



# Aktuelle Entwicklungen in der Finanzierung von Onshore-Windparks in Frankreich

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## Agenda

1. wpd in France
2. French Market for Onshore Wind
3. Economic Environment
4. Remuneration Options
5. Financing PPA Projects
6. Outlook





# 1. wpd presence in France

11 offices in France, 159 employees

Onshore Wind: 114 

571 MW in operation

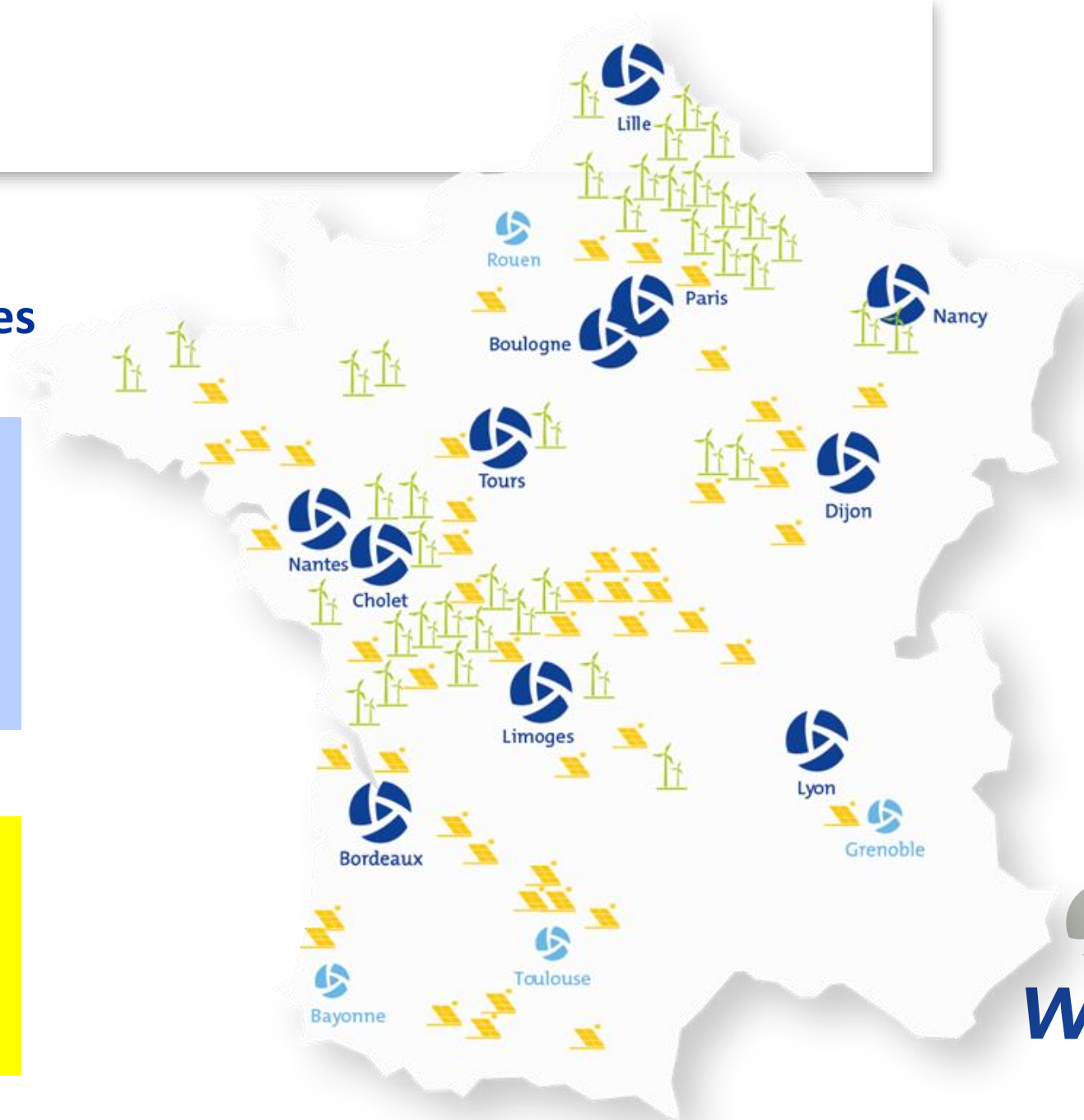
73 MW under construction

1600 MW under development

