

Conclusions

South-West Europe Renewable Energy PF Envelope (Multi-country)

INVEU-ICR-0066-2023 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Type of final recipient	Special Purpose Vehicles (“SPVs”)
Countries of implementation	Spain, Italy, Portugal, Ireland, France
Implementing partner	European Investment Bank (EIB)

The Framework Operation consists of financing multiple renewable energy projects, each of them producing electricity from low carbon sources through the development of greenfield onshore wind and solar plants in Spain, Italy, Portugal, Ireland, and France.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 12 October 2023 for the above-mentioned operation.

The operation will address the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and other air pollution. The projects will provide new generation capacity in a sector which is characterised by incomplete markets characterised notably by limited forward/hedging possibility, lack of scarcity pricing and lack of locational pricing. Mostly relying on wholesale market revenues, the projects also contribute to supporting the market integration of renewable energy projects.

The additionality of EIB intervention relies on the support and expertise it will provide to the promoters of sub-projects. It is also expected to mobilise other financiers, thus diversifying funding sources from private sector and to trigger more long-term funding at favourable rates.

The Investment Committee appreciated the architecture of the operation and how framework structure is used in project finance. It addresses well the current market need regarding supply issues in fragmented markets and extends the geography of energy projects.