



PRESS RELEASE

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EIB and Iberdrola sign two loans totalling €108 million for investments in energy storage infrastructure in Extremadura

- **These loans will finance works to improve the Valdecañas pumped-storage hydroelectric complex in Cáceres to secure energy supply and to integrate renewables.**
- **The project has received funding from the Regional Resilience Fund, which was set up by the Spanish Ministry of Economy, Trade and Enterprise to invest a portion of the NextGenerationEU loans, predominantly in environmental and social projects in Spain's autonomous communities.**
- **This operation also contributes to the EIB Group's strategic priorities – namely climate action and cohesion –, to the objectives of the Spanish Recovery, Transformation and Resilience Plan and the REPowerEU plan, which aims to improve energy security in the European Union.**

The European Investment Bank (EIB) has signed two green loans with Iberdrola totalling €108 million – a €50 million loan using own funds and a €58 million loan with funds from the Regional Resilience Fund (FRA). The operation aims to improve the pumping capacity of the Valdecañas hydroelectric complex, which encompasses the Torrejón and the Valdecañas power plants.

The complex will help to secure energy supply and create storage capacity enabling the integration and management of renewable energy. The Valdecañas plant will have a total installed capacity of 225 MW, a 15 MW hybrid battery and 7.5 MWh of stored energy.

Together, the battery and hydroelectric units will make it possible to increase the added pumping capacity to a maximum of 313 MW, and the storage capacity of the Tajo system to 210 GWh. The works to improve pumping capacity will make use of the existing installations in the Valdecañas and Torrejón-Tajo reservoirs – without changes to the levels of operation – and the existing transport networks, thus reducing the impact on the environment.

Once up and running, the complex will help to reduce CO₂ emissions. In addition, the improvement works will directly create 165 jobs and a further 500 indirectly, boosting skilled employment. The total investment will take place in a cohesion region, an area where the per capita income is below the EU average. In this way, the project will contribute to climate action and territorial, economic and social cohesion – two of the eight [priorities](#) set out in the Group's [Strategic Roadmap](#) for the years 2024-2027.

Having received funding from the Regional Resilience Fund, the project is also in line with the objectives of Spain's Recovery, Transformation and Resilience Plan. The Regional Resilience Fund directs funding from the NextGenerationEU programme to boost investment in Spain autonomous communities, predominantly for environmental and social projects. The fund is led by the Ministry of Economy, Trade and Enterprise and is supported by the autonomous communities and cities and the Spanish Federation of Municipalities and Provinces (FEMP), with the EIB Group as a strategic management partner.

This operation is in line with the [EIB's action plan](#) to support the [REPowerEU](#) initiative to improve energy security in the European Union and to reduce dependence on fossil fuel imports.

How the Valdecañas pumped-storage hydroelectric complex works

Reversible pumping plants, such as those in the Valdecañas hydroelectric complex, make it possible to use and generate electricity quickly, allowing for better management of the consumption and demand curve, and stabilising the electricity grid. The upper reservoir – which feeds the plant – acts like a storage system that is charged with the water's potential energy. Energy can then be stored when excess energy is generated from other non-dispatchable energy sources, and can subsequently be recovered when needed. It operates like a closed circuit between the upper and lower reservoir, which does not just consume water, but also reuses it. This system, which is independent of precipitation and water resources, has a long service life and can provide wide-reaching reinforcement to the electricity grid.

Background information

EIB

The [European Investment Bank \(EIB\)](#) is the long-term lending institution of the European Union, owned by the Member States. Built around [eight core priorities](#), it finances investments that contribute to EU [policy objectives](#) by bolstering climate action and the environment, digitalisation and technological innovation, security and defence, cohesion, agriculture and bioeconomy, social infrastructure, the capital markets union, and a stronger Europe in a more peaceful and prosperous world.

The EIB Group, which also includes the [European Investment Fund \(EIF\)](#), signed nearly €89 billion in new financing for over 900 [high-impact projects](#) in 2024, boosting Europe's competitiveness and security.

All projects financed by the EIB Group are in line with the Paris Climate Agreement, as pledged in its [Climate Bank Roadmap](#). Almost 60% of the EIB Group's annual financing supports projects directly contributing to climate change mitigation, adaptation, and a healthier environment.

In Spain, the EIB Group signed €12.3 billion of new financing for more than 100 high-impact projects in 2024, helping power the country's green and digital transition and promote economic growth, competitiveness and better services for its people.

High-quality, up-to-date photos of EIB headquarters for media use are available [here](#).

About the Regional Resilience Fund

The Regional Resilience Fund was created to facilitate access to NextGenerationEU 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.

The fund is led by the Ministry of Economy, Trade and Enterprise, which relies on the autonomous communities and cities to perform project selection and on the EIB Group as a strategic management partner.

About Iberdrola's storage strategy

Storage systems are key to tackling challenges associated with electrification and are set to become an essential component of electricity grids, making it possible to improve electricity supply, ensure that the grid is stable and reliable, and integrate and make full use of energy generated from renewable sources.

That is why Iberdrola, a pioneer in the energy transition, is committed to using hydroelectric pumping technology to facilitate energy storage. It is a leader in this area, with over 4 000 MW of installed

capacity, having undertaken projects in Tâmega, Portugal and Cortes-La Muela in Valencia, which, with a pumping capacity of 1 293 MW, is the largest installation of this kind in Europe.

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