



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	TALASOL SOLAR PV PLANT
<u>Promoter or financial intermediary</u>	ELLOMAY CAPITAL LTD
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>The project comprises the financing, under a project finance scheme, of a solar photovoltaic (PV) plant with a total capacity of ca. 300 MW_p. It also includes its overhead grid connection line of ca. 24 km in length and a voltage level of 400 kV and the related transforming substation.</p> <p>The project would be one of the first greenfield renewable energy projects to be financed in Spain following a wide-sector reform implemented in 2014 and amongst the first solar PV projects to be developed on a merchant basis and without any form of government support.</p> <p>In addition, the project will contribute to the EU Climate objectives and will help Spain meet its renewable target of 20% of primary energy generated by renewable sources by 2020.</p> <p>The project would be [...] major investment to be directly implemented by the promoter, [...]. The promoter acquired the project in an advanced development stage, and kept the staff originally involved in its development. In addition, the promoter has selected an owner's engineer to assist in the final development steps, including the tendering process for the Engineering, Procure and Construct (EPC) contract. An experienced EPC contractor has been appointed, and technology from reputable suppliers has been selected – including for PV panels, inverters, single-axis trackers, main transformers, etc.</p> <p>The project has the highest possible score in terms of contribution to EU policy, being eligible within Higher Priority Areas for projects inside the EU, fully accountable towards Climate Action objectives and located in a Cohesion region.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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%
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		Excellent
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		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.*

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, the 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 will address the construction and operation of a photovoltaic plant in western Spain 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 operation therefore contributes fully to the Climate Action target of EFSI. The project is also implemented in a cohesion region.

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 and sub-optimal investment situations related to the complexity and high risks in the electricity sector, combined with ongoing regulatory reforms and insufficient investment 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 financing are scarce. In this sense, EIB will act as a cornerstone financier in this project.

The operation falls under the Special Activity category, in particular taking into account that the envisaged EIB financing under EFSI will be an unsecured loan, which will present a longer tenor than other lenders creating a further structural subordination. Due to the expected riskiness of the operation, the loan could not have been provided to the same extent by the EIB without EFSI support.

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 dependant on public subsidies on investment to one based on competition, more developed technologies and wider range of promoters.

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 indicators³

Key project characteristics

	Expected at PCR
Start of works	01.12.2018
End of works	01.07.2020
Project investment cost	[...]
EIB/EFSI eligible investment mobilised	213.70 MEUR
External EFSI multiplier	3.05
External EIB (non-EFSI) multiplier	
Amount of private financing	[...]
Quick start (% of expenditure during 2015-2018)	
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	500 person years
Employment during operation - new permanent jobs	15 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.