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**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	N-ERGIE NETWORKS
Project Number:	2023-0279
Country:	Germany
Project Description:	The investment programme concerns the renovation, reinforcement and extension of electricity distribution infrastructure up to 110 kV (overhead lines, underground cables and substations) and the renovation and digitalisation of network control systems. The Project will be implemented in state of Bavaria in southern Germany in the period 2025-2026.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	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 2025-2026. The Project encompasses a large number of medium voltage (MV) and low voltage (LV) electricity distribution schemes, including approx. 1,237 km of new underground cables in state of Bavaria in southern Germany. The Project includes also investments in HV (high voltage)/MV and MV/LV substations.

#### 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, EIA screening is not required for the construction, refurbishment or extension of substations. 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

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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 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.

The Promoter manages, monitors and mitigates the effects on the environment through the Group Guidelines for Environmental Protection and Energy Management, which defines processes, task areas and responsibilities.

Greenhouse gas (GHG) emissions have been calculated but fall below the thresholds defined for the Carbon Footprint Exercise (CFE). The source of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions for the Project is network losses associated with new or refurbished network equipment. At Project completion, the corresponding absolute emissions are estimated to be 3 kt of CO<sub>2</sub>e/year.

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.

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 Promoter is in scope being a corporate entity and is screened out for low carbon aspects because it is not operating in high emitting sectors and screened in for high physical climate risk. The Promoter is not involved in Incompatible Activities as listed in PATH Procedures Manual.

The counterparty has agreed to finalise its resilience plan and publicly disclose the plan.

### **Social Assessment, where applicable**

The Project is expected to provide short-term positive socio-economic impacts in the form of temporary employment opportunities. The interventions do not envisage land compensation problems.

### **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 in national environmental certification and the ISO-50001 standard certifications obtained. The environmental and social due diligence focussed on the Promoter's capacity and capability to implement the Project 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.



## 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 Project is acceptable for EIB financing in environmental and social terms.

The Promoter undertakes:

- to ensure that potential impacts to sites of nature conservation will be identified (for all program schemes) and should they be likely to be significant, the Promoter undertakes to engage with the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- to store and keep updated any documents that may be relevant for the Project 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.
- not to allocate funds from the EIB loan to components dedicated to the direct connection of generation sources that emit above 100 g/CO<sub>2</sub> per kWh.
- that no later than the second anniversary of the Finance Contract, to publicly disclose a resilience plan.
- undertakes not to engage in Incompatible Activities in accordance with the PATH framework.

Under these conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.