Luxembourg, 17th June 2020

Public

Environmental and Social Data Sheet

Overview

Project Name:	CECLAVIN ALLOCATION GREEN ENERGY FL 2019-0811
Project Number:	2020-0221
Country:	Spain
Project Description:	Financing of a PV scheme (328MWp) in the Spanish region of Extremadura

EIA required: yes

Project included in Carbon Footprint Exercise[1]: yes

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

Environmental and Social Assessment

Environmental Assessment

The Project is an allocation under the operation IBERDROLA SPAIN GREEN ENERGY FRAMEWORK LOAN (2019-0811). The Project consists of the construction and operation of a solar PV plant with a total power of ca. 328 MWp (ca. 226 MWac at the point of injection into the grid). The project scope includes the power plant and the associated infrastructure required to make the project operational, such as access roads, substations, grid connection, a ~18.6kms transmission line (220 kV) to connect to the Jose Maria de Oriol Nuevo Parque substation (property of the Transmission System Operator - TSO), and other ancillary facilities.

The project is included in Annex I of the EIA Directive (Directive 2014/52/EU amending the EIA Directive 2011/92/EU), requiring full EIA, including public consultation. The Environmental Impact Study (EIS), covering both the plant and the transmission line, was submitted for public consultation in March 2019. The environmental authority received the EIS for evaluation in October 2019. The project received its environmental permit in February 2020, for both the plant and the transmission line with no reported complaints.

The authorisation procedure and compliance with EU EIA, Birds and Habitats directives, including public consultation, are deemed satisfactory following the Bank's review of the EIA documentation and the environmental permit.

[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.

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The plant site will span over ca. 765 ha. The soil in this area is suitable for grasses, livestock and potentially more developed agriculture. The plant is not located within any Natura 2000 sites. It is adjacent in its northern part to the Special Protection Area (SPA) ES4320001 "Canchos de Ramiro" and to the Site of Community Importance (SIC) ES0000434 "Canchos de Ramiro y Ladronera" (the two sites overlap each other in that area). The plant is located within the Important Bird Area (IBA) 300 "Sierras de Coria", an important site for forest- and cliff-nesting raptors.

The transmission line is crossing the SPA ES0000145 "Embalse de Alcantara" to reach the existing Jose Maria de Oriol Nuevo Parque substation by its northern side, which is the point of interconnection with the grid. This substation is located beside the Jose Maria de Oriol (Alcantara) Hydroelectric Power Plant (957 MW, commissioned in 1970). The SPA "Embalse de Alcantara" corresponds broadly to the reservoir created by that hydro power plant. The arrival of the transmission line is also very close to the SPA ES0000368 "Rio Tajo Internacional y Riberos", which is situated downstream of the Alcantara dam, 1km south of the Jose Maria de Oriol Nuevo Parque substation. The transmission line crosses both the IBA 300 "Sierras de Coria" and the IBA 229 "Embalse de Alcantara – Cuatro Lugares", an important site for breeding storks, raptors and steppic species and wintering Grus grus (common crane).

The competent authority for Natura 2000 valued the project favourably, since it considers that the project is not likely to have significant effect on the sites included in the Natura 2000 Network, if the conditions set out in its assessment are fulfilled. Those conditions have been integrated in the EIS and the permit.

The EIS included an annual inventory for arthropods, amphibians, reptiles, mammals, and birds (November 2017 – October 2018). A specific avifauna study was done for the crossing of the transmission line over the Embalse de Alcantara, by observing from vantage points the trajectories of the birds flying over the reservoir. For the plant, the steppe species will be the ones requiring more conservation measures, in particular for the Little Bustard (tetrax tetrax, vulnerable as per the IUCN Red List). The area counts as well with the presence of the Cabrera's vole (Microtus cabrerae), a species of vole of special interest according to the regional catalogue of threatened species of Extremadura (near-threatened as per the IUCN Red List). The transmission line would have a moderate impact on the Egyptian Vulture (Neophron percnopterus, endangered as per the IUCN Red List), the Griffon Vulture (Gyps fulvus), the Black Stork (ciconia negra), the Grey Heron (Ardea cinera) and the Eurasian Eagle-owl (Bubo bubo) – all of them being least concern as per the IUCN Red List.

The solar plant is located in a relatively isolated area, and the EIS included an adequate identification of the individual and cumulative impacts of the project, the determination of their significance, as well as the measures to avoid, reduce, mitigate and compensate them. The impacts are mostly concentrated during the construction phase, and include disturbance to the fauna, because of the construction activities (noise, dust, vibrations, etc.). The structures will be installed hammering the poles into the ground, avoiding the need for major soil movements, and the profile of the land will not be changed, minimising earthworks. The construction sequence will avoid critical periods for the breeding of bird species.

