



## EFSI Operation Scoreboard<sup>1</sup>

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	OLSZTYN WASTE-TO-ENERGY PLANT
<b><u>Promoter or financial intermediary</u></b>	A special purpose vehicle (SPV) to be established by the winning bidder to be selected under an open tender procedure.
<b><u>Country of implementation</u></b>	Poland
<b><u>Summary project description</u></b>	<p>Currently the district heating system in Olsztyn is supplied by the Kortowo coal-fired heating plant of 175 MWth capacity satisfying 50% of demand for district heating in Olsztyn. The Kortowo Plant belongs to the district heating company MPEC Olsztyn owned by the Olsztyn Municipality. The Kortowo plant requires environmental upgrades to comply with the Industrial Emissions Directive to continue operating. The upgrade of Kortowo will be the responsibility of MPEC and not part of the current project. MPEC buys the remaining 50% of heat from Michelin factory located in Olsztyn. Michelin decided to cease supply of heat to the district heating system after 2020 as it intends to modernize its installation and only provide heat to a tire factory that it owns in Olsztyn.</p> <p>The project concerns deployment of a Waste-to-Energy (WtE) Combined Heat and Power (CHP) plant of capacity around 11 MWe and 32 MWth processing 100,000 t/year of refuse-derived fuel (RDF) of an average calorific value 12.5 MJ/kg, and heat-only, oil or gas-fired boilers of 70 MWth capacity expected to generate an additional 40 TJ of heat per year, mostly during winter. The main objective of the investment is to incinerate RDF prepared from mixed residual waste simultaneously generating useful heat and electricity. The unit will work at high efficiency and the electricity produced by the plant will be cogenerated at high efficiency as defined by the EU directives (overall efficiency will be around 73% and primary energy savings will exceed 30%). The unit fulfills also the R1 energy efficiency criterion defined in the Waste Framework Directive 2008/98/EC. The plant will provide electricity to the national grid (around 64 GWh/y) and useful heat (at least 740 TJ/y) to the district heating system in Olsztyn.</p>

<sup>1</sup> 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
<b>Cross-cutting objectives</b>		
Climate Action		100.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion		100.00%
<b>EFSI</b>		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		50.00%
Expansion of the use or supply of renewable energy		25.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)		25.00%
EFSI: Environment and resource efficiency		50.00%
Projects and infrastructures in the field of environmental protection and management		50.00%

### 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<sup>2</sup>;
- (iv) "Employment" i.e. the project's direct employment effect.

### Pillar 3

EIB Technical and financial contribution to the project		Significant
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.

<sup>2</sup> 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***

EFSI will support the construction of a waste-to-energy plant in Olsztyn, Poland. First of its kind in this country, the project will be implemented through a Public-Private Partnership contract with the local district heating company Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o., owned by the City.

The project is contributing to EU and Polish energy and environmental plans, and contributes to related EFSI objectives. EFSI financing will be combined with EU funds. The plant is located in a cohesion priority region in North-Eastern Poland and will serve 1.41 million people.

The project is considered 100% climate action, with a triple aim related to green and renewable energy, energy efficiency and clean waste management. These are sectors suffering from structural market failures, which the project will contribute to alleviate. The project has further economic and societal benefits (e.g. public health, employment) for the concerned region and the municipality.

EIB/EFSI is playing a core supportive role to this project through, first, facilitating financing, for which there is no availability in the market with the required conditions (e.g. long tenor), and two, providing technical assistance and know-how for the PPP structure.

The operation falls under Special Activities. The operation addresses a clear gap in the market for this type of projects i.e. loan tenor longer than assets' economic life, weak financial structure of the public counterpart, and heavy investments required across the sector in Poland. EFSI support is essential for the project's acceleration and has a catalytic effect to raise the further private financing necessary.

## Set of indicators related to the macroeconomic environment

### Poland - Economic environment

#### Economic Performance

	PL 2016	EU 2016	US 2016	PL 2001-2007
GDP per capita (EUR, PPS)	30,365	29,440	42,615	14,639
GDP growth (%)	2.7	1.9	1.6	4.1
Potential GDP growth (%)	2.7	1.3	2.1	3.6
Output gap (% of potential GDP)	-0.29	-0.75	-0.03	-1.9
Unemployment Rate (%)	5.5	8.2	4.7	16.4
Unemployment Rate (%) - Y/Y change (% points)	-1.4	-0.8	-0.3	-1.2
Bank interest rates to non-financial corporations (%)	3.7	1.4	1.8	6.3
Bank interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.05	-0.21	-1.4	0.47
Investment rate (GFCF as % of GDP) - Total	18.1	19.7	19.6	19.6
Investment rate (GFCF as % of GDP) - Public	3.3	2.7	3.4	3.3
Investment rate (GFCF as % of GDP) - Private	14.7	17.0	16.2	16.3

#### Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	11.4	11.5	11.8		16.7
Energy consumption from renewables - distance to EU 2020 target (%)	3.6	3.5	3.2		3.3
Energy dependence (%)	25.6	23.6			53.6
Primary energy consumption (consumption in 2005 = 100)	106.1	101.7	102.7	--	89.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	294.2	--	--	--	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	93.0	89.2	90.0	--	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-3.4	-7.2	-6.4	--	-46.6

#### General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Sewerage, waste management, remediation activities (% of total)	--	--	--	--	0.7
Employment in Sewerage, waste management, remediation activities (% of total)	--	--	--	--	0.5

#### Solid waste

	2013	2014	2015	2016	EU (latest available)
Waste generated (kg per capita)	--	4,710	--	--	4,831
Municipal waste treated (% of total generated)	83.9	100.0	100.0	--	97.1
Municipal waste - Landfill (% of total treated)	63.1	52.6	44.3	--	26.3
Municipal waste - Incineration (% of total generated)	6.6	15.1	13.2	--	26.5
Municipal waste - Recycling (% of total generated)	13.3	21.1	26.4	--	29.7
GHG emissions from waste (% of total)	2.8	2.8	--	--	3.3

- 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<sup>3</sup>

#### Key project characteristics

	Expected at PCR	(
Start of works	01.01.2019	
End of works	30.06.2022	
Project investment cost	96.14 MEUR	
EIB/EFSI eligible investment mobilised	50.72 MEUR	
External EFSI multiplier	1.07	
External EIB (non-EFSI) multiplier		
Amount of private financing	50.24 MEUR	
Quick start (% of expenditure during 2015-2018)	0.00 %	
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)	0.00 MEUR	
Energy efficiencies realised	172,600.00 MWh/a	
Climate Action indicator	37.00% Mitigation - Renewable Energy (transversal) / 63.00% Mitigation - Energy Efficiency (transversal)	
Employment during construction - temporary jobs	510 person years	
Employment during operation - new permanent jobs	33 FTE	

<sup>3</sup> 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.