

23/11/2023

## Environmental and Social Data Sheet

### Overview

Project Name:	RESA ELECTRICITY NETWORK UPGRADE
Project Number:	2022-0848
Country:	Belgium
Project Description:	The Project is an investment programme for electricity distribution in the period 2023-2026, including the renovation, reinforcement and extension of distribution infrastructure, the renovation and digitalisation of network control systems and the installation of smart meters.
EIA required:	no

Project included in Carbon Footprint Exercise<sup>1</sup>: no

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

### Environmental and Social Assessment

The Project is an investment programme for electricity distribution in the period 2023-2026. The programme comprises the installation of approx. 596 km of new MV and LV overhead and underground lines and the refurbishment of ca 321 km of MV and LV overhead and underground lines. It also includes the refurbishment/extension of a couple 150/15kV substations (upgrading of 15kV equipment), the refurbishment and installation of new distribution transformers and the deployment of smart meters. The promoter is RESA SA, the electricity and natural gas distributor in the Province of Liège (Belgium, Wallonia region).

#### Environmental Assessment

The MV and LV schemes are expected to fall under Annex II point 3.(b) of the EIA Directive, leaving it to the competent authority to determine whether a full Environmental Impact Assessment (EIA) is required. All lines and underground cables have operating voltages below the threshold for screening set out in the regional legislation (150 kV), as per the provisions of Article 4(3) of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. As a result, none of the schemes will require a full Environmental Impact Assessment (EIA). Environmental analyses may be carried out in the context of the construction permitting process. Substations schemes, either in the form of new construction, extension or refurbishment, do not fall under either Annex I or II of the EIA Directive. According to Wallonia law, refurbishment or extension of existing substations do not need to undergo an EIA screening.

The schemes will be screened according to national legislation with respect to the need for Appropriate Assessment (AA) under the EU Habitats Directive. Based on preliminary information, some of the schemes might cross Natura 2000 areas. In such cases, the competent authority will be consulted and the assessments required under art. 6(3) and art.

<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.



6(4) of Habitats Directive 92/43/EEC will be carried out. Given the characteristics and the typical impacts of the programme schemes, the promoter at this stage expects that none of schemes will be screened in for an AA.

The programme has the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and disruption of traffic during construction, and electromagnetic radiation during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. For smart meters, the main impacts of the components are electromagnetic radiation during data exchange and the disposal of meters that are replaced (in line with relevant legislation). Smart meters comply with the electromagnetic radiation limits set out in guidelines published by national and international organisations.

The environmental and social due diligence has followed the investment programme lending approach according to the EIB's procedures and standards, i.e. the due diligence focussed on the promoter's capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. The Bank reviewed the environmental and social capacity of the promoter, including its organisation, processes and procedures.

Currently, the promoter has not formalised an environmental management plan. This will be embedded in the process of setting up their Corporate Social Responsibility which is currently ongoing. The promoter manages, monitors and mitigates the effects on the environment through documents such as the health and safety plans, the waste management plan, toxicological sheets, technical specifications (technical clauses) and requirement for subcontractors in general, the implementation of new equipment taking into account Eco Design (in particular the types of transformers) etc.

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly extreme rainfall events, flooding and storms and high winds, are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment.

Part of the investment programme includes the undergrounding of overhead lines. The promoter has engaged in such actions in order to address the increasing and unpredictable extreme weather events encountered in their networks over the past years, which include heavy flooding in 2021 of the Liege region, resulting in significant damages in the network and consequently in thousands of end-users being affected. Therefore, the implementation of the programme will contribute to climate adaptation.

GHG emissions have been calculated but fall below the thresholds defined for the Carbon Footprint Exercise (CFE). The source of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions for the programme is network losses associated with new or refurbished network equipment. At programme completion, the corresponding absolute emissions are estimated to be 1.3 kt of CO<sub>2</sub>e/year. These absolute emissions are offset by the reduction in network losses enabled by the programme in comparison to the do-nothing alternative. Therefore, at completion, the programme is expected to enable a saving of circa -2.8 kt of CO<sub>2</sub>e.

Whilst smart meters may facilitate energy savings, they are not expected to have significant impact on CO<sub>2</sub> emissions. As a conservative approach, the savings in end-user consumption have not been considered in the Carbon Footprint Exercise.

The operation has been assessed for its Paris alignment. It is considered to be aligned for low carbon and resilience, in line with the policies set out in the Climate Bank Roadmap and with the EIB's Energy Lending Policy.

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

The counterparty, RESA SA is in scope and screened into the PATH framework, because it is considered high emitting and of high vulnerability.



- The counterparty has agreed to develop a decarbonisation and resilience plans and publicly disclose a new or updated alignment plan no later than the first anniversary of the Finance Contract.

### **Public Consultation and Stakeholder Engagement**

Public consultations, when necessary, are organised by the competent authority, as required. The investment programme is part of the promoter's 2024-2029 network investment plan (le plan d'adaptation), which was under public consultation by the regulatory authority until February 2023.

## **Conclusions and Recommendations**

Considering the above, the promoter's capacity, if reinforced, to implement this operation in compliance with the EIB's Environmental and Social Standards is deemed acceptable. Based on the information available and with appropriate conditions and monitoring, the programme is acceptable for EIB financing in environmental and social term.

The promoter undertakes:

- no later than the first anniversary of the Finance Contract, to develop a formal environmental management plan outlining the set of management processes and procedures, such as human resources management, environmental management and occupational health and safety management, that allow the promoter to identify, avoid, minimise, mitigate and offset or remedy any environmental and social impacts of their operations.
- to ensure that programme schemes that may have an effect on a Natura 2000 site will undergo an analysis (or screening) to determine whether the scheme requires an Appropriate Assessment. When an Appropriate Assessment has been deemed necessary, before allocating the Bank's funds to the relevant programme scheme, the promoter will ensure that such assessment is carried out in line with Article 6(3) of the Habitats Directive.
- to store and keep updated any documents that may be relevant for the programme and which support the compliance with the provisions under the EU Habitats and Birds Directives and shall, upon request, promptly deliver such documents to the Bank.
- not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA)/Appropriate Assessment (AA) until the EIA and/or the AA have been finalised to the Bank's satisfaction, including public consultations, and approved by the competent authority. For schemes requiring an EIA and/or an 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.
- no later than the first anniversary of the Finance Contract, publish on its website a PATH-compliant decarbonisation Plan which is to the reasonable satisfaction of the Bank, in line with the EIG Group PATH Framework (<https://www.eib.org/en/publications/the-eib-group-path-framework>)
- not to engage in incompatible activities, as defined in the EIB Group PATH Framework (<https://www.eib.org/en/publications/the-eib-group-path-framework>).
- no later than the first anniversary of the Finance Contract, to publicly disclose an enhanced resilience plan.