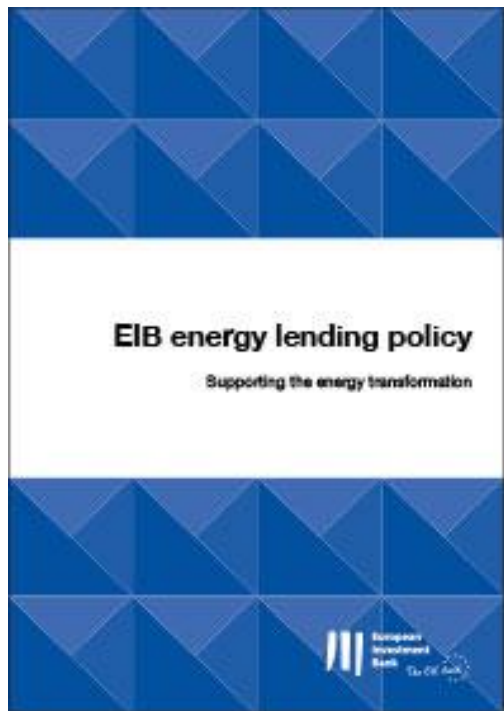


# EIB support to Renewable Energy under new Energy Lending Policy

Zoran Stanic, EIB

NECP Romania Energy Financing Workshop, Webex, 15 July 2020

# New Energy Lending Policy:



The EIB Board approved  
new Energy Lending Policy  
on 14 November 2019

<https://www.eib.org/en/publications/eib-energy-lending-policy>

## Strong support to Renewables

- RE key to decarbonization
- Solar energy recognized as a competitive/mature RE technology
- Regional cooperation, cross border schemes
- Decentralized and community schemes
- Support to RDI and innovative low carbon technologies

# Decarbonising energy supply



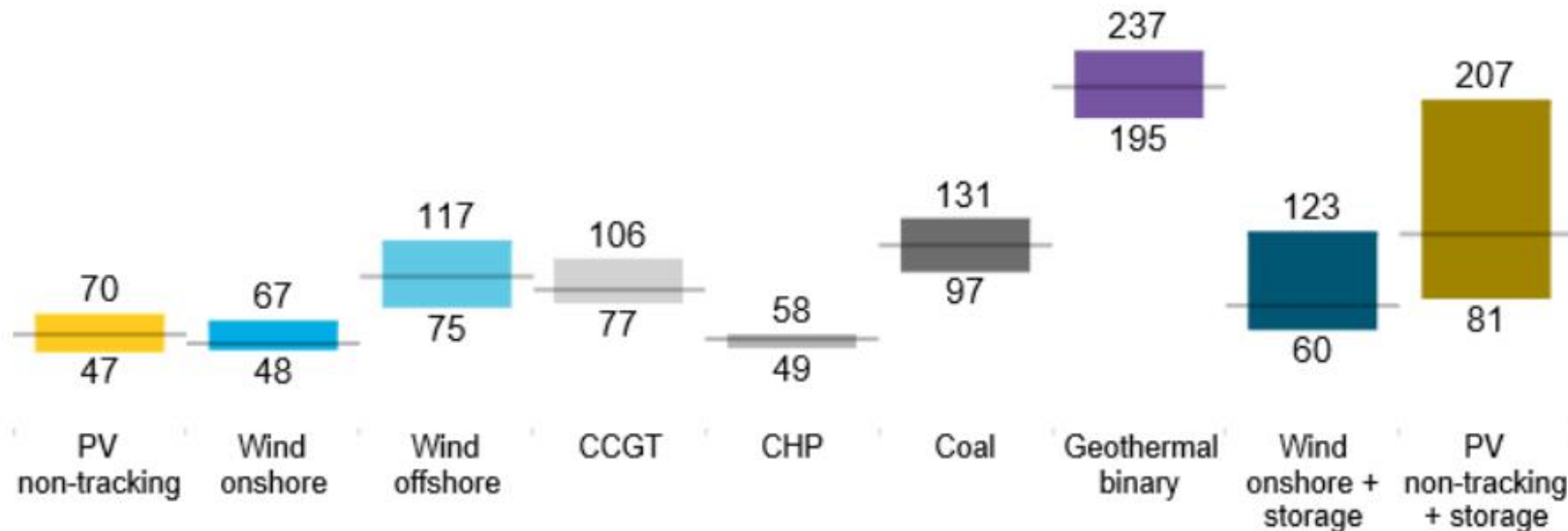
## Key priorities:

- Financing up to 75% of the project costs, depends on the need
- Support market integration of renewables (e.g. corporate CfD and cPPAs)
- Technologies at early stage of deployment

