

Environmental and Social Data Sheet

Overview

Project Name: *PUYLOBO ALLOCATION GREEN ENERGY FL 2019-0811*
Project Number: *2020-0375*
Country: *Spain*
Project Description: *Financing of the Puylobo on-shore wind farm (48.5 MW) in the Spanish region of Aragon*

EIA required: yes

Project included in Carbon Footprint Exercise: yes

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

Environmental and Social Assessment

Environmental Assessment

The Project consists of the construction and operation of a ~48.5 MW wind farm with 14 Wind Turbine Generators (WTG) and the associated infrastructure, such as access roads, substation, a 30 kV underground line of ca. 18 km, and other ancillary facilities. The wind farm is located in the municipality of Borja (province of Saragossa), with the underground line being located in the municipalities of Borja (Saragossa), Mallen (Saragossa) and Cortes (Navarra). The underground line will connect the plant to the existing Cortes substation, where the power will be elevated to 66 kV through a new transformer. From there, the energy will be evacuated through an existing transmission line until the 66/220/400 kV substation "La Cantera", which is gathering the energy from different projects in the area (as a shared facility belonging to the different promoters). La Cantera is connecting directly into the existing 400 kV substation "La Serna", property of REE (the TSO), which will be the Point of Injection into the grid.

The project is included in Annex II of the EIA Directive 2011/92/EU (as amended by Directive 2014/52/EU) and, based on national and regional environmental regulations, has been screened in by the competent authority, requiring full EIA, including public consultation. The Environmental Impact Studies (EIS) were submitted for public consultation in July 2017. The environmental authority received the EIS for evaluation in February 2018. The Project received its environmental permit for the 14 WTGs in May 2019, covering both the plant and the 30 kV underground line.

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

The EIS includes the appropriate identification of the impacts (such as visual and noise impacts, impacts on biodiversity and ecosystems – mainly collisions and disturbance of avifauna, loss of habitats, and impact on cultural and archaeological patrimony), the

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determination of their qualitative significance, as well as the measures to avoid, reduce, mitigate and compensate the impacts. The EIS included also an Environmental Management Plan (EMP), which was complemented as per the conditions set out in the permit.

The type of soil that will be occupied by the project is agricultural, used for rainfed cereal crops. There are also some patches of steppes with no economic use. The plant is not located within any Natura 2000 sites. It is adjacent in its northern part to the Site of Community Importance (SCI) ES2200042 "Penadil, Montecillo y Monterrey", which has a conservation objective for various steppe birds. The next closest Natura 2000 sites are located at more than 10 km from the plant. The promoter prepared a specific appropriate assessment study for the impact on Natura 2000 sites, including the cumulative effects on the conservation objective of the SCI with other wind farms present in the area (in operation or authorized). The EIS was based on a larger initial project, using 18 WTGs. However, due to some concerns risk of impact on threatened species in the SCI¹, the competent authority for the Natura 2000 sites requested to eliminate or relocate the four WTGs which were adjacent to the SCI. Eventually the Promoter decided eliminate those four positions, reducing the capacity of the plant from 62.37 MW to 48.5 MW. The project will not affect habitats of community interest. The competent authority for Natura 2000 valued the final project as compatible, provided that the conditions set out in its assessment are fulfilled. Those conditions have been integrated in the permit and in the updated EMP.

A specific avifauna study was prepared, based on the annual inventory realized over November 2016 – October 2017, which included a bats study as well (over June to October 2017). The sensitive species observed in the area of the project are, by decreasing number of observations, the Common Crane (*Grus grus* – Least Concern as per the IUCN Red List), the Lesser Kestrel (*Falco naumanni* – Least Concern), the Pin-tailed Sandgrouse (*Pterocles alchata* – Least Concern), the Red Kite (*Milvus Milvus* – Near Threatened), the Egyptian Vulture (*Neophron Percnopterus* – Endangered), the the Black-bellied Sandgrouse (*Pterocles orientalis*- Endangered) and the Montagu's Harrier (*Circus pygargus* – Least Concern). However, the project will not affect nesting areas and the use of the space of the project by the species is very low. Eventually, the main impact of the project will be the risk of collision during the operations. This risk is mitigated by the inter-distance between the wind turbines, which is considered adequate by the competent authority, by the continuous monitoring of the presence of avifauna in the area of the wind farm, and by the implementation of a protocol for the identification of collision risks and the consequential shutdown of the WTGs involved. All those elements have been included in the updated EMP.

The EIS included as well a cumulative impact study, taking into consideration the wind farms in operations or authorized in a radius of 10 km around the project, together with their associated infrastructure (transmission lines), for a total of ca. 110 WTG. The main negative cumulated impact is expected to be on the avifauna, being the cumulative impact on the SCI, the barrier effect and the collision risks. Those impacts can be effectively managed by avoiding the installation of WTG in critical places and by doing a rigorous surveillance of the real mortality rates, and taking the necessary actions accordingly (including up to the dismantling of the wind turbine(s) involved). This is ensured by the competent authority, who can require to relocate or remove WTG during the permitting process, as was the case for this project, and can include specific monitoring requirements in the EMPs.

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

¹ In particular for four species that have been localized outside the SCI, and could be potentially present in the area of the project: the Black-bellied Sandgrouse (*Pterocles orientalis*- Endangered), the Red-billed Chough (*Pyrrhocorax pyrrhocorax*, Least Concern), the Montagu's Harrier (*Circus pygargus*, Least Concern) and the Pin-tailed Sandgrouse (*Pterocles alchata* – Least Concern)

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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.

EIB Carbon Footprint Exercise

The plant is expected to have an average electricity production of ~138 GWh/year (P75) and 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 53 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, where applicable

The implementation of the project will not lead to involuntary physical or economic displacement or resettlement. The current use of the lands is mostly for agriculture, and such activity will continue to be carried out in the area with the normal safeguards and will not be affected by the project.

The promoter has engaged 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 projects and substations; and surface rights or rights of way with single payments, typically for the interconnection lines. All pieces of land required by the plants have been secured through bilateral agreement. The Promoter asked for a Declaration of Public Utility with the objective to obtain the rights of way over certain plots of public land for the underground transmission line.

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.

As a project undertaking, 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 permit and the specific conditions mentioned above, the EIA processes and their results are acceptable to the Bank.