

Clean Energy Investment Strategy

European Commission · March 2026

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Agenda

01

Policy Context & Background

Energy transition objectives, investment scale, structural barriers

02

Strategy Objectives

Four objectives to mobilise private capital for energy transition

03

Action 1 – Capital Markets Access

Strategic Infrastructure Fund, securitisation, hybrid bonds

04

Action 2 – Loan Securitisation

Portfolio securitisation & Growth for Energy programme

05

Action 3 – De-risking Innovation

Clean tech, SMRs, energy efficiency, financing coordination

06

Action 4 – Investment Dialogue

Energy Transition Investment Council

07

Key Takeaways



Energy transition objectives & Investment Scale

**Competitive and
affordable energy**

Secure energy

**Sustainable
energy**

€660bn Annual investment needed 2026–2030

Key policy drivers: Clean Industrial Deal (2025) · Affordable Energy Action Plan (2025)

Investment gap: Annual average was €240bn (2011–2021). Needs to rise to €695bn/year by 2031–2040. **Public resources alone cannot meet these needs.**

Mobilising Private Capital for the Energy Transition

Visibility & Scale

Improve predictability of EU energy investment pipelines and connect project developers with private investors

Capital Markets

Facilitate greater participation of institutional investors through securitisation and investment-grade assets

Public De-risking

Strengthen targeted risk-sharing mechanisms to enhance bankability and accelerate innovative clean energy technologies

Structured Dialogue

Establish ongoing dialogue between policymakers, financial institutions and investors to align instruments with market needs



Three Instruments to Unlock Grid Financing

Strategic Infrastructure Investment Fund (SII Fund) · €500m EIB equity platform

Equity co-investment platform alongside private infrastructure investors. EIB anchors with up to €500m to crowd in private capital for critical grid infrastructure.

Operator Securitisation Facility (OSF) · Regulated Revenue → Immediate Liquidity

SPV acquires rights to future regulated cashflows, providing operators with immediate cash while SPV notes give institutional investors a long-term income stream.

Individual Origination

Single large TSO/DSO securitises its own revenue stream — simpler structuring, concentrated exposure

Multi-Origination (Pooling)

Multiple operators pool regulated revenues to reach institutional 'ticket size' — more complex but broader market appeal

Hybrid Bonds · Equity Treatment on Regulatory Balance Sheets

EIB acts as anchor investor in hybrid bond issuances. Crucially, this debt is classified as equity for regulatory purposes — boosting the operator's debt capacity without breaching leverage covenants or degrading credit ratings.



Freeing Up Bank Balance Sheets for Grid Lending

Bank Capacity Release via Securitisation

Incentivise commercial banks to securitise existing loan portfolios and sell the resulting securities to institutional investors — freeing balance sheet capacity for fresh grid operator lending.

Preferred Structure

✓ True Sale Securitisation

Loans are transferred outright to an SPV, removing them from bank balance sheets entirely. Clean, complete risk transfer — maximises new lending headroom.

~ Synthetic Securitisation (secondary)

Uses credit default swaps to partially hedge credit risk — loans stay on-balance sheet. Less effective at freeing lending capacity; used only where true sale is legally constrained.

Growth for Energy Programme

EIB-led intermediated lending programme to scale up financing for smaller, more fragmented Distribution System Operators (DSOs) through regional and local commercial bank partners.

DSO Focus

Targets operators too small to access capital markets directly — the most fragmented segment of the grid financing challenge

Bank Partnerships

Works through local/regional banks that already have DSO relationships, leveraging existing credit infrastructure

EIB Scaling Role

EIB provides wholesale funding and credit enhancement to partner banks, multiplying lending capacity across the network

Ticket Size

Aggregation approach helps achieve investment scale appropriate for institutional engagement



Catalytic Public Funding for Emerging Tech and Energy Efficiency

Next-Generation Clean Technologies

- Venture debt & equity (InvestEU) for:
- Long-Duration Energy Storage (LDES)
 - Floating offshore renewables
 - Ocean energy & tidal
 - Other pre-commercial clean tech

Horizon Europe & Innovation Fund grants for demonstration projects.

Small Modular & Advanced Reactors

- EIB Group venture debt instruments targeting:
- SMR and AMR fuel cycle infrastructure
 - Associated supply chain development
 - Early commercial deployment stages

Supports EU SMR Strategy objectives on nuclear diversification.

Scale-Up Europe Fund

- Addresses the 'valley of death' for deep-tech energy:
- Mobilises private investment for high-growth cleantech
 - Targets disruptive technology scale-up
 - Launched under EU Startup & Scaleup Strategy

Bridges gap between early-stage VC and infrastructure finance.

Energy Efficiency as a Service · €500m Pilot

€500m pilot initiative for EEaaS business models — shifting upfront capex to service contracts. Expanded InvestEU EIF Sustainability Guarantee to support EE investments. European Competitiveness Fund may provide longer-term aggregation via a dedicated Energy Efficiency Accelerator.

Coordination of Public Financing Schemes

Commission to strengthen coordination between EU and national financing via Energy Union Task Force and the Energy Transition Investment Council. Objective: eliminate duplication, improve cross-border project co-financing, and align national promotional bank mandates with EU priorities.

Launching Q2 2026

A structured feedback platform between institutional investors, Member States and the Commission — building on the proven Investors Dialogue on Energy model.

Identify Barriers

Pinpoint structural and regulatory barriers to private investment. Translate market feedback into actionable policy changes.

Improve Coordination

Align EU and national financing instruments. Eliminate duplication between InvestEU, CEF, Innovation Fund and national schemes.

Shape Future Policy

Ensure upcoming legislative and financial initiatives are designed from the outset to facilitate large-scale private capital mobilisation.

