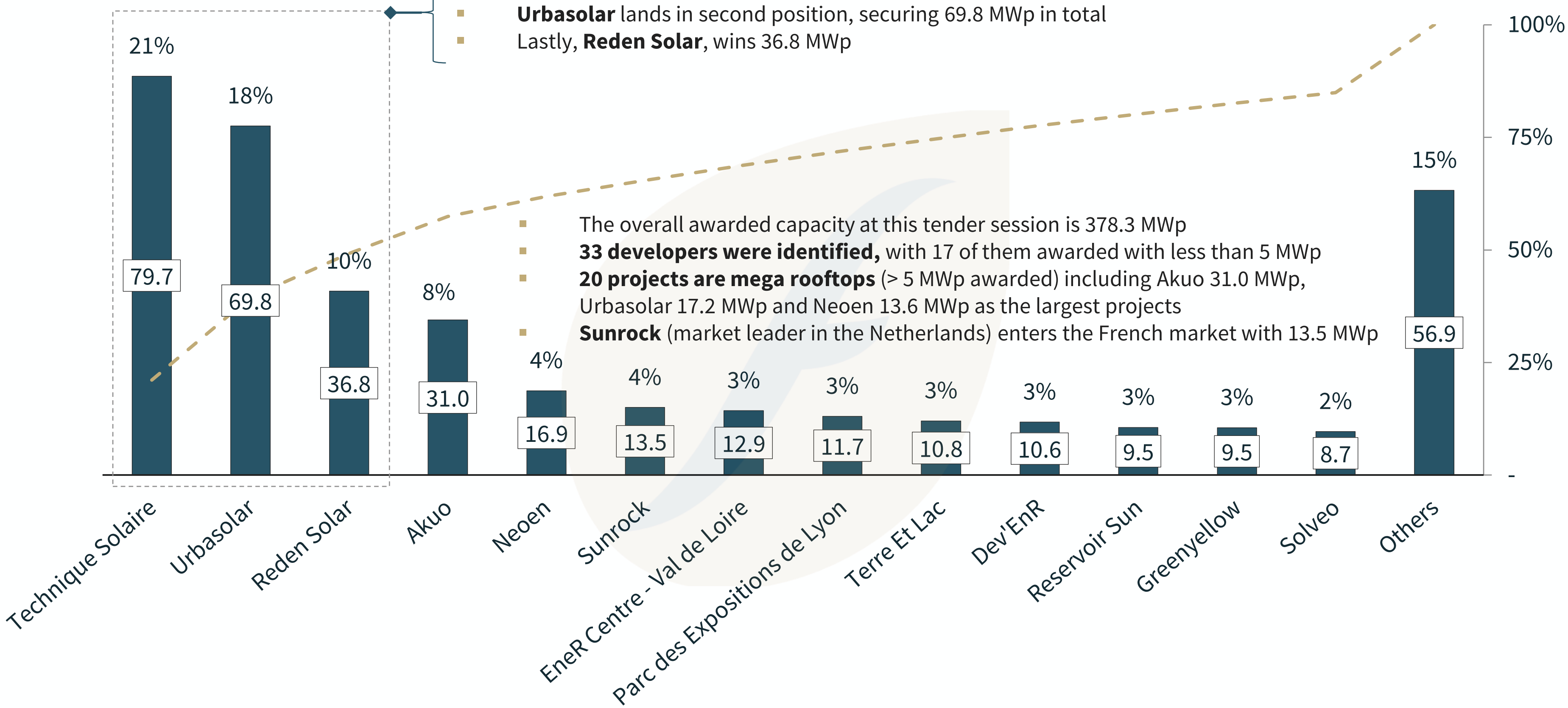
PPE2 PV rooftop tender #5 – Awarded projects

The total awarded capacity amounts to 378.3 MWp, with 33 identified developers

Capacity awarded per developer (MWp)

- **Technique Solaire** ranks first with 79.7 MWp
- **Urbasolar** lands in second position, securing 69.8 MWp in total
- Lastly, **Reden Solar**, wins 36.8 MWp

