

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	ENERGY SECURITY OF SUPPLY IN LITHUANIA - PCI
Project Number:	2019-0476
Country:	LITHUANIA
Project Description:	The project concerns financing of the gas interconnection between Poland and Lithuania. The objective of the project is to integrate the Baltic States' gas market into the larger EU gas market and diversify gas supply sources. The project will also increase security and reliability of gas supplies.
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The Project relates to the construction of a DN700 bi-directional high-pressure gas transmission pipeline, the Lithuanian part of the Gas Interconnector Poland-Lithuania (GIPL). The section will connect to the Polish part of the GIPL to form part of the EU's Priority Corridor Baltic Energy Market Interconnection Plan in Gas (BEMIP Gas). This Project concerns the EIB financing of only the Lithuanian section of the GIPL.

The Project covers by this document consists of a 165 km gas transport pipeline with the related above ground installations and represents the Lithuanian section of the 508 km GIPL project, running from the Holowczyce compressor station located to the east of Warsaw in Poland, to the Jauniuniai compressor station located to the north of Vilnius, in the South-Eastern part of Lithuania. The project is an EU Project of Common Interest (PCI 8.5) contributing to the implementation of the strategic energy infrastructure priority corridors. The project includes, on top of the gas transmission pipeline, the implementation of the 20MW Gustorzyn compressor station<sup>2</sup> and adaptation works to the 25 MW compressor station at Holowczyce in Poland as well as a gas pressure reduction and cross-border gas metering station on the Lithuanian side at the border with Poland.

The EIA procedures, including the Appropriate Assessment (AA) studies, have been processed separately for the Lithuanian section and the Polish section of the interconnector, taking into consideration the requirements of the local legislation in each country, which

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

<sup>2</sup> 3 compressor units (2x 5MW and 1x 10 MW)

Luxembourg, 23/04/2020

transposes the related EU Directives, as well as of a special plan at regional level<sup>3</sup> and potential transboundary impacts.

Based on their technical characteristics and the criteria and thresholds defined in the EU legislation, both Lithuanian and Polish sections of the GIPL project would fall under Annex II of the EIA Directive. No screening decision was performed on the Lithuanian side and a full EIA process was conducted for the Project while the screening decision on the Polish side also resulted in the requirement of a full EIA, in particular with regards to further assessing impacts on sites of nature conservation importance. The screening decision on the construction of the new Gustorzyn compressor station in Poland did not require a full EIA in July 2019 for this component.

The Project on the Lithuanian side falls under the Resolution No. 1220 of 5 November 2014 on the Recognition of the Project as a project of national economic importance in the territory of the Republic of Lithuania, aiming at integrating the isolated Baltic gas markets into the Common European Union market. On the Polish side, the GIPL project falls 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 Swinoujście.

As such, the environmental and subsequent location decisions are coordinated under the responsibility of the regional competent authorities in each country.

For the Lithuanian section, the Competent Authority (CA) issued their decision on the EIA on 21 August 2015 and approved the associated Strategic Environmental Assessment (SEA) on 26 November 2015. The Special Plan for the construction of GIPL in Lithuania, which integrated the outcome of the EIA of the Strategic Environmental Assessment and of the final route location, was confirmed on 22 June 2016. A cumulative impact assessment, including cumulative impact on biodiversity, was also carried out, at the time when the Project was originally planned to be implemented<sup>4</sup>. As per the Promoter's information, no other major infrastructure implementation works are foreseen during the Project's implementation, therefore there was no requirement to update this assessment.

On the Polish side, a cumulative impact assessment was also carried out and the GIPL project is included as well in a national strategic environmental impact assessment. The Final Decision of approval of the EIA report and the AA study for the Polish section of the interconnector was issued by the Polish CA in August 2017 and amended in December 2018, including the rehabilitation of the Holowczyce compressor station<sup>5</sup>, to incorporate the modification of the southern section due to implementation issues at the originally planned end point at the Rembelszczyzna compressor station.

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 pipeline will also be buried at a depth of 0.8 meters or deeper, except for its ancillary surface infrastructure.

