

InvestEU Scoreboard ⁽¹⁾

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: NORTEGAS BIOMETHANE PRODUCTION PLANTS

Type of approval: Individual financing or investment operation

For Framework Operations: borrower/NATURE INVESTMENTS HOLDING II SARL, Beneficiary/NORBIOGAS RENOVABLES SLU

Country(-ies) of implementation: Spain

Short description of the financing or investment operation: Financing the construction and operation of a number of biomethane production plants in several regions in Spain ("the Project").

Natural gas is the second largest imported energy product behind crude oil in the EU and, since the invasion of Ukraine, natural gas imports from Russia have been reduced by more than half to less than 25% of the total imports. Biomethane is a renewable gas that has been identified as a solution to achieve the ambitious decarbonization targets set at European and national levels. It is particularly relevant in those sectors where electrification is difficult due to the nature of the activities, such as the gas sector. The production of this renewable gas leads to: (i) the reduction of direct greenhouse gas emissions from agricultural activity; (ii) a lower risk of emissions to the air and water associated with livestock production; (iii) a circular economy, as organic residues from agriculture and livestock are recycled and turned into renewable energy and nutrient-rich digestate is then returned to the soil; and (iv) the security and diversification of energy supply in the EU, namely decreasing EU's dependence on fossil fuels such as natural gas.

Public Statement

The Project is in line with the InvestEU objective of developing the energy sector and sustainable bioeconomy.

The Project consists of the construction and operation of several anaerobic digestion biogas units. The facilities will produce biogas and upgrade it into biomethane, which will then be injected into the natural gas grid. The plants will utilize agricultural residues, mainly livestock manure from surrounding farms, as well as minor stakes of organic by-products from agro-industry and vegetal residues to produce biomethane and organic fertilizers (digestate).

The Project is fully aligned with key EU policies, namely the Green Deal and its Fit for 55 package, of achieving climate neutrality by 2050 and committing to cutting emissions by at least 55% by 2030. It also contributes to replacing fossil-based feedstock with renewable-based resources, while substantially contributing to reduction of (diffused) pollution from Agriculture, notably in terms of GHG emissions and groundwater potential pollution. In this sense, the Project is also aligned with the Global Methane Pledge (GMP).

The Project contributes to the EIB PPG on "Sustainable Energy and Natural Resources", addressing in particular pollution abatement, renewable energies, circular economy and broader environmental issues. The operation contributes 100% to the horizontal objectives of CA&ES (CA Mitigation and Circular Economy).

Based on the targeted pipeline of the operation, it is expected that a share of the operation will be located in Cohesion Regions, with a contribution in terms of CAPEX of 36% to less developed regions and 43% to Transition regions. In addition, it will contribute with a 4% in Just Transition regions. The Project will contribute to strengthening the economy in transition and less developed regions, offering quality employment in rural areas of Castilla y León, Castilla la Mancha, Extremadura, and other Autonomic Communities severely affected by rural depopulation.

The Project is eligible under article 309 (c) common interest and partially point (a) projects for developing less-developed regions of the TFEU.

The Bank's financial contribution is considered excellent and valuable to the client, considering the long tenor of EIB's loan and the diversification of its financier base, being the first transaction entered by Nortegas with an International Financial Institution (IFI). An excellent financial contribution is achieved due to the customised terms, such as the longer availability period or length of financing. Additionally, by providing debt at attractive conditions, the EIB facilitates the company's transition towards decarbonisation.

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

(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 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation
(Excellent)

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

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

Pillar 7 - Complementary indicators ⁽²⁾**Key project indicators****Expected at PCR**

Start of works	01.01.2024
End of works	31.12.2028
Project investment cost	415.00 MEUR
Mandate eligible investment mobilized	408.60 MEUR
Mandate multiplier effect	48.88
Mandate leverage effect	9.57
Amount of private financing	335.00 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	1,358,000.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Less developed regions	36.00 %
Transition regions	43.00 %
Employment during construction - temporary jobs	485 person years
Employment during operation - new permanent jobs	222 FTE
Gender Tag	No Significant contribution to Gender Equality

Outputs**Expected at PCR**

Quantity of CO2 avoided	0.05 Gt/yr
Digitalisation– PROJECT based share of project investment cost	4.40 %
Repower EU - share of project investment cost	100.00 %

Outcomes**Expected at PCR**

Cost of electricity generated with environmental externalities	32.00 EUR/MWh
Amount of waste handled in new or rehabilitated waste treatment facility	5,000,000.00 t/yr
Persons served by new waste treatment facility	70,000.00 Persons
Tenor of PPA	10.00

(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.

Electricity produced from renewables - biomass, biogas, or other combustible renewables

1,359.00 GWh/yr