- The overall awarded capacity at this tender session is 378.3 MWp
- **33 developers were identified,** with 17 of them awarded with less than 5 MWp
- **20 projects are mega rooftops** (> 5 MWp awarded) including Akuo 31.0 MWp, Urbasolar 17.2 MWp and Neoen 13.6 MWp as the largest projects
- **Sunrock** (market leader in the Netherlands) enters the French market with 13.5 MWp

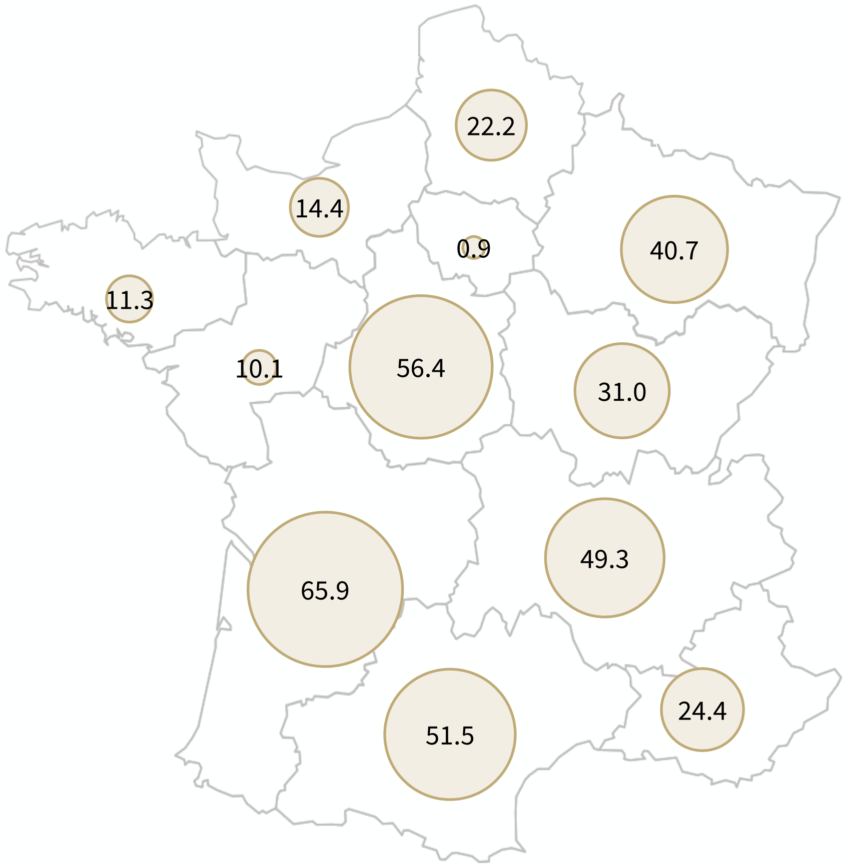


N.B.: This graph shows the cumulated projects capacity awarded to each developer; note that the developer might not be the final owner of the plant.

PPE2 PV rooftop tender #5 – Mapping

Nouvelle Aquitaine is the most awarded region with 65.9 MWp

Capacity awarded per region (MWp)

