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Public

Environmental and Social Data Sheet

Overview

Project Name:	ENERGY SECURITY OF SUPPLY IN POLAND - PCI
Project Number:	2019-0433
Country:	Poland
Project Description:	Support for Gaz System's PCI CAPEX programme, contributing to increased system capacity, energy security and diversification of natural gas supplies in Poland.
EIA required:	yes
Project included in Carbon Footprint Exercise[1]:	yes

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

Environmental Assessment

The Project relates to the construction of two DN1000 bi-directional high-pressure gas transmission pipelines, the Polish part of the Poland-Slovakia (PL-SK) interconnector and the Gustorzyn-Wronow pipeline within Poland. These two sections will connect respectively to the Slovak part of the PL-SK interconnector and to the Central and Eastern parts of the Polish gas transmission network to form part of the Priority Corridor North-South Gas Interconnection in Central Eastern and South-Eastern Europe (NSI East Gas).

The PL-SK interconnector project consists of a 164 km gas transport pipeline with the related above ground installations from Strachocina (PL) to Veľké Kapušany (SK). The project is an EU Project of Common Interest (PCI 6.2.1) contributing to the implementation of the strategic energy infrastructure priority corridors. The project includes, on top of the gas transmission pipeline, a compressor station modification at Veľké Kapušany in Slovakia and a gas node at Strachocina in Poland. The EIB has been requested to finance both sections in Slovakia and in Poland, the Slovak part being the object of a previous approval[2] by the Bank, including an already published ESDS, while the Polish part, which is 61 kilometres long, is included in the scope of the Project, which is the subject of this ESDS.

The second component, the 316 km Gustorzyn-Wronow pipeline, is also an EU Project of Common Interest (PCI 6.2.2) and is located in the same priority corridor as the PL-SK interconnector.

[1] Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20 000 tonnes CO2e/year absolute (gross) or 20 000 tonnes CO2e/year relative (net) – both increases and savings.

[2] PL-SK GAS INTERCONNECTOR (2017-0317, 12.12.2017)

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Based on their technical characteristics and the criteria and thresholds defined in the EU legislation, the Polish part of the PL-SK interconnector as well as each of the three stages[3] of the Gustorzyn-Wronow pipeline fall under Annex I of the EIA Directive. The environmental approvals are being processed for the first component and are planned to be obtained by Q1 2020 for the second component.

Both components fall under the Act of 30 May 2014 (amending the Act of 24 April 2009) on investments related to the liquefied natural gas regasification terminal in Swinoujscie and as such the environmental and subsequent location decisions are coordinated under the responsibility of the regional competent authority.

PL-SK interconnector

The EIA documentation, including the Appropriate Assessment (AA) study, has been prepared separately for the Polish and Slovak sections of the interconnector, taking into consideration the requirements of the local legislation in each country, which transposes the related EU Directives, as well as potential cross-border impacts[4].

The Final Decision of approval of the EIA report and the AA study for the Slovak section of the interconnector was issued by the Slovak Competent Authority (CA) in September 2017, with no particular objections nor comments being raised as a result of the public consultation. The assessment included consideration of potential cross-border impacts and the involvement of the Polish competent authority in response to the notification of the project (in November 2014) under the Espoo Convention.

For the Polish section, the EIA report, including AA, was published in October 2016, public consultation took place from 27 January 2017 to 16 February 2017, and the environmental decision was published by the regional environmental authority on 28 April 2017. However, due to an appeal to the environmental decision in Poland, the national environmental authority undertook a review of the EIA documents, which led to additional environmental conditions and to the selection of an alternative route for the Polish section of the interconnector. The final environmental decision was issued on 10 May 2019. The fulfilment of the environmental conditions will be integral part of the contractual undertakings in the financing contract with the Promoter.

Since the construction of a pipeline is a linear work, the project area will be affected only locally and temporarily in its different sections. For this reason, no linear section will be affected for the entire duration of the construction period, which significantly reduces the negative impacts of this phase. The Polish section implementation has also a dephasing construction timeline to the implementation of the Slovak part of the interconnector, limiting the cumulative impacts of the interconnector's construction.