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<sup>3</sup> which was prepared by the Promoter in Lithuania

<sup>4</sup> In 2018-2019, 3-4 years after the end of the construction of a major infrastructure project, the LitPol Link, a 400 kV, 1000 MW Electricity Transmission Line Lithuanian-Polish Border Area; Another project, 330 kV overhead power line Kruonis PSP – Alytus was planned but the final route of the GIPL in Lithuania mitigated their cumulative impacts

<sup>5</sup> This component did not require any EIA screening decision

Luxembourg, 23/04/2020

In Lithuania, the pipeline will be implemented primarily within unoccupied land, forest or wooded areas, and not far away but at a reasonable distance from a few residential areas. Concerning sites of nature conservation importance, biodiversity studies were completed in July 2014. The final pipeline route intersects and/or runs near one Natura 2000 site<sup>6</sup> and four protection zones of State Cultural Reserve<sup>7</sup>.

Avoidance and minimisation measures have been integrated into the project design to minimise the project impact on these and on other sensitive areas<sup>8</sup>. These measures include: (i) selection of the most optimal routing for the pipeline based on identified options and on the integration of comments received from public participation and different municipalities influenced by the Project; (ii) by-passing or keeping a minimum distance from protected areas, Natura 2000 areas, villages and cultural heritage sites; (iii) use of trenchless techniques across the Neris and Nemunas Rivers, using horizontal directional drilling techniques; (iv) slope reinforcement and anti-erosion measures with bio-degradable or stone-based materials; (v) stop of works during the breeding periods of endemic species; (vi) on-going impact assessment and mitigation measures recommendations on biodiversity sites of nature conservation importance by qualified independent experts as the work progresses; (vii) potential relocation of flora and fauna in artificial shelters if necessary (viii) and limited working bandwidth and/or forest cutting rules in sensitive areas.

Concerning ancillary surface infrastructure<sup>9</sup>, noise levels are expected to comply with the national requirements.

In Poland, the pipeline will be implemented primarily within agricultural land and to a lesser extent across forests, wetlands and river basins. The route will also cross some potentially vulnerable areas, in particular prone to potential flooding and landslide risks. Some of the mitigation measures also include the use of trenchless methods (such as jacking or controlled drilling) to limit the impacts on the crossings of rivers, roads or railway lines. The pipeline will intersect or pass nearby several Natura 2000 sites<sup>10</sup> as well as some protected landscape areas and biodiversity corridors<sup>11</sup>. The route was selected in order to minimize the impacts on these areas.

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.

The Gustorzyn compressor station will be located on agricultural land and does not have any impact on sites of nature conservation importance. A set of environmental conditions were put in place by the CA which issued the screening decision.

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<sup>6</sup> The Neris River

<sup>7</sup> Kernave, Nemunas Loops Regional Park, Vingrenai geomorphological reserve, Sabaliske pedological reserve

<sup>8</sup> Forest, meadows, wetlands, rivers, water courses and potential (although not identified in the area of influence of the pipeline) pond turtles habitats

<sup>9</sup> Gas metering station, gas pressure regulation unit and pig launcher/receiver

<sup>10</sup> Including: Special Area of Conservation of Habitats PLH140011 Ostoja Nadbużańska; Special Area of Conservation of Habitats Czerwony Bór PLH200018; Special Area of Conservation of Habitats PLH200024 Ostoja Narwiańska; Special Area of Conservation of Habitats PLH200023 Dolina Pisy; Special Bird Protection Area PLB140001 Dolina Dolnego Bug; Special Bird Protection Area Dolina Dolnej Narew PLB 140014; site of Community importance SCI PLH280037 Torfowisko Zocie

<sup>11</sup> Corridor Lower Bug Valley; Corridor Biała-Puszcza Puszcza Białowieska site; Dolina Atlantic corridor; Corridor Puszcza Piska-Dolina Narew river

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Transboundary environmental impact assessment procedures were launched in accordance with the Espoo Convention requirements and the Agreement between the Government of the Republic of Lithuania and the Government of the Republic of Poland on the Implementation of the Convention on Environmental Impact Assessment in a Transboundary Context. Environmental CAs of both countries were consulted and invited to discuss on their respective EIAs, with no particular comment raised on both sides of the border. Cross-border impacts were 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, water management, 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.

Greenhouse gases emissions attributed 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 and vented gas as well as gas used for compression based on its overall network operations, with the resulting absolute emissions from the Project totalling 17 kt CO<sub>2</sub>-eq/yr. This value is based on a conservative (high-end) assumption of the utilisation rate foreseen by the Promoter and includes rerouted existing gas transported volumes. It has to be noted that the emissions related to the Polish part of the interconnector have not been accounted for in these calculations, as these are outside the boundary of the project and are considered as part of the rest of the connected network.

