

Environmental and Social Data Sheet

Overview

Project Name: PPC POWER PROJECTS ON GREEK ISLANDS

Project Number: 2013-0194

Country: Greece

Project Description: The project concerns the installation of fossil fuel fired (diesel & heavy fuel oil) reciprocating engine generation units on 18 Greek islands not interconnected to the mainland grid, with associated upgrading of auxiliary infrastructure. The Promoter is the incumbent electricity utility, Public Power Corporation (PPC). The total project generation capacity represents approximately 295 MW, consisting tentatively of individual unit sizes ranging from 1 MW to 25 MW.

EIA required: Yes

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 project falls under Annex II of EIA Directive 85/337/EC. Under Greek legislation plants categorised A1 (>200MW) and A2 (10MW to 200MW) require a mandatory EIA. Of the project components, 13 fall under category A1 or A2 thus requiring EIAs. Six have been completed with the rest at varying stages of progress. The project can essentially be grouped into two i.e. Rhodes and the smaller islands. Regarding the smaller islands, all of the power plants will be located within the boundaries of existing power stations. Emissions abatement measures are being applied in line with the relevant BREF requirements with regard to NOx and particulates, in addition low sulphur fuel oil will be utilised. Main impacts are expected to be of a low order - mainly relating to traffic, noise and dust during construction. Regarding Rhodes, the plant is partially located in (fuel handling systems), and immediately adjacent to (power plant), a Natura 2000 designated zone (bird Special Protected Area - SPA). The location is also an area of high touristic amenity and natural beauty, and an active military firing range. It has been the subject of a protracted environmental permitting process, with the original environmental permit and building permit being annulled by the Supreme Court (SC) following an appeal by a local NGO. The SC upheld the appeal on a number of grounds, key being that Birds SPA was not adequately assessed. The Promoter then undertook a more detailed and comprehensive study addressing all the concerns outlined in the SC decision. The permits were then reissued based on the more comprehensive environmental assessment. The NGO further appealed the issuance of the permits to the SC however the SC ruled in favour of the Promoter thus allowing the construction of the power plant to proceed. Considering the above, as well as the information provided by the Promoter to date, and in particular the extensive studies and third party engagement in relation to the Rhodes component, the project is acceptable for Bank financing.

The following conditionality will be included in any finance contract: The Promoter shall submit to the Bank EIAs, as required by the competent authority, satisfactory to the Bank, along with the authorisation permit issued by the competent authority, prior to the disbursement associated with the particular project component concerned.

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

Regarding the Rhodes component: In accordance with the Supreme Court (SC) decision the Promoter revised the original Environmental Impact Study (EIS) in a comprehensive and well documented manner. The revised EIA comprises special study annexes as follows: 1) Special Ornithological Assessment, 2) Energy Study, 3) Planning Study, 4) Study for the Assessment of the Social Impact, 5) Hydrogeological Study, 6) Marine Ecosystem Study, 7) Landscape Analysis, 8) Study of the Distribution of Emissions of Gaseous Pollutants, and 9) Study of Processed Waste Disposal. A key concern of the SC related to the assessment of the Birds SPA. A detailed study in relation to this aspect was undertaken, by experienced scientists, and concluded that the construction and operation of the plant was not in a position, on its own or in conjunction with other works, to harm the maintenance targets and the integrity of the adjacent SPA on the basis that:

- the size and the features of the plant are such that they cannot significantly affect the species listed in Annex I of Directive 79/409/EC, which dwell in or cross the area.
- the areas used by migratory species with regular presence in the area, and the flight altitude of the crossing species are not expected to be affected by the project.
- the size and density of population of the bird fauna species that have been recorded by the research conducted, and of those mentioned in the literature on the area do not justify any concern in relation to the impact of the project examined.

It is also to be noted that the bird SPA is situated in the vicinity of an active military shooting range.

Following compliance with the consultation procedures of the Minister of Environment, Energy & Climate Change, the decision on the approval of the Environmental Terms (Permit) was issued for the construction and operation of the new power plant and the associated works.

In relation to the smaller islands, all the components forming part of the project will be contained within the boundaries of the existing power stations. Physically the plants are relatively small in size and the impacts are expected to be of a low order main those associated with construction activities with will be temporary in nature i.e. increase road traffic, noise and elevated dust levels.

Emissions abatement measures from all power plants will be in accordance with the relevant BREF requirements.

EIB Carbon Footprint Exercise

Emissions from the project are estimated to be around 1200 kt/CO₂e per annum. CO₂ emission savings (relative emissions) are assumed to be zero as at this point in time there is no feasible alternative to the project, other than the project.

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

The Promoter is required by Greek law to make its EIA available for public consultation. As is evidenced in the case of Rhodes the Promoter complies with its statutory obligations in this regard.