

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	WIELKOPOLSKIE ONSHORE WIND
<u>Promoter and financial intermediary</u>	WPD AG
<u>Country of implementation</u>	Poland
<u>Summary project description</u>	<p>The project consists of the implementation and operation of four individual wind farms including civil and electrical infrastructure and grid connection. The total installed capacity is 102.5 MW. About 60 % of the electricity generated over 15 years will be fed into the national grid under the Renewable Energy Sources Act support scheme and will benefit from Contracts for Difference (i.e paying the difference between the market price and the pre-defined strike price). The electricity produced will be sold through Power Purchase Agreements.</p> <p>The assets will be financed on a limited recourse project finance basis.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI 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.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy		High
Cross-cutting objectives		
EIB Cohesion Priority Regions / Economic and Social Cohesion		100.00%
Climate Action		100.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		100.00%
Expansion of the use or supply of renewable energy		100.00%

Pillar 2

Quality and soundness of the project		Good
1. Growth		[...]
2. Promoter capabilities		[...]
3. Sustainability		[...]
4. Employment		[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project		Moderate
1. Financial contribution		[...]
2. Financial facilitation		[...]
3. Advice		[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objective of the development of the energy sector in accordance with the EU priorities and namely the expansion of the use or supply of renewable energy, this operation will contribute to reducing carbon and air pollution externalities. As a renewable energy project, the operation will make a strong contribution to Climate Action. Equally, the operation will address the objective of supporting less-developed regions and transition regions as 100% of the operation will be deployed in Cohesion regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The high level of investment needed in order to meet the EU targets for the deployment of renewable energy by 2020 makes the timely deployment of this project essential. Thanks to EFSI, the operation shall address market failures and sub-optimal investment situations related to the complexity and high risks in the electricity sector, combined with a new regulatory regime and insufficient investments within the required timeframe. The operation is addressing a gap in the affordable long-term finance for renewable energy generation in Poland. The availability of long-term debt financing from the EIB will largely support the project's ultimate affordability. In this sense, EIB will act as a cornerstone financier in this project.

The project is expected to be classified under the EIB Special Activities category, in particular taking into account that the envisaged EIB financing with EFSI support will be a non-recourse project financing and will include merchant risks for the sale of part of the electricity produced. As such, the EIB would not be able to provide such type of long-term non-recourse project financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The financing provided by the EIB with the support of EFSI is expected to result in a quality stamp on the project. Therefore, the EIB operation is expected to crowd-in private sector financing and to increase the commercial banks confidence for this type of Renewable Energy project in Poland.

The EIB is expected to provide technical experience in analysing and structuring the financing of this complex non-recourse project in the wind sector.

Set of indicators related to the macroeconomic environment

Poland - Economic environment

Economic Performance

	PL 2018	EU 2018	US 2018	PL 2001-2007
GDP per capita (EUR, PPS)	22,207.82	30,935.11	43,569.11	14,869.99
GDP growth (%)	5.14	1.96	2.85	4.09
Potential GDP growth (%)	3.80	1.60	2.23	3.74
Output gap (% of potential GDP)	2.10	0.61	0.74	-2.64
Unemployment Rate (%)	3.80	6.60	3.90	16.31
Unemployment Rate (%) - Y/Y change (% points)	-0.50	-0.60	-0.20	-1.21
Bank-interest rates to non-financial corporations (%)	3.60	1.26	--	6.28
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.22	-0.06	--	0.47
Investment rate (GFCF as % of GDP) - Total	18.18	20.54	20.84	19.59
Investment rate (GFCF as % of GDP) - Public	4.67	2.85	3.30	3.31
Investment rate (GFCF as % of GDP) - Private	13.50	17.68	17.53	16.28

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	11.50	11.80	--	--	16.69
Energy consumption from renewables - distance to EU 2020 target (%)	3.50	3.19	--	--	3.30
Energy dependence (%)	28.60	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	101.70	102.70	--	--	89.29
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.68
Primary energy consumption (Million Tonnes of Oil Equivalent)	89.20	90.00	--	--	1,529.59
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-7.19	-6.40	--	--	46.59

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total VA)	--	--	--	--	2.00
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	--	--	--	--	0.60

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	01.10.2019
End of works	30.04.2021
Project investment cost [MEUR]	153.35 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	150.62 MEUR
External EFSI multiplier	3.06
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	104.14 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs [person years]	100 person years
Employment during operation - new permanent jobs [FTE]	10 FTE

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.