

Public

Environmental and Social Data Sheet

Overview

Project Name: *ENEDIS GREEN ELECTRICITY DISTRIBUTION NETWORK*
Project Number: *2021-0554*
Country: *FRANCE*
Project Description: *ENEDIS' energy transition investments in its electricity distribution network during the period 2022-2024*

EIA required: no

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

The project is an electricity distribution expansion and modernisation programme. The Promoter ENEDIS will implement the programme in 2022-2024. It supports enhanced grid usage for the purpose of the Energy Transition in France. Ultimately, it is in line with the national and company's carbon neutrality objective by 2050. It comprises the connection of i) c.160 000 renewable projects amounting at 7.7 GW, ii) c.73 000 charging stations to address the estimated growth of 1.5 million electric vehicles by 2024 and the new building legislation and iii) 730 electric connection hubs for municipal buses and on motorways. ENEDIS operates its grid at 20kV (medium voltage MV) and 400/220V (low voltage LV) with local exceptions.

Environmental Assessment

The programme involves the construction or the modernisation of electricity distribution schemes, including c.11,465 km power lines with voltage levels up to 30 kV, substations and transformers connecting ENEDIS grid to the higher voltage grid as well as to end consumers, automation, and communication equipment. Some medium voltage connection lines to windfarm and solar photovoltaic plants, primary substations to high voltage grid may fall under Annex II of the Directive 2014/52/EU, amending the EIA Directive 2011/92/EU, which requires the competent national authority to determine the need for an Environmental Impact Assessment (EIA). As part of the permitting process, all project 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 and will undergo Appropriate Assessment, if applicable. Given their characteristics, location and potential impacts, and considering the criteria established under the national EIA legislation, the low voltage project

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, 17.11.2021

schemes are expected to follow the declaration regime that does not require building permit nor related EIA.

The project has the potential for some low to moderate environmental and social impacts. During construction, the environmental impacts are expected to relate to dust, noise, vibration, traffic disruption and vegetation clearance. Environmental impact during operation will concern electromagnetic fields (EMF), noise disturbance and collision and electrocution of flying vertebrates. For the charging station component, the main potential impact on the environment is from the disposal of the old stations being replaced as part of this project. Where relevant, appropriate measures will be implemented to avoid or minimise impacts. This includes measures to contain the effect of electromagnetic fields in line with Council Recommendation 1999/519/EC, the effect of noise during operation, specific maintenance procedures to minimise potential leakage of SF6 and coordination with local authorities and property owners. In densely populated areas, particular attention will be paid to contain the effect of noise, vibration and traffic disruption during construction works. Regarding the schemes relating to works in substations, contamination from oil leakage of transformers is mitigated through the appropriate design of bunds.

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 programme in line with the EIB environmental and social standards and requirements. Based on this assessment and considering the performance on environmental and social matters in past operations, the environmental capacity of the promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment programme.

EIB Carbon Footprint Exercise

The project will result in 13.6TWh increase of distributed electricity per year (+4%). On one hand, based on company's average losses, the gross annual GHG emissions of the programme in a standard year of operation are estimated at 54 kt of CO2 equivalent per year. On the other hand, the operation will provide environmental benefits through the reduction of network losses as it fosters decentralized electricity generation closer to the demand. It is estimated that half of the distributed electricity resulting from the direct connection of 2.2GW solar photovoltaic plants to the low voltage grid will not be imported from the high voltage transmission network and will be used locally. Consequently, the network losses outside of project boundary would increase by 520 GWh without the project. The total avoided CO2 emissions are estimated at 1 kt of CO2 equivalent per year using a LV (resp. MV) grid emissions factor of 106 (resp.103) kgCO2/MWh.

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.

Other Environmental and Social Aspects

The promoter has developed an environmental management plan and has established an action plan to follow up its implementation. As a member of EDF Group, the promoter contributes to the Group certification delivered under the Science Based Targets (SBTi) related to carbon neutrality objective.

Luxembourg, 17.11.2021

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter including its organisation, process and procedures and deemed them to be good. Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The Promoter undertakes not to allocate the funds to investments in electricity distribution assets consisting in the direct connection of electricity generation assets that operate at life-cycle emissions higher than 100g CO₂e/kWh
- 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 to the Bank satisfaction and approved by the competent authority. The promoter undertakes to comply with applicable regulations and will make available to the Bank, upon request, an electronic copy of the relevant documentation, including EIA/AA reports, consultation documents, EIA approvals/development consents.
- The promoter undertakes to ensure that programme schemes with a potential impact on a nature conservation site (within the meaning of Article 6 of the EU Habitats Directive) are reported to the relevant authority and will undergo a screening for an Appropriate Assessment (AA) in accordance with the EU and national regulations. Where the competent authority determines that an AA is required, the promoter will carry out the AA in compliance with the requirements of the Habitats and Birds Directives.
- The promoter undertakes to store and keep updated all EIA and AA screening decisions concerning the programme schemes issued by the competent authority and shall, upon request, promptly deliver such decisions to the Bank.