In Poland, the pipeline will be implemented primarily within agricultural land, forest or wooded areas, grassland, avoiding electricity infrastructure, villages or towns. The route will also cross some potentially vulnerable areas: (i) presenting hydraulic and landslide hazards, (ii) subject to difficult geological conditions, (iii) in hilly and wetlands terrain (iv) with hydrogeological restrictions, and (v) protected, including Natura 2000 sites.

[3] Gustorzyn-Lesniewice (60 km); Lesniewice-Rawa Mazowiecka (100 km); Rawa Mazowiecka-Wronow (156 km)
[4] Included in the EIA for the Slovak section

The environmental impacts of this component specifically concern its crossing through some landslide and hilly areas and some watercourses. When not possible to reroute, the best technical choice for securing the crossing of those areas will be used, through the installation of retaining walls, piles, micropiles, stone coating and/or drainage. Remote landslide monitoring systems (inclinometers) will also be set-up. Rocky soil along some sections of the route will require controlled milling.

Concerning sites of nature conservation importance, a Nature and habitats surveys were performed in September 2018. The final pipeline route intersects four Natura 2000 sites[5] and two protected landscape areas[6].

Several avoidance and minimisation measures have been integrated into the project design to minimise the Project impact on these and on other sensitive areas[7]. These measures include: (i) re-routing the pipeline; (ii) using trenchless techniques (microtunnels, drilling and jacking); (iii) slope stabilisation techniques; (iv) not disturbing the breeding periods of species (iv) on-going impact assessment on the sites of nature conservation importance by independent experts as the work progresses, with potential additional mitigation measures that could be imposed by the regional competent authorities (v) and potential relocation of flora and fauna in artificial shelters if necessary.

Having assessed the floristic and faunistic data of the whole interconnector route, the proposed monitoring of nature protection interests is to be undertaken during the construction period in each country, including the environmental supervision during and after the construction of the gas pipeline.

Concerning cross-border impacts and in accordance with the Espoo Convention requirements, cross-border liaison was maintained between the project teams (from Eustream and Gaz-System), representatives of each state nature protection agency, and experts preparing the EIAs for both the Polish and Slovak parts. As for the individual sections impacts, cross-border impacts were also assessed as being temporary, short-term and reversible, after the most optimal cross-border points for both sides of the border were selected.

In summary, both pipeline sections of the interconnector have been assessed to generate temporary and reversible impacts during construction works (clearing of rights of way, noise, dust, increased traffic, temporary access restrictions, construction camps and lay-down areas, waste disposal, crossing of highways, rails and water ways). These impacts can usually be effectively managed by appropriate mitigation measures in order to avoid unacceptable nuisance to other parties and the public. The impacts were also assessed to be limited or negligible during the subsequent operational phases as the natural habitats will be restored as per the set of conditions attached to the EIA development consent decisions. Restoration and mitigation works will particularly focus on works related to restoring geomorphology, hydrology, hydrogeology and re-vegetation. Permanent surface installations will be masked by proper re-vegetation around the sites to mimic the original landscape.

If the proposed mitigation and reinstatement measures are fully implemented no residual impacts are expected.

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[5] two Natura 2000 special protection areas (Beskid Niski PLB180002 and Bieszczady Mountains PLC180001) and two Natura 2000 special areas of conservation (Bieszczady Mountains PLC180001 and Upper San River Basin)

[6] Protected Landscape Area of Beskid Niski Mountains (Obszar Chronionego Krajobrazu Beskidu Niskiego) and Protected Landscape Area of East Beskidy Mountans (Wschodniobeskidzki Obszar Chronionego Krajobrazu)

[7] unstable slope, railways and water courses crossings

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Gustorzyn-Wronow pipeline

This component is also subject to a full environmental impact assessment and will need to incorporate an appropriate assessment of Natura 2000 sites. The EIA reports for the two first stages of the pipeline were completed on 07 June 2019 and the applications for the environmental decisions from each concerned region were submitted on 31 June 2019. The EIA submission for the third stage is planned in September 2019. The routing alternatives being considered will likely traverse some Natura 2000 sites[8]: The promoter expects the environmental approval process to finish by 4Q2019.

