

Public

Environmental and Social Data Sheet

Overview

Project Name: VILNIUS HEATING CAPEX PROGRAMME
Project Number: 2020-0657
Country: Lithuania
Project Description: The Project concerns investments in construction of a new renewable energy source, modernisation of existing gas-fired peak boilers, and to upgrade, renew and refurbish the heat distribution network, including the financing of smart meters and new connections.

EIA required: Investment programme, some schemes may require EIA

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

This 3 year (2020-2022) investment programme concerns the district heating system in Vilnius, Lithuania, and consists of a retrofit and extension of the district heating network, construction of a biomass CHP unit and modernisation of peak gas-fired boilers in Vilnius. The retrofit will allow a decrease in losses of the network by replacing the old pipes with modern, pre-insulated ones. The extension of the networks will also bring about demand-side energy efficiency gains by connecting newly built houses and service buildings to the network. The new biomass-based source of heat will decrease GHG emissions of the Promoter.

The modernised and new generation facilities will comply with the relevant EU legislation including the Directive (EU) 2015/2193 of 25 November 2015 on the limitation of emissions of certain pollutants into the air from medium combustion plants.

Environmental Assessment

The investments in heat generation and distribution systems included in the programme fall within Annex II of the EIA Directive 2011/92/EC amended by Directive 2014/52/EU thus requiring a review by the competent authorities at the planning/consent stage with due regard to the necessity for environmental and biodiversity impact and appropriate assessments.

¹ 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_{2e}/year absolute (gross) or 20,000 tonnes CO_{2e}/year relative (net) – both increases and savings.

Luxembourg, 25/06/2021

The screening of several investment schemes performed so far by the competent authority resulted in a decision on lack of need for the ESIA.

Overall, the environmental impacts of the project are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction (this concerns mostly investments in the district heating network) and to airborne emissions during operation of heat generation units, i.e., boilers (NOxes, particles). Appropriate mitigation measures are envisaged to minimise the investments' impacts during construction and operation. Project's potential positive environmental and social impacts result from advantages of district heating over individual boilers, such as lower costs of heat and lower pollution and GHG emissions. The project contributes also to the decarbonisation objectives as stated in the National Energy and Climate Plan for Lithuania which sets a 90 % biomass target for the district heating sector by 2030.

Absolute emissions of the project are zero, relative emissions are negative and reach 8 kt of CO₂ per year, therefore the project is not included in the Carbon Footprint Exercise.

The project is to be implemented in an urban environment within the existing sites therefore no impact on biodiversity and protected areas is expected.

The project contributes to Bank's lending priority objectives on energy (100 %) as well as on climate action (89 %).

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

Public Consultation and Stakeholder Engagement

In case EIAs and public consultations are requested by competent authorities for any of the programme schemes, the Promoter will be required to forward the outcome of the public consultation process to the Bank.

Conclusions and Recommendations

Based on the information available, the Project is expected to have minor negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective provided the fulfilment of the following undertakings:

The Promoter undertakes to send to the EIB copies of all EIA screening decisions concerning the programme components issued by the competent authority for nature and environment as soon as they are available.

The Promoter undertakes not to allocate the Bank's funds to programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised, satisfactorily to the Bank, 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.



Luxembourg, 25/06/2021

The Promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.

The Promoter undertakes to store and keep updated any documents as may be relevant for the project supporting the compliance with the provisions under the EU Habitats and Birds Directives and shall upon request promptly deliver such documents to the Bank.

All the biomass sourced as a fuel for the project need to align with the EU biomass sustainability criteria principles as defined in Directive EU 2018/2001 (Article 29) and with the EU Timber Regulation (EU/995/2010).

Wood supply chain and the underlying forest management practices are to be certified, or if not yet certified, they have to be aligned with the standards so as to be certifiable by internationally accredited certification schemes (e.g. FSC or PEFC).