

Results analysis

PPE2 tender for ground-mounted PV – Session #5

Version 1.01

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PPE2 ground-mounted PV tender – Introduction

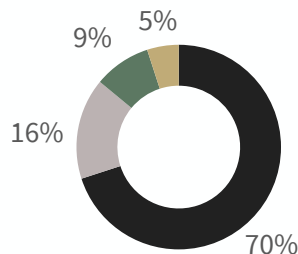
The PPE2 tender for ground-mounted PV grants solar developers a feed-in premium for their installation

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, with one exception: there is no capacity limit for projects located on degraded lands (e.g., industrial wasteland, old quarry, etc.)
- We are today analyzing the results of the **5th session of the PPE2 tender for ground-mounted PV**, released on March 4th, 2024. The **average tariff of this session confirms its stabilization trend** (-0.6% compared to the 4th session’s average) which was already observed during the last session (cf. slide 6). This 5th session **was properly subscribed with 912 MWp awarded for 925 MWp called**

Tender criteria

- Type: Ground-mounted PV
- Capacity: Between 500 kWp and 30 MWp (no limit for degraded lands)
- Rating:
 - Price
 - Environmental relevance¹
 - Carbon footprint
 - Shared governance or crowdfunding²



Key data

	PPE2 Session #4	PPE2 Session #5
Awarded capacity	1 519.0 MWp	911.5 MWp
Number of awarded projects	129	92
Average awarded tariff	€ 82.42/MWh	€ 81.90/MWh
Maximum bidding tariff	No maximum bidding tariff	No maximum bidding tariff
Application deadline	June 26 th , 2023	Dec. 15 th , 2023

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)



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 26 th , 2023	1 500 MWp
5th session	December 15th, 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

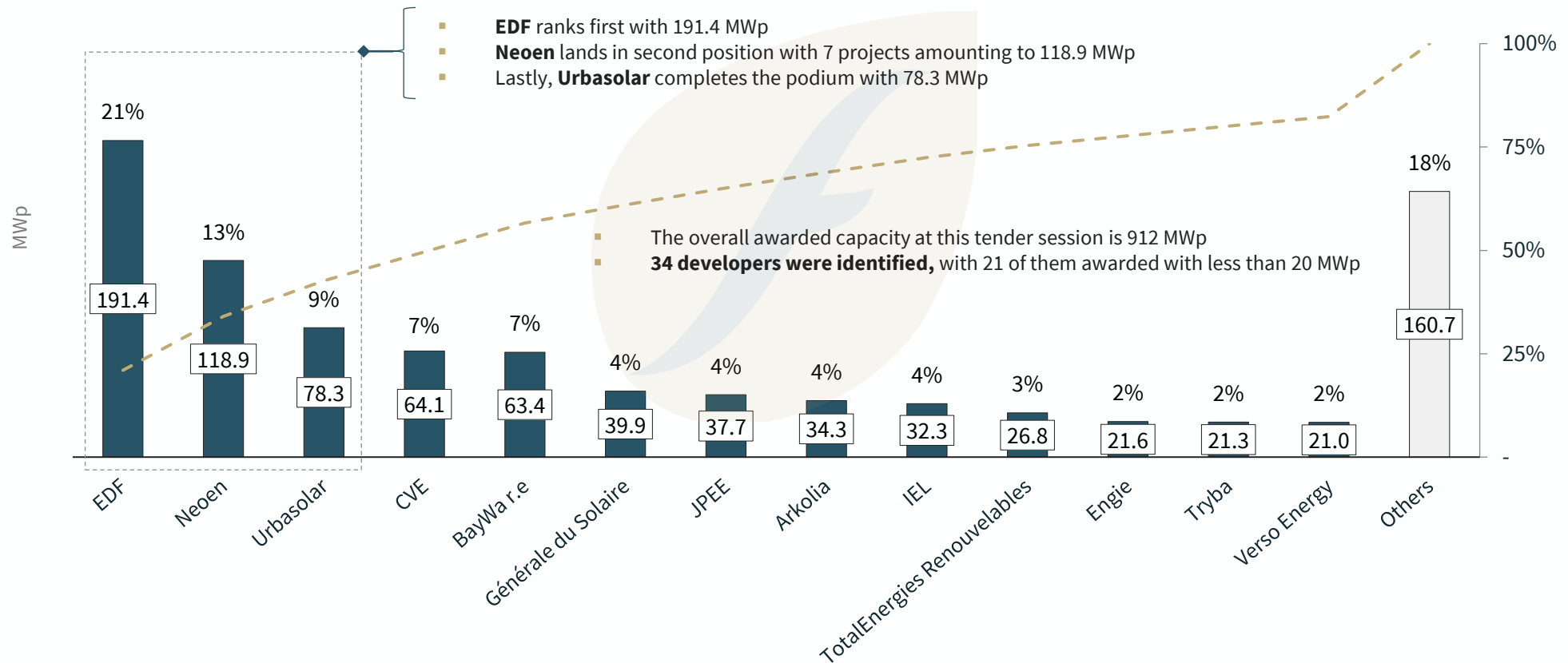
N.B. Finergreen has recently released a comparative study on the key adjustments made since CRE4 in the different PPE2 tenders’ specifications. Please reach out to us if interested!



