InvestEU Scoreboard[1]

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: 2022-0763 – SOLARIA EUROPEAN PV GREEN LOAN

Type of approval :

☒ Individual financing or investment operation

Name of the final recipient: Several Special Purpose Vehicles controled by SOLARIA ENERGIA Y MEDIO AMBIENTE S.A.

Country(-ies) of implementation: Spain, Portugal, Italy

Short description of the financing or investment operation:

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

Public Statement

The Project consists in the financing of a portfolio of solar photovoltaic plants in Spain, Italy and Portugal, with a total capacity of about 5.6 GW.
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 supports EU Renewable Energy objectives and supports Italy, Portugal and Spain in meeting their commitments with respect to renewable energy targets and greenhouse gas emission reductions set out in their Integrated National Energy and Climate Plan. Ca. 35% of total installed capacity of the PV portfolio will be built in cohesion regions.
The programme is eligible under InvestEU as it supports the development of the energy sector in accordance with the Energy Union priorities, including security of energy supply, clean energy transition and the commitments taken under the 2030 Agenda for Sustainable Development and the Paris Agreement, in particular through the expansion of the generation, supply or use of clean and sustainable renewable and safe and sustainable other zero and low-emission energy sources and solutions.
The projects portfolio will not rely on any renewable energy supporting schemes, though it may partially rely on Power Purchase Agreements. Possibly, the plants portfolio will be exposed to merchant risks. The project thereby contributes to the policy objective of supporting market integration of renewable energy projects.
The financing of this project also contributes to Bank's lending priority objectives on Energy (Renewable Energy) as well as on Climate Action (transversal) and economic and social Cohesion (transversal).
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.

[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.

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 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.

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 (**Very Good**)

Pillar 4 - Financial and technical contribution by the Implementing Partner (**Excellent**)

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

Pillar 7 - Complementary indicators[2]

Pillar 7 - Complementary indicators[3]

Key project characteristics

	Expected at PCR
Start of works	30.06.2023
End of works	31.12.2028
Project investment cost	5,044.00 MEUR
Mandate eligible investment mobilized	3,982.00 MEUR
Mandate multiplier effect	8.06
Mandate leverage effect	2.63
Amount of private financing	3,344.00 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction temporary jobs	11,100 person years
Employment during operation – new permanent jobs	552 FTE
Gender Tag	No Significant contribution to Gender Equality

Outputs

	Expected at PCR
Electricity generation capacity from renewable energy sources	5,604.60 MW

[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.
[3] The abbreviation PCR stands for Project Completion Report.

Electricity generation capacity from renewables - Solar PV	5,604.60 MW

Outcomes

	Expected at PCR
Electricity produced from renewable energy sources	9,293.00 GWh/yr
Cost of electricity generated with environmental externalities	50.00 EUR/MWh
Electricity produced from renewables - Solar PV	9,293.00 GWh/yr