

**Public**

## **Environmental and Social Data Sheet**

### **Overview**

Project Name:	<i>DOLOMITI ENERGIA 2021 - 2024 INVESTMENT PLAN</i>
Project Number:	<i>2020-0642</i>
Country:	<i>Italy</i>
Project Description:	<i>Investments in electricity networks, integrated water sector, hydropower plants and public lighting.</i>
EIA required:	EIA not required at this stage
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

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

### **Environmental and Social Assessment**

The Project is a multi-sector, multi-component investment programme that comprises:

- the extension, modernization and upgrade of electricity distribution networks, including the deployment of second-generation smart meters;
- the refurbishment of existing hydropower facilities;
- the refurbishment of approx. 10,000 public street lighting posts;
- investments for improving the operational efficiency of water networks through reduced water losses and increased climate resilience.

The investments will develop assets located in the Autonomous Province of Trento and neighbouring areas, in Northern Italy, during 2021-2024.

The environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards. The due diligence focused on the promoter's capacity and capability to implement the programme in line with the EIB environmental and social standards and requirements. Based on this assessment, the environmental capacity of the promoter is deemed good.

#### **Environmental Assessment**

##### Electricity distribution and hydro power generation

---

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 17 March 2021

Some programme schemes fall under Annex II of Directive 2014/52/EU, amending the EIA Directive 2011/92/EU, leaving it to the competent authority to determine whether an Environmental Impact Assessment (EIA) is required.

As regards electricity distribution, the project schemes includes overhead lines and underground cables with voltage level up to 20 kV as well 132/20 kV substations. The screening of these schemes is currently ongoing. Given their characteristics and typical impacts and considering the EIA-screening criteria set out in the national legislation, the promoter at this stage expects that none of these schemes will require a full EIA.

As regards hydropower generation, the investments are not subject to EIA screening because of the nature, location, and impact of the planned interventions, as according to the criteria set out in the national legislation.

All electricity distribution will be screened with respect to the need for appropriate assessment under the EU Habitats Directive. The promoter at this stage expects that none of the programme's schemes will be screened in for an Appropriate Assessment.

The Programme has the potential for some low to moderate social and environmental impacts. During construction, the environmental impacts are expected to relate to dust, noise, vibration, traffic disruption and vegetation clearance. Environmental impact during operation of electricity networks will concern electromagnetic fields (EMF) and noise disturbance. When relevant, appropriate measures will be implemented to avoid or minimise impacts. During excavation works, particular attention will be paid to potential impacts on cultural heritage sites. In densely populated areas, particular attention will be paid to contain the effect of noise, vibration and traffic disruption during construction works.

Part of the investments in electricity distribution will reduce the environmental impact of network assets by replacing or removing mineral oil-based transformers that may cause pollution in case of breakdown. Some will also reduce the areas where vegetation clearing is required by means of undergrounding of electrical lines, and others will implement technical solutions to reduce the risk of collision and electrocution of flying vertebrates.

The investments in public street lighting will generate energy savings thanks to the replacement of less efficient light bulbs. The new lighting systems are expected to reduce light pollution by adopting the more recent standards and technical solutions.

As regards the deployment of second-generation smart meters, the main impacts are the electromagnetic radiation resulting from the communication technology used for collecting the information from the meters, and the disposal of the existing meters that are being replaced. The telecommunication system will use PLC (Power Line Career) technology. Assessments of advanced meter systems in Italy as well as in other countries have found radiation exposures that are small in relation to the limits in the ICNIRP guidelines (International Commission on Non-Ionizing Radiation Protection). Regarding the disposal process of the meters, it will be done in line with the national legislation.

#### Water sector

The water component concerns the 2021-2024 integrated water service investment programme of Novareti SPA, a subsidiary of the Dolomiti Energia group providing water supply services to ca. 200,000 persons in the Province of Trento, in the Trentino Alto-Adige Region. The investments consist of numerous small to medium sized projects aimed at upgrading and optimising the existing water production, transfer and distribution systems as well as general interventions notably IT improvements for remote control. The timing and nature of the works included in the programme are geared towards compliance with national and European legislation, notably the Drinking Water Directive 98/83/EC. The investment plans are reviewed

Luxembourg, 17 March 2021

and approved by the municipalities. The projects will improve the water system resilience to future climate changes and reduce water losses. None of the related works will be implemented inside or near Natura 2000 or other protected sites. In terms of environmental regulation, the Environmental Protection Agency of Trento is responsible for monitoring the quality of water bodies and ensuring compliance with environmental permits issues by the competent authorities.

### **Other Environmental and Social Aspects**

The subsidiary operating the hydropower plants is ISO 14001 certified, while the other companies in the Promoter's group implement environmental management systems in line with ISO 14001. The hydropower plants are also EMAS registered. Similarly, the health and safety systems are developed in line with ISO 45001, with the respective certification awarded to the hydro generation activity.

## **Conclusions and Recommendations**

The Bank reviewed the environmental and social capacity of the promoter including its organisation, process and procedures and deemed them to be good.

Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The promoter undertakes to store and keep updated all EIA screening decisions concerning the project schemes issued by the competent authority for nature and environment.
- The promoter undertakes not to allocate the Bank's funds to project schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved by the competent authority. An electronic copy of the EIAs must be placed on the website of the Promoter from the moment the EIAs are made available to the public and maintained until completion of reporting.
- The promoter undertakes to ensure that all project schemes will undergo a biodiversity screening as applicable in accordance with the EU Habitats and Birds Directive. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The promoter undertakes to store and keep updated any documents that may be relevant for the project and which support the compliance with the provision under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.