



European Investment Bank (EIB)

Luxembourg, 24th September 2020

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name: EFFICIENT UTILITY INFRASTRUCTURE KLAGENFURT

Project Number: 2014-0216

Country: Austria

Project Description: Extension and refurbishment of the City's district heating and water networks, including replacement of fuel oil heat supply with gas and biomass installations.

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The project comprises of refurbishments and extension of the existing district heating and water supply networks of the City of Klagenfurt (Austria).

The district heating project components consisted of:

- Refurbishment and conversion of the existing cogeneration facility ('Fernheizkraftwerk' or FHKW), owned by the promoter, into a state-of-the-art natural gas fired installation for peak load and reserve with ca. 80-90% reduced pollutant emissions;
- refurbishment of a heat plant in the West of the city that will act as additional reserve capacity;
- connection of two new biomass CHP plants owned and operated by a third party to the district heating system. The feedstock used consists of regionally sourced forestry by-products;
- refurbishment the existing district heating network as well as extending it to new clients.

The water related investments concerned mainly the replacement of existing distribution pipes but to some limited extent also investments in the water abstraction and water treatment system. Investments in the water treatment system ensure compliance with the European Drinking Water Directive 98/83/EC through the rehabilitation of groundwater wells.

At the time of appraisal, the project was deemed acceptable for Bank-financing without conditions. The only outstanding point was that the grid connection of the biomass cogeneration plants was still awaiting an environmentally relevant permit for implementation (related to the crossing of a local river). A corresponding undertaking had been proposed but this risk did not materialise as the environmental permit was issued on 10 March 2017.

During implementation, the project underwent non-substantial modifications.

As expected, the refurbishment of the FHKW reduced the operation of this large thermal plant in central urban location substantially. Third party biomass plants were installed and refurbished, respectively, to become the main heat suppliers to the district heating system.



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No significant environment or social issues were reported by the promoter during appraisal.

The monitoring results received did not raise any issues.

Summary opinion of Environmental and Social aspects at completion:

Based on reports from the Promoter, the EIB is of the opinion that the Project has been implemented in line with the EIB Environmental and Social Standards, applicable at the time of the appraisal.