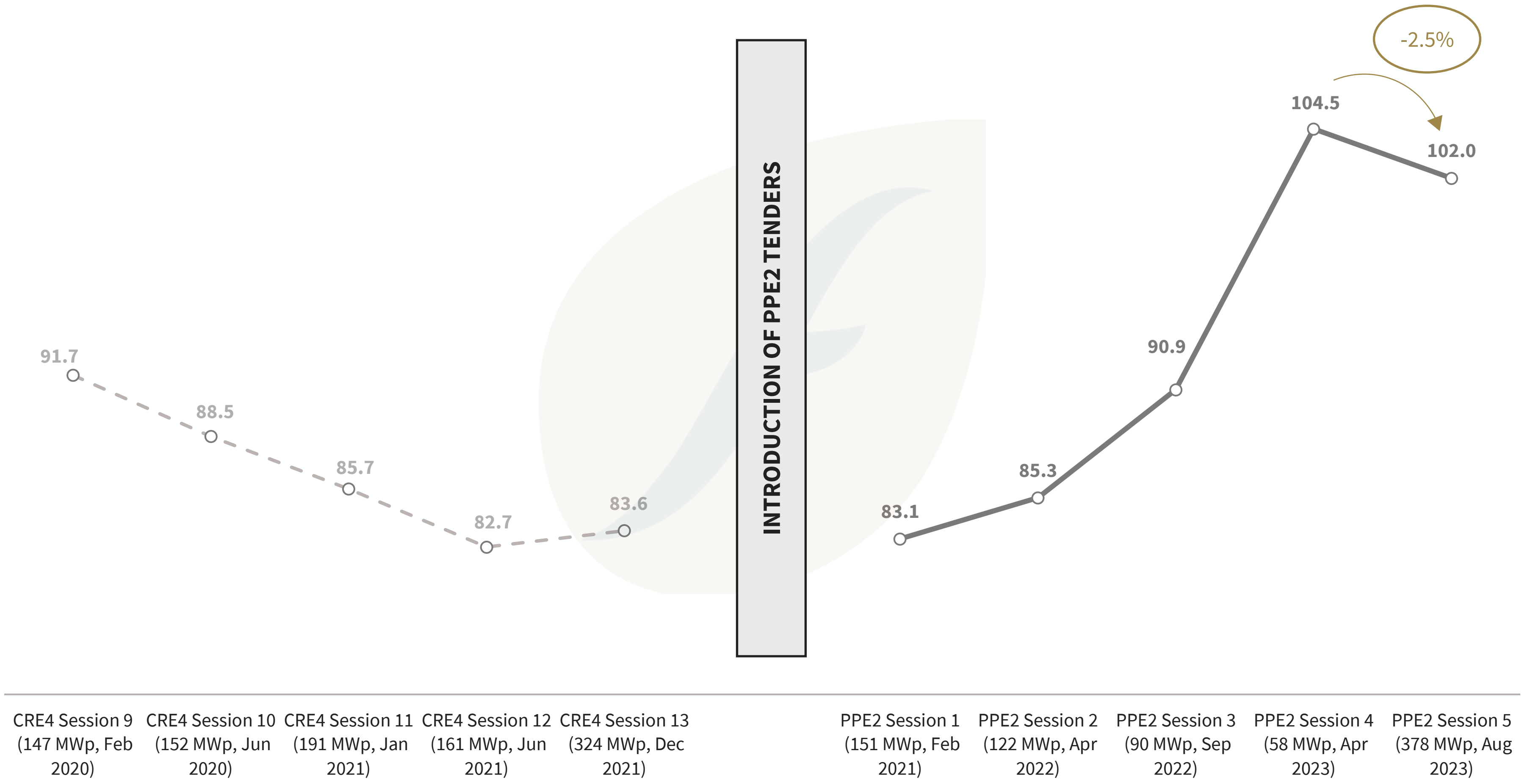


- **Nouvelle-Aquitaine and Centre-Val de Loire** are the regions with the **greatest awarded capacities** on this 5th session of the PPE2 tender for solar rooftops, with respectively 65.9 MWp and 56.4 MWp. Thanks to this make-up session, 4 regions are also breaking the awarded capacity record which was set at 47.5 MWp by Nouvelle-Aquitaine in session #1
- Once again, the **Northern half of France displays a great performance**, securing **just under half of the total awarded capacity** at this tender session
- On average, **projects located in the Northern half are almost three times as big as projects located in the Southern half** (i.e. 9.9 MWp vs. 3.6 MWp); this is likely due to the **ever-heavier land pressure for solar assets in the sunniest regions**. On top of that, most of the mega rooftops above 10 MWp are located in Northern half of France
- Occitanie is the region with the largest number of projects (i.e. 19) while Bourgogne-Franche-Comté and Île-de-France only have one project each

PPE2 PV rooftop tender – Tariff evolution

Since the last session, the average awarded tariff slightly went down (2.5%) but remains close to its highest level above €100/MWh

Average tariff evolution since CRE4 last tenders (€ per MWh)

