

Conclusions

Solaria Castilian PV Plants

INVEU-ICR-0015-2022 – Sustainable Infrastructure

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Corona Borealis Fotovoltaica S.L.U.
Countr(ies) of implementation	Spain
Implementing partner	EIB

Construction and operation of 5 solar photovoltaic plants with an installed capacity of 252 MWp located in the Spanish regions of Castilla y Leon and Castilla-La Mancha.

The operation will contribute to EU climate and energy objectives. In particular, it supports the EU-wide target of reaching 32% of energy from renewable sources in gross final energy consumption by 2030, as set out in the Renewable Energy (RE) Directive (EU 2018/2001). It also contributes to the national renewable energy targets as laid out in Spain's National Energy and Climate Plan (NECP). The financing of this project is in line with the Bank's priority energy lending related to renewable energy and climate action. In addition, part of the project is located in the Spanish region of Castilla-La Mancha, considered a convergence region under the current cohesion policy criteria.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 11 May 2022 for the above mentioned operation.

Electricity is produced from low carbon sources (solar PV), addressing the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and air pollution. As it relies on revenues from the market (the wholesale market and unsubsidised commercial PPAs), in a sector characterised by incomplete markets, the project improves market efficiency and competition. It is expected to yield very good quality and results due to excellent social benefits, fair employment creation and a good ESG rating. The project is supported by the adequate governance and capabilities of the promoter.

Supporting this solar PV project with a meaningful amount of non-recourse project financing will be instrumental in facilitating and accelerating the financial close of a sizable renewable energy investment. The Bank will be acting as a cornerstone lender and thus crowding-in other lenders. The improved economic conditions of the financing combined with structuring advice will further enhance the project's viability, which is deemed crucial in this period of very high economic uncertainty in the context of the ongoing Covid pandemic

The project developed on full merchant basis without any form of public support scheme is in line with the InvestEU mandate for green investments, meeting additionality and market failure aspects as well as activity in the cohesion areas.