



Luxembourg, 21.12.2022

Environmental and Social Data Sheet

Overview

Project Name: *REN GREEN ENERGY LOAN*
 Project Number: *2022-0667*
 Country: *Portugal*
 Project Description: *Investments under the promoter's 2022-2026 investment plan, aiming at the extension and reinforcement of the electricity transmission network throughout Portugal.*

EIA required: Yes (for some components)

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 a multi-component investment programme comprising electricity transmission schemes dispersed throughout Portugal with voltage levels ranging from 60 kV up to 400 kV. The programme addresses some key needs of the Portuguese power system such as integrating anticipated renewable energy generation developments that will enable Portugal to meet the target of a 47% share of renewable energy in gross final energy consumption by 2030, supporting the efficient operation of the network and increasing its climate change resilience and adaptation.

Environmental Assessment

The programme schemes are included in the Portuguese transmission network development plan (PDIRT 2022-2031), which underwent a Strategic Environmental Assessment in 2021 according to the national legislation transposing the SEA Directive 2001/42/EC.

Most of the programme schemes fall under Annex I or Annex II of the EIA Directive. They are therefore either subject to a mandatory Environmental Impact Assessment (EIA) or to a decision by the National competent authority concerning the need for an EIA.

Under Portuguese law, in addition to projects that fall under Annex I, an EIA is required for (a) overhead lines with voltage levels equal or above 110 kV and longer than 10 km and (b) substations with voltage levels equal or above 110 kV and surface of 1 ha or larger.

These limits are more stringent for projects partially or totally within cultural or biodiversity protection areas (including Natura 2000 sites), namely an EIA is required for all overhead lines

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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with voltage levels equal or above 110 kV regardless of their length, and for substations with voltage levels equal or above 110 kV, regardless of their surface.

All other projects need to undergo a screening process, according to specific criteria set out in the national EIA law and in line with Annex III of the EIA Directive, following which the competent authorities determine whether a full EIA is required or not.

All programme 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 AA, if applicable.

The environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards. Under such approach, the due diligence focuses on the promoters' capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. The Bank reviewed two Environmental Impact Studies (EISs) conducted by the promoter for components that do not form part of the programme and found them to be satisfactory.

The programme has the potential for some low to moderate environmental and social impacts. These include noise, pollution, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. The promoter has the capacity and is committed to implement the necessary mitigating measures at both design and construction stages. These typically include construction procedures to minimize damages and disturbance, soil restoration, traffic management measures and appropriate waste collection procedures. Furthermore, they include the installation – where necessary – of bird flight diverters and nesting platforms on sensitive corridors to prevent birds' collision, the installation in substations of noise-blocking walls/panels to reduce noise levels and proper containment to avoid oil leakage from transformers.

The promoter confirmed that in order to minimize the environmental impact when designing a transmission line, the line is routed as much as possible through peripheral, mainly agricultural areas and through forests only when necessary, and where feasible, in parallel/next to an existing line, in order to reduce land occupation and mitigate visual impact.

Physical climate change risks relevant to the area of installation of the programme schemes, i.e. mainly precipitation decrease, forest fires and wind speed and temperature increases. These are mitigated in the design stage, by adapting as necessary the design of the power line pylons. In addition, the Promoter applies operational measures to ensure that its assets are resilient to potential impacts of climate change, such as enhanced forest fire monitoring.

The programme has been assessed for its Paris alignment and is considered to be aligned both against low carbon resilience goals in line with the EU Taxonomy Regulation and with the EIB Energy Lending Policy. The programme 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. Furthermore, the reconstruction and refurbishment of aged assets currently operating in the electricity transmission network will reduce the environmental load, such as soil and ground water pollution.

EIB Carbon Footprint Exercise

The source of CO₂-equivalent (CO₂-e) emissions for the programme is the ohmic losses of the new network equipment being installed. At programme completion, the corresponding absolute emissions are estimated at 21.6 kt CO₂-e per year. Losses are not supposed to change with the programme, therefore relative emissions are zero. For the annual accounting purposes of



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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

The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan².

Public Consultation and Stakeholder Engagement

The Strategic Environmental Assessment of the transmission network development plan PDIRT-E 2022-2031 underwent a 30-day public consultation in 2021. The Strategic Environmental Assessment report and all its annexes, which includes the conclusions of the public consultation, are published on the promoter's website³.

For schemes where an EIA is required, the EIA studies will undergo a 30-day public consultation, according to national legislation.

Other Environmental and Social Aspects

The appraisal focused on the capacity of the Promoter to manage environmental aspects of the programmes. Previous monitoring experience from an operation financed by the EIB is deemed satisfactory.

The Promoter is experienced in conducting works of this nature, with an in-house team of 20 professionals responsible for the quality, safety, environmental and social aspects of projects. An Integrated Quality System is in place, covering the promoter's entire operations. The promoter is ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certified.

The Promoter monitors and publishes a set of indicators that reflect its safety performance in terms of frequency and severity of incidents, and its environmental performance, namely in terms of greenhouse gas emissions.

Finally, the Promoter created in 2015 a chair on biodiversity, in partnership with the Portuguese Foundation for Science and Technology (FCT) and the University of Porto (UP). This chair is active in applied research on biodiversity, including initiatives in modelling bird mortality patterns due to collision, evaluating effectiveness of bird diverters and nesting platforms, or reforesting power line buffer zones with autochthonous slow-growth low-height tree species (such as strawberry trees, stone pines or olive trees) to enhance biodiversity and local employment creation⁴.

The Promoter has drafted – together with the Portuguese environmental agency and the national professional association of impact assessment – a handbook for the environmental impact assessment of transmission network infrastructures that is currently used as a reference document for all EIAs related to this type of infrastructure in Portugal.

Based on the aforementioned elements and the assessment undertaken, the promoter is deemed to have the experience and the capacity to manage the investment programme in line with EIB environmental and social standards and requirements.

² [Presentation Investor Day May 2021](#)

³ [REN - Strategic environmental assessment](#)

⁴ [REN - Programa de reflorestação das faixas](#)



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Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter, including its organisation, processes and procedures, and considers them to be satisfactory. Based on the information available and with appropriate conditions and monitoring, the programme is expected to be acceptable in environmental and social terms for the Bank's financing:

- The promoter undertakes to ensure that programme schemes will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives, as applicable. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- 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's satisfaction and approved by the competent authority. For schemes requiring an EIA and/or an Appropriate Assessment (AA), an electronic copy of the relevant documentation, including EIA/AA reports, consultation documents, EIA approvals, must be sent to the Bank as soon as each scheme is approved by the competent authority.
- 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.