

Luxembourg, 16/10/24

Environmental and Social Data Sheet

| Overview | |
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| Project Name: | ENERGIE AG HYDROPOWER INVESTMENTS |
| Project Number: | 2020-0755 |
| Country: | Austria |
| Project Description: | Investments in the implementation of one pumped-storage hydropower project (150 MW) and in the implementation of a run-of-river hydropower plant (28 MW) bypassing three old plants to be deconstructed in Austria in the period from 2024 to 2028. |
| EIA required: | yes |
| Project included in Carbon F | otprint Exercise ¹ : yes |

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

Environmental and Social Assessment

The operation encompasses the construction of two power plants which will be described separately in the following sections.

Environmental Assessment

EU EIA Directive (2011/92/EU), as amended by Directive 2014/52/EU, were transposed in Austria's environmental law UVP-G 2000, and compliance is legally binding for the approval of the projects.

UVP-G 2000 Annex 1 No. 30 stipulates the requirement of a full EIA for hydropower plants, which applies to both projects in this operation.

Ebensee PSH

An extensive environmental impact assessment (EIA) was initiated by the promoter and approved by the competent authority (State Government of Upper Austria) in July 2017, including conditions concerning construction and future operation of the plant.

In summary, the decision issued by the administration of Upper Austria stipulates the following safety and mitigation measures:

- Water use: max 32 m3/s pumping and max 42.5 m3/s in turbine mode
- For the construction of the upper reservoir the permit to clear certain areas of previously productive forest was limited to: permanent clearing 10.3 ha, temporary clearing 5.7 ha

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.



Luxembourg, 16/10/24

• Detailed requirements are stipulated concerning waste management during construction and operation, health and safety of laborers, requirements for the buildings and dam safety, including structural requirements, fire protection, electrical safety, fish and aquatic ecology, forestry, geology, hydro-geology and hydrology, mechanical engineering and safety, nature conservation, blasting technology and safety.

The water use right is issued until end of 2106.

Traunfall HPP

An extensive environmental impact assessment (EIA) was initiated by the promoter and submitted to the competent authority (State Government of Upper Austria) in July 2023, additional documents were submitted in March 2024. It is expected that the competent authority will submit their decision in the last quarter of 2024, after completion of review and public consultations.

An Appropriate Assessment was required and carried out according to the Habitats Directive, Article 6.3. Since the project is still likely to adversely affect the conservation features of the Natura 2000 site, Article 6.4. was triggered and, consequently, the European Commission was informed on 13.02.2023.

The project area lies partly in the Natura 2000 area Unteres Traun- und Almtal (WDPA ID 555592875, AT3139000). The standard data sheet identifies 19 habitat types, some of which are priority ones, and twelve animal and plant species as protected assets. In addition, the project area is located in the Lower Traun bird sanctuary (AT 3113000). A total of 67 bird species are listed as protected species in the relevant standard data sheet.

The powerhouse of the run-of-river hydropower plant, which will replace three existing power plants, will be located outside the Natura 2000 protected areas. Water conveyance structures will mostly be carried out as tunnel, and partly as covered channel. One existing weir (Gschröff) will be completely removed. Several existing parts of the plant, such as a large concrete diversion channel, the existing powerhouse currently located in the Natura 2000 area and overhead lines, will be removed from the protected areas.

The planned upstream increase of the water level will reduce the area of the priority protected habitats 9180 by 0.60 ha, and the two non-priority protected beech forest types (habitat types 9130 and 9150) will be reduced by a total of 1.03 ha. The habitat type 8210 will also be reduced by around 350 m². In return, the removal of existing structures in the Natura 2000 area will add to the habitat upon initial planting measures and appropriate maintenance. In addition, the expansion of the existing habitat by three new areas bordering the existing habitat directly compensates for the reduction in the protected area.

In summary the EIA currently under review by the competent authority proposes for habitats 9180 (priority) and 9130, 9150, 8210 (non-priority) to compensate for the losses of a total of 1.65 ha in a ratio of 1:1 in the short term. In the long term a total area gain of 5.4 ha is expected from the development areas in the protected area. In addition, a total of 4.6 ha will be freed of buildings due to the removal of the overhead power line, partly within the protected area.

