

Environmental and Social Data Sheet

Overview

Project Name: *WWU 2013-16 GAS DISTRIBUTION*
Project Number: *20130152*
Country: *United Kingdom*
Project Description: *Part financing Wales & West Utilities' 2013-16 capex programme to modernise and expand the gas distribution network in Wales and the southwest of England.*

EIA required: no

Project included in Carbon Footprint Exercise¹: no

(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

This is a typical gas distribution project applying proven technologies. The key activities involved are: i) replacing the use of existing metallic pipelines by inserting polyethylene pipes within them and thus improving safety, reducing leaks and increasing asset life; ii) expanding the network to connect new customers; and iii) renewing and/or refurbishing network components (e.g. pressure reduction stations). The main environmental impacts occur during construction, are temporary in nature, and are mitigated according to established practices in the sector.

The project components fall under Annex II of Directive 2011/92/EU. In the UK, the primary environmental legislation applicable to the promoter is Regulation 14 consent of the Public Gas Transporter Pipeline Works (Environmental Impact Assessment) Regulations, amended 2007. Part 1 makes an EIA mandatory if the pipeline is >800 mm diameter and >40 km length while Part 2 requires a screening determination if the pressure is >7 bar or the construction is within a sensitive area. The screening obliges the promoter to produce a supporting statement or volunteer an Environmental Statement. The screening and assessment for nature conservation issues is fully integrated in the EIA procedures.

None of the planned components of the project meet the requirements for an EIA; however the following condition has been included in the contract in the event that an EIA may be required:

The promoter undertakes not to allocate the Bank's funds to project components that require an Environmental Impact Assessment (EIA) until the EIA and/or the necessary nature assessment has been finalized and approved by the competent authority.

The project's environmental basis is acceptable for Bank financing.

Environmental and Social Assessment

Other Environmental and Social Aspects

The promoter has provided evidence of sound practice with respect to environmental management and confirmed that all new projects are assessed for environmental impact

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.

including the impact on sensitive areas which include nature conservation sites. In addition to systems to meet regulatory requirements, the promoter has a comprehensive environmental management system which assesses on-going operations as well as any new projects. A site visit demonstrated strong engagement with contractors regarding health, safety, security and environmental compliance.

The operation will provide environmental benefits through the reduction of methane leaks and through the substitution of more expensive and polluting fuel sources by gas. In addition to complying with legislation the promoter has also launched a focused environmental campaign to reduce emissions from operations and internal activities (e.g. vehicular transport); and reducing impact on landfill, including recycling and minimising waste.

The promoter's operations are ISO 14001 certified.

PJ/ECSO 10.07.12