



Investment Committee of the InvestEU Fund

Meeting no 29 of 13-14 June 2024

Rue Guillaume Kroll, 12

Centre Drosbach - DBR

Meeting room ECFIN ROOM DRB B3/001

Andalucía Advanced Biofuels (ES)

INVEU-ICR-0041-2024 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipients	Compañía Española de Petróleos, S.A. ("CEPSA")
Type of the final recipients	Large Corporate
Countries of establishment of the Final Recipient	Spain
Implementing partner	European Investment Bank (EIB)

The Project comprises the construction of a 500 ktpa (kilo-tonnes per annum) production plant for advanced biofuels on the Promoter's existing industrial site in Huelva, Spain. The fuels concerned are Hydrogenated Vegetable Oil (HVO) Biodiesel and Sustainable Aviation Fuels (SAF) requiring 600ktpa of feedstock, mainly consisting of Used Cooking Oil (UCO), animal fats and Palm Oil Mill Effluent (POME). The use of the produce facilitates reducing emissions from transport. The main targets are hard to decarbonise segments, such as aviation, but also road transport.

The Project is in line with the InvestEU objective of the development of the energy sector and sustainable bioeconomy. The Project is also well aligned to the EU decarbonization policies and contributes to the Green Deal, the "Fit for 55" package, the ReFuelEU Aviation initiative, the REDII/REDIII directive and the RePowerEU objectives by enhancing the EU production capacity of clean alternatives to fossil fuels, i.e., HVO Biodiesel and Sustainable Aviation Fuel (SAF) made of residues.

The low-carbon fuels project reduces carbon and air pollution externalities from road transport and aviation. The upcycling of waste like Used Cooking Oil (UCO), Palm Oil Mill Effluent (POME) or animal fats reduce negative impacts from their alternative disposal. Low-carbon technologies contribute towards increasing security of energy supply, considered as a public good. The investment is therefore strongly aligned to several EIB Public Policy Goals.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 13 June 2024 for the above-mentioned operation.

The Project is implemented by an experienced Promoter that has solid supply and offtake agreements in place. The Project allows CEPSA to increase the share of low carbon fuels it produces, supporting the Company's shift towards sustainability. The plant is technically fully

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flexible to produce any outcomes from HVO for the road sector to SAF for the aviation sector, allowing it to flexibly react to changing regulatory and market environments. The produced advanced biofuels will deliver significant Greenhouse Gas (GHG) savings.

This will result in economic returns that are significantly higher than the financial returns. The Bank's financial contribution is considered excellent in terms of tenor, availability, and financial benefit.

The EIB loan is expected to confirm the soundness of the Borrower's decarbonisation strategy. The Bank's role is therefore to crowd in a greater lever of private investment. The Project would not have been carried out to the same extent by the EIB without the InvestEU support.