



Investment Committee of the InvestEU Fund

Meeting no 33 of 29 October 2024

Online

EIB SIW Baltyk II & Baltyk III Offshore

INVEU-ICR-0071-2024 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipient	MFW Baltyk II sp. z o.o. and MFW Baltyk III sp. z o.o
Type of the final recipient	Special Purpose Vehicle/Project Company
Country of implementation	Poland
Implementing partner	European Investment Bank (EIB)

The project concerns the design, implementation and operation of two very large-scale, fixed-bottom offshore windfarms (Baltyk II and Baltyk III) with a capacity of up to 720 MW each, located off the Ustka-Leba coast of Northern Poland.

These windfarms form part of the national ambition to develop significant offshore wind capacity to be located in the national Exclusive Economic Zone of the Baltic Sea. Such capacity is deemed to be a key element in the national energy transition, contribute to the strengthening of the country's energy security, and help tackle air pollution.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 29 October 2024 for the above-mentioned operation.

The project contributes to the InvestEU objective of the development of the energy sector in accordance with the Energy Union priorities, including security of energy supply, clean energy transition and the commitments taken under the 2030 Agenda for Sustainable Development and the Paris Agreement, in particular through the expansion of the generation, supply or use of clean and sustainable renewable and safe and sustainable other zero and low-emission energy sources and solutions.

The project concerns the development and operation of a new, large-scale, fixed-bottom offshore wind farm that will contribute to the achievement of the 2030 decarbonisation targets set out in the National Energy and Climate Plan (NECP), the Polish State National Energy Policy (PEP2040), which has revised these targets upwards, as well as the REPowerEU Action Plan.

The project is located in an EU Less Developed Region; categorised internally as an EIB Priority Cohesion region (Pomorskie). The financing of this project contributes to the Bank's lending priority objectives of Renewable Energy, on Climate Action, Environmental Sustainability as well as Economic and Social Cohesion.

The offshore wind farms will primarily reduce carbon and air pollution emissions, which are externalities the market fails to address. Moreover, the project provides new generation capacity in a sector characterised by incomplete markets, relying on public Contracts for



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Difference with exposure to residual market risks. It thereby contributes to the policy objective of supporting market integration of renewable energy projects.

The project is economically justified, yet it is borderline financially viable (due to the high investment cost). The combined experience of the two promoters in the development, construction and operation of offshore megaprojects, and in the Polish renewable energy market, is considered satisfactory for the implementation of this operation.

The EIB will play a critical role given the difficulty to raise large amount with long tenor from the capital market (very rarely exceeding 20 years), it is expected that EIB financial value will be important by providing a sizeable amount with a long tenor. The Bank's support to the project will support the crowding in of other financiers given its experience the sector.

EIB would not be able to provide such type of financing, or not at the same quantum, without the support of Invest EU.