



## NOTA DE PRENSA

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### **Spain: EIB and Iberdrola sign €500 million loan financed by Next Generation funds to invest in the expansion of smart electricity grids**

- **The loan will finance the development and expansion of smart electricity grids, facilitating renewable energy integration and industry connection.**
- **This is the first project financed by the Regional Resilience Fund, a fund launched by the Spanish Ministry of Economy, Trade and Enterprise to invest part of the Next Generation EU loans in environmental and social projects in the Autonomous Communities.**
- **The investment is expected to have a direct impact on 12 Autonomous Communities, some of them cohesion regions.**
- **This operation furthers the objectives of Spain's Recovery, Transformation and Resilience Plan and Europe's REPowerEU plan to increase energy security and accelerate the energy transition.**

The European Investment Bank (EIB) and Iberdrola have signed a loan of €500 million within the framework of the Regional Resilience Fund to develop and expand smart electricity grids, facilitating renewable energy integration and industry connection.

The Regional Resilience Fund channels financing from Spain's Recovery, Transformation and Resilience Plan within the Next Generation EU to boost environmental and social investments in the Autonomous Communities. The Fund is led by the Ministry of Economy, Trade and Enterprise. The Autonomous Communities and Cities, and the Spanish Federation of Municipalities and Provinces participate in the selection of projects. The EIB is the strategic partner for the management of the Fund.

The electricity project financed will improve the efficiency and resilience of the power grid, allow the electricity to be put to new uses – like heat pumps and electric vehicles – and enable more renewable energy sources to be connected to the grid, speeding up the energy transition and its positive impacts in the energy security and autonomy as well as the decarbonisation of the Spanish electricity sector.

A €700 million loan had already been approved from EIB's own funds to finance the project. This financing has now been supplemented by an additional €500m loan from the Spanish Recovery Plan channelled by the EIB through the Regional Resilience Fund. This is the first operation with a private entity financed by the Regional Resilience Fund under the

direct facility launched by the EIB in June 2024 to co-finance projects in sectors such as renewable energy, clean transport and sustainable infrastructure.

**The Director General of International Financing of the Spanish Treasury, Inés Carpio,** stressed the importance of the Regional Resilience Fund “to continue promoting the modernisation and transformation of the productive sector and the Spanish economy through the Recovery Plan, with a clear focus on energy transition and efficiency.”

“We are very pleased to sign the first financing from the Regional Resilience Fund for the expansion and development of Iberdrola’s electricity grids in Spain,” said **Antonio Lorenzo, Head of the EIB’s Corporate Finance Division in Spain.** “This is a key project for the development of smart grids that will enable the integration of renewable energies into Spain’s electricity system, with an impact on 12 autonomous communities.”

The project will also provide a boost for industrialisation, economic growth and job creation in Spain, maintaining 10 000 jobs per year in 12 autonomous communities throughout the implementation period.

The financing arrangement underscores the commitment of the EIB and the Spanish Ministry of Economy, Trade and Enterprise to economic, social and territorial cohesion, with over 65% of the total investment going to regions where income per capita is below the EU average.

“With this financing Iberdrola will be able to speed up the development of the distribution network in Spain over the coming years, which is so necessary for serving and connecting Spain’s industry and businesses. With this new EIB financing we are expanding the development of smart grids, which are essential for facilitating the energy transition, boosting efficiency and improving the distribution network and the quality of supply. We are also contributing to the electrification of the economy and to reduce the country’s energy dependence”, says **José Sainz Armada, Iberdrola’s Chief Financial Officer.**

## **Background information**

### **About the Regional Resilience Fund**

The Regional Resilience Fund was created to facilitate access to Next Generation EU loans from the Spanish Recovery, Transformation and Resilience Plan for the Autonomous Communities, with the aim of boosting investments and developing projects in eight priority areas: social and affordable housing; urban renewal; transport and sustainable tourism; the energy transition; water and waste management; the care economy; research, development and innovation; and the competitiveness of industry and SMEs.

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In June 2024, the EIB and the Spanish Ministry of Economy signed the agreement to launch the Regional Resilience Fund and activate the first phase of available financing totalling up to €3.4 billion, including:

- a direct facility to co-finance EIB-supported operations in sectors such as renewable energy, clean transport or sustainable infrastructure
- an intermediated facility to be invested by financial intermediaries selected by the EIB, to support urban development and sustainable tourism projects

- two instruments intermediated by the EIF that will facilitate SME financing in areas such as innovation, sustainability and competitiveness.

## **EIB**

The EIB is the long-term lending institution of the European Union, owned by the Member States. It finances sound investments that further EU policy objectives. EIB projects bolster competitiveness, drive innovation, promote sustainable development, enhance social and territorial cohesion, and support a just and swift transition to climate neutrality.

The EIB Group, consisting of the European Investment Bank and the European Investment Fund, reported total financing signatures in Spain of €11.4 billion in 2023, approximately €6.8 billion of which went to climate action and environmental sustainability projects. The EIB Group signed a total of €88 billion in new financing in 2023.

## **Iberdrola and its commitment to sustainable financing and a carbon-free country**

Electricity grids are the necessary platform to advance the electrification of the economy. They enable the integration of more renewables, the attraction of industry, sustainable mobility, smart cities and self-consumption. Distribution grids are a key enabler of initiatives and trends that are changing the economy, such as electric mobility, heat pump, self-consumption and smart cities.

Iberdrola operates one of the most important electricity distribution systems in the world. The company already has more than 1.3 million kilometres of power lines and more than 4,500 substations in Spain, the United States, the United Kingdom and Brazil, which distribute electricity to more than 100 million people around the world.

Iberdrola is continuing to move forward with its sustainability strategy, which is based on electrifying the economy through clean energy, and which focuses on combating climate change and creating wealth and jobs in the regions where it operates.

At the end of the third quarter of 2024, the company had green or sustainability-linked financing of more than €57 billion, including over €210,600 millions of green bonds.