

Environmental and Social Data Sheet

Overview

Project Name: E-GRID ELECTRICITY NETWORK UPGRADE
 Project Number: 2020-0754
 Country: Italy
 Project Description: The investment programme to be financed by the Bank comprises schemes for the reinforcement, refurbishment and modernization of the Promoter's distribution network in Italy during the period 2020-2024.

EIA required: Maybe

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

The Programme encompasses a large number of electricity distribution schemes geographically dispersed throughout the country, including 5,100 km of new medium voltage (MV) and low voltage (LV) network and 5,200 km of refurbished MV and LV network, the latter for climate adaptation reasons. The Programme includes also investments in HV/MV and MV/LV substations and automation for network management.

The schemes of the Programme do not meet the minimum thresholds for Environmental Impact Assessment (EIA) screening set out in national legislation as per provision of Article 4(3) of Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Therefore, none of these schemes will require an EIA. Environmental analyses, as appropriate, may however be carried out for some schemes in the context of the permitting process.

The HV lines that will connect the new HV/MV substations to the existing Italian transmission system will be developed by the Italian Transmission System Operator (TSO). These assets meet the definition of associated facilities to the Programme scope financed by the Bank under this operation according to the Bank's Environmental and Social Standards. In most cases, these lines are very short therefore, they are below the minimum thresholds for EIA screening, however, some lines may fall above the threshold and may be screened in for an EIA. These EIAs are the responsibility of the TSO and the authorization process is different from the authorization process for the substations.

The schemes will be screened with respect to the need for appropriate assessment under the EU Habitats and Birds Directives. Given the characteristics and the typical impacts of the programme schemes and considering the promoter's planning policy of avoiding crossing Natura 2000 sites, the promoter at this stage expects that only a limited number of schemes will be screened in for an Appropriate Assessment.

¹ Only projects that meet the scope, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 20,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 23 September 2020

The programme has the potential for some low to moderate environmental and social impacts. These include disturbance during construction, and electromagnetic fields (EMF) and noise nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. Typical mitigation measures include construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other. Regarding cultural heritage, excavation works will be carried according to national legislation (Legislative Decree 42/2004).

The Promoter has an environmental management system that is ISO 14001 certified. The environmental and social due diligence has followed the investment 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 investment programme in line with EIB environmental and social standards and requirements. Based on this assessment the environmental capacity of the promoter is deemed to be good. The investment programme lending approach was also followed for the associated facilities; the responsible entity for these assets, the Italian TSO, known to the Bank from previous operations, is deemed to have good environmental capacity.

EIB Carbon Footprint Exercise

The source of CO₂ equivalent (CO₂e) emissions for the programme is the ohmic losses of the new network equipment being installed. At programme completion, the corresponding absolute emissions are estimated at 23.6 kt CO₂e per year. Relative emissions are estimated to be zero as no change in the system losses is expected due to the programme. 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.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter including its organisation, processes and procedures, and deemed them to be good. Based on the information available, the investment programme is acceptable for Bank financing from an environmental and social perspective under the following conditions:

- The promoter undertakes to ensure that all programme components will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. 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 provisions 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.
- The Promoter undertakes not to allocate the Bank's funds to HV/MV substations connected via HV lines that require an EIA until the EIA and/or the biodiversity assessment have been finalised and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank.