



Luxembourg, 14 December 2022

## Environmental and Social Data Sheet

### Overview

Project Name:	CARTAGENA ADVANCED BIOFUELS
Project Number:	2022-0424
Country:	Spain
Project Description:	<i>The project concerns (i) the construction and operation of a 255ktpa first-of-a-kind second generation biofuels production facility at Repsol's refinery in Cartagena (Murcia), based on a Hydrogenated Vegetable Oil (HVO) technology and; (ii) the support to research programmes toward advanced biofuels technologies conducted at the promoter's facilities.</i>
EIA required:	No
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes

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

### Environmental and Social Assessment

#### Environmental Assessment

The promoter is a multi-energy company, involved in hydrocarbons exploration, extraction, refining, as well as fuel and chemicals production and low-carbon electricity generation and commercialisation. The project supports the promoter's decarbonisation and energy transition strategy that was announced in 2019. The goal of the company is to reach carbon neutrality by 2050, with a gradual reduction in its carbon intensity indicator in line with the Paris Agreement and UN Sustainable Development goals.

The promoter is strongly engaged in the development and implementation of low-carbon technologies to transform its business model, moving away from fossil feedstock. It is currently pursuing several projects to achieve its decarbonisation objectives, including projects on renewable energy and low carbon transportation fuel production. One of the technology routes the promoter is developing are biofuels, and it includes the project in Cartagena for the production of HVO Biodiesel and SAF from lipidic residues.

#### **Second generation biofuel plant ("C-43")**

The project components are subject to the Spanish environmental Laws that transpose the Environmental Impact Assessment (EIA) Directive (2014/52/EU) (amending 2011/92/EU) and Industrial Emission Directive (IED) 2010/75/EU.

The project will be implemented in an existing 307 ha industrial complex area, within the promoter's refinery located the Escombreras Valley in the municipality of Cartagena, Spain.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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The project will be located in existing, dismantled and authorised processing areas for the new plant. The site holds an Integrated Environmental Permit. Following the Spanish permitting procedure, the project has been submitted to the competent authority for screening and has received a favourable decision by the local authorities, amending the integrated environmental permit for the Cartagena refinery (file AAI/2007/1303).

An application for an environmental decision was submitted to the Cartagena City Council in June 2021 and the competent authorities have considered the project as a non-substantial modification of the installation/activity. Therefore, a resolution has been made public the 15 September 2021 for the modification of the integrated environmental authorisation granted in the file AAI/2007/1303<sup>2</sup>.

The project incorporates best available techniques (BAT), as defined under the IED Directive 2010/75/EU.

The project is not located on any protected natural area, but in the vicinity of protected natural areas (i.e. Special Area of Conservation (SAC) ES6200025 Sierra de la Fausilla and Special Protection Area for Birds (SPA) ES0000199 'Sierra de la Fausilla'). From the assessment conducted as regards the potential risks and based on the adoption of the corrective measures applied during the design, construction and operation phases, it has been concluded that it is unlikely that, as a result of the project, significant or appreciable direct and/or indirect effects will be produced in any of the surrounding Red Natura 2000 sites that could cause damage to their integrity or to the natural values that motivated their inclusion.

#### **Financing the research programme**

The RDI activities are carried out within the existing RDI facility located in Madrid (Spain). They do not imply the construction of new, nor the modification of the existing RDI facilities and do therefore not fall under the provisions of the EU Directive 2014/52/EU amending Directive 2011/92/EU. The research facilities hold valid operation permits approved by the competent authorities. The RDI efforts to be financed by EIB constitute only a fraction of RDI activities that are being carried out at the R&D centre in Madrid and are dedicated to the development advanced biofuel technologies using different biogenic feedstock residues and include the continuous improvement of the innovative second generation biofuel concerned by the project. If successful, the project will therefore bring about substantial externalities in the areas of GHG reduction.

