



PRESS RELEASE

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EIB and Iberdrola agree €700m green loan for electricity grid expansion in Spain

- **The signed financing agreement amounts to €500m and is the first tranche of an approved green loan for a total value of €700m.**
- **The loan will finance the development of smart grids and their expansion, facilitating the integration of renewable energy sources and new uses.**
- **The project contributes to achieving the REPowerEU plan's objective of increasing energy security and reducing the EU's dependence on fossil fuel imports.**

The European Investment Bank (EIB) has approved a €700 million green loan to expand Iberdrola's electricity distribution network in Spain. The first €500 million tranche of the loan was signed in Madrid by Jean-Christophe Laloux, the EIB's Director General for EU Operations; and José Sainz Armada, Iberdrola's Chief Finance, Control and Corporate Development Officer (CFO).

The total investment associated with the project will be €1.44 billion; the other €740 million will be provided by Iberdrola. The project will contribute to increasing the efficiency and resilience of the electricity distribution network, facilitate connection, new electrification uses such as heat pumps and electric mobility, and allow more renewable energy sources to be integrated into the grid. This will contribute to accelerating the energy transition and advancing the decarbonisation of the Spanish electricity sector.

The project will also boost industrialisation and economic and employment growth in Spain by maintaining around 10,000 jobs per year in 12 autonomous communities, throughout the implementation period.

The financing agreement underlines the EIB's commitment to economic, social and territorial cohesion, as more than 65% of the total associated investment will go to regions whose per capita income is below the EU average.

The €700 million loan approved is part of the [EIB's programme of actions](#) to support the [REPowerEU](#) plan. It will support energy security by facilitating the integration of renewable energy and reducing the EU's dependence on fossil fuel imports.

"Supporting the modernisation of electricity grids to facilitate the integration of new renewable energy sources is one of the EIB's priorities included in its Climate Bank roadmap," commented **Jean-Christophe Laloux, the EIB's Director General for EU Operations**. This new financing agreement with Iberdrola will accelerate Spain's energy transition, ensure access to sustainable energy for all citizens and contribute to the EU's energy and strategic autonomy," added Laloux.

José Sainz Armada, Iberdrola's Chief Finance, Control and Corporate Development Officer (CFO), said: "Thanks to this loan, the company will be able to accelerate the decarbonisation of industry – a key process for Spanish companies. With this new EIB financing we are furthering the development of smart grids in Spain, which are essential for facilitating the energy transition, boosting efficiency and improving the distribution network and the quality of supply. We are also helping to electrify the economy and reduce the country's energy dependence.

EIB and energy security

In 2023, the EIB Group provided more than €21 billion in financing for energy security in Europe. In Spain, this objective amounted to 4.5 billion in the same year, financing renewable energy projects, energy efficiency, electricity grids and storage systems, among others. These investments are helping Europe to accelerate the transition towards the use of sustainable energy and reduce its dependence on fossil fuel imports.

In July 2023, the EIB's Board of Directors decided to [increase funding for REPowerEU projects](#), the plan designed to end Europe's dependence on fossil fuel imports, [to €45bn](#). The EIB has also decided to broaden the range of eligible sectors to boost financing for the EU manufacturing industry in strategic cutting-edge technologies with zero net carbon emissions, as well as the extraction, processing and recycling of key raw materials. This additional funding will be distributed between now and 2027 and, in total, is expected to use more than €150 billion in investments in the targeted sectors.

More information on the EIB's support to the energy sector can be found [here](#).

Electricity distribution networks – a key pillar of the energy transition

Electricity grids are the necessary platform to move towards a decarbonised economy, enabling the integration of more renewables, the attraction of industry, sustainable mobility, smart cities and self-consumption. Distribution grids are a key part of enabling initiatives and trends that are changing the economy, such as electric mobility, heat pumps, self-consumption and smart cities.

The European Union has recently increased the target for total renewable energy consumption in [Europe to 42.5%](#) by 2030, up from the previous 32% target. In order to bring renewables to customers and businesses, it is estimated that for every euro invested in renewable generation, around one euro of investment in distribution networks is needed.

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 over 4,500 substations in Spain, the United States, the United Kingdom and Brazil – which distribute electricity to more than 35 million people worldwide.

Iberdrola's commitment to sustainable financing and the decarbonisation of the country

Iberdrola continues to advance in its commitment to sustainability – based on the electrification of the economy – through clean energy, and oriented towards the fight against climate change and the creation of wealth and employment in the communities in which it operates.

At the end of 2023, the Group already had over €54.4 billion in green or sustainability-linked financing, of which more than €20.2 billion in green bonds.

About the EIB

The [European Investment Bank \(EIB\)](#) is the long-term financing institution of the European Union, whose shareholders are its Member States. It finances sound investments that contribute to the EU's [public policy goals](#). EIB projects foster competitiveness, drive innovation, promote sustainable development, enhance social and territorial cohesion, and support a just and swift transition to climate neutrality.

The European Investment Bank Group (EIB Group), comprising the European Investment Bank (EIB) and the European Investment Fund (EIF), reported total financing signatures of €11.4 billion for Spain in 2023, of which approximately €6.8 billion went to climate action and environmental sustainability projects. In terms of total activity, the EIB Group signed €88 billion in new financing in 2023.

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