PPE2 ground-mounted tender #5 – Awarded projects

The total awarded capacity amounts to 912 MWp, with 34 identified developers

Capacity awarded per developer (MWp)



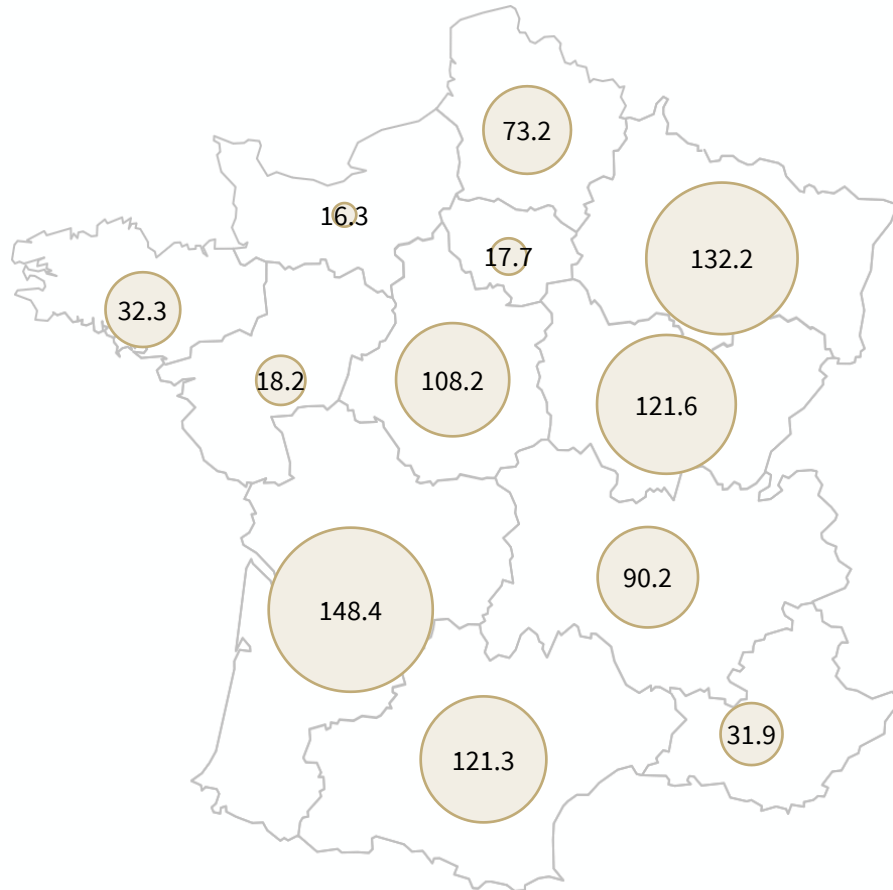
N.B.: This graph shows the cumulated projects capacity awarded to each developer; the developer might not be the final owner of the plant



PPE2 ground-mounted tender #5 – Mapping

Nouvelle-Aquitaine is the most awarded region with 148.4 MWp closely followed by Grand-Est with its 132.3 MWp

Capacity awarded per region (MWp)



