

Poland: First EIB support for solar energy project



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- **PLN 82m loan (around EUR 18m) is EIB's first ever financing for photovoltaic plants in northern Poland**
- **With a combined capacity of up to 66MW, serving the equivalent of 19.000 households, the plants will help reduce 47,000 tons of carbon dioxide each year**
- **The project is guaranteed by the European Fund for Strategic Investments (EFSI) and will contribute to the development of renewable energy sources in Poland**

The European Investment Bank (EIB) has signed today its first loan to a company building and running photovoltaic plants in Poland. The EU bank will lend PLN 82m (around EUR 18m) to Energy Solar Projekty sp.z o.o. for the construction and operation of 66 small-scale, independent photovoltaic (PV) plants. With an average nominal capacity for each plant of less or equal than 1 MW, the total capacity will reach about 65,6 MW. This is the equivalent of 19,000 households, which could be supplied with the energy generated by the project.

The borrower, Energy Solar Projekty sp.z o.o, is a subsidiary company of the Energy and Infrastructure SME Fund managed by the Lithuanian-based investment management company Lords LB Asset Management.

The operation has the guarantee of the European Fund for Strategic Investments (EFSI), which is the financial pillar of the Investment Plan for Europe jointly managed by the European Commission and the EIB. The EIB is co-financing the project with DNB Bank Polska, each bank providing 50% of senior debt (total amount PLN 164m). The shareholders of the borrower (Energy Solar Projekty sp.z o.o.) will put around 30% of total funding needs of the project.

The PV plants are located in northern Poland, covering areas in the Voivodships of West Pomerania, Pomerania, Warmia-Masuria and Kuyavia-Pomerania, with a larger conglomeration in the first three regions. The PV plants are grouped in eight project companies, each comprising of one or more individual plants. Energy Solar Projekty sp.z o.o. is the holding company owning the overall portfolio.

The total capacity of all newly built independent PV plants in the portfolio will produce approximately 68,000 MWh of electricity in the first year and will help to reduce 47,000 tons of carbon dioxide each year. It is estimated that the total installed capacity of all solar power plants in Poland has reached around 1.3 GW in the end of 2019.

*"We welcome the EIB's first ever financing for a solar energy project in Poland", said **prof. Teresa Czerwińska, EIB Vice-President**, who oversees operations in this country. "Photovoltaics play a role in the decarbonisation of the energy sector and are a fast-growing industry in many countries. Poland is no exception. The auction system introduced by the government has generated a lot of interest from domestic and international investors, as shown here by the Lithuanian company Lords LB Asset Management. This is the first concrete project financed by the EIB under a programme loan dedicated to solar energy in Poland and approved in 2018. We hope more will come to life in the near future".*

Domas Kacinskas, Board Member at Lords LB Asset Management and Manager of Energy and Infrastructure SME Fund pointed: *"Lords LB Asset Management appreciates the European Investment Bank's financing and supports the values and mission of its climate action policy. This loan will enable Energy and Infrastructure SME Fund to build on its momentum and expand its operations as the independent provider of energy services in Poland, with a stronger emphasis on smart energy management systems and solutions for energy efficiency. Investing in expansion of renewable energy sources will make a major contribution to combating climate change, while also saving on energy bills. Through this project we aim to increase our competitiveness and make a significant contribution to accelerated decarbonization of energy sector".*

European Commissioner for the Economy, Paolo Gentiloni, said: *"The financing agreement signed today to build these solar energy plants is excellent news both for Poland's economy and its environment. The European Green Deal will be at the heart of our efforts to rebuild our economies after the coronavirus pandemic and Poland should continue to make use of all the EU support on offer."*

Artur Tomaszewski, President of the Management Board of DNB Bank Polska,

said: *“DNB Bank Polska is extremely proud to support Lords LB Asset Management in this project alongside the European Investment Bank. This is the first project finance loan for a PV project in Poland granted by DNB and one of the first and the largest one in the market thus far. As one of the most active lenders to the renewable energy sector in Poland, we have been in a position to leverage off our strong expertise in the sector coming from a number of onshore wind deals in order to shape the financing structure in an efficient manner. Our bank has a strong commitment to facilitate the transition of economy towards green and sustainable solutions, and the development of renewable energy sources in Poland is therefore one of the highest priorities for us. I am convinced that the financing for this project will boost the green energy sector in Poland.”*

Background information

The overall EIB financing made available under **the 2018 programme loan for solar energy projects in Poland** amounts to PLN 450 million (around EUR 100m). The programme loan supports land-based small and medium-sized photovoltaic (PV) plants in Poland, enjoying revenue protection support against price fluctuations, awarded under the renewable energy auctions held in the country. The programme supports the EU and Poland’s national targets for renewable energy generation and will help to reduce global greenhouse gas emissions. See more details [here](#).

Lords LB Asset Management

Lords LB Asset Management is a premier provider of investment management services to institutional clients and high net worth individuals. Established in 2008, Lords LB Asset Management focuses on real estate and private equity investment strategies. The company currently manages 15 funds: 12 real estate funds, 2 private capital funds and 1 energy and infrastructure funds. The total value of assets managed by the funds reached more than EUR 530 million at the end of December 2019.

Energy and Infrastructure SME Fund

Energy and Infrastructure SME Fund was established in 2016. The Fund focuses on investing in the renewable energy, infrastructure and public-private partnership cooperation projects in the Baltics and Poland and aims to raise capital up to EUR 75 million.