M&A Advisory

Project Finance

Strategic Advisory

ANALYSIS OF THE RESULTS

Third French Wind Tender

June, 19 2018

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CONTEXT

MINISTÈRE DE LA TRANSITION ÉCOLOGIQUE ET SOLIDAIRE

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The results are for the first period of the CRE wind tenders, for which project specifications were published in November 2017. The tender program is scheduled to award PPAs for a total volume of 3 000 MW over 6 rounds during 2 years. The plants have to be of at least 7 wind turbines or must have at least one turbine greater than 3 MW.

This analysis is based on the results of the **third round of the tender**, published on June 12, 2019 by the French Ministry for an Ecological and Inclusive Transition. It follows the second round during which only 110 MW had been allocated due to under-subscription.

SCOPE OF THE TENDER

- Type of plants: Wind farms with 7+ turbines or with at least one turbine greater than 3 MW
- Duration of the remuneration supplement: **20 years**
- Maximum tariff: **71 € / MW**
- Rating criteria: **Tariff**

ROUND	FILING DEADLINE	TARGET CAPACITY (MW)
1	Dec-17	500
2	June-18	500
3	Apr-19	500
4	Aug-19	500
5	Dec-19	630
6	June-20	752

KEY INFORMATION

- Total capacity: **516.5 MW**
- Winners: **21 projects**, **16 developers**
- Winning projects average tariff: **63.0 €/MWh**
- Crowdfunding premium
  - Investment share of 20%: **2 €/MWh**
  - Between 20% and 40%: **Linear interpolation**
  - Greater than 40%: **3€ /MWh**

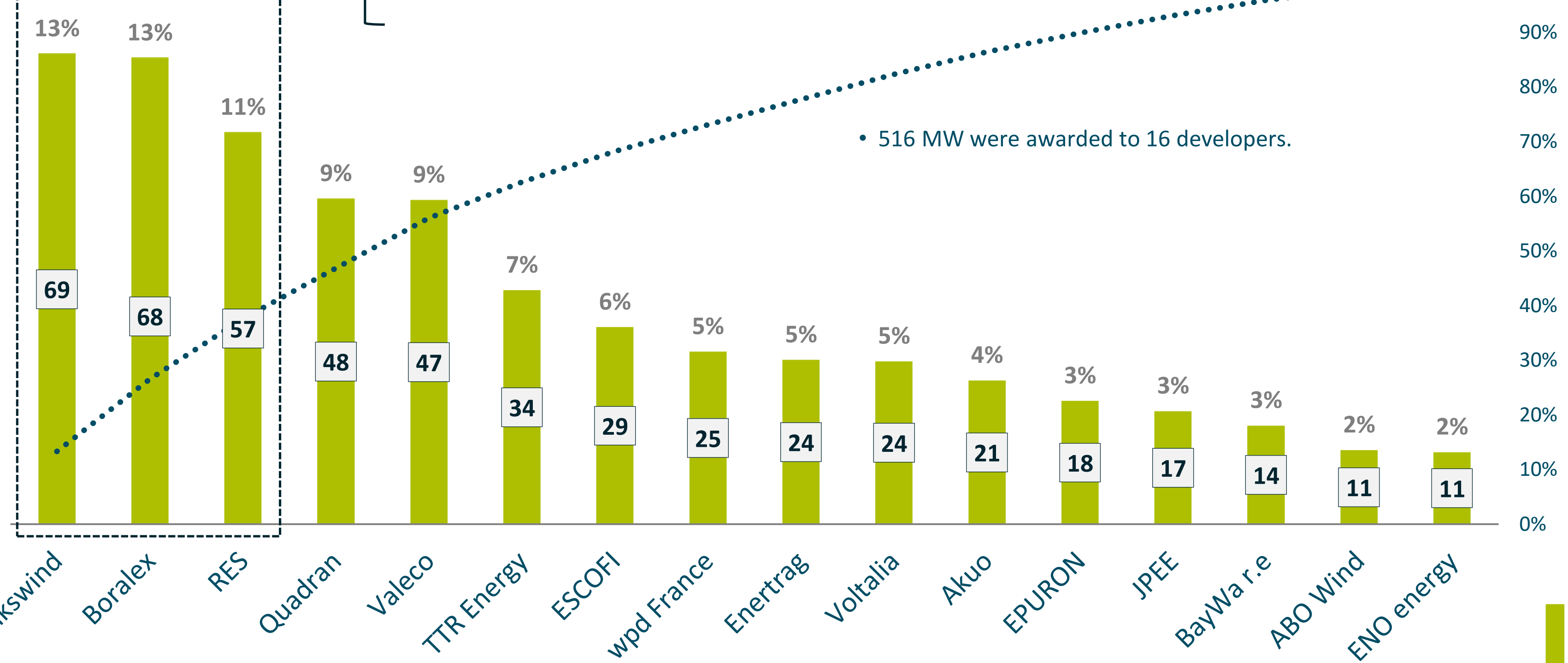
WINNERS OF THE FRENCH FIRST WIND AUCTION

CAPACITY PER DEVELOPER

Published on **June 12, 2019**

SOURCE: FINERGREEN ANALYSIS

- Volkswind wins this third round with 69 MW.
- Boralex and RES closely follow with respectively 68 and 57 MW.
- These 3 developers combine for 37% of the total awarded capacity : The 5 top developers weight for approximatively 55% of the awarded capacity.



N.B. Finergreen matched each project to its corresponding developer. Please get in touch if you wish to see any information adjusted

This graph shows the capacity won by projects from each developer ; note that the developer might not be the final owner of the plant.