# Market integration of renewable: auctions for CfDs and PPAs



Current LCOE range (\$/MWh, nominal) - Germany, 2019 H2

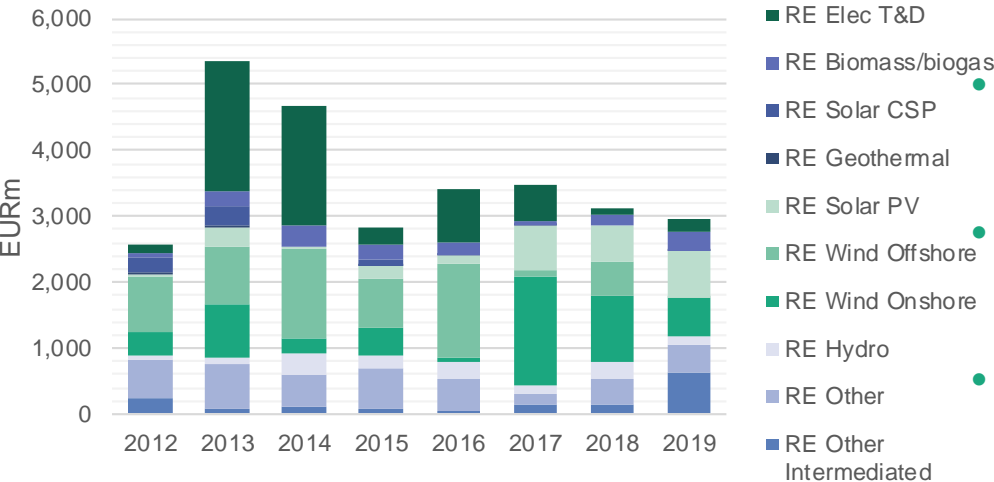


Source: BNEF, 2020

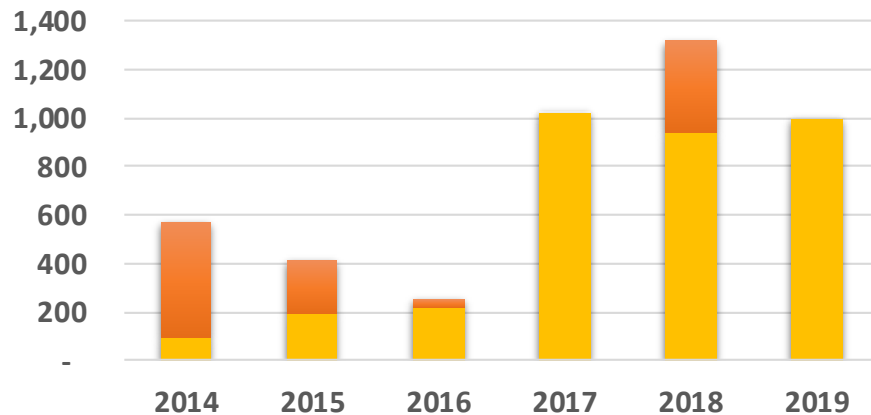
- Wind and solar power are increasingly competitive with conventional generation
- Due to their production variability difficult to finance on merchant basis
- Revenue stabilization mechanism is required in the form of CfD and/or cPPAs

# EIB lending to the RE sector (MEUR)

EIB lending to renewable energy projects in the EU



Solar PV CSP



- Increasing focus on energy efficiency and renewables over the last years
- Third area of energy lending is to electricity grids
- 70-80% of lending to RE is for projects in the EU
- Wind and solar account for more than 50% of RE lending
- Lending to solar has grown from ~10% to ~25% of EIB lending to renewables
- Support to CSP has been essentially outside the EU
- Support to utility scale solar PV as well as smaller scale trough commercial banks and equity funds
- ~70% of lending to solar PV was in the EU

# EIB's RE lending – selected examples



Poland

EUR 100m

## **POLAND SOLAR POWER PROJECTS PROGRAMME Solar PV**

- Implementation over 2018-2022
- Programme Loan allows streamlined procedures for EIB lending
- Offtake/ support: CfD, indexed to inflation, for 15 years period.



Austria

n/a

## **BURGENLAND AND LOWER AUSTRIA Onshore Wind**

- EIB loans to Bewag, ES and number of smaller promoters for development of wind farms in Burgenland and Lower Austria
- Capacity exceeding 600 MW
- Based on the strategic plan for development of wind projects in Burgenland



Romania

EUR 200m

## **ENEL GREEN POWER ROMANIA Onshore Wind**

- Financing for 3 onshore wind farms located in the regions of Dobrogea (Salbatica and Corugea) and Banat (Moldova Noua)
- Capacity of 260 MW
- Additional shadow appropriate assessment studies implemented

# EIB offers technical/financial advisory



## UPSTREAM

- **Policy & programme** advice
- **Preliminary** project assessment

## PREPARATION

- **Technical** advice to promoters prior to appraisal
- Advice on **financial structuring**
- Selection (ToR) & supervision of **consultants**

## IMPLEMENTATION

- Advice on **project implementation**
- **Enhanced monitoring** in delayed projects

## CAPACITY BUILDING RELATED TO PROJECTS

### TECHNICAL ASSISTANCE INITIATIVE:

- EIAH
- INNOVFIN EDP
- ELENA
- INVESTEU (from 2021)

# ELENA TA ASTER project in Belgium

- **PROJECT:** Technical assistance through **ELENA** to support the development of an investment programme for the integration of PV into social housing in Flanders (Belgium)
- **BENEFICIARY:** VVH - the association of Social Housing Companies (SHMs)
- **SCOPE :**
  - Establishment of an SPV acting as a PIU
  - Building audits to assess stock readiness for PV installations
  - Formulation of investment strategy and PIU business plan
  - Marketing implementation plan
  - Legal and financial structuring
  - Procurement and contract preparation
- **TIMELINE:** 2019-2021
- **INVESTMENT:** Ca. EUR 42m. An estimated 12,000-15,000 properties will be targeted for PV installations (40MW), representing 8%-10% of the total residential stock owned and managed by SHMs.
- **MARKET REPLICATION** This type of vehicle could be replicated in any other Member State with a consolidated social housing stock and with the appropriate public backing.

# Conclusions

- EIB is the EU Climate Bank and will align all its lending activities to the Paris Agreement before the end of the year
- RE - solar and wind - has become cost competitive and will be a key technology in achieving the decarbonization targets
- EIB stands ready to support RE projects in Romania through CfDs and cPPA
- EIB offers wide range of financial and technical assistance tools to mobilize and accelerate investments in the sector