

Environmental and Social Data Sheet

Overview

Project Name:	CPCU – Co-combustion biomasse
Project Number:	2014-0235
Country:	France
Project Description:	The project consists of modifications to an existing 495 MWth coal-fired heat plant and the construction of new infrastructure, including a biomass storage facility, to enable about half of the heat production to come from biomass pellets. The heat will be produced in the commune of Saint-Ouen and fed into the Paris district heating system.

EIA required: YES

Project included in Carbon Footprint Exercise¹: YES

(Details are provided in section: “Carbon Footprint”)

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

The objective of the operation is to increase the share of renewable feedstock in the existing coal-fired St. Ouen heat plant. By that means the project contributes to the use of at least 50% renewable sources in the Paris district heating system and to the development of French forest-based supply chains.

The project consists of a new onsite biomass storage facility and modifications to the existing heating plant. The biomass storage facility falls under Annex II of the EU EIA Directive 2011/92/EC and was screened in by the competent authority. The Environmental Impact Study confirms that the investments will not have any significant negative impacts. The facility is located in an existing industrial area where an ongoing urban development process will result in future housing and offices in the close vicinity of the installations. The major risk relates to dust emissions, including danger of explosion. The promoter is applying appropriate measures including spraying installations and filters, and will, in addition, use so-called “black pellets” with importantly lower explosion and other dust-related health risks as compared to traditional wood pellets. Public consultation has been concluded with a positive advice and the operational permit is expected to be issued shortly.

The modifications to the existing heat plant do not change the authorised heat output and will lead to emission reductions, not requiring an EIA. Approval by the competent authority for a modification to the operational permit is expected shortly.

The project applies best available technique as required by the the Industrial Emissions Directive (2010/75/EC). It complies with emission limit values which are equal to or below (dust, NOx) those defined by French law and, where applicable, with the Industrial Emissions Directive.

The project results in lower GHG emissions for heat generation. An undertaking has been proposed to ensure a minimum level of biomass co-firing

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.

The project consumes on average approximately 133 000 tonnes of non-contaminated forest based biomass pellets per year to generate 590 GWh of heat (46% of the total heat output). The regional wood resource base is estimated large enough for sustainably supplying up to 40 000 tonnes of wood pellets per annum. The French regulations ensure sustainability of such regionally sourced biomass. The rest is to be imported. Contractual clauses have been included in the Finance Contract to ensure sustainability and traceability of imported biomass.

In summary, taking into account the conditions on the project, the project is considered acceptable for Bank financing from a social and environmental point of view.

Environmental and Social Assessment

Environmental Assessment

The Bank has received and reviewed the Environmental Impact Studies (EIS) for the project that were required according to the French "Code de l'Environnement". The studies form part of the application for an operational permit submitted to the competent authority in February 2013 with several subsequent additions, followed by final submission early 2014. Public consultation was finalised in February 2014. The EIS conclude that the plant, which is located at an existing industrial area, has no significant negative environmental and social impacts. The most relevant residual impacts, apart from dust and related explosion danger, originate from initial construction works and, during operation, from increased traffic due to biomass transports, and the visual appearance of the plants. Appropriate mitigating measures will be implemented.

Pollutant emissions of the combustion process other than CO₂ will decrease as a result of the co-combustion. Tests with 30% co-combustion of traditional pellets have shown 20% reduction of NO_x emissions, 30% reduction of SO₂, and 25% reduction of fine particles. Further tests with black pellets (50% and 70% co-combustion) have confirmed the tendency for SO₂ and fine particles, and this is equally expected to be the case for DeNO_x after fine-tuning of the installations.

The project complies with emission limit values which are equal to or below (dust, NO_x) those defined by French law. The project falls under the Industrial Emissions Directive (2010/75/EC) and complies with it as a result of measures recently implemented for flue gas treatment. Best-available-technique boiler systems and flue gas cleaning are applied. Additional constructive measures are taken to effectively limit dust emissions during biomass handling and storage onsite.

The project co-combusts with coal an average 46% (energy input) non-contaminated forest based biomass pellets. The promoter has provided availability studies for the biomass.

EIB Carbon Footprint Exercise

The direct emissions of the project are estimated at around 331 kt CO₂e/yr. This emission is caused by the partial combustion of coal.

In accordance with the Bank's Carbon Footprint methodology it is calculated that the total relative effect of the project is a net reduction in CO₂ equivalent emissions by 200 kt CO₂e/yr when compared to an operation fully based on coal. These calculations include CO₂ emissions from biomass pellets production and transport.

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

Social Assessment

The project contributes to securing jobs in the regional forestry sectors.

Occupational and Community Health and Safety issues are deemed appropriately addressed in the authorisation process. The promoter has a health and safety policy in place.

The plot of land designated for the biomass storage facility of the project, which belonged to RFF and SNCF, the national rail infrastructure manager and operator, was gradually occupied over the summer of 2013 by some 600 Roma people. RFF and SNCF requested a court order to expel the informal settlers. Following examination of the legal claim, on 2nd October 2013 the High Court of Bobigny ordered the camp to be vacated on the basis of the illegal status of occupation and taking into account health and safety risks. In parallel, this situation prompted the Municipality of Saint Ouen to alert the Prefecture of the Seine-Saint-Denis Département to the fact that the camp lacked minimum health, safety and security conditions. In addition, fuel provision by rail to the adjacent CPCU (Compagnie Parisienne de Chauffage Urbain) heating plant was compromised due to the partial occupation of the rails feeding into the heating plant. Alternative transport by truck was required. Stakeholders impacted by the camp (RFF, SNCF, CPCU, Municipality of Paris and Municipality of Saint Ouen) requested the Prefecture of the Seine-Saint-Denis Département to execute the court order. The informal settlers left the camp in November following a court order.

The initial environmental and social assessment studies for the project included a baseline description of the site and its natural and human environment and were submitted to the authorities in February 2013. Under this baseline description, the informal settlers were not identified as part of the existing state of the environmental and social context which can be considered as the cut-off date and, persons encroaching on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance according to the EIB's standards on Involuntary Resettlement.

The Bank has reviewed the process carried out to inform the population and on the proposed resettlement solutions. According to the information provided by the Préfecture of Ile-de-France Region, there is nothing to suggest that there is a compliance issue with French legal processes.

Other Environmental and Social Aspects

Comprehensive monitoring and reporting requirements are included in the environmental authorisations.

The promoter has substantial experience in the implementation and operation of energy infrastructure. It is expected that the promoter has a high environmental and social management capacity.