Solar: 45 

138 MW in pre-construction

1200 MW under development



## 2. French Market for Onshore Wind

### Ongoing Challenges in the Development

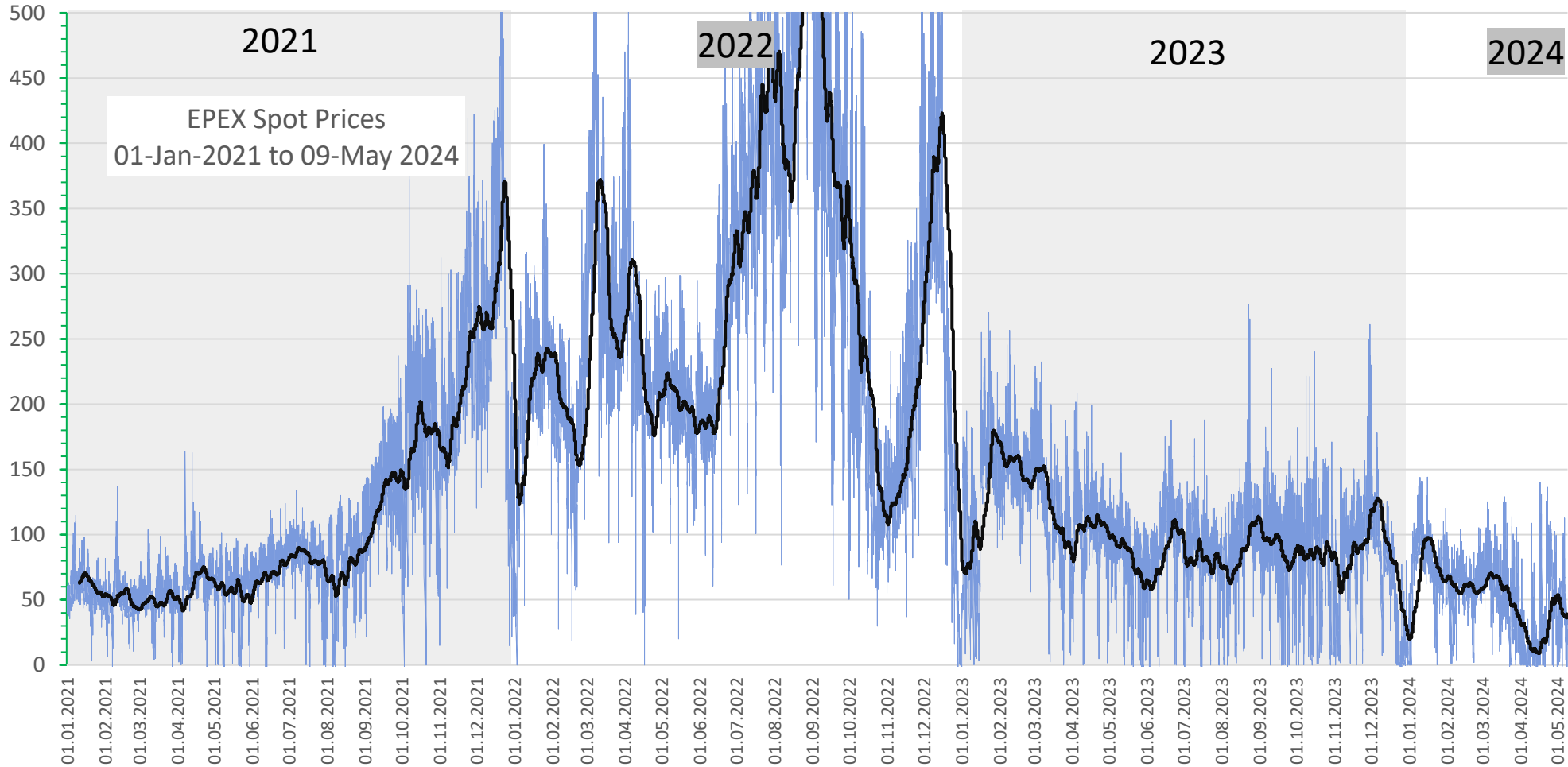
- Many projects are realized with open ends
- Discrepancies between permitted turbine technology and state-of-the-art creates cliffs
- More competition and higher expectations locally
- Local (financial) participation wanted, but difficult execution in unstable environment over long periods

