

Environmental and Social Data Sheet

Overview

Project Name:	<i>KELAG ENERGY PRODUCTION AND NETWORKS</i>
Project Number:	<i>2015-0210</i>
Country:	<i>AUSTRIA</i>
Project Description:	<i>Investment program in district heating, wind and hydro power production, and electricity distribution to be implemented over 2014-2017 by the regional multi-sector energy company of Carinthia.</i>
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	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 is a 4-year (2014-2017) investment programme that comprises investment schemes in production and distribution of electricity and heat. The electricity generation schemes include plans to refurbish or upgrade existing hydropower plants in Carinthia and additionally an 18 MW wind farm in Lower Austria. The electricity distribution part covers extensions and refurbishments of the low- and medium-voltage electricity distribution grid in Carinthia. The district heating includes network upgrade projects and refurbishments of existing heating networks in the Carinthia region of Austria.

One of the schemes, i.e. the wind farm in Pischeldorf, requires an environmental impact assessment.

The network elements on low and medium voltage are normally not subject to EIA and neither are heating networks. The dam heightening at Wurten is screened out by the competent authority. Power plant renovation and small biomass plants are also not required to undergo EIA by virtue of their size.

The resulting schemes, characterised by proven technology, short implementation periods and limited environmental impact, should result in relatively low risk investment programme. The promoter has a strong environmental capacity, which ensures that the environmental aspects of the programme will be sufficiently covered. The project is acceptable to the Bank in environmental terms.

The Finance Contract shall further require the promoter not to allocate Bank funds to the distribution programme components that require an environmental impact assessment (EIA) until the EIA and/or the appropriate assessment have been finalised and approved by the relevant competent authority to the satisfaction of the Bank. When the EIA is made available to the public, an electronic copy of the full EIA study including the Non-Technical Summary (NTS) shall be sent 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.

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

Environmental and Social Assessment

Environmental Assessment

The environmental impacts of the project schemes are expected to be modest and, in most cases, limited to disturbance during construction.

The wind farm in Pischelsdorf underwent EIA in 2010. Following a complaint on the grounds of land use and allocation the environmental permit was overturned. Given subsequent clarification in the law on regional planning of Lower Austria, the ground of the objection to the project is cleared. However the environmental permit including the impact assessment has to be updated due to the change in law and changes in the wind farm design. Given the previous assessment it is assumed the updated EIA will be available and permit concluded in a reasonable time.

Of the other project schemes the dam heightening at Wurten has been screened by the competent authority with the result that an EIA is not needed, as the total stored volume of water is less than 10 million cubic meters. The rest of the schemes, renovating hydropower plants with no works on dams and heat and power distribution networks are not required to undergo EIA.

The impacts that can be expected for the project schemes relate to visual impact, impact on flying vertebrates, vegetation clearance, electromagnetic fields, noise nuisance, and disturbance during construction. The project's impact in terms of SF6 and greenhouse gas emissions is deemed negligible. In addition, a large part of the schemes are refurbishments of lines and substations, with a negligible incremental impact. Appropriate mitigating measures will be implemented to minimise impacts during construction works. In densely populated areas particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. The particle and other emissions from biomass fired heating plants will undergo regular monitoring by the competent authority.

The environmental capacity of the promoter is considered to be good. The requirements of the Natura 2000 programme are fully taken into account by the promoter in its own screening process. Austrian legislation ensures that the Nature Conservation and Natura 2000 protection is systematically represented in the permitting process at local level.

EIB Carbon Footprint Exercise

Estimated relative emissions savings are 40000 tonnes of CO2 equivalent per year mainly due to the replacement of fossil fuels with renewable electricity generation. 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.