



Conclusions

SOLARIA EUROPEAN PV GREEN LOAN

INVEU-ICR-0043-2023 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipient	SOLARIA ENERGIA Y MEDIO AMBIENTE, S.A.
Type of the final recipients	Special Purpose Vehicle/Project Company
Countries of implementation	Italy, Portugal and Spain
Implementing partner	European Investment Bank (EIB)

The Investment Programme consists of financing part of a portfolio of operation about 120 utility-scale solar PV plants, totalling 5.6 GW, located in Spain, Italy and Portugal. Its scope also includes the ancillary infrastructures for the interconnections to the grid.

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 Project addresses the following market failures. The project produces electricity from sustainable low carbon sources (solar PV) in three different countries (Italy, Portugal, and Spain) and addresses the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and air pollution.

The project produces electricity from sustainable low carbon sources (solar PV) in three different countries (Italy, Portugal, and Spain) and addresses the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and air pollution.

The Investment Committee recognised the additionality of the operation. The Bank will provide a meaningful part of the overall financing needs for this important Project through a construction facility of between 7-9 years aimed at getting the assets built and in operation. This type of loan with a bullet payment at the end of the tenor, with full merchant risk has been implemented on a Project Finance basis only in very limited number of transactions and with a shorter legal maturity to the one presented for this transaction. Currently, most commercial banks are still reluctant to offer such type of financing.

EIB is also alternatively offering the possibility to support the Project through a long-term structure on a PF basis, for the Projects where the Promoter is able to secure adequate Power Purchase Agreements before securing the financing. This approach gives the Promoter the necessary flexibility to roll out its sizable portfolio of assets within a quite short time horizon given that the initial formalisation of the Bridge Financings is much quicker than the execution of a long-term Project Finance transaction and does not require the signature of a Power Purchase Agreement at financial close. Solaria attaches great value added to the signalling



Investment Committee of the InvestEU Fund
Meeting no. 17
6-7 July 2023

Conclusions

effect provided by the EIB, as a reference financier with the strictest standards in terms of sustainability and environmental protection. Accordingly, Solaria deems EIB financing with a "Green Loan" label as a stamp of quality on its investments and environment-related procedures, which contributes to attract investors and co-financiers. This operation would not have been carried out or would not have been carried out to the same extent by the EIB without support from the InvestEU Fund.