

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: EDPR POLAND GREEN ENERGY LOAN

Type of approval :

- ☒ Individual financing or investment operation or
☐ Framework Operation

Name of the final recipient: up to 11 Polish SPVs

Country(-ies) of implementation: Poland

Short description of the financing or investment operation:

The project comprises of the design, construction and operation of up to 11 small to medium sized wind farms (average nominal capacity ~35 MW) geographically dispersed across Poland with a total nominal capacity of ~380 MW. Two wind farms (total joint nominal capacity of 87.5 MW) have been developed in-house by the promoter from the outset, while the remainder has been acquired from other, local developers in the course of 2019.

The project comprises of 156 turbines of two different suppliers with several different unit sizes ranging from 2 MW up to 4.2 MW. Unit size, hub heights and rotor diameter of the turbine types are selected and adapted to the conditions of each wind farm site. Electrical equipment such as internal array cabling and transformers (LV/MV) and civil works (foundations, access and internal roads) are part of the project scope. The wind farm will be connected to the high voltage network through a new substation. This will be provided by the network operator and is thus outside of the project's scope.

The project benefits from a two-sided contract-for-differences (CfD) at a production-weighted average strike price of 198 PLN/MWh (~43 EUR/MWh), awarded under the November 2019 renewable energy auction (except for two small plants under the November 2018 auction), for a 96% share of its estimated P75 production for a period of 15 years. The remaining four per cent will receive market (capture) prices over the reference period.

¹ This Scoreboard of indicators reflects the information presented to the InvestEU Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Public Statement

The Bank's investment in the project will support the deployment of new renewable energy capacity in Poland, crucial for the achievement of the 2030 decarbonisation targets set out in the National Energy and Climate Plan. As the individual wind farms are located in less developed regions, the overall investment will also contribute to the cohesion objective. The financing of this project also contributes to Bank's renewable energy and climate action (transversal) lending objectives.

In terms of addressing market failures, these onshore wind projects primarily reduce carbon and air pollution externalities. Moreover, the projects provide new generation capacity in a sector characterised by incomplete markets, relying on public Contracts for Difference (CfD) with exposure to residual market risks. It thereby contributes to the policy objective of supporting market integration of renewable energy projects.

The operation is expected to yield good quality and results, thanks to avoided GHG emissions, fair employment creation and governance arrangements.

The Bank's contribution will be most visible on the financial contribution side by accelerating the fundraising process and crowding in other financiers. The Bank provides expertise in structuring and lending to renewable energy projects, applying standard and well tested project finance principles. This will improve the structuring of the operation through close co-operation with the promoter and the commercial lenders.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (**Excellent**)

Pillar 4 - Financial and technical contribution by the Implementing Partner (**Very Good**)

Pillar 5 - Impact of the financing or investment operation (**Very Good**)

Pillar 7 - Complementary indicators²**Key project characteristics**

Expected at PCR	
Start of works	01.06.2019
End of works	31.03.2022
Project investment cost	511.58 MEUR
EIB eligible investment mobilised	500.68 MEUR
External EIB multiplier	3.14
Mandate eligible investment mobilized	500.68 MEUR
Mandate multiplier effect	18.48
Mandate leverage effect	5.85
Amount of private financing	353.15 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction temporary jobs	2,040 person years
Employment during operation – new permanent jobs	190 FTE

Outputs

Expected at PCR	
Electricity generation capacity from renewable energy sources	380.00 MW

Outcomes

Expected at PCR	
Electricity produced from renewable energy sources	1,125.00 GWh/yr
Households which could be supplied with the energy generated by the project	473,600.00
Cost of electricity generated with environmental externalities	49.00 EUR/MWh

² The abbreviation PCR stands for Project Completion Report. EIB internal methodologies are used in order to calculate the figures presented in this document. The Promoter's estimates might differ.