

Public

Environmental and Social Data Sheet

Overview

Project Name:	<i>ELECTRICA DISTRIBUTION NETWORK UPGRADE</i>
Project Number:	2020-0391
Country:	Romania
Project Description:	<i>The investment programme comprises a large number of schemes for the reinforcement and modernisation of the electricity distribution network in Romania. It encompasses high, medium and low voltage electricity distribution schemes, including the deployment of advanced meters.</i>

EIA required: maybe (for some components)

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 comprises (a) the construction of a new of HV/MV substation (110/20kV), (b) the refurbishment of primary substations (110kV/20kV), (c) the construction of a short HV underground line (110kV), (d) the refurbishment of HV overhead lines (110kV) and (e) the construction and refurbishment of MV and LV overhead and underground lines. It also includes the refurbishment and installation of secondary power substations and of distribution transformers, as well as the deployment of advanced meters.

The programme schemes are located in the areas served by three electricity distribution system operators, which were recently merged under one, single operator ('promoter(s)'). These service areas include Prahova, Dâmbovița, Buzău, Brăila, Galați, Vrancea, Brașov, Mureș, Covasna, Harghita, Sibiu, Alba, Cluj, Sălaj, Maramureș, Bistrița-Năsăud, Bihor and Satu Mare.

Environmental Assessment

Some of the programme schemes fall under Annex II of the EIA Directive, leaving it to the competent authority to determine whether an Environmental Impact Assessment (EIA) is required. Under Romanian law, all programme schemes involving new overhead lines of any voltage level and new HV/MV substations need to undergo an environmental screening, following which the competent authorities determine whether a full EIA is required or not. At this stage, the promoter estimates that none of the programme schemes will require a full

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.

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EIA. For the rest of the programme schemes, i.e. underground lines, the extension/refurbishment of power substations and the refurbishment of overhead/underground lines, a building permit is issued, containing the opinion of the Environmental Authority. Subject to the opinion of the Environmental Authority, an EIA screening may be required – this is determined on a project-by-project basis.

All programme schemes likely to have an impact on Natura 2000 sites will be screened with respect to the need for an Appropriate Assessment (AA) under the EU Habitats and Birds Directives. At this stage, the promoter estimates that only a limited number of the programme schemes may be screened in for an AA.

The programme has the potential for some low to moderate environmental and social impacts, mainly related to noise, pollution, dust and traffic disruption during the construction, electromagnetic fields (EMF) and nuisance during operation. The promoter implements the necessary mitigating measures at the design, construction and operation stages. Such measures include construction procedures to minimize damages and disturbance, measures to contain oil leaking from transformers, traffic management measures when necessary, restoration of excavated topsoil, avoidance of tree-cutting and waste management in accordance with national law.

The three electricity distribution network operators are experienced in developing and building electricity networks, and have obtained certifications for compliance with standards ISO 9001:2015, ISO 14001:2015, OHSAS 45001:2018. Their organisational chart includes an in-house team that is responsible for Environmental and Social (E&S) matters, and which forms part of the Quality Assurance Service team. Following the merger under one distribution system operator, the E&S teams will continue to cover their respective geographical areas and will be gradually integrated under a single organisational chart. Specialised personnel in the Design Department is responsible for applying for the necessary permits.

The environmental due diligence has followed the programme lending approach according to the EIB's procedures and standards, i.e. 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(s) is deemed satisfactory.

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 13 ktCO₂e per year. The programme will enable a reduction of system losses in comparison to the 'no-project' alternative. Therefore, at completion, the programme is expected to lead to a net reduction of ca 87 ktCO₂e per year.

For the annual accounting purposes of the EIB Carbon Footprint, the programme emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of the programme cost.

Public Consultation and Stakeholder Engagement

Public consultations, when necessary, are organised by the competent authority, as part of the EIA process.

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Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter(s) including its organisation, processes and procedures, and considers them to be satisfactory. Based on the information available and with appropriate conditions and monitoring, the programme is expected to be acceptable in environmental and social terms for the Bank's financing:

- The promoter undertakes to ensure that all programme schemes 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 programme 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 programme 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 store and keep updated all EIA screening decisions concerning the programme schemes issued by the competent authority and shall, upon request, promptly deliver such decisions to the Bank.