

Luxembourg, 14th September 2022

Environmental and Social Data Sheet

Overview

Project Name:	CHARLIE PV GREEN LOAN
Project Number:	20220388
Country:	Italy
Project Description:	Multi-annual investment programme into small-scale PV plants (~10 MW average nominal capacity) separated in two portfolios (14 units and 12 units, respectively), with a total installed capacity of 255 MW, at geographically dispersed locations throughout Italy, including Sardinia and Sicily.
EIA required:	yes
Project included in Carbon Footprint Exercise1:	yes

Environmental and Social Assessment

Environmental Assessment

The proposed investment concerns a multi-annual investment programme of small-scale PV plants (~10 MW average nominal capacity) separated in two portfolios (14 units and 12 units, respectively) with a total installed capacity of 255 MW, at geographically dispersed locations throughout Italy, including Sardinia and Sicily. The PV plants will be mainly installed at abandoned industrial sites (~76% by capacity) and a few (24%) on agricultural land.

PV plants fall under Annex II of the EIA Directive 2011/92/EU (as amended by Directive 2014/52/EU) according to which Member States shall determine whether the installation should be subject to a mandatory EIA assessment based on defined criteria.

According to recently revised national environmental legislation, which aims at facilitating and accelerating the approval procedures, PV farms with a nominal capacity exceeding 10 MW are subject to a mandatory EIA, without a screening procedure. Under certain conditions (location, voltage level of network connection, nominal capacity) PV plants could even follow a simplified authorisation procedure. The revised legislation might cause a transitional adaptation period depending on when the request for an authorisation had been introduced. For part of the portfolio's capacity, a full approval, including mandatory EIA is expected to be granted by 2022. A few of the PV plants appear to have been subject to the previous legislative authorisation process, which included an environmental screening procedure. The promoter has indicated that the competent authorities have screened these out from a mandatory EIA.

The Bank will request from the promoter the competent authority's decisions to this matter as well as the authority's decision concerning the need for an appropriate assessment of potential impacts on the integrity of Natura 2000 sites.

Impacts on the environment from PV plants are like to stem from noise, dust and increased traffic during the construction phase and from visual and land use impacts during operation. These impacts are unlikely to cause any significant negative residual effects to the environment.

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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The promoter is a developer of photovoltaic renewable energy projects mainly in France and Italy. It owns, manages and operates an installed PV capacity of ~700 MW and is active along the full value chain in the renewable energy sector. The capabilities of the promoter to implement and operate renewable energy projects in compliance with environmental and social topics is hence expected to be good.

EIB Carbon Footprint Exercise

The direct CO₂ emissions from a PV plant are deemed negligible. 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 Italy, the total relative effect of the project is a net reduction in CO₂ equivalent emissions by approximately 164 kt/year. 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.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty REDEN, the expected sole shareholder of the SPV is in scope and screened out of the PATH framework because it is not considered high emitting and/or high vulnerability.

Social Assessment, where applicable

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has a Policy on Respect for Human Rights rejecting the use of any form of forced or compulsory labour. The promoter shall ensure that the supply chain of the solar PV panels used in the project is compliant with the applicable provisions of the relevant labour standard of the Bank, and avoids the use of forced labour.

The Bank's finance contract will require the promoter to undertake to ensure that the supply chain of the solar PV panels used in the project is compliant with the applicable provisions of the relevant labour standard of the Bank, and avoids the use of forced labour. For this purpose, the promoter undertakes to make reasonable efforts to carry out appropriate due diligence throughout its supply chain, with the aim of avoiding the use of forced labour in the supply chains of the solar panels that will be used for this project.

Conclusions and Recommendations

Based on the information made available by the promoter and with appropriate conditions in place it is concluded that this project and its underlying allocations are acceptable in environmental and social terms for Bank financing.

When applicable, for each PV plant, the promoter shall provide to the Bank the decision of the competent authority stating whether an EIA is required. For each PV plant of the project that requires an Environmental Impact Assessment (EIA), the promoter shall provide electronic copies of the final EIA Report for publication (including appropriate assessment, if required, and information on the public consultation process), approved or endorsed by the competent authority and satisfactory to the Bank.

The promoter undertakes not to allocate the EIB's funds to PV plants until the EIA and/or the necessary supporting documentation have been finalised and approved or endorsed by the relevant competent authorities and satisfactory to the EIB.