

Luxembourg, 3.11.2022

Environmental and Social Data Sheet

Overview

Project Name: CEPS TRANSMISSION NETWORK UPGRADE II-GREEN LOAN

Project Number: 2022-0379
Country: Czech Republic

Project Description: The project concerns reinforcement and modernisation of the

electricity transmission network in the Czech Republic, over the

period 2023-2025.

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

Environmental Assessment

The Project consist of the upgrade of an existing 400 kV electricity transmission overhead line (OHL), by replacing its main components (conductor, towers, insulators) and by converting the single circuit to a double circuit. The dismantling of the existing line is included in the Project scope. As such, the Project falls under Annex I of the Directive 2014/52/EU amending the EIA Directive 2011/92/EU. The EIA Directive and its amendments are transposed into the Czech legislation through the Czech Act No. 100/2001.

An EIA has consequently been carried out and the Project has been granted the corresponding consent by the competent authority for nature and environment. The Ministry of Environment consent was granted on 10/10/2016 with an initial validity of 5 years extended to 7 years as per Act 326/2017 (EIA valid until 10/10/2023, an automatic extension is normally granted at the beginning of the implementation works).

Requirements for biodiversity screening (Natura 2000) are covered by the Czech Act No. 114/1992. The Project has the potential to interact with 7 Natura 2000 sites crossing three of them (CZ0714082 Bečva - Lobberry, CZ0813462 Greek - Ostravice and CZ0810004 Niva - Mortá). The screening by the respective regional authorities (Olomouc, Zlin and Moravian-Silesian) ruled out likely significant effects on the sites and with decision dated 27/08/2013 concluded that the Project cannot, alone or in conjunction with other projects, have a significant effect on the protection or the integrity of a site of European importance or of birds. The Ministry of Environment required an Appropriate Assessment for NATURA 2000 sites to be included in

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 scope of the EIA. The outcomes of the AA confirmed the assessment made by the regional authorities.

The Project will follow the route of the existing line, with minor route adjustments resulting in the occupation of around 0.15 ha of forest.

Appropriate mitigation measures will be implemented to minimise impacts according to the findings of the EIA reports and the conditions expressed in the EIA consents. Particular attention will be paid during the construction work to restrict the effects of noise, vibration and traffic disruption, protection of vegetation, restricting tree cutting, installation of effective antidusting measures, avoid the use of invasive technique during dismantling of the existing line, avoid wasting and pollution and the management and protection of watercourses. When necessary, certain construction activities will be executed avoiding breeding seasons of bird or fish species with particular attention for Natura 2000 sites. The planned measures to mitigate impacts during operation include design solution for complying with corona audible noise limits, clearing and trimming of shrubs and bushes to the extent considered necessary (4 m wide strip to ensure maintenance of the line) and the installation of bird diverters, when appropriate, for preventing birds collision.

Physical climate change risks relevant to the area of installation of the Project, i.e. mainly extreme temperature events and storms and high winds, are mitigated in the design stage.

The Project has been assessed for its Paris alignment and is considered to be aligned both against low carbon and resilience goals in line with the EU Taxonomy Regulation and with the EIB Energy Lending Policy. The Project is expected to generate positive environmental impacts by enabling the integration of renewable energy generation in the transmission system of the country, thus supporting national and EU decarbonisation goals.

Gross annual GHG emissions of the Project in a standard year of operation are estimated at 18.8 kt of CO2 equivalent per year (on the basis of network losses). The operation will provide environmental benefits through the reduction of network losses. The total avoided CO2 emissions are estimated at 1.5 kt of CO2 equivalent per year using a grid emissions factor of 471 kgCO2/MWh.

EIB Paris Alignment for Counterparties (PATH) Framework

CEPS AS is subject to PATH assessment being a corporate entity exceeding (i) EUR 20m of balance sheet, (ii) EUR 40m of net revenues and (iii) 250 employees. As an electricity transmission network operator, the Promoter does not operate in high emitting sectors, therefore the Company is screened out, because it is not considered high emitting or high vulnerablitiy.

Social Assessment, where applicable

The Project is designed to comply with EMFs exposure limits. To this effect the height of the towers has been increased, compared to the pre-existing line, in order to ensure that at the limit of the line protection zone (37 meters on each side of the outermost conductors, not extended in respect to previous one) the electric and magnetic fields are below the exposure limits specified in the National legislation and the relevant EU regulation. For already existing premises intended for permanent residence of persons within the protection zone, further measures for complying with EMFs exposure limits are foreseen. These include further increasing the height of the towers, local route adjustment and reducing the sag of conductors between towers.



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Occupations of the Agricultural Land Fund will be about 1.6 ha, that can be considered of a small-scale nature. Landowners will be compensated as specified in Section 9(4) of the Agricultural Land Fund Protection Act.

Public Consultation and Stakeholder Engagement

Consultations were organized at different levels of the EIA process both with relevant authorities and with the public, main steps of the process:

- On 13 December 2013, the information on the notification of the plan was published on the official notice boards of the regional authorities concerned (Regional Office of the Olomouc Region, Regional Office of the Zlín Region, Regional Office of the Moravian-Silesian Region).
- On 12 September 2014 the access to EIA Report has been granted through the official website.
- On 11 February 2015 a written public consultation has been lunched through the website and postal service to all relevant authorities with deadline 13 March 2015.
- On 17 March 2015 a final public hearing was held in Lipník nad Becvou (Educational and cultural center Echo); information on the place and time of the public hearing has been advertised in the central and regional authorities official notice boards and via the local media for at least 5 days before the hearing.
- The minutes of the public hearings have been published on the public register of the competent authority for nature and environment.

The consultation feedbacks have informed the scoping of the EIA.

Other Environmental and Social Aspects

The Promoter is experienced in conducting works of this nature, with an in-house team responsible for environmental and social aspects of projects.

Based on the aforementioned elements and based on previous operations financed by the EIB, the environmental and social capacity of the promoter is deemed good.

Conclusions and Recommendations

Based on the information available, the Project is acceptable in environmental and social terms for the Bank's financing with appropriate conditions (see below):

The Promoter will provide evidence of the extension of the validity of the EIA, either if
it is automatic or subjected to request.