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Public

Environmental and Social Data Sheet

Overview

Project Name:	IBERDROLA SPAIN GREEN ENERGY FRAMEWORK LOAN
Project Number:	2019-0811
Country:	Spain
Project Description:	The project consists of a framework loan to finance several renewable energy generation plants across Spain, including several convergence regions.
EIA required:	Some of the underlying schemes may require an EIA

Project included in Carbon Footprint Exercise[1]: no

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

Environmental and Social Assessment

Environmental Assessment

This operation is a Framework Loan (FL) that will support the investment plan of the Promoter in renewable energy (RE) projects in Spain (on-shore wind farms and ground-mounted solar PV plants). The FL is expected to support ca. 2 GW of new RE capacity (with ca. 25% of the investment for on-shore wind farms, and 75% for solar PV plants).

Due to their technical characteristics, most of the investments are expected to fall under Annex II of Directive 2014/52/EU amending EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment is required. Aerial power lines for the interconnection to the grid included in the Annex I of the EIA Directive, if any, will be subject in all cases to an EIA process.

With regard to schemes subject to the requirements of the Habitats Directive 92/43/EEC and/or Birds Directive 2009/147/EC, the Promoter will be required to verify that none of the schemes have a significant adverse impact on any site of nature conservation importance. The promoter will be required to obtain and provide to the Bank the written confirmation to this effect from the competent authority, or an equivalent confirmation satisfactory to the Bank.

The Bank will assess EIAs and all permitting documentation when reviewing the documentation for the allocations, including the compliance with applicable EU Directives.

[1] Framework Loan operations are not included the EIB Carbon Footprint.

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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 prior to the Bank's approval of the allocation, and will be published.

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 of power plants, 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 is also ISO 14001 and OSHAS 18001 certified.

Appraisal of schemes together with the FL

The allocation to the five projects below has been preliminary assessed together with the FL:

Project	Region	Type	Size	MW	Closest Natura 2000 sites
Capiechamartín	Asturias	WIND	13 turbines	34.1	Penarronda-Barayo at 10km (SCI ES0000317 / SPA ES0000317), Río Negro at 3.5km (SCI ES1200026) and Rio Esva at 2km (SCI ES1200027)
Fuenteblanca	Castilla y León	WIND	3 turbines	10.4	Riberas de Rio Arlazon y afluentes at 2km (SCI ES4120072)
Teruel	Aragón	SOLAR PV	66 ha	50.0	Barranco de Valdemeson-Azail at 0.2km (SCI ES2420092), Salada de Azaila at 2.5km (SCI ES2420093)
Andévalo	Andalucía	SOLAR PV	90 ha	50.0	Andévalo Occidental at 7km (SCI ES6150010)
Barcience	Castilla-La Mancha	SOLAR PV	76 ha	50.0	Area estaparia de la margen derecha del Guadarrama at 1.5 km (SPA ES00004352)

All these projects are included in Annex II of the EIA Directive (2011/92/EU or EIA directive 2014/52/EU depending on their screening date). All projects required a full EIA, including public consultation. They have received the necessary environmental consents.

The Capiechamartin wind project was authorized initially in December 2003 for a configuration of 40.5 MW (27 turbines of 1.5 MW). The environmental studies and the authorization have been updated to accommodate the evolution of the technology, with the last EIS in March 2019 and updated permit in November 2019 (for a configuration using 13 turbines of 3.3 MW.) An additional change is foreseen, with the reduction of the size of the turbine to match the final model that will be installed (13 turbines of 2.65 MW each), with no negative impact on the environment expected. The last EIS included cumulative impact with neighbouring projects, and a one-year avifauna study. The updated permit includes additional mitigation measures and confirms that there will be no significant impacts on Natura 2000 sites. The project will connect to the existing grid through a new 4 km overhead line in 132 kV, which was authorized in June 2006, being part of the common interconnection infrastructure "Eje del Palo" promoted by the local distribution company to evacuate energy of various projects in the area.