As for the first component, typical impacts that can be expected are mainly temporary, relates to construction works and can usually be managed well by appropriate measures in order to avoid unacceptable nuisance to other parties and the public.

The pipeline route will mostly run outside urbanized areas, located instead in agricultural areas and for a small part in forestry areas. but is likely to traverse or pass close to some Natura 2000 and Habitat Directive sites, and the Promoter is likely to be bound to undertake appropriate mitigating actions in these zones; these include using horizontal directional drilling (i.e. trenchless installation), not disturbing migrations or the breeding periods of species, optimising transport to site, ensuring low impact and maintaining distance limits from certain areas. The pipeline will be buried and follow existing rights of way where appropriate and possible. The approvals would be expected detail the areas and the measures required to be in line with good practice for such a project.

EIB Carbon Footprint Exercise

Greenhouse gases emissions related to gas transmission pipelines activities mainly relate to the fugitive emissions from pipeline leaks and to the emissions from compressing the gas for transmission purposes. The Promoter has provided some estimates of the proportion of leaked gas and gas used for compression based on its overall network operations, with the resulting absolute emissions from the Project totalling 57 kt CO2-eg/yr. This value is based on a conservative assumption of the utilisation rate foreseen by the Promoter and includes rerouted existing gas transported volumes and additional gas supply volumes based on the Promoter's moderate demand growth scenario. It has to be noted that the emissions related to the Slovak part of the PL-SK interconnector, in particular to the expansion of the compressor station at Veľké Kapušany, have not been accounted for in these calculations, as these have already been included in the Bank’s database during the previous instruction for this component.

Concerning the baseline emissions, the alternative to the Project mainly concerns gas flows from other routes, which are usually older assets with similar but slightly higher emissions. Thus, a conservative assumption of the same emissions in the other routes was used and results to no relative emissions for the Project.

The gas pipelines will be designed and installed with materials of the highest quality to minimize the occurrence of leaks during their operational phase.

[8] Gustorzyn-Lesniewice (stage I) does not cross any Natura 2000 sites; Lesniewice-Rawa Mazowiecka (stage II) potentially crosses two special areas of conservation (“Pradolina Bzury-Neru” PLH100006 and “Dolina Rawki” PLH100015) and one special protection area (“Pradolina Warszawsko-Berlińska” PLB 100001) ; Rawa Mazowiecka-Wronow (stage III) potentially crosses two special areas of conservation (“Dolina Dolnej Pilicy” PLH140016 and “Puszcza Kozienicka” PLH140035) and three special protection areas (“Dolina Pilicy” PLB140003, “Ostoja Kozienicka” PLB140013 and “Dolina Środkowej Wisły” PLB140004)

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For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Social Assessment, where applicable

The main social impacts relate to the losses incurred by the set easements and protection area of the pipeline, including loss of crops and cut forest. All landowners affected by the project will be identified and compensated according to the national law and the international requirements.

There is legal recourse regarding compensation if negotiated settlements are not concluded with landowners. Legal actions in respect of right of way settlements cannot be excluded, however, provided that appeals do not concern any sites of nature conservation importance, the competent authority holds the rights to expropriation given the status of project of national importance for the two components, under the Act of 24 April 2009 on investments related to the liquefied natural gas regasification terminal in Swinoujscie.

Public Consultation and Stakeholder Engagement

Public consultation and publication of the authorities' decisions are mandatory under the Polish and Slovak legislations for environmental impact assessments. The EIA and Appropriate Assessment process involved stakeholder engagement and included comprehensive public consultations.

Concerning the PL-SK interconnector:

In Poland, public consultation and presentation in compliance with national legislation occurred in two stages during the EIA process, due to public appeals on the EIA decision for the original route of the section, over concerns on impacts to an underground aquifer used for potable water. This was addressed through the re-routing of some sections of the Polish part of the interconnector.

