

## InvestEU Scoreboard <sup>(1)</sup>

### Presentation of the financing or investment operation

Implementing Partner: EIB

Name of the Operation: PAN BALTIC RENEWABLES PORTFOLIO

Type of approval: Individual financing or investment operation

Name of the final recipient: SPECIAL PURPOSE ENTITY(IES)/FUND

Country(-ies) of implementation: Latvia, Lithuania, Estonia

Short description of the financing or investment operation:

The project comprises a portfolio of: (i) seven solar PV plants, with capacities in the range of ca. 40- 270MWp, for a total capacity of ca. 880 MWp, located in Estonia (ca. 244 MWp), Latvia (ca. 553.5 MWp) and Lithuania (ca. 82.6MWp), (ii) two hybrid plants including solar PV, onshore wind and BESS for a total capacity of ca. 106.4MWp, ca. 24MWp and ca. 31MWh respectively located in Lithuania, and (iii) a ca. 12 MW wind farm with BESS of ca. 12 MWh located in Lithuania. The scope will include the ancillary infrastructure, like the interconnections to the grid and substations.

### Public Statement

The project is in line with the InvestEU objective of the development of the energy sector in accordance with the Energy Union priorities. It concerns the development and operation of solar PV plants, onshore wind farms and, to a lesser extent, Battery Energy Storage Systems in Latvia, Lithuania and Estonia. It will support the 2030 targets set out in the National Energy and Climate Plan of the three Member States.

The financing of this project also contributes to Bank's lending priority objectives on Energy (Renewable Energy), Climate Action (transversal) as well as Economic and Social Cohesion (transversal).

As the project will produce electricity from low carbon sources, it will address the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and air pollution (compared to fossil-fuel generation).

The project is expected to rely on revenues from the wholesale market (through unsubsidised commercial power purchase agreements or day ahead market), thereby the project improves market efficiency and competition.

In terms of project results, the project is expected to have a positive economic rate of return, considering the economic value of the electricity generated. Therefore, the project is expected to deliver a positive broader social benefit by generating clean and renewable electricity at a cost reasonably below the alternatives in Lithuania. On project quality, the level of promoter's governance and risk management capability after mitigation measures is deemed to be acceptable.

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 will provide a meaningful part of the overall financing needs for this important project through a senior debt facility of up to 9 years aimed at getting the assets built and in operation. This type of loan with a balloon 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, in other markets than Baltics 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. 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. The project would not have been carried out (to the same extent) by the EIB without the InvestEU support.

**Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (Excellent)**

(1) This Scoreboard of indicators reflects the information presented to the InvestEU Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

**Pillar 4** - Financial and technical contribution by the implementing partner (**Very Good**)

**Pillar 5** - Impact of the financing or investment operation (**Very Good**)

**Pillar 7 - Complementary indicators <sup>(2)</sup>****Key project indicators****Expected at PCR**

Start of works	01.07.2024
End of works	30.06.2027
Project investment cost	575.10 MEUR
Mandate eligible investment mobilized	551.80 MEUR
Mandate multiplier effect	14.34
Mandate leverage effect	3.90
Amount of private financing	425.10 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100% Mitigation - Renewable Energy (transversal)
Less developed regions	70.05 %
Transition regions	20.00 %
Employment during construction - temporary jobs	2,100 person years
Employment during operation - new permanent jobs	84 FTE
Gender Tag	No Significant contribution to Gender Equality

**Outputs****Expected at PCR**

Electricity generation capacity from renewable energy sources	1,022.50 MW
Electricity storage input capacity	43.00 MW
Repower EU - share of project investment cost	100.00 %
Electricity generation capacity from renewables - Solar PV	986.50 MW
Electricity generation capacity from renewables - Wind Onshore	36.00 MW

**Outcomes****Expected at PCR**

Electricity produced from renewable energy sources	1,264.60 GWh/yr
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(2) The abbreviation PCR stands for Project Completion Report. EIB internal methodologies are used in order to calculate the figures presented in this document. The Promoter's estimates might differ.

Households which could be supplied with the electricity generated by the project	479,000.00 Units
Cost of electricity generated with environmental externalities	45.00 EUR/MWh
Proportion of electricity from RE sold under PPA	0.00 %
Quantity of electricity storage utilisation	0.00 GWh/yr
Electricity produced from renewables - Solar PV	1,136.30 GWh/yr
Electricity produced from renewables - Wind Onshore	128.20 GWh/yr