

## State credit guarantees for electricity producers

**The Government has given the Swedish National Debt Office a mandate to provide credit guarantees for loans to electricity producers that are cleared in the electricity derivatives market by Nasdaq Clearing AB.**

The assignment comes in response to the exceptional price trend and price volatility in the electricity market, which has led to electricity producers trading in electricity derivatives having to be able to pledge increasingly higher collateral with Nasdaq Clearing. This could lead to liquidity problems for companies that are ultimately solvent. To ensure that the electricity producers can receive credits needed to meet Nasdaq Clearing's requirements, the Debt Office has been assigned to issue credit guarantees.

"The credit guarantees are to prevent an acute liquidity shortage among the electricity producers," says Karolina Ekholm, Director General of the Debt Office.

The programme is designed so that the electricity producers can, if necessary, apply for a loan through their bank, which in turn applies for a credit guarantee from the Debt Office. The guarantee covers 80 per cent of the loan, while the bank accounts for 20 per cent.

"It is good if the electricity producers contact their banks at this point, so that together they will be prepared if the need to utilise a state guarantee arises," says Magnus Rystedt, head of the Guarantee and Financing department at the Debt Office.

### Brief facts about the state credit guarantees for electricity producers

- The guarantee framework amounts to SEK 250 billion.
- Guarantees can be granted up to and including 31 March 2023, and the total maturity may not exceed three years.
- The guarantee holder shall pay a market-based fee for the credit guarantee, which is determined by the Debt Office.
- Electricity producers that are not domiciled in Sweden, but that are clearing members of Nasdaq Clearing AB, may be granted guarantees until an equivalent form of liquidity support is established in the countries where the electricity producer has its main operations or registered office, although only until 20 September 2022 at the latest.
- Electricity producers may not pay out bonuses or other forms of variable remuneration during the life of the loan.

For more information see the Debt Office's website, which is continually updated: <https://www.riksgalden.se/electricity-producers>

## Contacts

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## About the Swedish National Debt Office

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The Swedish National Debt Office is the central government financial manager. We secure Sweden's economy and ensure that the financial system remains stable.

[www.riksdagen.se](http://www.riksdagen.se)

## Attachments

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