

EIB to provide Galp with €732 million to promote climate action and social cohesion in Spain and Portugal

The European Investment Bank (EIB) and Galp signed three financing agreements for the construction of solar power plants and the deployment of electric vehicle (EV) charging stations across Iberia, promoting climate action and social cohesion in some of the continent's most fragile regions in terms of climate and economic resilience.

Overall, Galp and the EIB signed a total financing of €406.5 million, which could be increased up to €731.5 million at a later stage, with an additional approved amount of €325 million. Altogether, the three projects support climate action and social cohesion, and will generate on average a total of 3.6 TWh of renewable energy/year, the equivalent energy consumption of nearly 940,000 households.

The EU bank is highly committed to the European Union's efforts to be climate-neutral by 2050. Through the Climate Bank Roadmap, the EIB aims to mobilise €1 trillion of investments in climate action and environmental sustainability during the critical decade ending in 2030. To this end, the Bank will gradually increase the financing it allocates to these objectives to 50% by 2025. Galp is fully committed to be net zero by 2050. On the other hand, Galp is one of the leading solar photovoltaic producers in Iberia. It has committed to allocate half of its 2021-2025 net capex in projects related with the transition to a low carbon energy model, including 30% in renewable energies and 5% in new businesses.

"We are delighted to support Galp in its decarbonisation pathway and join forces to promote climate action and renewable energy generation in both Spain and Portugal. These three projects contribute to the goals set out in the EU's Green Deal and will support the countries' decarbonisation targets, while boosting economic growth, job creation and social cohesion," said **EIB Vice-President, Ricardo Mourinho Félix**. *"Building back better, greener and fairer is not only a slogan but an imperative. There's no vaccine to prevent climate crisis. The only way forward is to promote green and sustainable investments and ensure a just transition for all. The EIB is 100% committed to this objective; climate action and just transition is in our DNA."*

"Galp's commitment to become a carbon neutral company pushes us to be bold in the actions we take today while making sure we thrive through the energy transition" said **Galp's CEO Andy Brown**. *"Our plan to reshape our portfolio is already underway, with Galp accelerating the integration of low-to-no carbon energy solutions in our businesses. The support from EIB is key to help us increase the pace of such projects' development"* he added.

EIB loan of €325 million to finance Galp's photovoltaic project consisting of a c.2 GWp portfolio of solar photovoltaic plants in Spain

The largest agreement announced today consists of an EIB green energy loan of up to €325 million, to finance the construction of a large number of utility-scale solar photovoltaic plants in Spain being developed by Galp and expected to start construction over the next three years, including the ancillary infrastructure for interconnection to the grid. The portfolio of schemes includes utility-scale solar photovoltaic plants with a total capacity of about 2 GWp, equivalent to the annual energy consumption of 866,400 households. A further amount of €325 million could also be signed in Project Finance format at a later stage, which means that the overall EIB financing for this project could amount to €650 million.

With sizes ranging from 24 MWp to 449 MWp, the photovoltaic plants will be located across Spain's cohesion regions (Andalusia, Aragon, Castilla la Mancha and Extremadura).

The EIB financing will promote the security of energy supply, the fight against climate change, job creation and social cohesion while contributing to the Spanish renewable energy objectives established in the National Integrated Energy and Climate Plans (PNE).

EIB loan of €40 million to finance Galp's photovoltaic project consisting of a c.144 MWp solar photovoltaic plants in the Algarve region, Portugal

As a result of the second agreement, the EIB will grant a €40 million green energy loan for Galp to build and operate four interconnected solar photovoltaic power plants with a total capacity of 144 MWp in Algarve (south of Portugal), in the municipality of Alcoutim (Viçoso 48.0 MWp; Pereiro 18.7 MWp; São Marcos 48.9 MWp; and Albercas 28.4 MWp).

Once operational, the four photovoltaic plants are expected to generate on average 230 GWh of renewable energy per year, equivalent to the annual energy consumption of 72,800 households. The agreement contributes to the European Commission's binding target of having at least 32% of final energy consumption from renewable sources by 2030. It will also help Portugal to meet its Energy and Climate Plan targets, which foresee 47% of renewable sources in gross final energy consumption by 2030.

Galp's total gross renewable generation operational and development pipeline totals 4.7 GW spread through Portugal, Spain and recently Brazil, of which 926 MW are already operating. The Company has the ambition to have globally over 4 GW and 12 GW gross operating capacity by 2025 and 2030, respectively.

EIB loan of €41.5 million to promote Galp's electric mobility project that consists of the deployment of EV charging stations in Spain & Portugal

The road sector accounts for three-quarters of all transport emissions in the European Union and it will not be possible to reach the EU target of carbon neutrality by 2050 without a fundamental shift to electro-mobility in the road sector. To contribute to the EU goal of deploying 1 million recharging and refuelling stations on European roads by 2025, the EIB will provide Galp with €41.5 million to support the deployment of an EV charging network across Spain and Portugal.

The project foresees the rollout of 5,500 charging points by 2025, 55% of which will be deployed in less developed and transition cohesion regions across Iberia. The agreement is also expected to contribute to developing the electric vehicle charging infrastructure market, improving technology performance, reducing initial equipment costs, and mobilising investments in electric vehicle industries, thus contributing to more efficient and affordable vehicles.

In line with the EIB's Transport Lending Policy, the project is supported by the Cleaner Transport Facility (CTF) and benefits from the Connecting Europe Facility Debt Instrument, a financial instrument that supports the objectives of the CTF.

Galp's has the intention to expand its offering of charging points to 10,000 electric vehicles charging points by 2025 in Iberia.

Background information

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy objectives.

The European Investment Bank (EIB) is the world's largest multilateral provider of finance to fight climate change. The Bank has approved its Climate Bank Roadmap to deliver on its ambitious programme that aims to mobilise €1 trillion of investments in climate action and environmental sustainability during the critical decade ending in 2030. To this end, the Bank will gradually increase the financing it allocates to these objectives to 50% by 2025 and, from 2021 onwards, all new EIB Group financing will be aligned with the goals of the Paris Agreement.

The Cleaner Transport Facility (CTF) is an umbrella to support the deployment of new cleaner technology in transport by making use of the tools the EIB and the EC can offer. The objective of CTF is to support the accelerated deployment of cleaner transport vehicles and their associated infrastructure needs, such as for charging and refuelling, which are expected to foster socio-economic benefits including reduced health costs due to cleaner air and lower noise.

The Connecting Europe Facility (CEF) is an EU funding instrument to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. In addition to grants managed by the European Commission, the European Investment Bank (EIB) implemented the CEF Debt Instrument (CEF DI), a risk-sharing facility that mainly covers the transport and energy sectors. CEF DI is used to address specific market needs where there is insufficient private finance to support investment. CEF grants and CEF DI can be combined where needed to support projects.

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