During the operational period, the main impact is the use of land, and the associated loss of habitat for the fauna and flora, and the risk of collision of the avifauna with the overhead transmission line.

In relation to the risk of collision for the transmission line, the mitigation measures are based on the Royal Decree 1432/2008, which establishes measures to protect flying species from

collision and impact on high voltage aerial lines. The crossing zone of the Embalse de Alcantara was chosen to have the minimum impact based on a specific avifauna study, with specific mitigations and corrective measures proposed by the Promoter to minimize the risk of impact on the fauna. In particular, the Promoter has adapted the design of the line over the section crossing the Tagus river, in order to have all the conductors in one horizontal plan, minimizing the risk of collision.

In relation to the loss of habitat, the mitigation measures include, among others:

- The creation of a 50ha area dedicated to the conservation of the Little Bustard (Tetrax tetrax) and other steppe birds present in the area
- Reforestation of 802 oaks, 50 common hawthorn (Crataegus monogyna), 50 mastic (Pistacia lentiscus), 50 retama (Retama sphaerocarpa) and 50 white broom (Cytisus multiflorus)
- Nesting boxes on the towers of the evacuation line, as well as nesting platforms for raptors at the end of the transmission line
- Construction of 10 ponds

The EIS includes environmental monitoring programmes ("Plan de Vigilancia Ambiental"), in order to monitor and control the foreseen impacts during construction and operation as well as the effectiveness of mitigation measures to reduce the environmental impact of the project. The programme will monitor the noise, protection of the atmosphere, protection of the physical environment (soil and hydrology), vegetation, flora and fauna, cultural heritage and waste management. In particular, it includes the monitoring of some specific birds by marking specimens with GPS emitters to follow their behaviour following the implementation of the project (two specimens of black stork and a pair of black-winged kite). It also includes the monitoring of the amphibian and reptile populations for the first five years of operation

The Promoter is known to the Bank from previous operations and has sufficient E&S capacity to implement the project, having experience in the construction, acquisition and operation of a large portfolio power generation, with a combined installed capacity of about 47 GW globally and 26 GW is in Spain, of which ca 16 GW is renewable. The Promoter has a solid organisational structure and it is also ISO 14001 and OSHAS 18001 certified.

EIB Carbon Footprint Exercise

The plant will not generate any absolute CO2 emissions. 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 Spain (75% operating margin and 25% build margin), the total relative effect of the project is a net reduction in CO2 equivalent emissions by 225 kt CO2-e/year.

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.

Social Assessment

The project requires the acquisition or lease of 765 ha of land for the PV plant, and 18.6 kms of right of ways for the transmission line. The promoter is engaging with the land owners in order to secure voluntary agreements for the lands required by all project infrastructures, in the form of leases with annual payments mostly for the plant; and surface rights or rights of way, typically for the interconnection lines. All pieces of land required by the plants are secured through bilateral agreements. For the interconnection facilities, if a voluntary

agreement cannot be reached, the promoter intends to require expropriation, in line with Spanish legislation. In Spain, all projects required for the implementation of the different activities within the electricity sector, including generation, promoted by public or private companies, are considered of public utility, and are subject to urgent forced expropriation to be carried out by the authority in the interest of the promoters. The promoter asked for a declaration of public utility. The process to obtain such declaration is on-going. However, the implementation of the project is not expected to lead to involuntary physical or economic displacement or resettlement. The land for the PV plant has been bilaterally agreed, and the rights of way for the transmission line will not prevent the existing activities to continue to be carried out with the normal safeguards.

Public Consultation and Stakeholder Engagement

The public consultation was carried out under the EIA process, as required by the EU, and as transposed by national law. The declaration of public utility process has its own public information phase. The promoter has not developed further stakeholder engagement activities.

Conclusions and Recommendations

The main negative impacts of all project components have been evaluated to be compatible with the applicable environmental requirements. The impacts will be mitigated with the help of detailed project control mechanisms, as defined in the environmental documents.

The promoter will have to demonstrate that the environmental and social mitigation and compensation programmes, as part of the environmental management plans developed and included in the EIS, including measures to avoid, reduce and mitigate the impact, as well as monitoring indicators, were put in place during the construction and operational phases.

With the satisfactory implementation of the conditions set in the Environmental Permits and the specific conditions mentioned above, the EIA processes and their results are acceptable to the Bank.