

Public

Environmental and Social Data Sheet

Overview

Project Name:	TITAN SOLAR PV GREEN FRAMEWORK LOAN
Project Number:	2020-0452
Country:	SPAIN
Project Description:	The project entails the development of a portfolio of solar PV farms with a total installed capacity of c. 2GW, located across Spain.
EIA required:	Some of the underlying schemes may require an EIA

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

Environmental Assessment

This operation is a Framework Loan (FL) that will support the investment plan of the Promoter, GALP, in renewable energy (RE) projects in Spain, which consists of ground-mounted solar PV plants. The FL is expected to support ca. 2 GW of new RE capacity. The pipeline of schemes presented by the promoter includes 20 utility scale solar PV projects, with sizes ranging from 15 MWp to 450 MWp.

Due to their technical characteristics, most of the investments are expected to fall under Annex II of Directive 2014/52/EU amending EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment is required. According to the national legislation, ground-mounted solar PV occupying more than 100ha are automatically screened in for EIA process, and are subject to a screening decision if occupying more than 10ha (PV plants occupying less than 10ha would be screened-out). The regionally transposed legislations may foresee thresholds that are more stringent. As per the current pipeline of projects, it is expected that fifteen out of 20 projects will occupy more than 100ha. Overhead transmission lines for the interconnection to the grid included in the Annex I of the EIA Directive are expected to be subject to an EIA process.

With regard to schemes subject to the requirements of the Habitats Directive 92/43/EEC and/or Birds Directive 2009/147/EC, the Promoter will be required to verify that none of the schemes have a significant adverse impact on any site of nature conservation importance.

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

Luxembourg, 17th June 2021

The promoter will be required to obtain and provide to the Bank the written confirmation to this effect from the competent authority, or an equivalent confirmation satisfactory to the Bank. Schemes having a significant adverse impact on any site of nature conservation importance will not be eligible under this operation.

The Bank will assess EIAs and all permitting documentation (including screening decisions) when reviewing the documentation for the allocations, including the compliance with applicable EU Directives. Whenever an EIA process is required, the environmental impact study (EIS) and the nontechnical summary of the EIS report will be provided in copy to the Bank prior to the Bank's approval of the allocation, and will be published. Out of the 20 schemes foreseen in the initial pipeline, seven have already secured their environmental consent, with the remaining ones expected to be granted their permit by the beginning of 2022. The schemes to be financed by the framework loan will be assessed in detail prior to the allocation of the EIB funds to these schemes. For investments with a cost above 50 MEUR, a separate ESDS will be published.

The project has been assessed for Paris alignment and is considered to be aligned with the policies set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy.

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 (based on the initial pipeline of schemes presented by the promoter) is a net reduction in CO₂ equivalent emissions by ca. 1166 kt CO₂e/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.

Social Assessment, where applicable

The schemes to be implemented under the FL will require for the installation of the projects' components the acquisition, lease or easements of land. The promoter is engaging with the land owners in order to secure voluntary agreements for the lands required by all project infrastructures. If a voluntary agreement 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 of public utility, and are subject to urgent forced expropriation to be carried out by the authority in the interest of the promoters. Therefore, the Promoter is expected to ask for declaration of public utility for some of the schemes. It is expected that the implementation of the schemes under this FL will not lead to involuntary physical or economic displacement or resettlement.

Public Consultation and Stakeholder Engagement

It is expected that for all project components subject to EIA, the public consultation will be carried out under the EIA process, as required by the EU, and as transposed by the national and regional law. The Promoter has a direct channel of contact on sustainability matters (sustentabilidade@galp.com), through which communications, questions, complaints or claims can be made. The promoter has reported no complaint so far for the project.

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Other Environmental and Social Aspects

The Promoter is known to the Bank from previous operations and has sufficient E&S capacity to implement the project, having experience in the management of complex infrastructure projects. The Promoter has a solid organisational structure.

GALP has an objective to “bring its portfolio in line with the vision for carbon neutrality in Europe by 2050”. It plans to reduce the carbon intensity of the Group’s activities by at least 15% by 2030 (versus 2017)². It is engaged in a wide-variety of activities to achieve that target, including this project. GALP reports under the Carbon Disclosure Project. One leading assessment organisation, the Transition Pathway Initiative, rates the promoter currently as not aligned to the temperature goals of the Paris Agreement and having the highest management quality score of 4*.

Conclusions and Recommendations

The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.

The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives and the absence of significant impact or equivalents) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.

For schemes subject to an EIA, the Promoter should deliver the environmental studies and documents related to the EIA to the Bank before the funds are allocated (including EIA studies, Non Technical Summary, environmental consent).

For schemes subject to a screening decision and screened out from the EIA process, the Promoter should deliver such decision from the competent authority together with the related documents and studies, prior to the Bank’s approval of the allocation.

Whenever applicable, the Promoter undertakes to fulfil the requirements of the environmental impact studies (EIA studies or others) and Environmental Permits.

For schemes that may have an impact on a nature conservation site, the promoter shall obtain confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank, that the scheme does not have a significant negative impact on any such site. Such confirmation should be delivered to the Bank before the funds are allocated. Schemes with significant negative impacts on a nature conservation site shall not be eligible.

Under these conditions, the operation is acceptable in E&S terms.

² The promoter indicated that its 2030 target is currently under revision, and that a more ambitious reduction target will be announced in June 2021.