

Environmental and Social Data Sheet

Overview

Project Name:	MADEIRA ELECTRICITY NETWORK MODERNISATION
Project Number:	(2019-0873)
Country:	Portugal
Project Description:	The Project concerns investments in electricity distribution networks and uprating of one small renewable generation plant in Madeira and Porto Santo islands, Portugal, to be undertaken during the period 2020-2023.
EIA required:	Not at this stage
Project included in Carbon Footprint Exercise ¹ :	No
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

The project is a multi-component investment programme comprising the implementation of a large number of schemes in electricity distribution, hydropower generation, power storage as well as the substitution of public lighting systems with LED technology in Madeira archipelago. The hydropower schemes comprise the uprating of the Serra de Água power plant (replacement of the generation units, control command systems and penstock) as well as the rehabilitation of various channels.

Environmental Assessment

The programme concerns electricity distribution and hydropower generation schemes, including power lines with voltage levels up to 60 kV, some of which could usually fall under Annex II of the Directive 2014/52/EU, amending the EIA Directive 2011/92/EU, which requires the competent authority to determine the need for an Environmental Impact Assessment. The programme schemes are also screened with respect to the need for appropriate assessment under the EU Habitats and Birds Directives. The screening of the various programme schemes is currently ongoing. Given the characteristics and the typical impacts of the programme schemes and considering the EIA-screening criteria set-out in the national legislation, the promoter at this stage expects that none of the schemes will require a full EIA and that only a limited number of schemes will be screened in for an Appropriate Assessment.

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.

With regards to the hydropower schemes, a river basin management plan has been prepared for the Madeira archipelago as required under the terms of the Water Framework Directive 2000/60/EC and is regularly revised. The last version of the river basin management plan has been approved by the competent authority in December 2016. The hydropower investment activities carried out by the promoter are integrated into the regional water resources management planning instruments associated to the river basin management plan. The river basin management plan has been subject to a public consultation from 09/06/2016 until 09/12/2016. The hydropower schemes of the programme are not expected at this stage to require a derogation under Art 4(7) of the Water Framework Directive. Particular attention will be paid to the screening with respect to the need for an Appropriate Assessment for the Serra de Água hydropower scheme given the vicinity of Natura 2000 sites (Maciço Montanhoso Central, Laurissilva da Madeira and Maciço Montanhoso Oriental). Impacts on these sites are however expected to be limited considering the rugged topography between the hydropower facility and the protected areas. In line with the requirements of the EIB's Environmental and Social Guidelines on Hydropower Development, a climate risk and vulnerability assessment will be carried out in relation with the Serra de Água hydropower scheme.

The programme has the potential for some low to moderate environmental and social impacts. During construction, the environmental impacts are expected to relate to dust, noise, vibration, traffic disruption, soil stability and erosion as well as vegetation clearance. Environmental impact during operation will concern electromagnetic fields (EMF), noise disturbance and collision and electrocution of flying vertebrates. When relevant, appropriate measures will be implemented to avoid or minimise impacts. This includes measures to contain the effect of noise during operation, specific maintenance procedures to minimise potential leakage of SF6, measures to minimise soil erosion and support vegetative regeneration, measures to prevent the introduction of invasive plant species as well as coordination with local authorities and property owners. In densely populated areas, particular attention will be paid to contain the effect of noise, vibration and traffic disruption during construction works. Regarding the schemes relating to works in substations, contamination from oil leakage of transformers is mitigated through the appropriate design of bunds.

The environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards. The due diligence focused on the promoter's capacity and capability to implement the programme in line with the EIB environmental and social standards and requirements. The Bank also reviewed two EIAs carried out by the promoter in the past and found them to be satisfactory. Based on this assessment, the environmental capacity of the promoter is deemed to be good.

Other Environmental and Social Aspects

The promoter is certified to 14001 standard and some promoter's activities to ISO 9001 standard. The promoter has developed an environmental management plan and has established an action plan to follow up its implementation.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter including its organisation, process and procedures and deemed them to be good.

Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The promoter undertakes to store and keep updated all EIA screening decisions concerning the project schemes issued by the competent authority for nature and environment.
- The promoter undertakes not to allocate the Bank's funds to project schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved by the competent authority. An electronic copy of the EIAs must be placed on the website of the Promoter from the moment the EIAs are made available to the public and maintained until completion of reporting.
- The promoter undertakes to ensure that all project schemes will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directive. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The promoter undertakes to store and keep updated any documents that may be relevant for the project and which support the compliance with the provision under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.
- The promoter undertakes to ensure that appropriate screening is carried out in relation with the procedures implemented under Article 4(7) of the Water Framework Directive and shall, upon request, promptly deliver the corresponding documentation to the Bank.
- The promoter undertakes to carry out a climate risk and vulnerability assessment for the upgrading of the hydropower plant of Serra de Água.