Financing energy storage projects
The support of the European Investment Bank

Nicola Pochettino
European Investment Bank
The European Investment Bank
Profile, Priority Lending Objectives

- European Union’s long-term lending bank set up in 1958 by the Treaty of Rome
- A not-for-profit, policy driven institution
- Shareholders: 27 EU Member States
- Largest supranational lender: signatures in 2011 amounted to EUR 61bn (90% in EU)
- Supporting sound investments which foster EU policy goals

- Economic and Social Cohesion and Conversion
- Implementation of the Knowledge Economy
- Development of Trans-European Networks (TENs)
- Support for Small and Medium Enterprises (SMEs)
- Protecting and Improving the Environmental and Promoting Sustainable Communities
- Supporting Sustainable, Competitive and Secure Energy
EIB Lending to the Energy Sector
Supporting EU objectives of sustainability, competitiveness and security of supply

Over the past 5 years, EIB lending to energy exceeded EUR 60 billion
The EIB project cycle
A value added approach
**EIB Group Product Offer**

A wide range of financing tools

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**Risk Capital**
- Facility: High Growth Innovative SME Scheme (GIF), Ecotech
- Purpose: IP financing, technology transfer, seed financing, investment readiness
- Target Group: VC Funds, Business Angels
- EIF Product: Fund-of-Funds

**CIP Resources (SME)**
- Competitiveness and Innovation Program (CIP) Guarantee schemes
- Growth financing for SMEs
- Formal VC Funds, CLOs
- SME guarantees (loans, microcredit, equity/mezzanine, securitisation)

**SME / MidCap**
- RSFF, RSI (RSFF for SMEs; new product in development)
- Innovation financing
- SMEs/MidCaps, Banks, PE Investors (sub-investment grade)
- Loans (incl. Mezzanine), Funded Risk Sharing Facilities with Banks
- Special Operations

**Investment Loans**
- Investment Loans, RSFF
- RDI financing
- MidCaps/Large Corporates/PuEntities (investment grade bloc Sector)
- Guarantees
- Special Operations

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**Bank Loans and Guarantees**
- Formal VC Funds
- Seed/Early Stage VC Funds
- Business Angels
- Entrepreneur, friends, family

**EIF**
- Seed / Start-Up Phase
- Emerging Growth Phase

**EIB**
- Development Phase
- Later Stage Counterparts

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**IPHE Workshop**: Hydrogen energy storage. **Seville**, Spain, 16th November 2012
Investment Loans and Risk Sharing Finance Facility
RSFF vs. non-RSFF loans

**Corporate Ratings**

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*Counterparts = Corporates or Special Purpose Vehicles (SPV)

**Senior non-RSFF Loans for Investment Grade Counterparts***
- No restrictions: Corporate RDI investments, projects based on emerging and mature technologies, etc.
- Both public and private sector projects

**RSFF Loans for Low-/Sub-Investment Grade Counterparts***
- Companies, RDI programmes and projects, demonstration of first-of-its-kind components/systems; mature enough to demonstrate capacity to repay debt on the basis of a credible business plan
- RSFF is a debt based instrument not a grant
- Financing does not involve a subsidy element
- The facility does not concern risk capital such as venture capital
- EIB carries out own loan grading, an external rating is not required

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