



Council of the European Union  
General Secretariat

**Brussels, 24 March 2026**

**WK 4550/2026 INIT**

**LIMITE**

**ENER**

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## **MEETING DOCUMENT**

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From: General Secretariat of the Council  
To: Working Party on Energy

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Subject: Clean Energy Investment Strategy - presentation

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Delegations will find in the annex the presentation on the Clean Energy Investment Strategy.

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# Clean Energy Investment Strategy

European Commission · March 2026

*Energy Working Party*

# Agenda

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## Policy Context & Background

Energy transition objectives, investment scale, structural barriers

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## Strategy Objectives

Four objectives to mobilise private capital for energy transition

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## Action 1 – Capital Markets Access

Strategic Infrastructure Fund, securitisation, hybrid bonds

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## Action 2 – Loan Securitisation

Portfolio securitisation & Growth for Energy programme

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## Action 3 – De-risking Innovation

Clean tech, SMRs, energy efficiency, financing coordination

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## Action 4 – Investment Dialogue

Energy Transition Investment Council

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## Key Takeaways

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# 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

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- €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*