Dedicated Sub-Group

Focuses specifically on optimising resource use across the EIB Group, International Financial Institutions (IFIs) and National Promotional Banks — strengthening public finance coordination to maximise leverage of private capital alongside EU instruments.



Clean Energy Investment Strategy

Key Takeaways

- €660bn+ annual investment required — far beyond public resources alone
- Four strategic actions to unlock large-scale private capital
- EIB Group commits €75bn over three years as cornerstone financier
- Energy Transition Investment Council to sustain policymaker–investor dialogue
- Forthcoming energy and climate framework for the decade ahead & Energy System Needs Assessment for the Clean Transition (ENACT) – *scope and nature of necessary investments*

Small Modular Reactor Strategy

Strategy for development and deployment of Europe's next major energy industrial projects

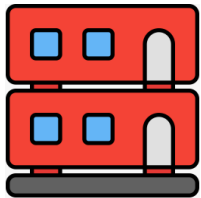
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SMRs are innovative designs of nuclear reactors

SMR concept



Smaller in size and output



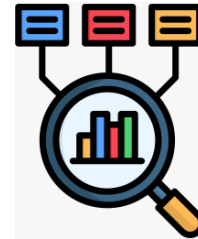
Factory built reactors: manufactured in factory and transported to the site for direct installation or on-site assembly

SMR types

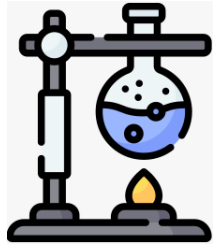
Light water SMRs - typically been developed from existing water-cooled nuclear reactors.

Advanced modular reactors (AMR) use innovative concepts and next-generation (GEN IV) designs; different coolants (liquid metal, molten salt, high-temperature gas); novel nuclear fuel types.

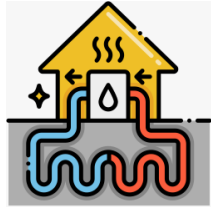
Microreactors - typically produce less than 10 megawatts of electric power; long refuelling cycles; easily transported.



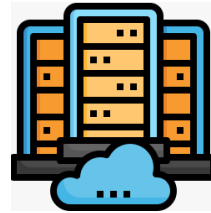
SMR can perform in hybrid and off-grid applications



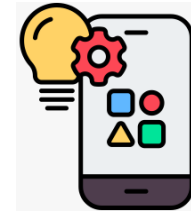
Chemical industries



District heating

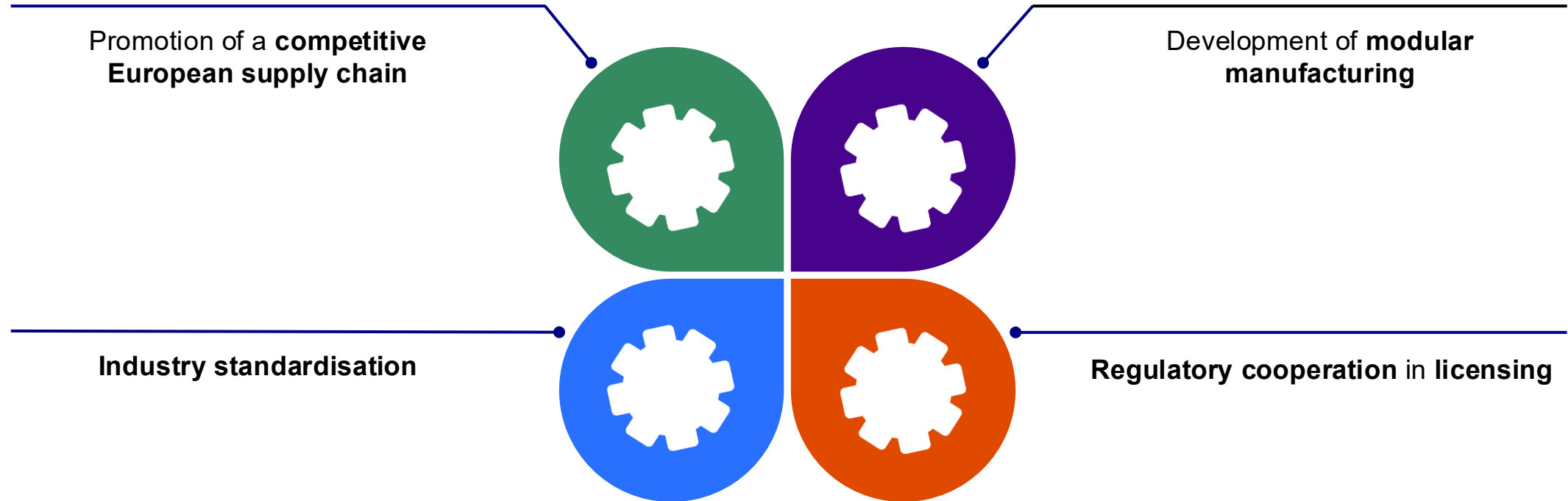


Data centres



Other applications

An integrated European programme: Focus points



SMR Strategy: 9 actions at glance

INDUSTRY

Focus on a **limited number** of projects

Competitive **European supply-chain** with local degree of content

Industrial standards for a **fleet** approach

FINANCING

Develop tailor-made **de-risking** instruments

IPCEI on innovative nuclear technologies

Net-zero Acceleration Valleys

POLICY

Removing barriers intra-EU flows and protecting EU IP

Regulatory cooperation ('sandboxes', early review)

Establish an **SMR coalition**

Working with **like-minded partners**



Thank you



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Sources: Strategy for the development and deployment of Small Modular Reactors (SMRs) in Europe, Icons sourced from Flaticon.com