Likewise, in Slovakia, all relevant EIA documents regarding the Interconnector Poland-Slovakia were made available for public consultation.

There does not seem to be any outstanding environmental issues that could raise opposition from stakeholders apart from potential rights of way issues, which could be handled in accordance with national legislations.

Concerning the Gustorzyn-Wronow pipeline: Pre-consultation meetings were held at the preliminary design stage and further public consultation will be conducted as part of the permitting procedure.

Once available, the review of the proceedings and outcome of the public consultation will constitute an integral part of the disbursement conditions for the project components in the financing contract with the Promoter.

Other Environmental and Social Aspects

In addition to systems to meet regulatory requirements, the Promoter has an environmental management system which assesses new projects and monitors on-going operations. Mitigation and monitoring measures as set-up in the environmental documentation approved by the competent authority and will be supervised by the potentially impacted regions. Independent experts directly reporting to the regional competent authority, will also perform environmental surveys and supervise the works on environmental grounds, particularly in and around sites of nature conservation importance and landslide areas.

In the case of any archaeological discoveries the relevant authorities will be notified. An archaeological supervisor will also be present on site during the implementation of the pipelines.

Third party works and landslides near pipelines will be monitored to avoid any interference with Gaz-System infrastructure and operations. Monitoring of the leaks and periodic inspections of emergency equipment will also be carried out. Devices for online detection of methane emission are also being tested to optimize the decision-making process for network and plant management in particular regarding the monitoring of pipelines integrity.

The pipelines are also designed such as to guarantee a safe physical access to the implementation and to allow the O&M personnel to operate in conditions compliant to safety requirements.

The Promoter is committed to developing and promoting the protection of health and safety at work, with explosion avoidance and safety matters being one of its main focus through risk mitigation and prevention actions based on the Promoter's well-established accident and emergency procedures. In addition to complying with legal requirements, the promoter has implemented a quality management system based on ISO 9001, an environmental management system based on ISO 14001; an occupational health and safety management system based on OHSAS 18001:2007.

The Health, Safety, Environment and Quality (HSEQ) management unit is all run in-house and the Promoter's HSEQ and environmental management policies are also applied to its contractors and subcontractors as part of their selection process and contractual terms.

The environmental procedures employed by the Promoter are considered to be appropriate to ensure compliance with the requirements of the relevant EU and national legislation.

The Promoter is also experienced in managing similar activities as the Project, and previous site visits demonstrated that it operates in line with industry standards.

Conclusions and Recommendations

For the PL-SK interconnector, the results of the available assessments and authorisations for the various components do not highlight issues that form an obstacle to the acceptance of the Programme by the Bank. Some documents are still necessary, though, to complete the Bank's environmental assessment thus disbursement conditions are introduced for the Promoter to provide the form A/B and final location decision for the Bank's review and acceptance.

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For each of the three stages of the Gustorzyn-Wronow pipeline, given the fact that the final environmental impact and nature assessment report is not yet complete, the Bank has included disbursement conditions in the contract for the Promoter to provide with all necessary environmental impact assessment outcomes and decisions, for the Bank's review and acceptance.

The Bank has also included undertakings, in particular with regards to the fulfilment of the mitigation measures set in the environmental decision documents as well as to the cumulative impact assessment on the three stages of the Gustorzyn-Wronow pipeline.

The project is expected to provide short-term positive socio-economic impacts in the form of temporary employment opportunities. In the longer term, improved access to gas, security of supply and improved competition in the gas market are positive impacts. The Project will also support future gas transit in the North-South direction of the region and allow for reverse flow capability, increasing the system resilience and flexibility. The Project will also potentially allow for indirect environmental benefits, through the substitution of more polluting fuel sources by gas by supplying the regions connected to the pipelines.

With the environmental and contractual conditions described above in place, the Promoter's environmental capability and the relatively low impact from the various components as per available information at this stage, the Project is acceptable for EIB financing in E&S terms.