

## Pumped hydro storage lithuania

The European Investment Bank (EIB) is lending EUR105 million to Lithuanian utility Ignitis Group to expand a key pumped storage hydroelectric power plant. The project involves installing a fifth pump-turbine unit at the Kruonis Pumped Storage Hydroelectric Power Plant, or Kruonis PSHP, making it one of the largest energy-storage facilities in Europe.

The expansion supports Lithuania's goal of meeting 100% of electricity demand from renewable-energy sources by 2030. The steep growth of intermittent renewable-energy sources, mainly wind and photovoltaic, requires a strong increase of flexibility in the grid, including storage capacity and frequency and voltage control, which can be provided by pumped storage hydropower plants.

"We are delighted to sign the agreement with the EIB, which opens the door to new opportunities by expanding Kruonis PSHP infrastructure and implementing sustainable-energy solutions for the future, said Ignitis Group Chief Financial Officer Jonas Rimavičius. "The necessary investments will also increase electricity production and facilitate the development of green generation."

With the installation of the fifth unit (110 megawatts), the capacity of Kruonis PSHP will increase to 1,010 MW. The unit is due to be completed by the end of 2026.

The European Investment Bank (EIB) is the long-term lending institution of the European Union, owned by its Member States. It finances sound investments that contribute to 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, which also includes the European Investment Fund (EIF), signed a total of EUR88 billion in new financing for over 900 projects in 2023. These commitments are expected to mobilise around EUR320 billion in investment, supporting 400 000 companies and 5.4 million jobs.

All projects financed by the EIB Group are in line with the Paris Agreement. The EIB Group does not fund investments in fossil fuels. It is on track to deliver on its commitment to support EUR1 trillion in climate and environmental sustainability investment in the decade to 2030 as pledged in its Climate Bank Roadmap. Over half of the EIB Group's annual financing supports projects that directly contribute to climate change mitigation and adaptation, and to a healthier environment.

Around half of EIB financing within the European Union goes to cohesion regions, where per capita income is lower. This underscores the Bank's commitment to fostering inclusive growth and the convergence of living standards.

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The EIB Group has announced a significant investment of EUR654 million in financing for projects in Lithuania in 2023. This represents a substantial increase from 2022, and EIB Group financing in the country over the past five years now totals almost EUR2.4 billion.

In order to enable the rapidly growing electricity production using renewable energy sources, it is necessary to efficiently utilise flexible large-capacity electricity storage facilities, such as Kruonis PSHP, which is operated by Ignitis Gamyba. This unique facility in the Baltic states today has the capacity to continuously supply electricity to the entire Lithuania for 12 hours at 900 MW. Kruonis PSHP also provides frequency restoration reserve services and voltage control services unrelated to frequency control and balancing, balancing the difference between electricity generation and consumption in the country. Kruonis PSHP also provides essential services for preventing and eliminating emergencies in the energy system.

The project concerns the extension of Kruonis pumped storage hydropower (PSH) plant in Lithuania by installing an additional pump-turbine unit in the existing powerhouse.

The European Investment Bank (EIB) and Naturgy have agreed a EUR1 bn loan to support investments in new solar energy and onshore wind power stations, as well as to modernise and convert existing sites into hybrid facilities in Spain. A EUR400 million initial tranche of the total agreement was signed in Madrid. The loan will also be used, to a lesser extent, for investments in batteries for renewable energy storage.

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