

Environmental and Social Data Sheet

Overview

Project Name:	<i>REN ELECTRICITY SYSTEM UPGRADE III</i>
Project Number:	<i>2013-0090</i>
Country:	<i>Portugal</i>
Project Description:	<i>Investments under the promoter's 2014-2018 investment plan, aiming at the extension and reinforcement of the electricity transmission network throughout Portugal</i>
EIA required:	none expected for Phase I yes for 9 schemes of Phase II
Project included in Carbon Footprint Exercise ¹ :	no

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

The project is a multi-component investment programme comprising the implementation of 59 transmission schemes dispersed throughout Portugal with voltage levels ranging from 60 kV up to 400 kV. The programme addresses some key needs of the Portuguese power system such as connecting and integrating anticipated renewable energy generation developments that will enable Portugal to meet the target of a 31% share of renewable energy in gross final energy consumption by 2020 and supporting the efficient operation of the network.

The programme comprises 432 km of 400 kV overhead lines, 118 km of 220 kV overhead lines, 40 km of 220 kV underground cable, three new substations and the installation of 22 new transformers as well as other operations of refurbishment, reconstruction or modernisation of existing substations.

The programme schemes concern facilities operated at voltage levels up to 400 kV. Seven schemes, all involving the installation of 400 kV overhead lines, fall under Annex I of the EIA Directive (2011/92/EU) and have to undergo a full EIA while the remainder fall under Annex II which require the national competent authority to determine the need for a full EIA based on Annex III criteria. The previous national development plan of the promoter – PDIRT 2012-2017 (2022) – underwent a Strategic Environmental Assessment according to the national legislation transposing the SEA Directive 2001/42/EC. Some schemes have just been included in the upcoming national development plan which has not yet been subject to a Strategic Environmental Assessment.

Considering that the nine schemes subject to a full EIA are at various stages of the EIA process, they have been aggregated under the Phase II of the programme for which loan signature is conditional upon the receipt and review, satisfactory to the Bank, of the corresponding environmental studies and consents. Phase I schemes are expected to have minimal environmental impact, mainly related to disturbance during construction whereas the environmental impacts of Phase II will be reviewed in due course prior to Phase II signature. Given that the programme will serve to facilitate the efficient transmission of 1980 MW of renewable generation, the programme is expected to contribute substantially towards reducing greenhouse gas emissions.

Overall, the environmental capacity of the promoter is deemed strong and the programme is expected to have minor negative residual impacts and thus is acceptable in environmental terms for Bank financing, however this is subject to satisfactory fulfilment of the Bank's E&S conditionality.

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.

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Phase I schemes

These schemes mainly involve works in existing substations (renovation or reconstruction, new bays, new transformers and replacement of control and protection systems) as well as the installation of 220 kV underground cables and deviation of an existing overhead 220 kV line.

The environmental impacts of Phase I are expected to be modest and mainly relate to noise, vibration, dust during construction and noise disturbance during operation.

Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. This includes measures to contain the effect of noise during operation and specific maintenance procedures to minimise potential leakage of SF₆. In densely populated areas, particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works.

Phase II schemes

These schemes involve the installation of new 400 kV and 220 kV overhead lines as well as the implementation of three new substations.

The impacts that can be typically expected for Phase II relate to visual impact, vegetation clearance, electromagnetic field, noise disturbance, impact on flying vertebrates and disturbance during construction.

The signature of the loan for Phase II is conditional upon the completion of the corresponding EIA processes and their satisfactory review by the Bank. The actual impacts as well as the planned mitigation measures will be reviewed by the Bank.

Public Consultation and Stakeholder Engagement

The Strategic Environmental Assessment of the national development plan PDIRT 2012-2017 (2022) underwent a 30-day public consultation in 2011. The conclusions of the public consultation are published on the promoter's website².

Public consultations and stakeholder engagement related to Phase II schemes under the EIA process will be reviewed in due course.

Other Environmental and Social Aspects

The promoter is certified to meet ISO 14001 the standard. The promoter monitors and publishes a set of indicators that reflect its environmental performance, namely in terms of wastes, effluents and greenhouse gas emissions

² <http://www.centrodeinformacao.ren.pt/PT/publicacoes/Paginas/PlanoInvestimentoRNT.aspx>

Conclusion

The signature of the loan for Phase II schemes will be subject to evidence, satisfactory to the Bank that the environmental studies have been completed and the corresponding development consents have been granted.

The Bank will require the promoter not to allocate the Bank's funds to the transmission programme components that require a full Environmental Impact Assessment (EIA) until the EIA with the integrated biodiversity assessment has been finalised, approved by the competent authority and sent for review to the satisfaction of the Bank together with a declaration by the competent authority, to indicate the compliance with the provisions of the EU Habitats and Birds Directives.

The promoter undertakes to store and keep updated any documents as may be relevant for the project supporting the compliance with the provisions of the EU EIA, Habitats and Birds Directives and shall upon request promptly deliver such documents to the Bank.