

## Environmental and Social Data Sheet

### Overview

Project Name:	HERRERA ALLOCATION GREEN ENERGY FL 2019-0811
Project Number:	2020-0895
Country:	Spain
Project Description:	Financing of the Herrera on-shore wind project (63 MW) in the Spanish region of Castilla y León. Allocation under the Framework Loan (FL) 2019-0811 IBERDROLA SPAIN GREEN ENERGY FRAMEWORK LOAN.

EIA required: yes

Project included in Carbon Footprint Exercise<sup>1</sup>: yes

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

### Environmental and Social Assessment

#### Environmental Assessment

The Project concerns the construction and operation of the Herrera wind complex, which consists of three wind farms for a total of ca. 63 MW (Huesa with 18 MW, Orbaneja with 31.5 MW and Valdesantos with 13.5 MW), and the associated infrastructure, such as access roads and substation. It is located in the Spanish region of Castilla y Leon, in the municipalities of Estépar, Cobia, Hornillos del Camino, Rabé de las Calzadas, Isar, Frandovínez, in the province of Burgos. Huesa and Orbaneja are located less than 2km from each other, while Valdesantos is located at around 6km south of Huesa and Orbaneja.

The Project will use in total 14 Wind Turbines Generators (WTG). The three wind farms will connect to the same new 30/132 kV substation (Villagutierrez IBR), through 30kV underground lines. The electricity will be evacuated through a new overhead transmission line of ca. 18km in 132 kV that belongs to another promoter, and which will be used by two other wind farms belonging to such other promoter (Valdelugo with 18 MW and Perdiguera with 22 MW, which substation will be adjacent to Herrera's one). This transmission line will connect to the existing substation Cuatro Picones, from which the electricity will be evacuated to the national grid through an existing shared infrastructure.

An EIA was performed for each wind farm and its ancillary facilities including the substation Villagutierrez IBR. The Environmental Impact Studies (EIS) were submitted for public consultation in December 2006 for La Huesa and Valdesantos, and in December 2013 for Orbaneja. The wind farms obtained their environmental permits (Declaracion de Impacto Ambiental - DIA), in June 2007 for Valdesantos and Huesa, and in April 2015 for Orbaneja. The DIAs required the three wind farms to use the same transmission line as the two other

<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 CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

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wind farms that were developed by another promoter in the same area (Valdelugo and Perdiguera).

The environmental studies were further updated to accommodate for a smaller number of larger turbines, in line with the development of wind turbine technology in recent years. Those modifications were screened out of EIA process by the competent authority. Nevertheless, the competent authority submitted the modification of the Orbaneja project to a public consultation in June 2019. The environmental permits were updated accordingly in November 2019, including additional conditions for birds and bats monitoring for Huesa and Valdesantos.

Wind Farm	Initial environmental permit	Updated environmental permit
La Huesa	29 WTG of 1.67 MW at a hub height of 70m (48.4 MW) Swept area: 145 770 m <sup>2</sup>	4 WTG of 4.5 MW each at a hub height of 107.5m (18 MW) Swept area: 66 052 m <sup>2</sup>
Valdesantos	19 WTG of 1.67 MW each at a hub height of 80m (31.7 MW) Swept area: 95 504 m <sup>2</sup>	3 WTG of 4.5 MW each at a hub height of 107.5m (13.5 MW) Swept area: 49 539 m <sup>2</sup>
Orbaneja	18 WTG of 2 MW each at a hub height of 78m (36 MW) Swept area: 107 005 m <sup>2</sup>	7 WTG of 4.5 MW each at a hub height of 107.5m (31.5 MW) Swept area: 115 591 m <sup>2</sup>

The EISs include the appropriate identification of the impacts (such as visual and noise impacts<sup>2</sup>, impacts on biodiversity and ecosystems – mainly collisions and disturbance of avifauna, loss of habitats, and impact on cultural and archaeological patrimony), the determination of their qualitative significance, as well as the measures to avoid, reduce, mitigate and compensate the impacts. Those impacts were further reviewed in the update of the environmental studies, which concluded that those were overall lower with the new configurations. The EISs included also the Environmental Management Plans (EMPs), which were complemented as per the conditions set out in the initial permits and updated permits. The type of soil that will be occupied by the project is agricultural, and is used for cereal crops. There are also some isolated plots of oak groves.

