



Luxembourg, 28/08/2024

Environmental and Social Data Sheet

Overview

Project Name:	DELGAZ ELECTRICITY DISTRIBUTION
Project Number:	2023-0659
Country:	Romania
Project Description:	An investment programme in electricity distribution in Romania, covering the period 2024-2027. The programme includes investments in HV, MV and LV networks, metering, and network automation. It includes elements of the CARMEN PCI.

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

Environmental Assessment

The programme comprises several electricity distribution schemes with voltages ranging from 0.4 kV up to 110 kV. Some of these schemes fall under Annex II of EIA Directive 2011/92/EU as amended by Directive 2014/52/EU, which requires the competent national authority to determine the need for an EIA. Under Romanian law, all programme schemes involving new overhead lines with voltages below 220 kV need to undergo an environmental screening, following which the competent authorities determine whether a full EIA is required. Given their characteristics, location, and potential impacts, and considering the criteria established under the national EIA legislation, none of the programme schemes are expected to require an EIA. Programme schemes are also screened for an Appropriate Assessment under the EU Habitats and Birds Directives.

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.

The programme schemes related to automation and metering 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.

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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The Promoter is Delgaz Grid S.A., a Romanian Distribution System Operator (DSO) with three million customers, and an electricity network which covers the north-eastern part of the country (Suceava, Botoşani, Neamţ, Iasi, Bacău and Vaslui). 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 focused 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 Romanian legislation.

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly flooding, snow loading, temperature increase, precipitation 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 Bank's Energy Lending Policy.

EIB Paris Alignment for Counterparties (PATH) Framework

- The counterparty E.ON SE is in scope and screened in to the PATH framework, because it is considered high emitting and high vulnerability.
- The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan.

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 will also enable personalised electricity tariff structures which are better suited to different consumer habits, with dynamic and highly flexible pricing.

Public Consultation and Stakeholder Engagement

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

Other Environmental and Social Aspects

The Promoter is certified to ISO 9001 (Quality management), ISO 14001 (Environmental management), and ISO 45001 (Occupational health and safety management systems).

Conclusions and Recommendations

The Bank reviewed the environmental, climate 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, climate and social terms for the Bank's financing:

- In view of the minimal residual risk associated with the counterparty (E.ON SE) engaging in incompatible activities, the Borrower (Delgaz Grid S.A.), instead of the counterparty, undertakes not to engage in incompatible activities.



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- The Promoter undertakes to send to the EIB copies of all EIA screening decisions concerning the programme schemes issued by the competent authority for nature and environment.
- 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, including public consultations, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the EIA study shall be sent to the Bank.
- The Promoter undertakes to take into account and implement the conditions expressed in any screen-out decision or EIA consent granted by the competent authority for nature and environment.
- 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.