### Challenging Commercials with risks and chances

- Decide on, finance and deliver projects under high uncertainty
- with several heterogenous remuneration options
- regulatory uncertainty around those (CRIM, deplafonnement, 18M-merchant nose, etc.)
- Very heterogenous LCOE without (any) tariff differentiation lead to concentration
- Cost increase on balancing costs
- Energy Policy with French touch

### 3. Economic Environment (1/2) – Power Prices

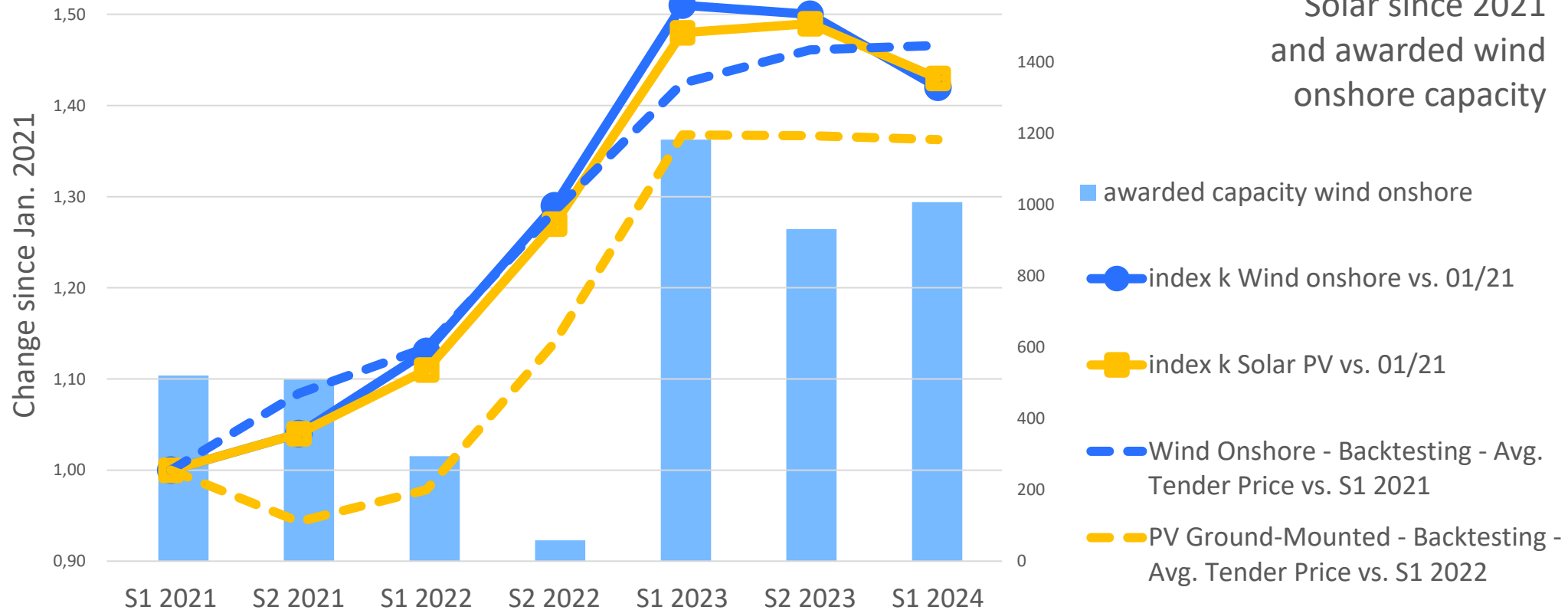
**Electricity Price Development – Everything back to normal? Structural shifts and risks have been demonstrated and will persist.**