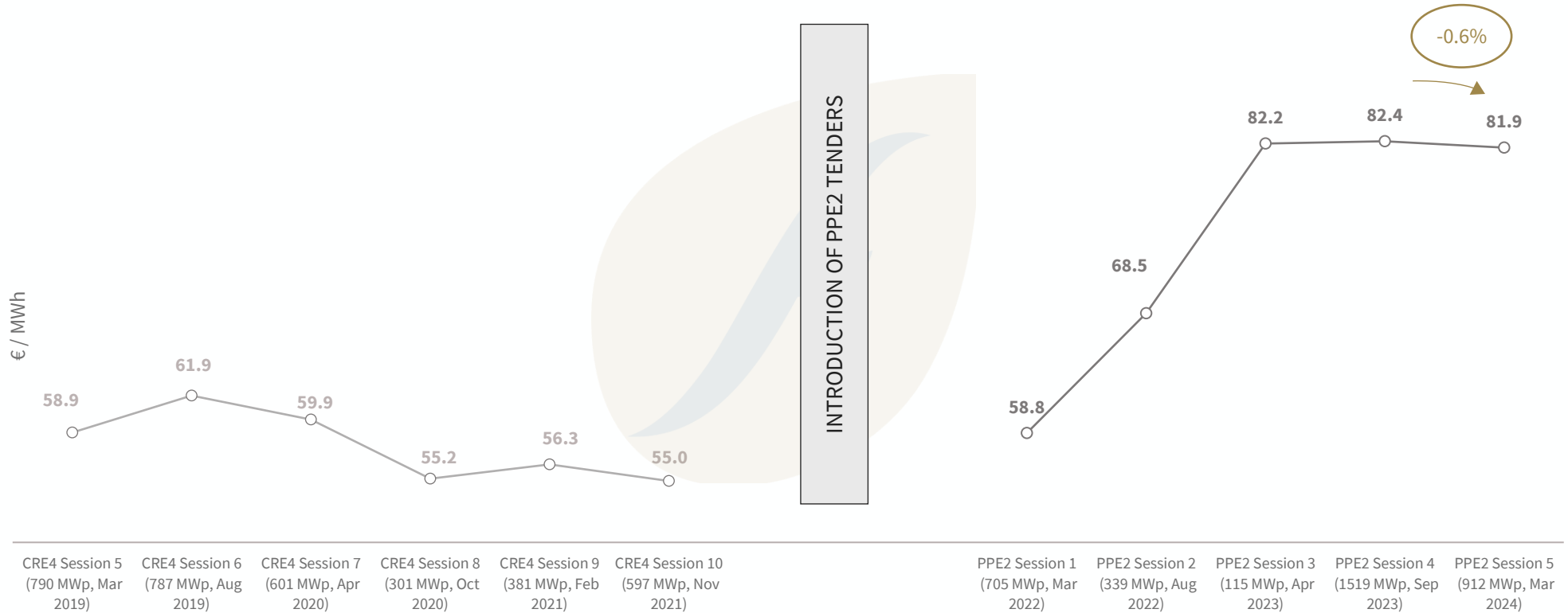
- **Nouvelle-Aquitaine and Grand-Est** are the regions with the **greatest awarded capacities** on this 5th session of PPE2 tender for ground-mounted PV, with respectively 148.4 MWp and 132.3 MWp
- **Developers seem to have been bidding less up North than before:** 43% of the total awarded capacity is in Southern France. This share had never reached more than a 33% since the start of PPE2 ground-mounted tenders
- On average, **projects located in the Northern half are close to twice as big as projects located in the Southern half** (i.e., 15.1 MWp vs. 8.6 MWp) despite two tremendous projects (69.0 MWp & 45.0 MWp).
- **The overall average project's size dropped by 16% since the 4th session** (i.e. 9.9 MWp vs. 11.8 MWp) which may have slightly favoured Southern projects encountering greater land pressure than Northern candidates
- For the first time in a PPE2 ground-mounted session, **Bretagne has been awarded with 10+ MWp to reach 32.3 MWp** thanks to one large project of 27.1 MWp
- **Every region has been awarded with capacities on this 5th session**, this is only the second time in PPE2 ground-mounted tenders, with the previous make-up session (4th) that attributed 1 519 MWp



