

Luxembourg, 01.03.2024

Environmental and Social Data Sheet

Overview

Project Name:	<i>TEAG ENERGIEVERSORGUNG THUERINGEN</i>
Project Number:	<i>2023-0523</i>
Country:	<i>Germany</i>
Project Description:	<i>Investments into the electricity distribution network</i>
EIA required:	no

Project included in Carbon Footprint Exercise¹: 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 2024-2028. The programme encompasses a large number of medium voltage (MV) and low voltage (LV) electricity distribution schemes, including approx. 1,346 km of new underground cables in the state of Thüringen, in central Germany. The programme includes also investments in HV/MV and MV/LV substations as well as the installation of new smart meters. The promoter is Thüringer Energie AG ("TEAG"), a fully public multisector utility in the state of Thüringen in central Germany.

Environmental Assessment

The MV and LV schemes are expected to fall under Annex II point 3.(b) of the of the EIA Directive, leaving it to the competent authority to determine whether or not an Environmental Impact Assessment (EIA) is required. All underground cables have operating voltages below the threshold for screening set out in the national legislation (110kV), as per the provisions of Article 4(3) of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. According to the national legislation, a screening decision by the competent authorities is required for projects with operating voltage equal or above 110 kV. 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 national law, the construction, refurbishment or extension substations do not need to undergo an EIA screening. The biodiversity assessment under the EU Habitats and Birds Directives, where required, is part of the EIA process. A limited number of schemes may be screened in for an Appropriate Assessment.

The programme has the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction

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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works. Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other. 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 promoter manages, monitors and mitigates the effects on the environment through documents such as the environment, health and safety handbook, the waste management plan and technical specifications (technical clauses) and requirement for subcontractors in general.

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.

GHG emissions have been calculated but fall below the thresholds defined for the Carbon Footprint Exercise (CFE). 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 4 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 -12.5 kt of CO₂e.

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 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, TEAG AG, is in scope being a corporate entity and is screened out for low carbon aspects because it is not operating in high emitting sectors (gas distribution representing less than 20% of its average revenues) and screened in for high vulnerability risk.

- The counterparty already meets the requirements of the EIB PATH framework with its existing resilience plan.

Public Consultation and Stakeholder Engagement

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

Other Environmental and Social Aspects

The promoter is an experienced distribution network operator in Germany, with an in-house team responsible for the environmental and social aspects. The promoter outsources the preparation of Environmental Impact Studies (EIS) and Appropriate Assessments (AA) to external specialised consultants in Germany. The environmental management capacity of the promoter is reflected by the ISO-9001, ISO-14001, ISO 4500-1, and ISO-50001 standard certifications obtained. 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 to be good; it has the experience and the capacity to appropriately manage the investment programme.

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Conclusions and Recommendations

Considering the above the promoter's capacity 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:

- 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 and the provisions under Article 6(3) of the Habitats Directive are respected.
- 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.