European Investment Bank

Luxembourg, 12 September 2023

Environmental and Social Data Sheet

Overview

Project Name:	ELECTRICITY NETWORK UPGRADE FOR INDUSTRIAL SITES
Project Number:	2022-0338
Country:	Hungary
Project Description:	An operation financing the reinforcement and expansion of electricity transmission and distribution networks, and catering for the additional power requirements of, inter alia, battery manufacturing plants in two industrial sites in less developed regions of Hungary.
EIA required:	No

Project included in Carbon Footprint Exercise[1]: no

Environmental and Social Assessment

The project includes investments in electricity transmission and distribution infrastructure, with voltage levels ranging from 132 kV to 400 kV.

Environmental Assessment

The schemes included in the project are the following:

MAVIR:

(1) installation of one 400/132 kV transformer and associated 400 kV and 132 kV switchgear in the existing Perkáta substation
(2) construction of a new 400/132 kV substation at Göd-Kelet
(3) short turn-in-turn-out connections to Göd-Kelet substation from three existing 400 kV and 132 kV overhead lines (2.7 km)

E.ON Dél-dunántúli:

(4) construction of three new 132 kV overhead lines between Perkáta and Iváncsa (14.8 km), and Sárbogárd - Dunaújváros OVIT and Perkáta - Dunaújváros Dél (1.6 km)
(5) construction of a new 132 kV switching station at Iváncsa

ELMŰ Hálózati:

(6) refurbishment of three 132 kV overhead lines Bicske Dél - Hűvösvölgy (31 km), Bicske Dél – Biatorbágy (18.7 km), and Biatorbágy – Budaörs (5 km)
(7) splitting of the existing 132 kV Göd - Vác line (0.5 km)
(8) installation of a 132 kV cable between Fót and Mátyásföld (10 km)

[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 CO_2e/year absolute (gross) or 20 000 tonnes CO_2e/year relative (net) – both increases and savings.

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(9) installation of 132 kV equipment in the existing Zugló and Göd substations

Government Decree No 314/2005 (XII.25) transposes the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. Overhead lines with voltage level above 220 kV and longer than 15 km require an Environmental Impact Assessment (EIA). For overhead lines with voltage levels above 35 kV it is left to the competent authority to decide whether an EIA is required. The competent authority also must decide whether an EIA is required for substations in protected natural areas, Natura 2000 sites.

None of the project schemes falls under Annex I of the EIA Directive.

Schemes (3), (4), (6), and (7),132 kV lines, and 400 kV lines, length < 15 km, fall under Annex II and, thus, the competent authority has to determine whether an EIA is required. The EIA screening decision for scheme (3), issued in 2022, and the EIA screening decisions included in the construction permits for scheme (4), issued in 2022, concluded that the construction of these lines has no significant environmental impact, and there is no need to carry out an EIA. Natura 2000 sites are not affected. The EIA screening for the schemes (6), and (7) has not taken place yet.

Construction permits have been issued for all schemes developed by MAVIR and E.ON Dél-dunántúli. These schemes are currently in advanced construction stage. A construction permit has been issued for scheme (8) developed by ELMŰ Hálózati. Construction permits for the rest of the schemes developed by ELMŰ Hálózati are pending.

The electricity transmission and distribution schemes have the potential for some low to moderate environmental impacts. These include noise, vibration, dust, and disruption of traffic during construction, and noise and electromagnetic radiation during operation. Appropriate mitigation measures will be implemented to minimise these impacts.

The promoters are the Hungarian Transmission System Operator (MAVIR) and two Distribution System Operators (E.ON Dél-dunántúli in Iváncsa and ELMŰ Hálózati in Göd). The three promoters are experienced network operators in Hungary, and they are ISO 14001 (Environmental management) certified.

Physical climate change risks relevant to the area of installation of the project electricity transmission and distribution schemes, i.e. very cold winters, frequent alternation of freeze-thaw cycles, very hot summers, and intense rainfalls, are addressed in the design stage, by adapting the design of the lines or the equipment installation.

The Project has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR) and the Bank's Energy Lending Policy.

Public Consultation and Stakeholder Engagement

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process.

Conclusions and Recommendations

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

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Disbursements towards to the schemes developed by ELMŰ Hálózati will be conditional on the submission to the Bank, and to the Bank's satisfaction, of the relevant EIA and AA screening decisions issued by the competent authority.

For schemes requiring an EIA and/or AA:

- Disbursement shall not take place until the EIA and/or the AA have been finalised to the Bank's satisfaction, including public consultations, and approved by the competent authority.
- 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.