



red eléctrica

PRESS RELEASE

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EIB approves a €300 million loan to Red Eléctrica for the construction of Salto de Chira hydroelectric power plant in the Canary Islands

- **Salto de Chira is a cutting-edge strategic project for the island of Gran Canaria, which combines a pumped-storage hydroelectric power plant of 200 MW installed power capacity and a desalination plant.**
- **It will strengthen Gran Canaria's electricity system, providing a fundamental back-up to guarantee energy security and electricity supply, critical issues for citizens and businesses.**
- **The project contributes to the integration of renewable energies on the island and reflects the important role the EIB is playing in consolidating Spain as the country of renewables.**

The European Investment Bank (EIB) has approved a €300 million loan to finance the construction of the Salto de Chira pumped-storage hydroelectric power plant being built by Red Eléctrica, a subsidiary of Redeia, in Gran Canaria.

The Salto de Chira power plant will use a system of two water reservoirs at different heights to store or deliver energy from renewable energies according to the needs of the electricity system. It will have a installed power capacity of 200 MW and energy storage capacity of 3,5GWh, making possible to take advantage of surplus renewable production, which would otherwise be lost, at times when the system needs it. In this way, it will contribute to the quality and security of the electricity supply and to greater integration of renewable energies into the electricity system on the island of Gran Canaria. The project also includes the construction of a seawater desalination plant to contribute to water storage, which is also expected to have a positive impact on farming communities' access to irrigation water.

“We are delighted to join forces with Red Eléctrica to support the construction of the Salto de Chira hydroelectric power plant. This project is key to ensuring energy autonomy and driving the green transition in Gran Canaria,” said **Jean-Christophe Laloux, Director General of Operations in the European Union at the EIB**. “The project will improve electricity supply quality and security on the island using existing resources and reflects the EIB's commitment to territorial cohesion and climate action, two of our strategic priorities.”

The investment takes part entirely in the Canary Islands, a cohesion and outermost region. It is expected to have a positive impact on the local economy by driving growth and job creation, and firmly backs the EIB Group's commitment to economic, social and territorial cohesion.

Commenting on the agreement, **the CEO of Redeia, Roberto García Merino**, highlighted the importance of this project and of storage in advancing the penetration of renewable energies, “storage will be one of the key elements in the energy transition, providing flexibility and manageability to the electricity system to integrate large amounts of renewable energies, thus contributing to electrification and access to renewable energy, which is especially important for an electricity system like the Canary Islands, which is isolated and therefore more vulnerable”.

Once finalized, the pumped-storage hydroelectric power plant will be a fundamental tool for the operation of the system, providing it with the flexibility essential for the substitution of fossil energy sources and the safe and reliable integration of renewable resources, mitigating the interconnection difficulties of the Canary Islands' electricity systems.

This project contributes to the decarbonisation objectives of the European Green Deal. It is also part of the [EIB's action plan](#) to support [REPowerEU](#) in ensuring energy security and reducing EU dependence on fossil fuel imports.

Operation of the Salto de Chira pumped-storage plant

The plant will use two of Gran Canaria's existing reservoirs, Chira and Soria, to create an electricity-generating waterfall. It will harness the renewable energy stored in the form of water in the upper reservoir to produce energy through an underground hydroelectric plant, reducing its impact on the environment.

At times of peak renewable energy generation, the excess power will be used to pump water from the lower reservoir (Soria) to the upper one (Chira), storing this energy in the form of water. The water will then be used to generate electricity at times of high demand and low electricity generation from renewable sources.

The project includes the construction of a seawater desalination plant that will be used to fill the reservoirs and will directly benefit the development of farming communities in the area thanks to the water not needed for the operation of the plant.

The EIB and energy security

In 2023, the EIB Group signed more than €21 billion in financing for energy security in Europe. In the same year, it allocated €4.5 billion to this goal in Spain, financing projects in areas including renewable energy, energy efficiency, power grids and storage systems. These investments are helping Europe speed up its transition to sustainable energy and reduce its reliance on fossil fuel imports.

In July 2023, the EIB Board of Directors [raised the amount earmarked for REPowerEU projects to €45 billion](#). REPowerEU is the plan designed to end Europe's dependence on fossil fuel imports. To boost financing for the EU manufacturing industry, the EIB will also expand the range of eligible sectors to include leading strategic technologies with net-zero carbon emissions, as well as extraction, processing and recycling of critical raw materials. The additional financing will be disbursed between now and 2027. In total, it is expected to mobilise more than €150 billion in investment in the target sectors.

Find out more about the EIB's support for the energy sector [here](#).

Background information

EIB

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 further [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, consisting of the EIB and the European Investment Fund (EIF), reported total financing signatures in Spain of €11.4 billion in 2023, approximately €6.8 billion of which went to climate action and environmental sustainability projects. Overall, the EIB Group signed €88 billion in new financing in 2023.

Red Eléctrica

Red Eléctrica is the sole transmission agent and operator of the electricity system in Spain. Created in 1985, it is the first TSO in the world, being the first company dedicated exclusively to the operation of the electricity system and the transmission of electricity; a model currently implemented in 22 of the 27 countries of the EU.

A subsidiary of Redeia, manager of essential electricity and telecommunications infrastructures, Red Eléctrica's mission has always been to guarantee a safe and quality electricity supply and to develop a

reliable electricity transmission grid to provide a service that is essential for households, companies and public services. It is now also a fundamental pillar of Spain's ecological transition process, developing the grids necessary for this transformation and operating the system for an efficient and safe integration of renewable energies.

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