

Conclusions

PROJECT NEPTUNE - OFFSHORE WIND FARMS POLAND INVEU-ICR-0045-2023 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipients	PGE BALTICA 5 sp. z o.o. PGE BALTICA 6 sp. z o.o.
Type of the final recipients	Special Purpose Vehicle/Project Company
Country of implementation	Poland
Implementing partner	European Investment Bank (EIB)

The project concerns the development and operation of a new, very large-scale, fixed-bottom offshore wind farms Baltica 2 and Baltica 3, which are located in the Polish Economic Exclusive Zone of the Baltic Sea. The project will contribute to the achievement of the 2030 decarbonisation targets set out in the National Energy and Climate Plan (NECP), the Polish State National Energy Policy (PEP2040), which has revised these targets upward, as well as the REPowerEU action plan.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 6 July 2023 for the above-mentioned operation.

The offshore wind farms will primarily reduce carbon and air pollution emissions, which are externalities the market fails to address. Moreover, the project provides new generation capacity in a sector characterised by incomplete markets, relying on public Contracts for Difference with exposure to residual market risks. It thereby contributes to the policy objective of supporting market integration of renewable energy projects..

The Investment Committee recognised the additionality of the Operation. EIB will play a critical role given the difficulty to raise large amount with long tenor from the capital market (very rarely exceeding 20 years), it is expected that EIB financial value will be important by providing a sizeable amount with a long tenor. The Bank's support to the project will support the crowding in of other financiers given its experience the sector. EIB would not be able to provide such type of financing for this project, or not at the same quantum, without the InvestEU support.. The Investment Committee also appreciated EIB entering the project potentially in collaboration with other InvestEU implementing partners, other international financial institutions and export credit agencies.