PPE2 ground-mounted tender - Average tariff evolution

Under this new PPE2 session, the average awarded tariff has once again stabilized (-0.6%) after an unprecedented increase in 2022-2023

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



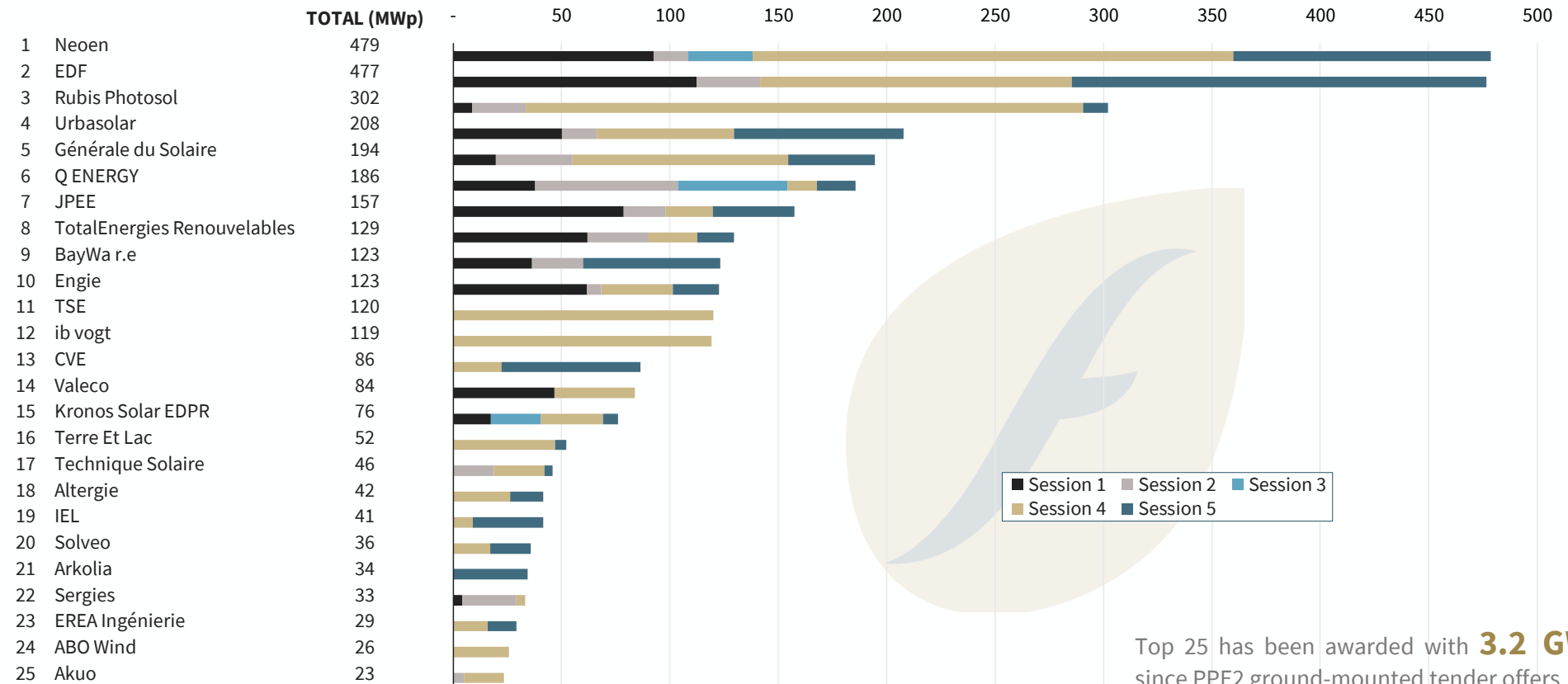
N.B.: Adjusted data based on category #1 and category #2 of CRE 4 ground-mounted tender (therefore excluding category #3 which was designed for shade houses, no longer part of PPE2 ground-mounted tender)



PPE2 ground-mounted tender - Top 25 developers

Neoen managed to keep its 1st place, closely followed by this 5th session most awarded developer, EDF, while Rubis Photosol maintains its 3rd rank

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



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