

BETICA PV PORTFOLIO

INVEU-ICR-0057-2024 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipient	Several Special Purpose Vehicles, indirectly owned by different investors through several vehicles managed by Everwood Capital SGEIC, S.A.: - Nueva Era Solar M&D IV SL. - Baetica Investment SLU. - Arcadia Renovables SL.
Type of the final recipients	Several Special Purpose Vehicle (SPV)
Country of implementation	Spain
Implementing partner	European Investment Bank

The project is in line with the InvestEU objective of the development of the energy sector in accordance with the Energy Union priorities. The project consists of the financing for the construction and operation of five utility-scale solar PV plants (each one of them a “Plant”, and collectively the “Plants”, or the “Portfolio”) with a total capacity of approximately 450MWp in advanced stage of development and located in Andalusia, Spain (the “Project”). The Plants are divided in two clusters:

- Carmona Cluster, composed of 3 plants totalling 150 MWp and located in the province of Sevilla.
- Cabra Cluster, composed of 2 plants totalling 300 MW and located in the province of Cordoba.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 10 October 2024 for the above-mentioned operation.

The project increases the renewable energy generation capacity in Spain and contributes to national and EU 2030 climate objectives. The financing of this project is in line with the Bank's lending priority objectives on Renewable Energy as well as on Climate Action, Environmental Sustainability and Social and Economic Cohesion.

The project produces electricity from low carbon sources (solar photovoltaic ("PV") plants), addressing the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and other air pollution (compared to fossil-fuel generation).

Investment Committee of the InvestEU Fund

Meeting no 32 of 10-11 October 2024

Room Schuman, Foyer Européen

10, rue Heinrich Heine, L-1720 Luxembourg (Gare)

As the project is expected to rely purely on revenues from the market (the wholesale market), in a sector characterised by incomplete markets (limited forward/hedging, lack of scarcity pricing and lack of locational pricing), it improves market efficiency and competition. The PV plants are located in EIB Cohesion Priority regions. Therefore, the project is expected to yield excellent quality and results due to excellent rated, broader social benefits and fair employment creation.

Considering that the project will operate on a purely merchant basis in a context of price volatility and decreasing solar capture prices in the Spanish market, the project entails high financial-rate-of-return risk. EIB's presence has a strong signalling and catalytic effect in this respect.

The Bank's contribution on the financial contribution side accelerates the funding of the project and helps crowding in other financiers. The Bank will provide a meaningful part of the overall financing needs of the project through a senior debt facility. Currently, most commercial banks are still reluctant to offer such type of financing in Spain. The Bank provides expertise in structuring and lending to renewable energy projects, applying standard and well tested project finance principles in other recent transactions. This will improve the structuring of the operation through close co-operation with the promoter and the commercial lenders. The project would not have been carried out (to the same extent) by the EIB without the InvestEU support.