

Environmental and Social Data Sheet

Overview

Project Name:	Gas Import Facility Lithuania
Project Number:	2012-0490
Country:	Lithuania
Project Description:	The project consists of installing infrastructure to accommodate a floating LNG storage and regasification vessel in the port of Klaipeda, Lithuania and connecting the facility to the national gas grid.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project which comprises a floating LNG storage and regasification unit (FSRU), an offshore jetty (ca. 500 m from shore) with mooring and gas handling facilities, and a 18 km gas pipeline was required to undergo an environmental impact assessment because of its technical characteristics and its location in the Curonian Lagoon close to environmentally protected areas (Natura 2000 - Kursiu Nerijos Nacionalinis Parkas LTKLAB001, Kurdis Marios LTKLAB010 and Baltijos Juros Priekrante LTPALB001). The marine element of the project is located within the existing confines of the Klaipeda State Seaport Authority. The location was chosen after a feasibility study and further analysis in the EIA. The facility will be just under 500 m from the closest Natura 2000 site and ca. 800 m to the nearest residential area.

Substantial environmental analysis was done and an EIA was submitted to authorities in mid-2012. After the public consultation process, the competent authority issued the environmental permit in October 2012. The study's overall conclusion is that the terminal will not have significant negative impacts on sites of nature conservation importance and specific mitigation measures have been mandated, which include protective measures for flora and fauna. The promoter had been requested by the Bank to provide a declaration from the competent authority responsible for monitoring sites of nature conservation importance that the project is not likely to have significant effects on sites of nature conservation importance. This requirement was fulfilled in February 2013.

Public consultation took place mainly during 2Q2012 and no concerns regarding possible breaches were received by the competent authority. Environmental permits for the project and its associated facilities are in place; and the award of contracts is being finalised. The competent authority confirmed its preparedness to monitor the project; and the promoter is aware of the need to meet the permit requirements and monitor the project's impacts. The project is acceptable for Bank financing from an environmental standpoint.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Environmental and Social Assessment

Environmental Assessment

In early 2012 when the EIA and front end engineering design were being undertaken, the Lithuanian government initiated consultations with Latvia per the Espoo Convention. This was necessary given that an option for the location of the project was in the Baltic Sea some 3 km from the Latvian border. The location finally chosen is 46 km from the Latvian border in an existing port with no trans-border impacts. The international consultation was successfully concluded in September 2012 with no complaints raised.

In conjunction with the EIA, the promoter commissioned a study to analyse the risks of the project covering inter alia the risks and consequences of LNG/gas spills and ship collisions. The conclusions are that the facilities are within the range of acceptable separation distances from other installations, however in one case towards the lower end of such a range. The need for strict operating protocols especially during LNG carrier movements is highlighted and this will be implemented by the port authority and promoter. In addition, the planned relocation of certain port activities away from the vicinity of the LNG facility will increase separation distances. More detailed risk assessments will be undertaken as part of applying for final safety clearances.

The environmental permit requires that trenchless directional drilling (horizontal directional drilling) is used to install the pipeline under the Curonian Lagoon—this will be for ca. 3 km. In addition, the promoter has to follow specific requirements regarding the re-use of excavated black earth, the preservation of dwellings of invertebrates, amphibians and small mammals, ensure monitoring of the impact of the project on Curonian Lagoon fish life, and plan works so as not to impact the breeding season of fish.

Water will be drawn from the Curonian Lagoon will be used for FSRU operations. No industrial wastewater will be generated; domestic wastewater will be transported onshore for treatment and surface wastewater released into the environment. When the lagoon temperature is below 10°C, regasification will be undertaken using a closed loop cycle.

The facility will have a visual impact, however detailed analysis shows that though the visual quality of the landscape as assessed from the Curonian Spit National Park (CSNP) embankment would be reduced, this will not change the category of the visual value of the landscape. If viewed from the other direction, it is considered that given that the area is already a port, there will be a limited, if any, negative impact.

It should be noted that the Curonian Spit some 98 km in length is a World Heritage site, in addition to be classified as a Natura 2000 site on the Lithuanian side. Russia administers the southern side (in Kaliningrad). The project is situated in the Curonian Lagoon which defines the eastern side of the Curonian Spit. The environmental permit requires the construction of a stable, hydraulically calculated sub-water threshold at the boundary of the area of the Klaipeda Strait to be dredged to the depth of 14.5 m. The threshold would prevent the washing out of the Curonian Lagoon's bottom and the accumulation of sediments in the Klaipeda Strait and would help preserve the stability of the Curonian Lagoon's ecosystem as well as the integrity and authenticity of the CSNP as a World Heritage Site. Upon construction of such threshold, the impact of the project on the Curonian Lagoon's ecosystem would be reduced from low to insignificant. UNESCO through the World Heritage Centre has taken note of the project and has requested Lithuania to submit environmental and heritage impact studies to it. The EIA has analysed the heritage/archaeological impacts of the project and considers it unlikely that the location and pipeline route include such cultural items.

EIB Carbon Footprint Exercise

The sources of CO₂ equivalent (CO₂e) emissions are from the operations of the FSRU to generate electricity and heat. The estimated absolute annual emissions are 126 kt CO₂e from FSRU operations. The baseline is considered to be the emissions from the gas transmission system from compression that are caused by the gas that is substituted by LNG, 27 kt/y of CO₂e. The overall relative annual emissions are therefore 99 kt CO₂e.

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.

Other Environmental and Social Aspects

The current design for the surface facilities comply with the Seveso directive. Upon completion of construction, a validation of the compliance with the directive will be undertaken. In addition, the promoter has commenced drafting its HSE management system, and the Bank requires that the promoter will put into place an internationally recognised quality and environmental management system e.g. in line with the ISO framework.

The port authority which will control vessel movements and other port related activities is ISO 9001 and 14001 certified.

The promoter has confirmed that it will seek ISO certification for its LNG operations and a plan to achieve this has been prepared. Actual certification will only occur after a period of operations has been completed.