For Huesa and Valdesantos, the avifauna study included in the EIS was based on bibliography and site visits, but did not cover an annual inventory. For Orbaneja, a specific avifauna study was prepared, based on an annual inventory realized over June 2011 – June 2012. The avifauna studies identified the following species that could be affected by the project: the Red Kite (*Milvus milvus* – Near Threatened as per the IUCN Red List), the Golden Eagle (*Aquila chrysaetos* – Near Threatened), the Gyps fulvus (Griffon Vulture – Least Concern), the Black-bellied Sandgrouse (*Pterocles orientalis* – Endangered), the Montagu's Harrier (*Circus pygargus* – Least Concern), and the European turtle dove (*Streptopelia turtur* - Vulnerable). Eventually, the main impact of the project will be the barrier effect and the risk of collision. With the adequate measures in place as foreseen in the EMPs and the permits, no significant impact on those species is expected. In particular, the updated permits for Huesa and Valdesantos require a complete analysis of the potential impact of the wind farms on birds and bats to be realized during the construction and first year of operations. Orbaneja included as well the implementation of a protocol for the identification of collision risks and the consequential shutdown of the WTGs involved. All three wind farms are subject to continuous surveys of mortality rates during the whole operational phase.

The closest Natura 2000 site is a Site of Community Importance (SCI - Riberas del Río Arlanzón y afluentes, ES4120072), at more than 1km from the project, corresponding to the

<sup>2</sup> The closest settlements are at around 890m for Huesa, 960m for Valdesantos and 1900m for Orbaneja.

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river beds of Urbel and Hormazuela, with the others SCI at more than 15km. The closest Special Protection Area (Humada Peña Amaya, ES0000192) is at more than 15km. The conservation objective of the SCI Riberas del Río Arlanzón y afluentes is to maintain or achieve a favourable conservation status of natural habitats and populations of flora and fauna linked to the fluvial environments. Among the essential values of the SCI, the riparian formations of the habitat of community interest 92A0 stands out (*Salix alba* and *Populus alba* galleries, Annex I of the Habitat Directive), with the presence of the *Coenagrion mercurial*, a southern damselfly (Near Threatened as per the ICUN Red List). The EISs conclude that the wind farms are at a sufficient distance from the riverbed so as not to pose any impediment to the movement of birds that use the river course for their movements and with sufficient distance not to interrupt the SCI function as local ecological corridors. For Orbaneja, the competent authority for Natura 2000 concluded that the project, either individually or in combination with other projects, was not foreseen to harm the integrity of the sites, provided that additional conditions were met, which have been included in the permit. For Huesa and Valdesantos, the initial permit required the wind turbines to be located at a minimum distance of 1km from the SCI Riberas del Río Arlanzón y afluentes. Similarly to Orbaneja, the updated permits of Huesa and Valdesantos included as well additional measures to guarantee the absence of damage to the integrity of the Natura 2000 network. Those measures are related to the monitoring of the avifauna and mortality rates, as described above.

The EIS of Orbaneja included a cumulative impact study, taking into consideration the wind farms in operations or authorized in a radius of 10 km around the project, as well as additional wind farms located in a radius of 10-20km around the project upon the requirement of the authority, for a total of 282 WTGs. It covered therefore Herrera and Valdesantos. The main negative cumulated impacts are expected to be on the avifauna, being the cumulative impact on the barrier effect and the collision risks, and on the population (noise and visuals). The impacts on the avifauna 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 the up to the removal 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 (for example, the competent authority required the relocation of WTGs under the original permit of Huesa and Valdesantos to ensure a minimum distance of 1km with the SCI - Riberas del Río Arlanzón y afluentes, ES4120072). The competent authority can also include specific monitoring requirements in the EMPs, as it was done for the three wind farms, in particular by including enhanced monitoring programs as described above.

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 54 GW globally and 26 GW is in Spain, of which ca 17 GW is renewable. The Promoter has a solid organisational structure and is also ISO 14001 and OSHAS 18001 certified.

### **EIB Carbon Footprint Exercise**

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 (combined margin for intermittent generation), the total relative effect of the project is a net reduction in CO<sub>2</sub> equivalent emissions by 63 kt CO<sub>2</sub>e/yr.

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.

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### **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. All pieces of land required by the plants have been secured through bilateral agreement for Huesa and Orbaneja. For Valdesantos, the majority of the land has already been secured through bilateral agreements, while some plots of land are still being negotiated. If voluntary agreements 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 public utility, and are subject to urgent forced expropriation to be carried out by the authority in the interest of the promoters.

### **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 related to the project. The Promoter has an overall Stakeholder Relations Policy. In particular, it provides an email mailbox ([medioambiente@iberdrola.es](mailto:medioambiente@iberdrola.es) – available on the main website of the Promoter) as a channel of communication with its stakeholders, offering the ability to ask questions, provide suggestions, place concerns or make complaints. The mailbox is included in the Environmental Management System of the company, and is certified under the ISO 14001 standard.

## **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 measures foreseen in the EMPs and the permits, 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 above conditions, the project is acceptable for EIB financing in E&S terms.