THE WINNERS IN THE FEE RANKING

RANKING OF THE 20 FIRST FRENCH IPPS*	DEVELOPER	INSTALLED CAPACTY AS OF 30/06/18*	ALLOCATED POWER DURING ROUND 3
1	Engie (incl. CNR)	1 923	
2	EDF EN	1 488	
3	Energie Team	802	
4	Boralex	771	68
5	VSB EN	596	
6	Valemo	567	
7	RES	558	**57**
8	WPO	532	
9	EDPR	410	
10	ERG	397	
11	GreenSolver	380	
12	Quadran	374	48
13	Volkswind	330	69
14	WPD	314	25
15	Enertrag	285	24
16	Eurowatt	262	
17	H2AIR	211	
18	ABO Wind	201	11
19	JPEE	178	17
20	P&T Technologie	162	
TOTAL		**8 818**	**366**

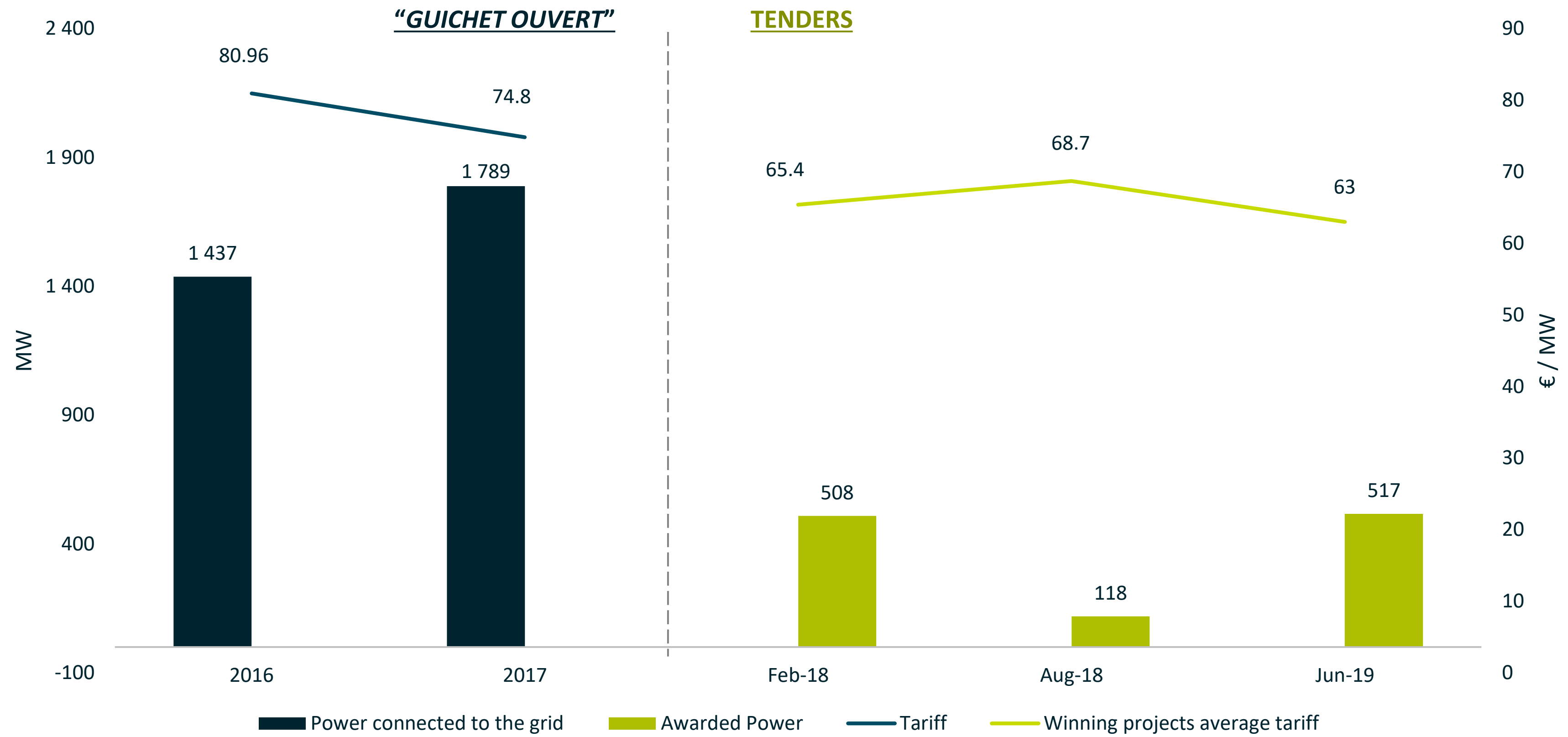
The 20 first French IPPs in the wind sector account for approx. 61 % of the total installed capacity in France, ie. 8 818 MW out of 14 354.

8 of these companies are part of the third tender's winners, accounting for 75% of the total awarded power.

The 8 other winners are either companies specialized in the wind sector which recently entered the French market, or smaller IPPs. They account for a quarter of the total power allocated during this round.

*Source : FEE

WIND AVERAGE TARIFF – EVOLUTION



The Wind Industry has lived recently the transition from the open window mechanism (« *guichet ouvert* ») to the tenders' one. The volumes still lower than those of 2017 show that the adjustment phase is not over yet (and that the switchover had been anticipated with a very large number of projects in 2017).

The average prices during tenders seem to be consistent (if we put aside the second round, under-subscribed): we observe a slow decrease from the levels that were offered in open windows, a sign that the market continues to mature.

*Source : FEE

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