



European Investment Bank (EIB)

Luxembourg, 10/12/2019

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name: PPC POWER PROJECTS ON GREEK ISLANDS  
 Project Number: 2013-0194  
 Country: Greece  
 Project Description:

The project concerned the installation of fossil fuel (diesel & heavy fuel oil) fired reciprocating engine generation units on 18 Greek islands not interconnected to the mainland grid, with associated upgrading of auxiliary infrastructure. The Promoter is the incumbent electricity utility, Public Power Corporation (PPC). The total project generation capacity represents approximately 295 MW, consisting tentatively of individual unit sizes ranging from 1 MW to 25 MW.

### Summary of Environmental and Social Assessment at Completion

**EIB notes the following key Environmental and Social outcomes at Project Completion.**

EIB's funding was targeted entirely at the Rhodes power plant component (120MW) as the outstanding loan amount, which was targeted at the components on the dispersed islands, was not drawn down by the Promoter, due principally to the evolution of the Energy National Country Plan and the review by the regulator of future interconnections. The project was thus defacto reduced in scope to just the Rhodes component.

In relation to the Rhodes plant, emissions abatement measures were applied in line with the relevant BREF requirements with regard to NO<sub>x</sub> and particulates, in addition low sulphur fuel oil is being utilised. As envisaged at appraisal, impacts were of a low order - mainly relating to traffic, noise and dust during construction. No adverse impacts have been observed in the Special Protection Area (Birds) or the adjacent tourist areas.

From an emissions performance standard (EPS) perspective, the Rhodes plant was eligible for financing under the Bank's energy lending criteria to fossil fuel generation on the basis that it contributes to security of supply of isolated energy systems with no feasible mainland energy connection, hence, an exemption to the Bank's EPS was granted. The EPS is around 650 gCO<sub>2</sub>/kWh versus the Bank's threshold of 550 gCO<sub>2</sub>/kWh at the time of appraisal.

At the time of appraisal a local NGO appealed, in January 2014, the issuance of the environmental and building permits to the Supreme Court (SC) requesting them to be annulled. The SC had ruled in favour of the Promoter thus allowing the construction of the power plant to proceed. The plant is now completed and operational. Notwithstanding, the final appeal hearing was postponed ex-officio on multiple occasions. The promoter informed the Bank that a hearing took place on 8<sup>th</sup> May 2019. The conclusion of this hearing had still not been delivered at the time of writing the ESCS.



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The Promoter is required by Greek law to make its EIA available for public consultation. The Promoter duly fulfilled its statutory obligations in this regard.

The following conditionality was included in any finance contract:

*The Promoter shall submit to the Bank EIAs, as required by the competent authority, satisfactory to the Bank, along with the authorisation permit issued by the competent authority, prior to the disbursement associated with the particular project component concerned.*

This condition was fulfilled. The EIA for the Rhodes plant comprised special study annexes as follows: 1) Special Ornithological Assessment, 2) Energy Study, 3) Planning Study, 4) Study for the Assessment of the Social Impact, 5) Hydrogeological Study, 6) Marine Ecosystem Study, 7) Landscape Analysis, 8) Study of the Distribution of Emissions of Gaseous Pollutants, and 9) Study of Processed Waste Disposal.. A detailed study in relation to the Birds SPA was undertaken, by experienced scientists, which concluded that the construction and operation of the plant was not in a position, on its own or in conjunction with other works, to harm the maintenance targets and the integrity of the adjacent SPA.

**Summary opinion of Environmental and Social aspects at completion:**

The Promoter has confirmed that the Rhodes project component, during construction and operation, respects the environmental terms.

Based on the information provided by the Promoter, EIB is of the opinion that the project component financed by the Bank remains acceptable from an environmental perspective.