Luxembourg, 12 April 2018

European Investment Bank

EFSI Operation Scoreboard[1]

PROJECT PRESENTATION	
Project name	CURTIS BIOMASS POWER GENERATION PLANT
Promoter or financial intermediary	GREENALIA SA
Country of implementation	Spain
Summary project description	The Project comprises the design, construction, operation and maintenance of a 50 MWe biomass fired electricity-only plant in Curtis, in the North of Spain. The power plant feedstock will be entirely forestry residues, sourced in the region, consisting of firewood with a small diameter, bark and other biomass waste that is otherwise not used in the local industry and hence, is currently not collected from the ground. The electricity produced is to be fed into the public grid. Unique in Spain, Law 7/2012 of the Galician Administrative Region obliges the collection of biomass waste from the forest (subject to penalties) with the objective of using it as a source of energy (reducing the use of fossil fuels) and primarily to avoid the occurrence of forest fires (Galicia has lately been severely affected by forest fires). At present, as it comes at a cost for the forest owners and since there is no market for this kind of biomass, no collection is being done. The purpose of the plant, in this context, is to better use this biomass and ultimately ensure better compliance with the regional law, and, overall, generate positive local economic, environmental and social externalities.

[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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol […].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%
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	High

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

In line with the EFSI Objective of the development of the energy sector in accordance with the EU priorities and namely, expansion of the use or supply of renewable energy, the operation is addressing a gap in the affordable long-term finance for renewable energy generation in Spain. The operation would be one of the first greenfield renewable energy projects to be financed in Spain since 2012 and will contribute to the achievements of the Spanish 2020 targets for reducing CO2 emissions, which require additional renewable energy capacity to become operational in the upcoming years. This transaction would be the first financing of a biomass energy project in Spain after the implementation of the new regulatory framework, which came into effect in 2014, and the first EIB project financing in this sector in Spain, entailing thus important acceleration and demonstration effects.

The high level of investment needed in Spain in order to meet the EU targets for the deployment of renewable energy by 2020, in conjunction with the halt in the installation of new renewable energy power plants in the last few years, makes the timely deployment of this project essential. Thanks to EFSI, the operation shall tackle market failures (low-carbon power generation) and sub-optimal investment situations related to the complexity and high risks in the electricity sector, combined with ongoing regulatory reforms and insufficient investments in the required timeframe. The availability of long-term debt financing from the EIB will largely determine the project's ultimate viability, as currently alternative sources of suitable long term financing are scarce. In this sense, EIB will act as a cornerstone financier in this project and help ensure project implementation.

With the support of EFSI, EIB financing allows for the needed innovative structuring features: the EIB's contribution is envisaged to consist both of a direct loan under EFSI and, for enhanced crowding in of private sector resources, of a bank guaranteed or bank intermediated loan under EIB own risk, both provided with a long tenor (up to 17 years). Such a long tenor, together with above-mentioned riskier elements, have never been combined in a project finance structure in the biomass sector in Spain. The operation under EFSI shall thus fall under the Special Activity category.

Overall, the operation is expected to serve as a catalyst for private financing and investment for this and other potential subsequent operations. The EIB would thus support the evolution of the Spanish renewable energy market model from one dependent on public subsidies on investment to one based on competition, more developed technologies and wider range of promoters. Biomass projects generate particular economic and social benefits that are significant in the local context, and they contribute to forest fire prevention, in this case in a highly susceptible area.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES 2016	EU 2016	US 2016	ES 2001-2007
GDP per capita (EUR, PPS)	26,818	29,440	42,615	28,562
GDP growth (%)	3.2	1.9	1.6	3.6
Potential GDP growth (%)	0.39	1.3	2.1	3.6
Output gap (% of potential GDP)	-1.8	-0.75	-0.03	2.9
Unemployment Rate (%)	18.4	8.2	4.7	10.0
Unemployment Rate (%) - Y/Y change (% points)	-2.3	-0.8	-0.3	-0.33
Bank-interest rates to non-financial corporations (%)	1.6	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.41	-0.21	-1.4	-0.05
Investment rate (GFCF as % of GDP) - Total	19.9	19.7	19.6	28.7
Investment rate (GFCF as % of GDP) - Public	1.9	2.7	3.4	4.1
Investment rate (GFCF as % of GDP) - Private	18.0	17.0	16.2	24.6

Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	15.3	16.1	16.2	–	16.7
Energy consumption from renewables - distance to EU 2020 target (%)	4.7	3.9	3.8	–	3.3
Energy dependence (%)	70.4	72.9	–	–	53.5
Primary energy consumption (consumption in 2005 =100)	84.1	82.9	86.2	–	89.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	129.5	–	–	–	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	114.3	112.6	117.1	–	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-5.5	-7.2	-2.7	–	46.6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total)	–	–	–	–	2.0
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	01.01.2018
End of works	31.01.2020
Project investment cost	121.30 MEUR
EIB/EFSI eligible investment mobilised	114.60 MEUR
External EFSI multiplier	2.29
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	61.30 MEUR
Quick start (% of expenditure during 2015-2018)	35.00 %
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	400 person years
Employment during operation - new permanent jobs	131 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.