

Luxembourg, 20.11.2024

Environmental and Social Data Sheet

Overview

Project Name: HEDNO DISTRIBUTION I
 Project Number: 2023-0622
 Country: Greece
 Project Description: An investment programme in electricity distribution in Greece, covering the period 2024-2026. The programme includes investments in MV and LV networks, smart meters, and automation.

EIA required: no

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

The programme includes investments in Medium Voltage (MV) and Low Voltage (LV) overhead lines and underground cables, MV/LV substations, smart meters, and network automation.

Environmental Assessment

The programme comprises several electricity distribution schemes with voltages ranging from 0.4 kV up to 20 kV. All schemes have operating voltages below the threshold for screening set out in the national legislation (50 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 an Environmental Impact Assessment (EIA). Environmental analyses may be carried out in the context of the construction permitting process.

The schemes will be screened for Appropriate Assessment (AA) under the EU Habitats Directive. Given the characteristics and the typical impacts of the programme schemes and considering the Promoter's planning policy of avoiding crossing Natura 2000 sites, the Promoter expects that none of the 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 relate to electromagnetic radiation during data exchange. Smart meters will comply with the electromagnetic radiation limits set out in guidelines

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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published by national and international organisations. The programme schemes that have to do with network automation are expected to have limited environmental impact.

Whilst smart meters may facilitate energy savings, they are not expected to have significant impact on CO₂ emissions. As a conservative approach, the savings in end-user consumption have not been considered in the Carbon Footprint Exercise.

The Promoter is the Hellenic Electricity Distribution Network Operator (HEDNO), an experienced Distribution System Operator (DSO), and the sole DSO in Greece. 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. Based on this assessment, the environmental capacity of the Promoter is deemed good, i.e. the Promoter has the experience and the capacity to manage the investment programme.

The management of waste generated by the project will follow sustainable waste management practices, in line with the applicable EU directives and Greek legislation.

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly heat waves, wildfires, flooding, temperature increase and high winds, are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment, monitoring, and regular inspections.

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

EIB Carbon Footprint Exercise

The source of CO₂ equivalent (CO₂e) 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 33.9 kt of CO₂e/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 148 kt of CO₂e.

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.

EIB Paris Alignment for Counterparties (PATH) Framework

- The counterpart, PPC S.A., is in scope and screened in to the PATH framework, because it is considered high emitting and of high vulnerability.
- The counterpart already meets the requirements of the EIB PATH framework with its existing alignment plan.
- The counterpart is in line with the PATH framework resilience requirements.

Social Assessment

Smart meters will help customers access their consumption data easily, increasing awareness of their own energy use, and encouraging behaviours that are more efficient and sustainable. They also enable personalised electricity tariff structures which are better suited to different consumer habits, with dynamic and highly flexible pricing.

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Public Consultation and Stakeholder Engagement

The investment programme is part of the Promoter's 2022-2026 Network Development Plan (NDP), which was under public consultation by the Regulatory Authority for Energy, Waste & Water (RAEWW) until February 2023.

Public consultations, when necessary, are organised by the competent authority, as required.

Other Environmental and Social Aspects

The Promoter's health and safety department is certified to ISO 45001 (Occupational health and safety), and its transformer repair workshop in Athens is certified to ISO 14001 (Environmental management).

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the Promoter, including its organisation, processes, and procedures, and considers them 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 all programme schemes will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. 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 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 (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.

The project benefits from financing under the Recovery and Resiliency Fund (RRF) and is expected to ensure that it does no significant harm to any of the six environmental objectives within the meaning of the Taxonomy Regulation (EU) 2020/852 (the principle of 'do no significant harm' (DNSH)). This was confirmed also, as part of the overall due diligence for the RRF Loan. Based on the information provided by the Promoter in a sustainability proofing study for environment and climate dimensions, it was concluded that no further assessment and proofing is required as no significant residual impact of the project has been identified. Overall, the project complies with the "do no significant harm" principle, by satisfying the conditions stipulated in the Council Implementing Decision Annex on the approval of the assessment of recovery and resilience plan for Greece.²

² <https://data.consilium.europa.eu/doc/document/ST-10152-2021-ADD-1/en/pdf>