

Luxembourg, 24.04.2024

Environmental and Social Data Sheet

Overview

Project Name:	PGE RAILWAY ELECTRICITY DISTRIBUTION
Project Number:	2023-0626
Country:	<i>Poland</i>
Project Description:	Construction and modernization of rail traction substations, sectional cabins, along with feeder lines and necessary infrastructure to supply the power for the rail infrastructure manager in Poland.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The project is part of a larger investment programme for the modernisation of power supply systems for the railway network throughout Poland on sections of railway lines modernised and electrified by PKP PLK. The maximum voltage of intake lines from the utility grid is 110 kV.

The project consists of construction of new and modernization of the existing elements of the railway traction network power supply systems:

- construction of 36 new traction substations
 - 15 for lines to be electrified,
 - 21 for increasing the capacity of power supply on modernized lines;
- modernisation of 24 existing traction substations,
- construction of 7 new disconnecter (sectional) cabins,
- the accompanying infrastructure, including power supply lines to substations, power supply cables, return cables and disconnecter control cables.

The project is expected to provide the traction power for rail lines to be electrified (or under electrification) and to already electrified lines in order to increase the capacity (additional power) and reliability of the rail traction energy supply installations for modernized lines. Indirectly, the project is expected to increase the quality of rail services provided in Poland as well as promote travel by rail and should, thereby, enhance sustainable transport in line with EU objectives.

None of the project components falls under Annex I of the Environmental Impact Assessment (EIA) Directive 2011/92/EU as amended by Directive 2014/52/EU.

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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Moreover, none of the project components fall under Annex II of the above-mentioned Directive, except for two sections of 110 kV overhead power lines to newly constructed traction substations (Kraków Płaszów and Wręczyca Wielka). The competent environmental authorities decided that the construction of these overhead power lines does not require an EIA.

For two 110 kV traction substations (Kraków Płaszów and Racibory), a screening procedure was carried out, although it was not required under the EIA Directive. This was due to the fact that the assessment of these components was carried out according to Polish regulations, valid until 11 October 2019², which require an assessment for the construction of transformer stations with a rated voltage of not less than 110 kV. As a result of this assessment, the competent environmental authorities decided (through screening out decisions) that an EIA was not required for the two project elements.

The project 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 Promoter is an experienced Distribution System Operator (DSO) for rail transport and rail operators in Poland. The design and construction works for each project component are executed by the respective contractors under the supervision of the Promoter's in-house team supported by external experts. The project is part of a larger investment programme to modernise power supply systems for railway transport, which has been implemented by the promoter continuously since 2012. Under this programme, the Promoter has so far constructed/modernised 252 traction substations and disconnecter cabins. The capacity of the Promoter in environmental and technical matters is deemed good.

Natura 2000 sites

The following Natura 2000 sites are located in the project's vicinity up to 5 km:

- Puszcza Notecka (PLB300015)
- Dolina Miały (PLH300042)
- Grabia (PLH100021)
- Dolina Biebrzy (PLH200008)
- Ostoja Biebrzańska (PLB200006)
- Dolina Dolnego Bugu (PLB140001)
- Ostoja Nadbużańska (PLH140011)
- Dolina Górnej Wisły (PLB240001)
- Dolina Dolnej Odry (PLB320003)
- Dolna Odra (PLH320037)
- Wzgórza Bukowe (PLH320020)
- Uroczyska Pojezierza Kaszubskiego (PLH220095)
- Jar Rzeki Raduni (PLH220011)
- Bory Tucholskie (PLB220009)

² From October 2019, Polish regulations (Ordinance of the Council of Ministers of 10 September 2019 on projects likely to have a significant impact on the environment) do not classify the construction/modernization of 110 kV transformer stations as investments that may potentially have a negative impact on the environment.



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- Lasy Puszczy nad Drawą (PLB320016)
- Lasy Bierzwnickie (PLH320044)
- Lasy Puszczy nad Drawą (PLB320016)
- Uroczyska Puszczy Drawskiej (PLH320046)
- Wolin i Uznam (PLH320019)
- Ostoja Narwiańska (PLH200024)
- Puszcza Knyszyńska (PLB200003)
- Ostoja Knyszyńska (PLH200006)
- Cedron (PLH120060)
- Puszcza Darżłubska (PLB220007)
- Biała (PLH220016)
- Ostoja Północnomazurska (PLH280045)
- Tatry (PLC120001)

The competent authority concluded and confirmed in their decisions³ that implementation of project components is not likely to have significant negative impact on NATURA 2000 sites.

However, such an assessment has not yet been carried out for the construction of the Ciemnoszyje traction substation. As this substation is located within a Natura 2000 site, the Bank will require confirmation from the authorities responsible for the management of Natura 2000 sites that no negative impact on Natura 2000 sites is likely.

Paris alignment

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly cold waves / frost, flooding, heat waves, landslides, and temperature increase are mitigated at the design stage, by adapting - as necessary - the design or the location of the equipment, underground cabling power supply lines, monitoring, and regular inspections.

The project has been assessed for its Paris Agreement alignment. It is considered to be aligned with low carbon and resilience goals, 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 PGE Polska Grupa Energetyczna S.A. is in scope and screened in to the PATH framework, because it operates in a high emitting sector and it is considered to be of high vulnerability.
- The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan.

Social Assessment, where applicable

The project required limited land acquisition and no resettlements.

³ In the case of projects that do not have a significant impact on the environment, according to Art. 96 of the Polish Act of 3 October 2008 on Information on the Environment and its Protection, Public Participation in Environmental Protection and Environmental Impact Assessment, the analysis of whether a project may require an appropriate assessment under the EU Birds and Habitats Directives is carried out at the stage of issuing development consent by the competent authority (or location decision if required by law before the development consent is granted).



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The modernisation or construction of traction substations and disconnecter cabins was planned on land owned by the Promoter or on real estate constituting railway land owned/used by PKP S.A. or PKP PLK S.A. (railway infrastructure managers). In limited cases, the Promoter acquired privately or publicly owned land through negotiations or tenders, concluding appropriate purchase agreements. At the time of the project appraisal, more than 90% of the land required for the project was available to the project Promoter.

Public Consultation and Stakeholder Engagement

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process (location decisions and construction permits).

Conclusions and Recommendations

Most of the project components are not in scope of either Annex I or II of the EIA Directive. Some project components followed a screening procedure and the competent authorities concluded that an EIA was not required.

The competent authority also concluded that the project is not likely to have negative impact on any of the nearby Natura 2000 sites, with the exception of the Ciemnoszyje traction substation for which no confirmation of absence of negative impact on Natura 2000 sites has yet been received.

Prior to the disbursement of the part of the Bank's loan related to the Ciemnoszyje traction substation, the Promoter shall provide, to the satisfaction of the Bank, confirmation from the competent authority that this component is not likely to have a significant impact on Natura 2000 sites.

The project does not require any resettlement.

Overall, the project will indirectly bring environmental benefits (reduction of energy consumption, noise, pollutants and CO₂) as it will contribute to the electrification of existing railway lines (replacement of diesel traction by electric traction) and increase the capacity of the existing railway power supply systems for the railway network in Poland.

The project is expected to increase the capacity and the quality of rail services provided in Poland as well as promote travel by rail and should, thereby, enhance sustainable transport in line with EU objectives.

With the conditions above, the project is acceptable for Bank financing from an environmental and social point of view.