

Public

Environmental and Social Data Sheet

Overview

Project Name: WINDLANDKRAFT GREEN ENERGY LOAN
Project Number: 20190848
Country: Austria
Project Description: Construction and operation of two wind parks in lower Austria with a total capacity of 52MW

EIA required: yes

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

Environmental Assessment

The project comprises the implementation and operation of two wind farms in Austria, with a combined grid-connected capacity of 52MW in total: Wind farm Obersiebenbrunn II-A and wind farm Engelhartstetten.

Wind farm Engelhartstetten was already appraised as part of operation WINDLANDKRAFT WIND POWER (2012-0060) and approved for Bank support in 2013 (CA/469 doc.13/614), subject to loan conditions. The loan conditions reflected the fact that the permitting process for the Engelhartstetten wind farm was not yet finalised at the time of appraisal. Operation 2012-0060 provided intermediated financing to several onshore wind farms in Austria. Wind farm Engelhartstetten was not implemented to date, largely as a result of a substantial delay in obtaining the final permit. Consequently, it was excluded from financing under operation 2012-0060. It is now part of operation 2019-0848.

In 2014, a wind power development plan was developed by the government of Lower Austria. It identifies preferential zones for wind power development on the basis of a Strategic Environmental Assessment (SEA). The two project sites got their spatial planning decision before from municipal authorities. However the zones where they are located were subsequently adopted into this development plan. This ensures compliance with the overall spatial plan.

Wind farms fall under Annex II of the EIA Directive 2011/92/EU (as amended by Directive 2014/52/EU). It is therefore up to the Member State's competent authority to judge whether

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.

Luxembourg, 16th December 2020

an individual wind farm requires an EIA or not, based on criteria defined in Annex III of the EIA Directive. Both wind farms were screened-in and underwent full EIA process including public consultation.

Wind farm Obersiebenbrunn II-A

The wind farm comprises nine wind turbines with a unit capacity of 3.3 MW per turbine, project-related road works, and 20 kV grid connection infrastructure. Out of these nine turbines, two belong to this operation here. It is common in Austria, that wind farms are co-developed by different promoters. These promoters do the permitting together, jointly implement shared infrastructure such as roads and grid connection, but own, implement and operate their turbines separately. This is also the case in the present project.

The promoter's Environmental Impact Study (EIS) is comprehensive, addresses all relevant risks (biodiversity, noise, shadow flickering, visual impacts) through expert studies, and considers cumulated impacts with neighbouring wind farms. Given the presence of protected species and habitats in the greater project areas, the site underwent an avifauna impact assessment. The studies conclude that the project does not have significant negative environmental impacts post mitigation.

The closest Natura 2000 sites are the Special Protection Areas (SPA) "Sandboden und Praterterrasse" and the Site of Community Interest (SCI) "Pannonische Sanddünen" which are located in 1.4km and 1.6 km distance from the wind farm, respectively. Nature conservation area "Schlosspark Obersiebenbrunn" is at about the same distance from the project. An Appropriate Assessment study as part of the EIS concludes that no negative impacts from the project on these sites are expected.

The EIA process was subject to public consultation. Several objections were raised (noise, infra sound, visual impacts) and discussed with experts. In November 2015, the competent authority concluded on the EIA process and granted consent to the project. The permit confirms that the project's residual impact on the integrity of Natura 2000 sites is non-significant. The permit obliges the promoter to apply all mitigation measures as included in the EIS and imposes additional requirements. Amongst others, 4.5 ha of fallow need to be established in the project area in order to improve available habitats for birds of prey. Additionally, turbines need to be taken out of operation at defined periods of time and weather conditions in order to protect bats. At night and under defined wind conditions, several turbines must be operated in a low-noise mode.

The permit was legally appealed by a neighbouring municipality and by an individual from the project region. Both were part of the preceding public consultation process. Concerns related to, amongst others, the use of roads, distance to residential areas, and technical aspects of the consultation process. In May 2016, the federal administrative Court (Bundesverwaltungsgericht Republik Österreich) rejected both appeals without allowing for a revision. The individual took action against this decision in front of the federal constitutional court. In February 2017, the constitutional court rejected to deal with this request. The appeal was not escalated further.

At the time of appraisal, there is no legal appeal pending against this wind farm. However, the promoter started a process for a non-significant permit modification. The valid permit relates to a turbine model which is economically suboptimal from today's perspective. A corresponding loan condition is proposed.

