InvestEU Scoreboard [1]

Presentation of the financing or investment operation

Implementing Partner: EIB

Name of the Operation: COMMERZBANK PAN-EU POWER GRID PACKAGE

Type of approval: Individual financing or investment operation

Name of the final intermediary: COMMERZBANK AG

Country(-ies) of implementation: EU Member States, Norway and Iceland

Short description of the financing or investment operation:
The Project will be implemented as an unfunded partial delegation linked risk sharing ("LRS") transaction with the FI, enabling new investment in the European power grid through counter-guarantees on advance payment and performance bonds associated with supply contracts of manufacturers of power grid equipment in the InvestEU countries.

By reducing the FI's risk concentrations on the OEMs, capacity for additional guarantees is freed up, supporting the OEM's further production capacity. It is estimated that the Lending envelope indicatively enables investments in about 60 to 100 power grid projects, of which the proposed operation would cover one-third max.

Public Statement

The operation will contribute to the InvestEU objective of developing the energy sector and is structured as a guarantee line to the financial intermediary in order to cover part of its exposure to advance payment and performance bonds issued by the financial intermediary to cover risks born by promoters of power-grid related projects on supply contracts with component manufacturers (OEMs) based in or with manufacturing capacity in InvestEU countries.

The ambitious policy decarbonisation targets set in the EU towards 2030 require significant investment in renewable energy production capacity. The installation of such capacity needs to happen in parallel to an overall enhancement and an extension of the power-grid, so that the new renewable energy capacity can be fully integrated. This in turn requires a scale up of the supply chain, notably of the power-grid equipment manufacturing industry, so that it can deliver components, services, and materials in a timely manner. It also requires an increased access to advance payment and performance guarantee lines for the OEMs, in a context of commercial and financial pressure (growing order books) and with commercial banks reaching their exposure concentration limits vis-a-vis OEMs. The current situation in the guarantee market is exacerbated by the relatively limited number of EU commercial banks providing such demanded guarantees in the EU.

The operation, by providing additional guarantee capacity, is specifically addressing the increasing bottleneck associated with the provision of guarantees to OEMs, and will therefore enable additional investment in strategic Net-Zero technology deployment by power-grid OEM suppliers in the InvestEU countries. This enabling effect will help support the proper functioning and access to finance of the entire power-grid supply chain and will, in turn, contribute to deploy additional power-grid capacity that will be installed mainly in the EU and some of the other InvestEU countries.

The future of the European clean energy and decarbonisation effort is grid locked. As stated in the Draghi report, without a significant increase in grid capacity, Europe may face competitiveness limitations including in digitalising its production sector or providing businesses and households with access to clean energy solutions.

The operation would not have been carried out (to the same extent) by the EIB without the InvestEU support.

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

Pillar 4 - Financial and technical contribution by the implementing partner **(Very Good)**

(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.

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

Pillar 7 - Complementary indicators [(2)]

Key project indicators	Expected at PCR
EIB eligible investment mobilized	2,000.00 MEUR
Mandate eligible investment mobilized	2,000.00 MEUR
Mandate multiplier effect	1,052.63
Mandate leverage effect	131.58
Amount of private financing	1,750.00 MEUR
Percentage of EIB financing dedicated to SME/Mid-Caps	0.00 %
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Climate Action indicator	95.00% Mitigation - Other (transversal)
Gender Tag	No Significant contribution to Gender Equality

Outputs	Expected at PCR
Lending volume allocated to final beneficiaries	250.00 MEUR
Duration of allocation period	36.00 months
Repower EU - share of project investment cost	50.00 %

Outcomes	Expected at PCR
Number of sub-loans to final beneficiaries	12.00 Units
Average size of sub-loans to final beneficiaries	40.00 MEUR
Average initial tenor of sub-loans to final beneficiaries	48.00 months

(2) 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.