

Conclusions

EDPR POLAND GREEN ENERGY LOAN

INVEU-ICR-0008-2022 – Sustainable Infrastructure window

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	EDP Renovaveis SA
Countr(ies) of implementation	Poland
Implementing partner	EIB

Construction and operation of a portfolio of up to 11 small to medium-scale wind farms (total nominal capacity of 380 MW) geographically dispersed throughout the west and the north of Poland

The development of onshore wind energy supports the EU and national targets for renewable energy generation and contributes to the Bank's renewable energy and energy efficiency objectives. The project is located in a cohesion priority region. The financing of this project contributes to the EIB's lending priority objectives on renewable energy as well as on climate action and social cohesion.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 1 April 2022 for the above-mentioned operation.

The Investment Committee appreciates that the EIB would be the largest lender to the project taking a leading role in the structuring of the transaction, which can be expected to crowd in other investors. The Investment Committee highlights further that the project is seen to accelerate green investments in Poland. The presence of the EIB reduces finance risk in project financing and has a good signalling effect for attracting other investors. Given the long tenor of the financing, which is still not available from national or international financiers for Polish projects, the financing would not be possible to the extent required without the availability of the InvestEU guarantee.

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.