

**Question for written answer E-006109/2020  
to the Commission**

Rule 138

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**Subject:** Spain's obligation to compensate banks for the failed Castor gas storage facility

On 29 October 2020, the Spanish Supreme Court ruled that the Spanish State must pay EUR 1.35 billion to Santander, Caixabank and Bankia, the banks that financed the compensation paid to Escal UGS, the developer of the Castor gas storage facility. The facility, located off the coast of Vinaròs, never went into full operation as it had to be shut down in 2013 after causing hundreds of earthquakes in the area.<sup>1</sup>

The contract to build the facility – which also received financing from the European Investment Bank – promised compensation to the developer should the project fail. Thus, after it was shut down, the Spanish authorities gave the green light for a loan of EUR 1.35 billion to compensate Escal UGS. That loan was to be paid off by consumers through their domestic gas bills over 30 years. The banks sued the government when the Constitutional Court annulled this mechanism and the state stopped servicing the debt.

The Spanish State, and ultimately its taxpayers, must now pay for the losses of a private investment found to be harmful for the environment and the people living nearby. Does the Commission consider this to be compatible with EU's internal market and consumer protection rules?

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<sup>1</sup> <https://es.reuters.com/article/idUSL8N2HK8DE>