

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: PROJECT NEPTUNE - OFFSHORE WIND FARMS POLAND

Type of approval :

☒ Individual financing or investment operation

☐ Framework Operation²

Name of the final recipient: PGE BALTICA 5 sp. z o.o. and PGE BALTICA 6 sp. z o.o.

Country(-ies) of implementation: POLAND

Short description of the financing or investment operation:

The project forms 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. Early conceptual ideas for such offshore wind capacities were floated in 2012, a period during which several developers secured their maritime rights for defined areas in the Baltic Sea, at which they could develop an offshore wind farm. To incentivise such developments, legal frameworks came into force in 2021 (Offshore Wind Act), subsequently to the Polish State National Energy Policy (PEP2040).

The project concerns two very large-scale, fixed-bottom offshore wind farms – Baltica 2 and Baltica 3 – with a total nominal capacity of ~2.5 GW (Baltica 2: ~1.5 GW; Baltica 3: ~1.0 GW). It will comprise the development, construction and operation of both wind farms. The project's scope will include electrical equipment, such as internal array cabling, long export cables, several large-scale onshore and offshore transformer stations, and associated maritime and civil works. The wind farms will be connected to the onshore high voltage network, which requires substantial reinforcement works by the network operator to accommodate the electricity volumes of the project.

Public Statement

The project concerns the development and operation of a new, very large-scale, fixed-bottom offshore wind farms 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 upward, as well as the the REPowerEU action plan. The project is located in an EU Less Developed region; categorised internally as an EIB Priority Cohesion region (Pomorskie).

¹ This Scoreboard of indicators reflects the information presented to the InvestEU 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.

² The EIB Programme Loans are a delegation mechanism of the approval authority from the Board of Directors to the Management Committee for a series of sub-loans to multiple borrowers that are grouped together under one sector, policy objective or geographical region. Under InvestEU, such Programme Loans are approved by the Investment Committee as Framework Operations.

The financing of this project would contribute 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 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 merely financially viable (due to the high investment cost). 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 InvestEU.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (**Excellent**)

Pillar 4 - Financial and technical contribution by the Implementing Partner (**Very Good**)

Pillar 5 - Impact of the financing or investment operation (**Good**)

Pillar 7 - Complementary indicators³

Key project characteristics

Expected at PCR	
Start of works	-
End of works	-
Project investment cost	-
EIB eligible investment mobilised	9,514 MEUR (incl. grid connection cost)
External EIB multiplier	N/A
Mandate eligible investment mobilized	9,514 MEUR
Mandate multiplier effect	79.48
Mandate leverage effect	5.85
Amount of private financing	-
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction temporary jobs	38,400 person years
Employment during operation – new permanent jobs	1,270 FTE

Outputs

Expected at PCR	
Electricity generation capacity from renewable energy sources	2,534 MW

³ The abbreviation PCR stands for Project Completion Report. EIB internal methodologies are used in order to calculate the figures presented in this document. The Promoter's estimates might differ.

Outcomes	
	Expected at PCR
Electricity produced from renewable energy sources	-
Households which could be supplied with the energy generated by the project	3.5 M
Cost of electricity generated with environmental externalities	-