

Conclusions

BURGENLAND ENERGIE SOLAR AND WIND GREEN LOAN

INVEU-ICR-0042-2023 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipient	WindPV Operation GmbH
Type of the final recipients	Special Purpose Vehicle/Project Company
Country of implementation	Austria
Implementing partner	European Investment Bank (EIB)

This project consists of the project financing on a limited recourse basis of Burgenland Energie AG's (Sponsor) up to appx 1.3 GW portfolio composed of solar PV (up to 854 MWp) and onshore wind turbine assets (up to 430 MW) in Austria. The Project with appx EUR 1.4 bn project investment costs will be located in the eastern part of Austria (Burgenland), a cohesion region.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 6 July 2023 for the above-mentioned operation.

The Project addresses the following market failures. First, as the project will produce electricity from low carbon sources, it will address the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and air pollution (compared to fossil-fuel generation). The project is expected to rely on revenues from (i) market premiums obtained through a competitive auction, (ii) commercial power purchase agreements and (iii) the wholesale market, thereby the project improves market efficiency and competition.

Third, as the project is situated in a Cohesion Priority Region it contributes to strengthen economic, social and territorial cohesion in the Union by addressing imbalances between its regions.

The Investment Committee recognised the additionality of the operation. In terms of financial contribution, the Bank's long-term funding will enable the promoter to enhance their financing structure in line with the long economic lifetime of the assets to be financed. The Investment Committee appreciated the support through debt with significantly long tenors which are not sufficiently available from local commercial banks. Finally, the Bank's participation and structuring efforts are expected to accelerate the development of the project and closing its financing. The Bank provides expertise in structuring and lending to renewable energy projects, applying standard and well tested project finance principles.