Luxembourg, 16th December 2020

Wind farm Engelhartstetten

The wind farm comprises 13 wind turbines with a maximum feed-in capacity of 3.45 MW per turbine, project-related road works, and 30 kV grid connection infrastructure. As explained in the ESDS for operation 2012-0060, the project is located in a particularly sensitive bird area. That is why its development underwent a particularly comprehensive multi-stakeholder planning and impact assessment process including the involvement of an international NGO specialised on ornithology.

In November 2013, the Bank considered operation 2012-0060 as acceptable for Bank financing under environmental aspects if the following loan conditions were met:

- The promoter shall provide the Bank with a confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that wind farm Engelhartstetten does not have a significant negative impact on any site of nature conservation importance, prior to any disbursement related to these scheme.
- Any disbursement related to the wind farm Engelhartstetten is conditional to submission of Environmental Impact Studies including non-technical summary, and a final and legally valid consent, both satisfactory to the Bank.

Public consultation took place at the end of 2014. Several objections were raised and discussed with experts. In March 2015, the competent authority issued the project's EIA permit. The permit concludes that the project's residual impact on the integrity of Natura 2000 sites is non-significant. The permit is conditional to comprehensive mitigation measures including, in particular, on birds and bats.

Subsequently, the permit was legally appealed by two individuals from the project region and by one local NGO. The former argued they were insufficiently consulted during authorisation; the latter considered the permit factually wrong, mainly in view of the ornithological risks. In June 2016, the federal administrative court (Bundesverwaltungsgericht Republik Österreich) made a ruling on these appeals, following expert consultations, new studies, and a public hearing. The appeals by the two individuals were rejected without allowing for a revision. The appeal of the local NGO was partly rejected, and partly addressed by additional permit conditions for the protection of birds and bats. These include, amongst others:

- Habitat-improving measures in the project region are increased to ca. 55 ha ;
- Submission of a detailed bird protection plan to competent authorities 2 years prior to start of construction;
- Assessment and proof of the effectiveness of habitat-improving measures for selected bird species at existing sites, until 2 years prior to start of construction;
- No turbine operation during defined meteorological conditions to protect bats;
- Ornithological monitoring throughout lifetime of the project.

The two individuals and the local NGO took legal action against this decision. In May and November 2018, respectively, the Austrian supreme administrative court (Verwaltungsgerichtshof) rejected their requests for revision.

At the time of this re-appraisal, there is no legal appeal left pending against this wind farm. However, the promoter is considering to apply for a significant modification of the project's permit. This is necessary because the permit is related to the use of a turbine model that is not available any further on the market (Senvion 3.2MM114). The permit modification process was commenced at the time of appraisal with the formal submission of a request for modification with supporting documentation (project description, impact studies). It is expected to be followed by a new round of public consultation, and ultimately a decision by

Luxembourg, 16th December 2020

the competent authority to either reject this request or to issue an amended permit. A corresponding loan condition is proposed.

EIB Carbon Footprint Exercise

The direct CO₂ equivalent emissions of the two wind farms under this operation are negligible.

In accordance with the Bank's current Carbon Footprint methodology it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Austria (75% operating margin and 25% build margin), the total relative effect of the project is a net reduction in CO₂ equivalent emissions by 30 kt CO₂e/yr.

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.

Other Environmental and Social Aspects

The promoter is a small entity, experienced in implementing and operating wind farms in Austria. It is known to the Bank from operation WINDLANDKRAFT WIND POWER (2012-0060, CA/469 doc.13/614). The promoter and its contractors are deemed to have a good environmental and social management capacity. They are in close contact with local and regional stakeholders.

Conclusions and Recommendations

Based upon the information available and subject to the below loan conditions, the project is acceptable for Bank financing under environmental aspects:

- Environmental permits, in-line with the final design of wind farms "Obersiebenbrunn II-A" and "Engelhartstetten", have been issued prior to financial close.
- Proposed conditions for a first disbursement to wind farm Obersiebenbrunn II-A: There is no legal appeal pending against the wind farm's key permits.
- Proposed conditions for a first disbursement to wind farm Engelhartstetten: There is no legal appeal pending against the wind farm's key permits, and the promoter shall provide evidence that permit conditions relating to the proof of effectiveness of bird impact mitigation measures 2 years prior to construction, are fulfilled.