



PUBLIC CONSULTATION - FACILITATING POWER PURCHASE AGREEMENTS _ TotalEnergies ADDITIONAL COMMENTS

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Question29. Do you/your company/your organization have any further comments on facilitating Power Purchase Agreements?

Corporate PPAs have some common short comings : lack of credit quality of the off-takers, off-taker uncertainty of becoming noncompetitive in the future if the PPA is no longer profitable, having to negotiate and deal with complex contracts outside of their expertise, accounting issues if they need to consolidate the PPAs in their accounts, and complexity of Cross Border PPAs.

Therefore, incrementing the liquidity of the future markets will give an option to the companies to manage their position and take long term contracts at fixed rates, without being fully exposed if the PPA goes against them. It would deal with the worries of becoming not competitive in the future.

The problem of the complexity of the contracts could also be solved with liquidity in the future markets, as companies would be able to hedge and swap their positions. This would require the market being able to attach GOs to the contracts.

In terms of the Cross Border PPAs, barriers for green energy produced in one country to be recognized in a different one would need to be removed. Easing Cross Broder PPAs would allow a more efficient allocation of capital and use of land.

Besides, Power Purchase Agreements development is closely linked with renewables projects development. Therefore, PPA will benefit from the reduction of the administrative permit duration, the simplification of the process of permitting and the speeding interconnection process for assets to be connected to the grid and to maintain a fair competition between developers to get access to the grid in a reasonable time limit.

Finally, to reach a maximum number of clients, it is necessary to implement tools to sign PPAs with a duration corresponding to a market horizon, without affecting the financing of renewable projects.