

Environmental and Social Data Sheet

Overview

Project Name: Tauron Energy Infrastructure
 Project Number: 2012-0511
 Country: Poland
 Project Description: The project concerns an investment programme comprising the following components: 1) Electricity distribution, consisting of multiple schemes involving around 11,000 new connections, construction of new 110/20kV substations, associated equipment and overhead lines with some minor upgrading of existing equipment, and the roll out of smart metering pilot programme; 2) the modernisation and refurbishment of 7 existing small hydro power stations ranging in size from 0.3 to 13MW; 3) the construction of a new gas fired CCGT CHP plant of 135MW electrical capacity and 90MW thermal capacity to feed the local district heating system. The project will be geographically dispersed throughout Southern Poland.

EIA required: Yes (for the CHP plant and 2 of the small hydropower plants)

Project included in Carbon Footprint Exercise¹: 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 technical characteristics of the electrical distribution and hydropower project components are such that the schemes fall under Annex II of the EIA Directive (2011/92/EU), and consequently it is the responsibility of the competent authority to determine the need for an Environmental Impact Assessment (EIA). For the electrical distribution component, due to the nature and location of the schemes it is not envisaged that EIAs will be required, the majority of the schemes relate to medium and low voltage related activities which are expected to have minimal environmental impacts, mainly visual and noise dust and traffic during construction. For the hydropower component, the Promoter has confirmed that only two of the plants have been screened-in and require EIAs. These plants range in age between 50 & 100 years old and the areas in which they are located have subsequently been designated Natura 2000 zones. The EIAs have been completed, and given the nature of the works to be carried out impacts are expected to be low, mainly related to possible surface water contamination, and noise, dust and traffic during construction. In fact the upper pond associated with Otmuchow hydropower plant is integral to the existence of the Natura 2000 ecosystem and modernisation work relating to the weir will ensure the continued viability of the ecosystem. Regarding the gas fired CHP plant, this falls under Annex I of the EIA Directive. An EIA has been prepared and the environmental authorisation issued. The plant will be located on a brown field site within the boundaries of an existing facility. The impacts are expected to be of a low order mainly relating to noise, dust and traffic during construction and emissions during operation. The Bank will include conditions in its finance contract ensuring that no funds will be disbursed to any electricity distribution project component requiring an EIA until such EIA, and associated biodiversity assessment has been completed, satisfactory to the Bank, and the environmental authorisation issued. The promoter shall also be required to provide appropriate evidence to indicate compliance with the provisions of the EU Habitats and Birds Directives. Based on the environmental information provided to the Bank, by the promoter, the project is acceptable for Bank financing.

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

The environmental capacity of the promoter is deemed to be good. The promoter maintains appropriately qualified personnel in the subsidiary companies to manage and implement the environmental aspects of the project components. Additional support, as and when required, is obtained from third part consultancy organisations, in particular for the preparation of EIAs.

The overall impacts associated with the project components are expected to be of a low order. The works for the hydropower project components relate largely to the replacement of existing equipment with no increase in station area footprint. Around 70% of the electricity distribution works relate to MV and LV investments, with the remaining 30% pertaining to sub-stations and short runs of new lines and cables. The smart metering programme will mainly involve replacing existing meters in residential and commercial dwellings. The gas based CHP component will be located within the boundaries of an existing power station and will partially replace ageing stand-alone coal fired boilers currently providing heat for the district heating network.

EIB Carbon Footprint Exercise

Emissions savings are estimated at around 280,000 tonnes of CO₂ equivalent per year. Absolute emissions due to the project are estimated at around 418,000 tonnes of CO₂ equivalent per year. The project boundary includes the CHP station, Electricity distribution & smart metering programme, and hydropower stations' modernisations.

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.

Public Consultation and Stakeholder Engagement, where required

Given this is the fourth Bank operation with this particular promoter, the Bank is satisfied that the promoter implements a responsible approach in its dealings with the natural environment and follows EU and national/regional requirements including public consultation and engagement with key stakeholders. Overall the Promoter's procedures are acceptable.