



Investment Committee of the InvestEU Fund

Meeting no 25 of 14-15 March 2024

Mercier-Post building (Publications Office)

20, rue de Reims, L-2417 Luxembourg

Meeting room **ARENA**

Giurgiu Solar

INVEU-ICR-0019-2024 – Sustainable Infrastructure Window (SIW)

Ref. Sub-project of “InvestEU Framework for Sustainable Transition” INVEU-ICR-0010-2023

Short description of the financing or investment operation and its objectives

Name of financial recipients	RTG Solar Energy S.R.L (Iepuresti) Solis Imperium S.R.L (Ghimpati)
Type of the final recipients	Special purpose vehicle
Countries of implementation	Romania
Implementing partner	European Bank for Reconstruction and Development (EBRD)

The operation will finance the development, construction, and operation of two solar PV plants totalling 316.7MW of generation capacity. The addition of 316.7 MW of renewable capacity from solar generation to the Romanian energy system will bring more than 160,000 tonnes of annual emissions savings and generate 386GWh of electricity per annum. The Project is one of the first in Romania to prove commercial viability of private renewable energy projects without support scheme and attract long-term construction project financing for such a project. Moreover, it demonstrates the return of investor’s interest in renewables market in Romania, which almost completely shut down after the phase-out of the support scheme at the end of 2016.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 15 March 2024 for the above-mentioned operation.

Negative externalities of the electricity generation from fossil fuels have not been fully internalised by the Romanian producers yet. Lack of supporting regulatory environment for renewables has allowed the fossil-based generation to maintain its grip on the market. The deterioration of a regulatory environment for renewables, triggered in particular by the abandonment of the previous support scheme at the end of 2016, has led to a significant increase of risks for investments in this market in Romania, resulting in an almost total loss of access to financing by potential projects.

EBRD financing for a project with fully merchant exposure will constitute a product not available on the same terms in the market, which was negatively affected after the government support scheme has ended. EBRD is providing funding, leveraged by the EU guarantee, under commercial terms that are not readily available on the market, allowing the co-lenders to prolong their tenor to 10 years of repayments, while they would typically provide tenors of 5-7 years for such operations. It will also allow supporting projects with a higher risk profile than the risk generally accepted by the Bank. The InvestEU guarantee will play a crucial role in



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crowding in additional sources of private financing, as it further enhances the overall financial structure through reducing the combined margin.

The Investment Committee appreciated the project to be the first mover in a volatile market situation, demonstrating tangible impacts for easing access to finance.