



EFSI Operation Scoreboard¹

<u>PROJECT PRESENTATION</u>	
<u>Project name</u>	OULUN ENERGIA CHP PLANT
<u>Promoter or financial intermediary</u>	OULUN ENERGIA OY
<u>Country of implementation</u>	Finland
<u>Summary project description</u>	The Project is a Combined Heat and Power (CHP) biomass-fired plant with a capacity of respectively 70 MWe (electric) and 175 MWth (heat and steam) to replace an existing plant with higher emissions. The investment is done to meet the requirements of the Industrial Emissions Directive and the Project is part of the Transitional National plan by which the existing plant can continue operation until 2020.

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	70.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	30.00%

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 sustainability²;*
- (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

In line with the EFSI objective of developing the energy sector in accordance with the Energy Union priorities, the operation contributes to the expansion of the use and supply of renewable energy in the Oulu municipality in Finland. By replacing an existing fossil fuel plant with a Combined Heat and Power (CHP) biomass-fired plant, the operation fully contributes to climate action objectives and helps meeting the requirements of the Industrial Emissions Directive. The Project will ensure reliable heat supply to the Oulu district heating network, increase domestic generation of heat and electricity from renewables and diversify the power sector in the country overall. The plant is a) contributing to improving air quality and b) more efficient to operate so, hence, contributing to improve the sustainability of the operations of Oulun Energia.

Thanks to EFSI, through this operation, the EIB can support a new counterpart – Oulun Energia Oy – a Finnish power utility company, which is both a developer and an operator of power and heat generation facilities, mainly active in the broader region of Oulu municipality. This is the most populous city in the Northern Finland and the fifth most populous city in the country. In the Finnish power sector, municipal utilities, such as Oulun Energia Oy, play a strong role in the local electricity and district-heating markets, making them natural partners for increasing the use and supply of renewable energy in the power sector in Finland.

The operation addresses clear market failures in the renewable energy sector that is inherently risky and sub-optimal investment situations caused by difficulties in accessing long-term financing that would match the long economic life of investments. Thanks to EFSI support, the EIB provides the required long-term support to Oulun Energia Oy and thus accelerates project implementation. The operation is expected to fall under the Special Activity category taking into account the absence of the municipality guarantee and the effective subordination of the EIB financing, provided with a longer tenor than what would be available from commercial lenders. EIB support also provides an important signal to private lenders and thus crowds in the necessary remaining financing for the project. At the same time, the operation overall is also exemplary in the sense that it signals to similar utility companies that EFSI support can help them unlock their investment plans in renewable energy.

Set of indicators related to the macroeconomic environment

Finland - Economic environment

Economic Performance

	FI 2016	EU 2016	US 2016	FI 2001-2007
GDP per capita (EUR, PPS)	31,864	29,440	42,615	32,065
GDP growth (%)	1.4	1.9	1.6	3.2
Potential GDP growth (%)	0.45	1.3	2.1	3.0
Output gap (% of potential GDP)	-1.8	-0.75	-0.03	0.79
Unemployment Rate (%)	9.7	8.2	4.7	8.2
Unemployment Rate (%) - Y/Y change (% points)	-0.6	-0.8	-0.3	-0.4
Bank-interest rates to non-financial corporations (%)	1.4	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.1	-0.21	-1.4	0.05
Investment rate (GFCF as % of GDP) - Total	21.4	19.7	19.6	22.6
Investment rate (GFCF as % of GDP) - Public	3.9	2.7	3.4	3.6
Investment rate (GFCF as % of GDP) - Private	17.5	17.0	16.2	19.0

Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	36.7	38.7	39.3	--	10.7
Energy consumption from renewables - distance to EU 2020 target (%)	1.3	-0.7	-1.3	--	3.3
Energy dependence (%)	48.5	48.8	--	--	53.5
Primary energy consumption (consumption in 2005 =100)	98.9	100.7	96.0	--	89.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	207.2	--	--	--	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	33.0	33.6	32.0	--	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-2.9	-2.3	-3.9	--	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 indicators³

Key project characteristics

	Expected at PCR
Start of works	01.06.2018
End of works	30.11.2020
Project investment cost	202.20 MEUR
EIB/EFSI eligible investment mobilised	196.50 MEUR
External EFSI multiplier	1.97
External EIB (non-EFSI) multiplier	
Amount of private financing	102.20 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)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	70.00% Mitigation - Renewable Energy (transversal) / 30.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	510 person years
Employment during operation - new permanent jobs	0 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.