#### **EIB Carbon Footprint Exercise**

The absolute annual emissions of the project in a standard year of operation are 143.1 k/tons CO<sub>2</sub>e per year (assuming a full year of SAF production). This estimate comprises the Scope 1 emissions (direct emissions from production processes), Scope 2 emission (indirect emission from the feedstock/pre-treatment of the biomass, energy consumption) as well as Scope 3 emissions (Energy generation from partial alternative use to UCO feedstock consumed by the project). The project will result in substantial avoided CO<sub>2</sub> emission, if compared to the project's baseline scenario, which represents a scenario that considers the final bio-diesel product to displace in energy equivalent term the equal quantity of a fossil-based equivalent fuel product. Based on the Bank's carbon footprint exercise methodology, it is estimated that the overall project will result in emission saving of 606.5 k/tons of CO<sub>2</sub> per 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'.

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<sup>2</sup> [http://www.carm.es/web/pagina?IDCONTENIDO=6404&IDTIPO=100&RASTRO=c511\\$m2729](http://www.carm.es/web/pagina?IDCONTENIDO=6404&IDTIPO=100&RASTRO=c511$m2729)



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## **EIB Paris Alignment for Counterparties (PATH) Framework**

- The counterparty REPSOL S.A. is in scope and screened in to the PATH framework, as it is active in a high-emitting sector and operates in a context of high climate vulnerability.
- The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plans.
- The counterparty is active in activities that are considered incompatible with the Paris Agreement in the PATH framework. Due to the innovative nature of this project, the counterparty is deemed to meet the PATH requirements.

As reported in the EIB Carbon Footprint Exercise section above, the project will provide significant GHG emissions reductions compared to traditional fossil fuel production. Furthermore, it will also lead to further, indirect, GHG emissions savings in the application of the 2<sup>nd</sup> generation biofuels for application in road transport and aviation. The biofuels produced will fulfil the REDII directive, Directive (EU) 2018/2001, which requires GHG emission savings of at least 65% compared to traditional fossil fuels.

The project is Paris aligned, according to the EIB Climate Bank Roadmap, as it focuses on sustainable biofuels production based on low-carbon, non food, inputs supporting “Smarter, more sustainable transport”, which mentions the need for advanced biofuels to decarbonise transport sectors such as aviation.

## **Public Consultation and Stakeholder Engagement**

No public consultation has been carried out in the context of the environmental permit procedure for this specific project, as it is considered a non-substantial modification of the installation/activity and has been incorporated in the amended integrated environmental permit for the Cartagena refinery complex. Nonetheless, the Industrial complex in Cartagena has a structured stakeholder engagement and regular contacts with local communities. Notably, a regular dialogue with Alumbres and the communities closest to the installation. To this end, a working group named “Public Assistant Advisor” has been established, which is composed of groups from the local communities and the industrial complex. This working group holds meetings regularly, three times a year, to allow exchange of opinions, present project developments and address potential concerns. No complaint has been raised in relation to this project and no specific complaints have been received concerning the Cartagena industrial complex’s activity in recent years.

## **Other Environmental and Social Aspects**

The promoter has published an extensive plan to achieve net- zero emissions by 2050 (Net zero emissions by 2050 commitment | Repsol). Repsol’s decarbonisation plan includes short, medium and longer-term targets. The targets are measured in terms of carbon emissions per unit of energy supplied (i.e. carbon intensity indicator gCO<sub>2</sub>eq/MJ). The plan foresees a 25% reduction in the carbon intensity indicator by 2030 (based on a 2016 baseline), increasing to 50% by 2040 and finally achieving net-zero by 2050. It reports under the Carbon Disclosure Project.

The promoter has implemented a Quality Management System (QMS) at the Cartagena refinery which is ISO 9001:2015 certified. Furthermore, the project site holds a number of certification for operational excellence: ISO 14.001:2015 Environmental Management System, ISO 50.001:2018 Energy Management System and ISO 45.001:2018 Occupational Health and Safety System certifications.



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## Conclusions and Recommendations

### Condition for disbursement:

None

### Undertakings

The Promoter shall:

- Submit to the Bank, the updated integrated permit (EIA-IED permits), following IE directive 2010/75/EU, before the start of operation.
- Inform the Bank about any subsequent change/modification/extension of the project that could trigger an EIA-IED permitting process, following EIA directive 2014/52/EU, amending 2011/92/EU and IE directive 2010/75/EU and submit the relevant assessment reports to the satisfaction of the Bank.

Subject to the above-mentioned contractual conditions, the project is acceptable for Bank financing in environmental and social terms.