



Luxembourg, 14.12.2022

Environmental and Social Data Sheet

Overview

Project Name:	IPTO CYCLADES INTERCONNECTION PHASE 4
Project Number:	2022-0336
Country:	Greece
Project Description:	Extension of the interconnection of Northern Cyclades through the connection of Western and Southern Cyclades (interconnection of the islands of Thira, Folegandros, Milos and Serifos) in a closed loop with the interconnected system of northern Cyclades via the GIS S/S of Naxos and with the continental Greece transmission network (HETS) via the EHV S/S of Lavrio. The project consists of five underground and submarine cables about 350 km long and the construction of four GIS substations on the islands.

EIA required: yes

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

The project aims at interconnecting the last remaining non-interconnected islands of Thira, Folegandros, Milos and Serifos, located in the Western and Southern section of the archipelago (SW Cyclades), by creating a closed loop with Lavrio (continental Greece) and the island of Naxos (already connected to continental Greece).

The project includes five submarine tripolar cables for a total length of approx. 355 km (Lavrio-Serifos 110 km, Serifos-Milos 47 km, Milos-Folegandros 55.5 km, Folegandros-Thira 60 km and Thira-Naxos 82.5 km) and approx. 20 km of 150 kV onshore underground cables, mostly concentrated in Milos to cross the island from north to south. The Project also includes the construction of four new Gas Insulated Substations (GIS) of indoor type in Thira, Folegandros, Milos and Serifos.

The characteristics of the Project are such that it is listed neither under Annex I nor Annex II of the EIA Directive. Pursuant to Greek law, a comprehensive EIA was carried out for all cable routes and GIS substations. In the Greek legislation, the Decision of Approval of Environmental Conditions (DAEC) is considered to be the permit for the construction of the project. The DAEC has been issued for the project in accordance with Articles 8 and 9 of Directive 2011/92/EU as amended by of Directive 2014/52/EU (Ministerial Decision 48899/2835, 07-06-2021).

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 Appropriate Assessment (AA) in line with Article 6.3 of the Habitats Directive accompanying this EIA examines the effects of the construction and operation of the onshore and submarine cable subdivisions as well as substations located within Natura 2000 sites. Particularly:

- Part of the submarine cable, approximately 7 km long, passes through the SPA area of Natura 2000 GR3000018 - "Kanali Makronissous Canal".
- A section of the submarine cable approximately 1.1 km long passes within the SPA area of the Natura 2000 network GR4220029 - "Paraktia Zoni kai Nisides Serifopoula, Piperi kai Vous".
- Part of the underground cable on the island of Milos, approximately 5.8 km long, passes through the SPA area of the Natura 2000 GR4220030 network - "Dytiki Milos, Antimilos, Polyaios Kai Nisides".
- A section of the submarine cable approximately 2.2 km long and an underground section over a length of 1 km passes within the SAC / SPA area of the Natura 2000 GR4220004 network - "Folegandros Anatoliki Mechri Dytiki Sikino kai Thalassia Zoni".
- Part of the submarine cable with a length of approximately 5.8 km passes through the area SCI GR3000017 - "Paraktia kai Thalassia Zoni Makronisou",
- Part of the underground cable in a length of about 0.6 km passes through the SAC GR4220020 - "Island of Milos: Profitis Ilias - Evryteri Periochi",
- Part of the submarine cable in the length of 1.4 km passes inside the SAC GR4220005 - "Paraktia Zoni Dytikis Miloy".

The declaration of the competent authority (General Directorate of Environmental Policy of the Ministry of Environment and Energy), stating that the project is unlikely to have a significant impact on the related areas of the NATURA 2000 network, has been issued in June 2022 with protocol number 59470/4075/20.06.2022.

The EIA studies and the conditions under the permit indicate that, subject to the implementation of the specified mitigating measures, the Project would neither have significant adverse effects on the environment nor adversely affect the integrity of any European site on view of the site's conservation objectives.

The Promoter is deemed to have the capacity and is committed to implement the necessary mitigating measures at both design and construction stages. These typically include applying international and national health and safety regulations, protection against pollution, disturbance of ecosystems, fire protection and rationalisation of the construction site, reduction of dust dispersion, restoration of possible affected vegetation, routing and laying procedures to avoid/reduce impact on benthic organisms, in particular Posidonia beds.

Project components can be potentially vulnerable to several climate hazards. Extreme rainfall events or strong winds, in combination with loose soils, could damage towers, underground cable or substation infrastructure. Wildfires may lead to destruction of project components and the need for repairs. However, as the power cable is underground and the substations are of indoor type, those vulnerabilities are significantly reduced.

