Luxembourg, 15 March 2018

European Investment Bank

EFSI Operation Scoreboard[1]

PROJECT PRESENTATION	
Project name	**VERMIO WIND PROJECTS**
Promoter and financial intermediary	TERNA ENERGY INDUSTRIAL COMMERCIAL AND TECHNICAL SA
Country of implementation	Greece
Summary project description	The project involves the development, construction and operation of two separate onshore windfarms in northern Greece, with a total operating capacity of 44.4MW. The windfarms are: Eressou Ipsoma-Fourka with an installed capacity of 37.8MW and an operating capacity of 36MW, and Lefkes-Kerasia, with an installed and operating capacity of 8.4MW. The wind farms will connect to a single, new Medium Voltage (MV) to High Voltage (HV) substation, via an 8.5km and a 16.1km MV underground line respectively. The project also includes all ancillary works and infrastructure relating to the access and maintenance of the sites, such as road networks (new and refurbished). The project will be one of the last projects to be supported through the existing fixed feed-in tariff (FIT) set at 105 EUR/MWh. The Power Purchase Agreement (PPA) is signed for 20 years with LAGIE, the market operator of the wholesale electricity market in Greece that also operates the Renewable Energy Sources (RES) Special Account, which is funded indirectly by end-consumers and not through any support from the Greek State Budget. The project will support Greece towards achieving its target of producing 18% of domestic energy supplies from RES by 2020, in line with the targets established for all Member States by the Renewable Energy Directive. As noted in the EC State Aid clearance of the new Greek Renewable Energy Support Scheme, several gigawatts (GW) of new installed capacity will be necessary to reach this target.

[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 the 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol […].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	
Climate Action	100.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	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 four indicators which include:

(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 sustainability[2];
(iv) "Employment" i.e. the project's direct employment effect.

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 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

The project involves the development, construction and operation of two onshore wind farms, located in Northern Greece. The project will contribute to Greece meeting its 2020 renewable energy targets and to the EU's Energy Union priorities through expansion of the use and supply of renewable energy, a sector that requires additional operational capacity and investments of circa EUR 4bn in Greece until 2020. The project is therefore serving EFSI's objectives in energy and environment, with positive externalities in pollution reduction.

The project helps address an identified market failure and investment gap in the renewable energy sector, due to high risks in the electricity sector with ongoing regulatory reforms, aggravated by the persistent effects of the economic and financial crisis in Greece, with no sufficient investments or not in the required timeframe, no participation of foreign commercial banks, and local banks' limited investment capacity.

EIB/EFSI intervention is necessary due to the operation's underlying high risks, relative to the sector, country and financial counterparty. EFSI support enables the EIB to undertake direct project risk in a key EU policy area. The EIB support will improve the affordability of the project financing and hence allow Terna Energy to continue with its project development and investment plan in the renewable energy sector. The operation falls under EIB Special Activities and could not have been realised by the EIB without the EFSI support.

Set of indicators related to the macroeconomic environment

Greece - Economic environment

Economic Performance

	GR 2016	EU 2016	US 2016	GR 2001-2007
GDP per capita (EUR, PPS)	19,723	29,440	42,615	26,293
GDP growth (%)	0.01	1.9	1.6	4.1
Potential GDP growth (%)	-1.4	1.3	2.1	3.3
Output gap (% of potential GDP)	-9.8	-0.75	-0.03	3.1
Unemployment Rate (%)	23.5	8.2	4.7	9.7
Unemployment Rate (%) - Y/Y change (% points)	-0.6	-0.8	-0.3	-0.36
Bank-interest rates to non-financial corporations (%)	4.5	1.4	1.8	4.6
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.66	-0.21	-1.4	-0.23
Investment rate (GFCF as % of GDP) - Total	11.4	19.7	19.6	24.1
Investment rate (GFCF as % of GDP) - Public	3.1	2.7	3.4	5.4
Investment rate (GFCF as % of GDP) - Private	8.3	17.0	16.2	18.7

Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	15.0	15.3	15.4	--	16.7
Energy consumption from renewables - distance to EU 2020 target (%)	3.0	2.7	2.6	--	3.3
Energy dependence (%)	62.2	66.2	--	--	53.5
Primary energy consumption (consumption in 2005 =100)	77.0	77.2	77.3	--	89.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	150.6	--	--	--	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	23.6	23.7	23.7	--	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-1.1	-1	-1	--	46.6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total)	--	--	--	--	1.9
Employment in Electricity, gas, steam and air conditioning supply (% of total)	--	--	--	--	0.6

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial corporations" 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 indicators[3]

Key project characteristics

	Expected at PCR
Start of works	03.04.2017
End of works	30.03.2018
Project investment cost	61.21 MEUR
EIB/EFSI eligible investment mobilised	59.78 MEUR
External EFSI multiplier	2.30
External EIB (non-EFSI) multiplier	
Amount of private financing	35.21 MEUR
Quick start (% of expenditure during 2015-2018)	100.00 %
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)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs	205 person years
Employment during operation - new permanent jobs	7 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.