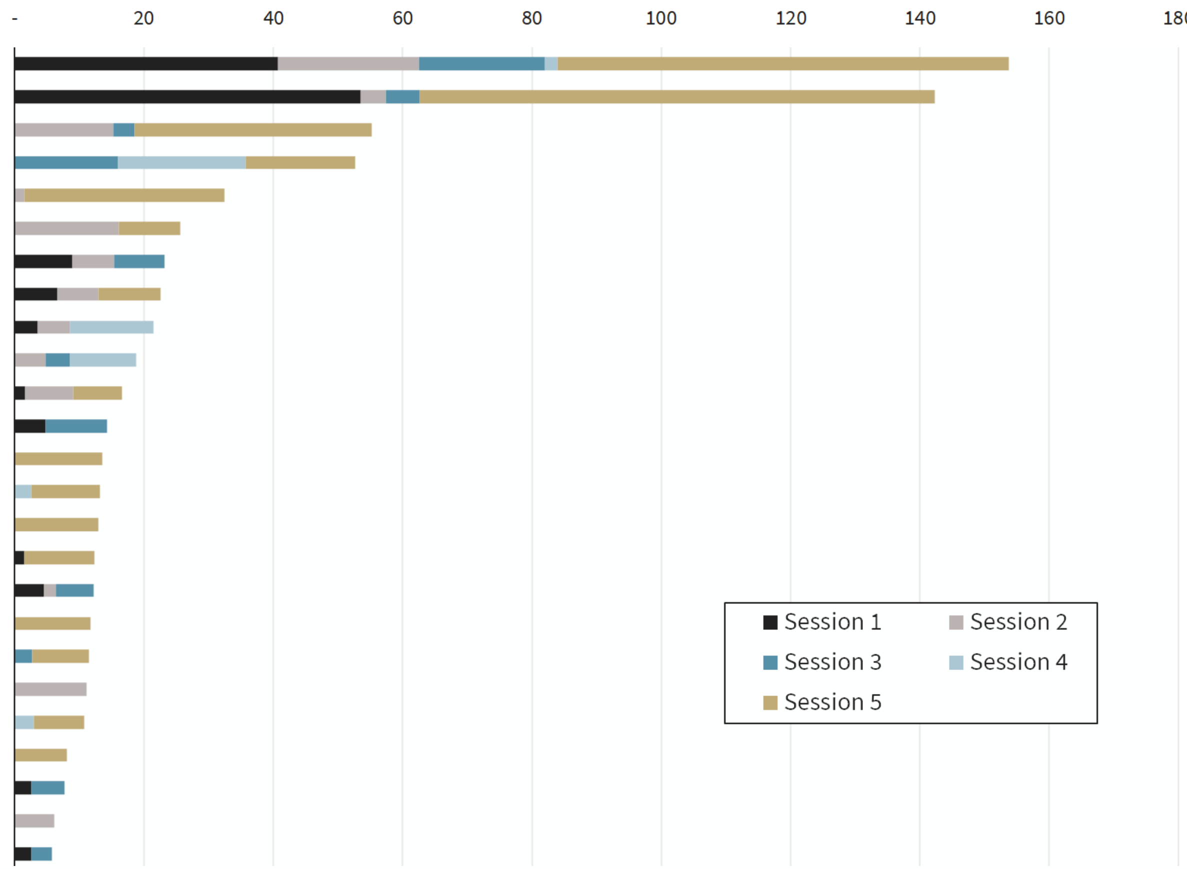


PPE2 PV rooftop tender – Top 25 developers

Urbasolar rises to the 1st place, Reden Solar enters the Top 3 while Akuo makes it to the Top 5 thanks to its mega rooftop project of 31 MWp

Top 25 most-awarded developers under the PPE2 rooftop tender

		TOTAL (MWp)
1	Urbasolar	154
2	Technique Solaire	142
3	Reden Solar	55
4	Neoen	53
5	Akuo	32
6	Greenyellow	26
7	Amarenco / TotalEnergies	23
8	Reservoir Sun	22
9	Elements	21
10	Silosun	19
11	Groupe Panhard	17
12	UNITe	14
13	Sunrock	14
14	Dev'EnR	13
15	EneR Centre - Val de Loire	13
16	Terre Et Lac	12
17	Apex Energies	12
18	Parc des Expositions de Lyon	12
19	Solveo	11
20	Générale du Solaire	11
21	Provence Eco Energie	11
22	Aéroport Toulouse Blagnac (ATB)	8
23	Trina Solar	8
24	Qarson	6
25	Silversun	6



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

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