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 in no relative emissions for the Project.

The gas pipelines will be designed and installed to minimize the occurrence of leaks during their operational phase. The Jauniunai gas compressor station is also equipped with Dry Low NO<sub>x</sub> turbines that mitigate NO<sub>x</sub> exhausts out of gas fired turbines.

The GIPL is designed with tie-in points that could allow for local gas distribution, supporting the potential gasification of regions located on the pipeline route in Poland that are still mainly dependent on more polluting sources of energy supply such as coal. This should have positive emission reduction benefits but has not been accounted for in this assessment as no quantification was available from the Promoter's information to substantiate the fuel switch opportunities as part of the gas demand analysis in the context of the Project.

Luxembourg, 23/04/2020

## **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, including the National State Forest Services, by the Project were identified and compensated according to the national law and the international requirements.

Legal actions in respect of right of way settlements or disputed pipeline crossings through some community areas considered as environmentally sensitive 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 the GIPL as a project of national importance in both countries.

## **Public Consultation and Stakeholder Engagement**

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

The less impacting pipeline route was identified by integrating the comments raised by the public and the municipalities involved during these consultations.

The Social Responsibility Project of the Promoter, *The Culture of Dialogue and Development of Cooperation through Implementation of the GIPL Project*, was launched in autumn of 2018. The project is aimed at providing the residents with information on the importance and progress of the GIPL project that is implemented in their neighbourhood, at educating the society and building long-term relationships with the communities in whose environment the Promoter operates.

There were no reports of 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.

## **Other Environmental and Social Aspects**

In addition to systems to meet regulatory requirements, the Promoter has an environmental management system and pipeline integrity management system, which assesses new projects and monitors on-going operations, while ensuring security and reliability of the transmission system. The environmental management and monitoring<sup>12</sup> plans were prepared in consultation with the CA and made available for public consultation in July 2016 and include environmental impact prevention, mitigation and/or compensation measures, such as those related to the conversion of forest land, specific to the Project.

Mitigation and monitoring measures as set-up in the environmental documentation will be supervised by the potentially impacted regions and complied with by the construction contractors through a plan agreed with the Promoter and the competent authority. Independent experts will also perform environmental surveys and supervise the works on environmental grounds, particularly in and around sites of nature conservation importance.

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<sup>12</sup> In particular on biodiversity, water bodies embankments, soil and landscape, during construction and for a period of two to four years after construction

Luxembourg, 23/04/2020

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.

The Promoter has process control and protection systems in place to manage potential emergencies, such as explosions or fires. To further ensure safety of the pipeline, the Project will include passive and active corrosion protection of the steel pipes and will be located at safe distances to avoid any interference with power transmission lines in the pipeline area. Regular monitoring of methane leakage is also carried out by the Promoter to detect gas leakage through walking and flying inspections. In addition, the Project will benefit of the intelligent pigging approach currently being deployed throughout the Promoter's network.

The pipeline will also be designed to guarantee a safe physical access to the implementation and to allow the O&M personnel to operate in conditions compliant with safety requirements.

The Promoter is committed to continuously improve protection of health and safety at work, as well as his business impacts on the environment, applying these principles down to any entities involved in the Promoter's operations. The Promoter also has well-established risk management, accident prevention and emergency procedures in place and actively involves its employees in enforcing these policies. In addition to complying with legal requirements, the Promoter has implemented an environmental management system based on ISO 14001; and an occupational health and safety management system based on OHSAS 18001:2007. Both construction contractors and pipe suppliers have also been selected on the basis of their compliance with national environmental protection standards, social and labour law obligations.

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 in the territory of Lithuania, and site visits demonstrated that it operates in line with industry standards.

The capacities of the Polish natural gas TSO on environmental and social aspects were also positively assessed in previous and recent operations<sup>13</sup> with the Bank.

## Conclusions and Recommendations

For the GIPL project, 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 Project by the Bank.

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 Baltic region and allow for reverse flow capability, increasing the system resilience and flexibility. The Project will further potentially allow for indirect environmental benefits, through the substitution of more polluting fuel sources by gas by supplying the regions connected to the pipelines.

Based on the environmental and social information provided by the Promoter, the Promoters' environmental capability and the relatively low impact from the various components of the GIPL, the Project is acceptable for EIB financing in E&S terms.

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<sup>13</sup> Energy Security of Supply in Poland (2019-0433)