The Fuenteblanca wind project was authorized in January 2008 for a size of 30 MW (using 15 turbines of 2 MW). The environmental study has been updated in March 2019 (reducing the number of turbines to three by using larger ones) and the authorization was updated in November 2019 accordingly. The authorization includes the 3km underground connection in 20 kV to the existing substation of the wind farm Las Vinas, belonging to the same promoter.

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The original permit included conditions related to Natura 2000 sites, ensuring that no negative impact is expected for this project.

The Teruel solar PV project was authorized in July 2019, covering both the solar plant and the 3 km transmission line in 132 kV to connect the project to the existing grid substation. The environmental permit includes the confirmation that no negative impacts are expected on Natura 2000 sites.

The Andevalo solar PV project was authorized in February 2019, covering both the plant and the 3km underground line in 30 kV to the nearby substation of the Guzman 1 project, which is under construction. From there, the two projects will evacuate the energy through a 2km aerial line in 66 kV, also under construction, until the substation Puebla, which belongs to the transmission system operator. The substation and the 66 kV line are included in the authorization for the Guzman 1 solar PV plant, which is not part of the Andavalo solar PV and is owned by another promoter. The EIS includes an assessment of the impact on Natura 2000 sites, concluding that no negative impacts are expected, and the permit was issued on that basis.

The Barcience solar PV project was authorized in November 2019, covering both the plant and the 2.5 km overhead line in 132 kV to connect the project to the grid. The permit includes additional mitigation, in particular a five-year monitoring plan for the avifauna, considering the proximity with a Special Protection Area under the Birds Directive. The environmental permit includes the confirmation that no negative impacts are expected on Natura 2000 sites.

The EIA studies included an adequate identification of the individual and cumulative impacts of the projects (such as visual and noise impacts, impacts on biodiversity and ecosystems – mainly loss of habitats for solar PV and collisions and disturbance of avifauna for wind farms, and impact on cultural and archaeological patrimony), the determination of their significance, as well as the measures to avoid, reduce, mitigate and compensate the impacts. All EIA reports included the corresponding “Plan de Vigilancia Ambiental” (Environmental Management Plan), which mentions efforts to minimise disturbance during construction. Specific relevant measures are also included as conditions in the permit.

The authorisation procedure and compliance with EU EIA, Birds and Habitats directives is deemed satisfactory following the Bank’s review of individual EIA documentation and environmental permits. No negative impacts on Natura 2000 are expected, as indicated in the EIS and the environmental licences, if the measures foreseen in the environmental management plan (EMP) and the permit are implemented.

Framework Loan operations are not included the EIB Carbon Footprint. However, large allocations under the Framework Loan (i.e. allocations subject to individual appraisal by the Bank) that have GHG emissions above the methodology thresholds will be included. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions from large allocations will be prorated according to the EIB loan allocation amount approved in that year, as a proportion of project cost.

For the five schemes preliminary appraised together with the FL, the total relative effect is a net reduction in CO2 equivalent emissions by 130 kt CO2-e/year, which is estimated 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).

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Social Assessment

The schemes to be implemented under the FL will require for the installation of the projects' components the acquisition, lease or easements of land. The promoter is engaging with the land owners in order to secure voluntary agreements for the lands required by all project infrastructures. 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. Therefore, the Promoter is expected to ask for declaration of public utility for the different schemes. It is expected that the implementation of the schemes under this FL will not lead to involuntary physical or economic displacement or resettlement.

This is applicable as well for the five schemes approved together with the FL.

Public Consultation and Stakeholder Engagement

It is expected that for all project components subject to EIA, the public consultation will be carried out under the EIA process, as required by the EU, and as transposed by the national and regional law. The declaration of public utility process has its own public information phase. The promoter is not developing further stakeholder engagement activities.

For the five schemes preliminary appraised for allocations together with the FL, the public consultation was carried out under the EIA process, as required by the EU, and as transposed by the national and regional law.

Conclusions and Recommendations

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 and Birds 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, the non-technical summary and the environmental consent 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.

For the five schemes preliminary appraised for allocations together with the FL, the main negative impacts of all project components have been evaluated to be compatible, and will mainly be concentrated during construction. They will be mitigated with the help of detailed project control mechanisms, as defined in the environmental documents.

Under these conditions, the operation is acceptable in E&S terms.