



Environmental and Social Data Sheet¹

Overview

Project Name:	TECHEU VD REACTIVE GRID DIAGNOSTICS (IEU GT3)
Project Number:	2025-0207
Country:	EU (multi-country)
Project Description:	Development and rollout across Europe of an advanced technology for real-time measurement of power system inertia, system strength, and oscillation monitoring.
Invest EU sustainability proofing required	yes
E&S Risk categorisation	Low
Project included in Carbon Footprint Exercise ² :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

The Project comprises 2 components:

Component A: R&D and product deployment dedicated to technologies for real-time measurement of power system inertia, system strength, and oscillation monitoring. This component will be carried out in the promoter's premises in Oulu, Finland. The promoter - Reactive Technologies Finland Oy – is a power sector software solutions provider.

Component B: deployment of systems for real-time measurement of power system inertia, system strength, and oscillation monitoring. It will include up to three installations in EU countries, with an anticipated focus on the Iberian peninsula, Germany, Poland and the Nordic countries. This component will be implemented through a Luxembourg-based SPV to be formed by the promoter. The locations of the installations are not determined yet.

Given that **Component A** relates exclusively to software development and has no environmental, climate, or social impacts, the following of this ESDS applies only to **Component B**.

Low Risk: the Project is likely to result in minor or no adverse environmental, climate and/or social impacts and risks.

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

² 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.



Environmental Assessment

Each installation under the Project may include the integration of a MW-scale, container-sized Ultracapacitor or Battery Energy Storage System within the footprint of an existing substation or industrial site. Therefore, the Project does not fall under neither Annex I nor Annex II of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU.

The environmental impacts of the Project are expected to be minor, site-specific, and mainly temporary during the installation phase.

There are no direct greenhouse gas emissions or savings related to the Project. However, the Project is designed to address the challenges to grid stability posed by the increasing integration of non-synchronous, inverter-based Renewable Energy Sources (RES). In particular real-time, high-accuracy inertia measurements may support network operators in optimizing RES curtailment and the procurement of reserve services, ultimately helping to reduce energy costs for end users and lower CO emissions.

Climate Assessment

Physical climate-related risks are considered low and are addressed during the design phase. Product design, project siting, and site integration measures allow the Project to be adapted to the local conditions as needed.

The Project has been assessed for Paris alignment considering both low carbon and resilience goals as defined by the policies set out in the Climate Bank Roadmap and associated guidance.

Social Assessment

Once the functional specification of each installation under the Project has been finalised and a suitable hosting site has been identified and selected, Health and Safety risks are identified at early stage via a HAZID - Hazard Identification Study. This is done typically by reviewing the concept design to ensure that credible hazardous scenarios are identified at an early stage (pre-EPC contract). During the EPC delivery phase, robust health & safety methods and procedures will be implemented, along with appropriate monitoring and reporting measures, to ensure a safe working environment.

The Project will be implemented within the boundary of existing substations/industrial sites and is not expected to entail land acquisition.

Other Environmental and Social Aspects

The Promoter is competent and suitably qualified to implement the Project. Project delivery is managed by an in-house team of specialists with the support of external consultants. Responsibility for environmental, health, and safety (EHS) matters is delegated to the implementation and O&M contractors through appropriate contractual requirements. To qualify, contractors and consultants must demonstrate their commitment to and capacity for EHS management in line with criteria established by the British Standards Institute.

Conclusions and Recommendations

Based on the information available, the Project is acceptable for Bank financing in environmental and social terms.

Following the environmental, climate and social screening against the InvestEU sustainability proofing requirements, the Project is not expected to have negative environmental and social residual impacts, it will contribute to climate mitigation, and it is projected to be resilient to climate change. No further sustainability proofing is required.