

Environmental and Social Data Sheet

Overview

Project Name: SEL ELECTRICITY AND DISTRICT HEATING NETWORKS
Project Number: 20130044
Country: *Italy*
Project Description: Investments for the upgrade/expansion of the electricity distribution network (i.e. replacement/upgrade of 700 KM existing cables, refurbishments of 279 substations and 200 new substations, 222 km of network expansion, 16000 new meters, etc.) of the province of Bolzano and extension of the district heating network (12.8 km) of the city of Bolzano including renovation of existing heat station (32 MWth), new back up plant (30 MWth) and heat storage facilities.

EIA required: yes (EIA process will be undertaken to evaluate combined effect of existing heat station and new back up plant of the district heat component of the investment)

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

All the project components fall under Annex II of the Environmental Impact Assessment Directive (2011/92/EC). This means that the decision as to whether an EIA is required is left with the competent authority on the basis of the criteria defined in Annex III of the EIA Directive. The majority of the schemes consist of the upgrade and expansion of electricity and district heating networks —not normally requiring an EIA, due to low impacts and suitable mitigation measures for this type of activities.

The renovation of the existing heat station and the new back-up plant for the district heating project have been screened in by the competent environmental authority and are undergoing a combined EIA process. The EIS shall be submitted to the competent authority in April 2014 and the authorisation is planned for August 2014. Four investments in the electricity distribution are located inside Natura 2000 sites (Parco dello Stelvio, Parco del Monte Corno, Biotopo Monte Covolo-Alpe di Nemes, Parco naturale Vedrette di Ries-Aurina). Contact with the competent authority has been made and the appropriate assessment is ongoing. The Bank will review the results of the respective assessments once completed.

The promoter has provided evidence of sound practice with respect to environmental management. In addition to systems to meet regulatory requirements, the promoter has a comprehensive environmental management system which is applied to new projects and monitors ongoing operations.

The various components of the project are acceptable for finance by the Bank, provided the promoter complies with the following requirements:

The Promoter undertakes not to allocate the Bank's funds to the project components that require an EIA (i.e. renovation of the existing heat station and new back-up station) until such assessment is approved by the competent authority and satisfactory to the Bank. An electronic copy of the EIA and the Non-Technical Summary must be provided to the Bank

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.

when the EIA is made available to the public. A copy of the final consent from the competent authority must be provided to the Bank prior to start of construction.

The Promoter undertakes not to allocate the Bank's funds to the project components that require an appropriate assessment under article 6.3 and 6.4 for impacts on Natura 2000 sites (i.e. Parco dello Stelvio, Parco del Monte Corno, Biotopo Monte Covolo-Alpe di Nemes, Parco naturale Vedrette di Ries-Aurina), until such assessments have been approved by the competent authority and the requirements under articles 6.3 and 6.4 are met and are satisfactory to the Bank. An electronic copy of the Appropriate Assessments must be submitted to the Bank when available. A copy of the final consents from the competent authority must be provided to the Bank prior to start of construction of the respective project component.

The promoter undertakes to store and keep updated any relevant documentation that demonstrates the compliance with the provisions of the EU Habitats and Birds Directives (in particular the Bank's form A/B, or an equivalent declaration from the competent authority) for all other project components and shall promptly upon request deliver such documents to the Bank.

Environmental and Social Assessment

Environmental Assessment

All project components follow the applicable EU, national, regional and provincial environmental legislation. The Trentino Alto Adige region and its provinces of Trento and Bolzano enjoy special autonomy rights under the Italian Constitution and, within the perimeter of EU and national legislation, can determine more specific sets of rule. In addition to the criteria under Annex III, the Provincial Law n.2 of 05/04/2007 incorporates EU and national law requirements and establishes for each industrial sector the limits above which projects are subject to EIA screening or to mandatory EIA.

The electricity distribution and district heating project is a typical one and applies standard technologies which are undertaken by an experienced promoter. The impacts that can be expected for the project schemes relate to visual impact, vegetation clearance, noise nuisance, and disturbance during construction that are of temporary in nature and are mitigated according to established practices in the sector.

The main impacts of the renovation of the existing heat station and the new back-up plant are related to the emissions of the plants and noise during construction and operation.

Four investments in the electricity distribution are located inside Natura 2000 sites. The investments consist of the replacement of existing MT cables. The components will have an impact on the Natura 2000 sites during construction and operation. The Bank is requiring via the promoter a confirmation by the Competent Authority that an appropriate assessment was carried and that these components do not have any significant impact on the Natura 2000 sites.

The Promoter follows sound practices with regard to the management of environmental issues.

EIB Carbon Footprint Exercise

The absolute emission of the project are 3 kt CO₂ eg/year due to the losses of the electricity distribution network. The electricity distribution projects are expected to reduce the losses from 3.8% to 2.9% which would result in reduction of relative emissions of 6.9 kt CO₂ eg/year. The district heating project will replace existing gas/gasoil residential boilers which would result in a reduction of emission of 18.6 kt CO₂ eg/year. The project as a whole will have emissions savings of 25.0 kt CO₂e/yr.

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

The renovation of the existing heat station and the new back-up plant will go through the full EIA process. The process will involve consultation of authorities concerned as well as the public. Based on the information available these projects are receiving wide support from both the authorities and the general public.

Other Environmental and Social Aspects

The district heating company of the promoter is certified ISO 14001 and OSHAS 18001, which are internationally recognised management systems with regard to environmental and health and safety issues. The electricity distribution company of the promoter follow the principles of ISO 14001 and OSHAS 18001 and is planning to get formally accredited in 2014.