

Environmental and Social Data Sheet

Overview

Project Name:	<i>EDISON GREEN ENERGY FRAMEWORK LOAN</i>
Project Number:	<i>2019-0834</i>
Country:	<i>Italy</i>
Project Description:	<i>The Operation consists of a Framework Loan for the financing of projects in the areas of energy efficiency and renewable energy.</i>
EIA required:	<i>This is a Framework Loan operation. Some sub-projects may require an ESIA under the relevant legislation.</i>

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

Environmental Assessment

The operation consists of a framework loan to support energy efficiency (energy saving contracts between the Promoter and clients with energy saving measures in industrial facilities and health sector buildings, co and tri-generation units and building integrated PV; and an energy efficient district heating) and renewable energy investments (mostly solar PV and wind farms, and eventually small hydro projects).

The individual renewable energy schemes to be financed are likely to be predominantly small/medium-scale renewable energy plants. Three wind farms and one solar PV plant are already fully authorised. Only projects that receive environmental authorisations (where applicable) including opinion from the Competent Authority of no negative impact on any Natura 2000 site, as well as licences (including building permits) and are in compliance with EIB's E&S Standards, can receive financing and thus be implemented. The energy efficiency measures include high efficiency gas fired co-and tri generation units (that meet the EIB's energy efficiency criteria and emission standard), technical energy efficiency measures mostly related to reducing energy costs for space and water heating in industrial plants and hospitals, building integrated PV units and a new energy efficient district heating network with a gas/biomass CHP. Overall, the sub-projects are expected to have limited negative environmental impacts.

This operation intends to bring environmental benefits by supporting projects that reduce energy consumption, increase the use of renewable energies and help to mitigate climate change.

The Promoter is known to the Bank from previous operations and has sufficient E&S capacity to implement the project. The Promoter's activities include the development, engineering, construction, operation and maintenance of power plants based on renewable sources such as wind and solar. Edison has been operating in Italy since 1884 and it is considered as one of the leading promoters in the Italian market on the basis of its proven ability to source, execute and manage investment schemes in the energy/renewable energy sector. It has also a proven track record in energy management services with a dedicated division

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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since 2016, which recorded annual revenues from related investments of over EUR 500m between 2017-2019.

The Promoter obtained the quality certificates of OHSAS 180001, ISO 9001 and ISO 14001 and it has been assessed to have good E&S capacity to implement the project. Occupational health and safety (“OHS”) standards are deemed satisfactory. By substituting for alternative fossil fuel-fired generation, the project will also contribute to reducing the emissions of air pollutants and greenhouse gases, ultimately supporting climate change actions in the European energy sector

The Promoter shall be contractually obliged to ensure that all investments must comply with the relevant EU Environmental Directives (e.g. 2014/52/EU amending 2011/92/EU, Habitats 92/43/EEC, Birds Directive 2009/147/EC amending 79/409/EEC, and Water Framework Directive 2000/60/EC) and EIB’s Environmental and Social Standards. Environmental permits are necessary for co and tri-generation plants for atmospheric emissions and have been applied for by the Promoter. Where any of the sub-project investments fall under Annex II of EIA-Directive 2014/52/EU, it is up to the Competent Authority to decide whether or not an EIA is required. The Environmental Impact decision is part of the administrative Framework Authorisation (i.e. Autorizzazione Unica) required by the national regulation. Autorizzazione Unica is a single authorisation which must be filed with the provincial authority where the RE project is located, demonstrating that the work will be undertaken in compliance with existing zoning laws and plans, and with safety, health and environmental protection regulations, along with supporting documentation. Should any of the conditions required for the approval of the Autorizzazione Unica be missing, the provincial authority must notify the applicant that the application will be suspended and inserted into a separate list. The applicant may deliver the missing documents to the provincial authority and a further evaluation will be undertaken at a later date. In the case where an EIA is needed, the Autorizzazione Unica process is suspended until the resolution of the EIA. In any such cases the EIA report will be provided by the Promoter to the Bank for publication as well as an appropriate assessment report on impacts on Natura 2000 sites (if not part of the EIA report). Only projects that receive environmental authorisations (where applicable) including opinion from the Competent Authority of no negative impact on any Natura 2000 site, as well as licences (including building permits) and are in compliance with EIB’s E&S Standards, can receive financing and thus be implemented.

All co- and tri-generation units will be high-efficient as provided for in the EED and its related Decisions 2011/877/EU and 2008/952/EC. All the biomass sourced fuel needs to align with the EU biomass sustainability criteria principles as defined in Directive EU 2018/2001 and with the EU Timber Regulation (EU/995/2010). The wood supply chain and the underlying forest management practices are to be certified, or if not yet certified, they have to be aligned with the standards so as to be certifiable by internationally accredited certification schemes (e.g. FSC or PEFC).

The district heating network will need to be part of an “efficient district heating and cooling system”, as defined in the EED, in order to be considered an energy efficiency project. Efficient district heating and cooling means a district heating or cooling system using at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such “energy and heat”.

The energy efficiency works are individually assessed for each client based on energy audits in order to lead to decreased energy consumption and cleaner more efficient energy production. The exact savings will depend on the individual projects. Eligible investments will be consistent with the Energy Performance Building Directive (EU) 2018/844 amending 2010/31/EU) and the Energy Efficiency Directive, EED (2018/2002 amending 2012/27/EU), where relevant.

The Bank will assess EIAs and all permitting documentation when reviewing the documentation for the allocations, including the compliance with applicable EU Directives. Whenever an EIA process is required, the environmental impact study (EIS) and the non-technical summary of the EIS report will be provided in copy to the Bank for publication prior to the Bank’s approval of the allocation.

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Conclusions and Recommendations

The investments targeted by the operation are expected to have limited social and environmental impact, provided that all mitigation measures, assessed by the Bank at the project level, as part of the allocation approval process, are implemented.

Under the allocation procedures, all underlying subprojects including their compliance with EIB standards will be reviewed by the EIB either ex-post for subprojects with an investment cost below EUR 25m or ex-ante for any project above EUR 25m project cost.

The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.

The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats, Birds and Water Framework Directives, Form A/B or equivalents) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.

For schemes subject to an EIA, the Promoter should deliver the EIA studies to the Bank before the funds are allocated.

For schemes that may have an impact on a nature conservation site, the promoter shall obtain confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank, that the scheme does not have a significant negative impact on any such site. Such confirmation should be delivered to the Bank before the funds are allocated.

Under these conditions, the Operation is acceptable for EIB financing in E&S terms.