The affected surface water body (412090042) is designated as a heavily modified waterbody and, according to the draft of the NGP III 2021, is of moderate ecological potential.

By implementing state of the art measures to reduce interventions, permanent detrimental effects on amphibians and reptiles, on the protected butterflies, on the bat fauna and also on the mammal species included in the standard data sheet can be ruled out. The impact of the project on bird fauna (including the protected area) is generally classified as low; with appropriate accompanying measures, particularly in the upstream river section, it can even be expected that the habitat quality will improve after the project has been implemented. With regard to the fish fauna, the protected species of bullhead and huchen occur in the project area. With the exception of certain impairments during the construction phase, no permanent impairment of the two protected species is to be expected. With appropriate designs, the



Luxembourg, 16/10/24

potential spawning grounds for the huchen can even be increased. By removing the Gschröff weir and by constructing a functional fish ladder and a fish descent at the new weir, the connectivity for the fish fauna will generally be significantly improved. The installation of a state-of-the-art fine screen in front of the inlet channel to the turbine passage significantly reduces the mortality rates of all fish species compared to the current situation.

<u>Condition for signature of the finance contract for this trance (Traunfall HPP) is the completion of the public consultations and the final and formal approval of the project by the competent authorities.</u>

Both projects do not require any resettlement.

Overall, the projects will bring environmental benefits through reduced CO₂ emissions.

EIB Carbon Footprint Exercise

Estimated annual emissions of project in a standard year of operation are 56 kt CO2e per tear caused by Ebensee PSH in pumping-mode. The promoter projects 500 GWh of annual pumping consumption. Pumping energy consumption is using the Austrian grid factor at HV level, at 113 g CO2/kWh.

Reservoir emissions were not considered: lower reservoir is a natural lake; upper reservoir is an artificial and lined pond withour natural inflow and without vegetation.

When generating, the Ebensee PSH is displacing other electricity generation. The promoter projects annual generation of around 400GWh on average for Ebensee. Resulting displaced emissions are calculated using the intermittent grid factor for Austria (194 gCO2/kWh), on the assumption that, due to its flexible generation nature, the plant will predominantly displace higher emission peak generation.

The Traunfall run of river plant is not flexible and displaces 115 GWh baseload energy. Displaced emissions for Traunfall are therefore calculated using the firm grid factor for Austria (113 gCO2/kWh).

The calculation of the carbon footprint based on EIB's methodology revealed estimated emissions savings of 34 thousand tonnes of CO2-equivalent per year.

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 counterparty Energie AG is in scope and screened in to the PATH framework, because it is considered high emitting and high vulnerability.

The counterparty has agreed to develop its decarbonisation plan and publicly disclose a new alignment plan one year after signing the finance contract with the Bank.

Public Consultation and Stakeholder Engagement

Ebensee PSH

Public consultations were carried out by the competent authority prior to approval as foreseen in the Austrian UVP-G 2000.

Public



Luxembourg, 16/10/24

Traunfall HPP

Public consultations were held from 10.07.24 to 21.08.24 by the Competent Authority (*Landestregierung Oberösterreich*) and negotiations are scheduled for mid-October. Completion of the consultations and positive decision for the project by the Competent Authority are condition prior to financing the project by EIB.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter, including its organisation, processes and procedures, and considers them to be satisfactory.

Both projects underwent full environmental impact assessments (EIA).

Ebensee PSH:

- The process was completed in 2017, including public consultations. Conditions stipulated will be closely monitored by the competent authority.
- Based on the information available, the Project thus is acceptable for Bank financing from an environmental and social perspective.

Traunfall HPP:

- Public consultations were held from 10.07.24 to 21.08.24 by the Competent Authority and negotiations with the promoter are scheduled for mid-October.
- At this stage however, feedback from statutory public consultation and formal response from competent authorities are still outstanding for the permit application and the associated assessments under the EIA, Habitats and Water Framework Directives. The Bank will complete its environmental and social due diligence based on the feedback and the formal response received in due course (including the justification of any necessary derogations in line with the Habitat's and Water Framework Directives).
 - Condition for Traunfall HPP: The finance contract for this project will only be signed upon conclusion of the public consultations, review by the competent authority and successful approval of the project, and above mentioned review by the EIB. Prior to signature the documents will be published on EIB's website.