

WindEurope's response to the EIB stakeholder consultation: Climate Bank Roadmap 2021-2025

Green Recovery

- 1. How can the EIB Group help turn the current health and economic crisis, related to the COVID-19 pandemic, into an opportunity to promote and accelerate the green transition?*
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The proposed EU Recovery Strategy singles out wind energy as “one of the policy fundamentals of the recovery”. The EU wants wind to be half of Europe’s electricity by 2050 and this means large and recurring investments are required. The COVID-19 pandemic has led to increased costs of debt in the short-term and some strains in debt liquidity in the less highly rated states in Eastern and Southern Europe, but the economic shock of the pandemic should not delay the build-out of renewables and transformation of the economy to be carbon neutral.

The EIB Group can provide support and reduce delays to the financing and build-out of wind energy by providing funding on competitive terms in these less highly rated countries in particular.

The EIB Group should take more risk to provide support to renewables and related emerging technologies, like floating, storage, charging infrastructure and others helping the electrification of industry or transport. Some of the grants which the bank is given could form an envelope of first-loss capital that could be leveraged into large scale commercial lending to such projects. The bank can support first loss structures in emerging technologies without any impact on the bank’s credit rating. The leveraging of the grants would give the flexibility the bank needs to take losses while ensuring that commercial discipline applies to these projects.

As mentioned above, COVID-19 is likely to impact some of the weaker EU markets to a greater degree. If these countries want to accelerate renewables via Contracts for Difference (CfDs) but the market appetite is lukewarm due to credit risk in the host country, the EIB could play a role here for example by providing partial payment support guarantees to secure investments or similar credit enhancement structures.

Decarbonisation pathways, investment

- 2. Do you agree with the key themes of the decarbonisation pathway presented? Are there additional areas of investment for mitigation that the EIB Group should be considering?*
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In addition to the support outlined in the Energy Lending Policy for low-carbon gases, the bank should provide non-recourse debt for emerging technologies such as renewable hydrogen, floating offshore and grid-scale storage solutions.

The bank should also offer support to other demand-side emerging technologies such as offshore wind energy islands with dedicated electricity-intensive industrial activity (server farms, hydrogen or ammonia production, maybe water desalination where relevant) and charging infrastructure.

The EIB should look into whether it could provide some form of European Guarantee Facility for EU investments in third country markets, to allow EU operators to compete effectively against rising competition from China. Alternatively or in parallel the EIB could push national export credit agencies to take a more collaborative, pan-European and flexible approach in supporting EU wind industry exports.