

Green Finance Investment Report 2019

Eidsiva Energi AS 30. April
2020



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Eidsiva first established a green finance framework in the fall of 2017 for the issuance of green bonds. The framework was updated in the fall of 2019. The framework was awarded the highest rating “dark green with good governance structure” by Cicero.

The first green bond was issued in October 2017 with an outstanding amount of NOK 750 million and a maturity of 6 years. The bond has financed Eidsiva's share in renewable wind and hydropower through the subsidiary Eidsiva Vannkraft. Eidsiva Vannkraft was partially sold to Hafslund E-CO on 30.09.2019. Eidsiva currently has a 42.8% ownership interest in Hafslund E-CO Vannkraft which owns Eidsiva Vannkraft. Investments in green projects up to the time of transaction are included in this report.

In the same transaction with Hafslund E-CO, Eidsiva purchased 100% of Hafslund Nett. Eidsiva compensated Hafslund E-CO NOK 3.3 billion as part of the transaction. The compensation is partly financed by Eidsiva issuing two green bonds of NOK 1000 million and NOK 500 million in October 2019, with maturities of 10 and 7 years respectively.

Hafslund Nett AS and Eidsiva Nett AS merged in 2019, and the new company is named Elvia. The main business of Elvia is to transport and distribute electricity from hydropower and wind power plants to the end user/consumer. To succeed in the shift of environmental policy toward greener alternatives, Norway relies on a network infrastructure that is capable of supporting the electrification of transport, industry, etc. For this reason, grid business is included in the dark green category at Cicero. Significant investments are made each year to sustain and strengthen the supply of green energy.

Below we have presented the established portfolio of green financing and the relevant projects they have been applied to (1).

(Nedre Otta and Tolga hydropower production plants are finalized in 2020 and 2021 respectively. Corresponding reduction in CO2 is calculated as the hydropower units are finalized.)

Statement of investments financed with green financing as of 31.12.2019

Green financing portfolio	Issued	Maturity (years)	Amount (NOKm)
Green bond	2017	6	750
Green bond	2019	10	1 000
Green bond	2019	7	500
Total green funding			2 250

Approved green projects - New Renewable Energy	Description of project	New-/refinancing	Increased renewable production		Eidsiva Energi's ownership interest			
			Renewable Production (GWh)	Invested as of 31.12.2019 (NOKm)	Ownership	NOKm	GWh	CO2 reduction (tonnes) *
Braskereidfoss	Expansion of hydropower plant	Refinancing	40 GWh	330	42,8%	141	17	6 506
Rosten	New hydropower plant	New financing	192 GWh	894	12,0%	107	23	8 744
Raskiftet	New wind farm	New financing	370 GWh	1 220	8,6%	104	32	12 035
Nedre Otta	New hydropower plant	New financing	315 GWh	995	9,9%	98	27	10 108
Tolga	New hydropower plant	New financing	205 GWh	383	14,8%	57	13	4 940
Sum			602 GWh	3 823		508	111	42 332

Approved green projects - Energy efficiency	Description of project	New-/refinancing	Invested as of 31.12.2019 (NOKm)
Installation of AMS meters	Installation of AMS meters for more efficient use of power grids	Refinancing	1 969
Sum			1 969

Green financing portfolio - Application	Amount (NOKm)
Total portfolio of green projects	2 477
Total green funding	2 250
Other financing or equity	227

* Emission factor for electricity, combined margin 380g CO2 / kWh (Position Paper on Green Bonds Impact Reporting, January 2019)

Eidsiva Energy's compliance function has reviewed the information in this report and confirms that it is in line with the parameters described under the company's green framework.



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