The climate risk assessment included in the EIA highlights earthquakes, floods and forest fires as the climate risks related to the project under study. It has been assessed that the sensitivity of the project to climate change is generally low since the location of the project is not in an area of high seismic activity, a very small proportion of the study area is in a potential high flood risk zone or has a recorded historical flooding and no forest land is concerned.

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 replacement of local polluting generation and the integration of additional renewable energy generation that, in the current isolated configuration, is restricted for technical reasons, thus supporting national and EU decarbonisation goals.



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EIB Carbon Footprint Exercise

Gross annual GHG emissions of the project in a standard year of operation are estimated at 2.5 kt of CO₂ equivalent per year associated to the increase in network losses while a reduction in relative emissions is estimated at -79.5 ktCO₂ equivalent per year thanks to the decommissioning of polluting generation in the islands.

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 Programme cost.

EIB Paris Alignment for Counterparties (PATH) Framework

IPTO is subject to PATH assessment being 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, it is not involved in activities in high emitting sectors, thus it is screened-out.

Social Assessment, where applicable

The preliminary project design was finalized after considering the anthropogenic activities in the area of interest. As a matter of fact, the submarine cable route changed after the frequent passage of ferry boats in the area was ascertained. In addition, IPTO contacts all the Greek operators (gas, telecommunication, etc.) to avoid any conflict on the submarine or underground infrastructure. However, in order to deal with any potential impacts caused by the immersion work on any existing submarine cables (mainly telecommunications), in the case of intersection of submarine cables with already installed and operating telecommunication cables, the procedures provided by the ICPC (International Cable Protection Committee) will be applied. This way they are not expected to have any impact on the operation of these cables.

The offshore part of the Project has the potential to interfere with fishing and shipping activities (commercial and recreational) or in general with marine/coastal and intertidal users and infrastructure (e.g. existing cable routes, coastal recreation). Standard mitigations are proposed to inform, sensitize, agree on schedule and in general promote an early engagement with owners / operators. For the protection of cables the burial measure is integrated into the design of the project for the marine transit areas characterized by low depth.

The construction of the projects is not expected to cause the disintegration of the unity of the urban planning. During the construction phase, all necessary measures will be taken to reduce the emission of noise and gaseous or particulate pollutants, which may adversely affect the environment of the settlements found in the study area. In the operation phase of the projects no significant negative effects on the structure and functions of the anthropogenic environment of the study area are expected (neutral effects) and the new substations will be constructed according to local traditional architectural standards while the underground part of the project is located along the existing road network.

A positive effect on air quality is also connected to the closure of existing power plants on the islands.

Public Consultation and Stakeholder Engagement

Public consultations have been carried out for the Environmental Impact Assessment Study (EIAS) elaborated for the project, in accordance with Article 6 of Directive 2011/92/EU. According to that, detailed arrangements for consultation shall be laid down by the Member States. In Greek legislation, the procedure for public consultation of an EIAS is detailed in Law 4014/2011 and it has been implemented for the EIAS elaborated for the project, as detailed below:



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- The EIA has been uploaded in the web-based Digital Environmental Registry (protocol number 97720/6373/09-10-2020) (<https://epm.yper.gr/>), allowing all interested parties, public authorities (archaeology, forestry, etc.) and the public to monitor the process
- Positive opinion has been provided from:
 - The Ministry of Energy and Environment (Forest Protection Directorate 26837/1522, 12-04-2021, Spatial Planning Directorate 97841/1175/11-11-2020, Electricity Directorate 97841/1202/24.11.2020).
 - The Ministry of Shipping and Island Policy (80733/2-12-2020).
 - The Hellenic National Defence General Staff (901/1322/308679/ Σ. 8448/17-12-2020).
 - The Environmental Committee of the Prefecture of South Aegean (129222/328/22-01-2021) and the Directorate of Environment & Spatial Planning of Cyclades (130748/2151/14-12-2020.)
 - The Forest Directorate of Cyclades (6653/10-02-2021).
 - The Ephorate of Antiquities of Cyclades (160301/13-04-2021 and 195100/17-05-2021).
 - The Ephorate of Underwater Antiquities (161450/13-04-2021).

The project is not expected to have significant effects on the environment of another Member State. In addition, no concerns/protests raised by third parties nor pending legal appeals have been reported.

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. The Promoter is committed to manage all the mitigation and monitoring measures identified through the EIA process and other primary consent/permit application documents.

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.

The Project benefits from financing under the Recovery and Resiliency Fund (RRF). The project was subject to a DNSH assessment as part of the RRP which confirms that none of the environmental objectives defined by the Taxonomy Regulation are affected by the project.

Conclusions and Recommendations

Based on the review of the EIA reports, the outcome of the public consultations, the other assessments prepared by the promoter and the permits granted for the Project, the Bank identified no significant residual environmental and social impacts associated with the Project.

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 to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.