### 3. Economic Environment (2/2) – Costs and Remuneration

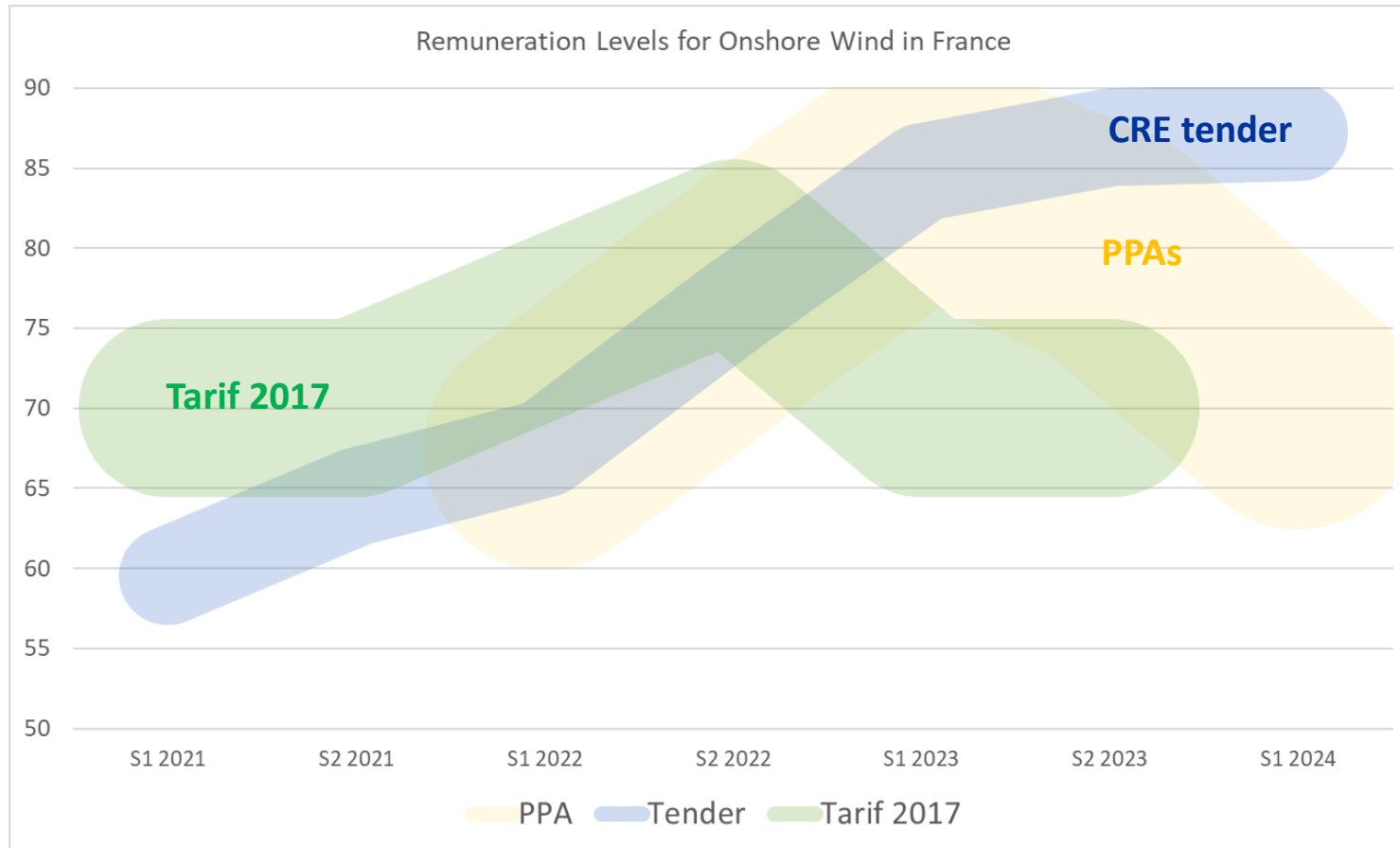
**LCOE of up to 50% higher than before. Yet, finally, they are sufficiently taken into account and with the k-index the tender design has got a necessary update.**

Development of k-index, average tender prices for Wind Onshore and Solar since 2021 and awarded wind onshore capacity



## 4. Remuneration Options

### Remuneration schemes attractiveness



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## 5. Financing PPA-Projects

**Financing projects on the basis of a PPA is more than just exchanging a state-CfD by a cPPA-CfD.**

- Different risk sharing between producer and offtaker than in a state-CfD
- Bankability and Counterparty Risk
- Exposure to Merchant Risk in small or larger portions
- Huge coordination effort to streamline timelines and resulting investment uncertainty (price, volume, conclusion date)
- Transaction and opportunity costs
- Regulatory uncertainty
- Planning complexity



## 6. Outlook : What next?

### Normalization with tender scheme and PPAs complementing each other?

- State support schemes: Tender - k-index, allowing split into CfD and PPA?
- PPA market: PPAs – ARENH, price parity?
- Further calming of regulatory interventions?
- Market Prices: Further evolution of existing French power system and demand growth?

# Thanks! – Any questions?



Vive l'amitié franco-allemande!