



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	SEAMADE NV-MERMAID & SEASTAR OFFSHORE WIND FARMS
<u>Promoter or financial intermediary</u>	OTARY RS, ENECO WIND BELGIUM SA, ELECTRABEL SA
<u>Country of implementation</u>	Belgium
<u>Summary project description</u>	<p>The Project concerns the design and construction of two offshore wind farms with a combined capacity of 488 MW. One site (Mermaid – 236 MW) is situated at the limit of the Belgian offshore wind zone, next to the Northwester II site (under development). The other site (Seastar – 252 MW) is situated between the existing Nobelwind and Northwind offshore wind farms. The temporary commercial company THV Mermaid was initially granted a domain concession in 2012. In May 2015 the initial concession was split in two, where one part is separately developed and the remaining combined through ownership arrangements with THV Seastar, which was granted a domain concession in June 2012. The two sites will be developed in parallel and one special purpose vehicle will hold the permits and contracts for both sites.</p> <p>Each of the 58 wind turbines has a unit capacity of 8.4 MW, a rotor diameter of 167 m and a hub height of 107 m and will be constructed on monopile foundations. The Project also includes associated inter-array cabling, an offshore substation and the evacuation cable from the wind farm to connect into an offshore grid connection point known as the Belgian Modular Offshore Grid (“MOG”). The MOG will be implemented by the Belgian Transmission System operator and is therefore outside the scope of the Project.</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank’s internal decision-making process), have been replaced by the symbol [...].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	Acceptable
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 to the development of the energy sector in accordance with the EU priorities and namely, the expansion of the use or supply of renewable energy, the operation is addressing a gap in the affordable and adequate long-term financing (provided by reliable long-term financing sources) for renewable energy generation. It will also contribute to reducing carbon and air pollution externalities and support innovative grid technologies. As a renewable energy project, the operation will make a strong contribution to the Climate Action target of EFSI.

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 support, the operation will address market failures and sub-optimal investment situations related to the complexity and inherent high risks of the electricity renewable sector, combined with recent regulatory reforms. In a context of strong demand of long term financing for similar projects due to the high investment needs in order to meet the EU renewable energy targets, the main promoter is facing a particular sub-optimal investment situation as a somewhat smaller and local player targeting the same heavily-solicited lending pool as the major developers of offshore wind projects – such as large European utilities and oil and gas majors.

The availability of long-term debt financing from the EIB will strongly determine the projects viability, as currently other sources of suitable financing provided by lenders with a long term interest in the project are scarce especially for a project seeking to optimise its financing structure with specifically a long term view. In this context, the EIB will act as a cornerstone financier of this project.

Financing of new greenfield renewable energy project construction represents significant risks, which are increased for this operation due to the novelty of the connection of the wind farm with the grid as well as the innovative turbines (without meaningful operational track record nor certification expected to be in place at financial close) to be used. The operation shall thus fall under the Special Activity category. Under these conditions, long term financing for such sizeable amount could only be offered by the EIB with the support of EFSI.

EIB's capacity to appraise the project risks and provide guidance on appropriate financial structuring and testing bankability provides comfort to private investors and export credit agencies. EIB, with EFSI support, will be acting as a cornerstone lender and thus crowding-in other lenders into the financing structure, and contributing to a timely financial close.

Set of indicators related to the macroeconomic environment

Belgium - Economic environment

Economic Performance

	BE	EU	US	BE
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	34,665	29,440	42,615	35,138
GDP growth (%)	1.2	1.9	1.6	2.1
Potential GDP growth (%)	1.3	1.3	2.1	2.0
Output gap (% of potential GDP)	-0.59	-0.75	-0.03	0.76
Unemployment Rate (%)	7.0	8.2	4.7	7.9
Unemployment Rate (%) - Y/Y change (% points)	-1.8	-0.8	-0.3	0.09
Bank-interest rates to non-financial corporations (%)	1.5	1.4	1.8	4.3
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.08	-0.21	-1.4	-0.34
Investment rate (GFCF as % of GDP) - Total	23.0	19.7	19.6	21.8
Investment rate (GFCF as % of GDP) - Public	2.3	2.7	3.4	2.1
Investment rate (GFCF as % of GDP) - Private	20.7	17.0	16.2	19.7

Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	7.5	8.0	7.9	--	16.7
Energy consumption from renewables - distance to EU 2020 target (%)	5.5	5.0	5.1	--	3.3
Energy dependence (%)	77.4	80.1	--	--	53.5
Primary energy consumption (consumption in 2005 =100)	94.9	88.0	89.0	--	89.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	172.6	--	--	--	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	48.7	45.2	45.7	--	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	5.0	1.5	2.0	--	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	01.05.2019
End of works	31.12.2020
Project investment cost	1,308.55 MEUR
EIB/EFSI eligible investment mobilised	1,284.82 MEUR
External EFSI multiplier	3.67
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	808.55 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	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs	2,800 person years
Employment during operation - new permanent jobs	50 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.