

Environmental and Social Data Sheet

Overview

Project Name: *SAO PAULO POWER DISTRIBUTION II*
 Project Number: *2014-0667*
 Country: *Brazil*
 Project Description: *The project aims at the renewal and expansion of the promoter's distribution networks, reducing energy losses and enhancing the reliability and quality of electricity supply in the states of Sao Paulo and part of Mato Grosso do Sul.*

EIA required: yes/ for 5 schemes:

- 138/13.8 kV substation of Iguape
- 138 kV line Registro – Pariquera/Açu
- 138 kV line Auriflama – General Salgado
- 138 kV line Jales – Auriflama
- 138 kV line Jales – Santa Fé do Sul

Project included in Carbon Footprint Exercise¹: no

(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 typical electricity distribution expansion and reinforcement investment programme.

The project comprises the construction or replacement of 138 kV overhead lines, the development or replacement of MV and LV networks, new substations and transformers as well as other operations of refurbishment, reconstruction or modernisation of existing facilities.

The project schemes concern facilities operated at voltage levels up to 138 kV. If undertaken in the EU, some project schemes would fall under Annex II of the EIA Directive (2011/92/EU) requiring the competent authority to determine the need for a full EIA. Given the nature and characteristics of the investments envisaged, ESIA's are required by the competent authorities for five schemes. The promoter has indicated that no physical resettlement is likely. No major environmental or social impacts were identified that could not be adequately mitigated

For one them (138 kV line Jales – Santa Fé do Sul) a full ESIA has been conducted and the consent was granted by the competent authority. The environmental impact analysis carried out along with the conclusions of the ESIA consent indicate that, subject to the implementation of specified mitigation measures and conditions, the scheme would not have significant adverse effects on the environment. With respect to the remaining schemes, the ESIA is in progress for the 138 kV line Jales – Auriflama and the ESIA processes have not yet started for three schemes (138/13.8 kV substation of Iguape and 138 kV lines Registro – Pariquera/Açu and Auriflama – General Salgado).

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.

Based on the information available, the programme is expected to have minor negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective.

Environmental and Social Assessment

Environmental Assessment

Environmental and social considerations have been incorporated in the design of the project schemes from the earliest stage. Line routes as well as substation locations have been selected so as to minimise proximity and crossing of human settlement and of sensitive areas.

The vast majority of the project schemes relate to LV and MV networks or works in existing substations, with limited environmental and social impacts.

Under Brazilian legislation, social (including assessments on indigenous people and vulnerable populations) and biodiversity assessments are part of the ESIA process.

An ESIA has been undertaken for the implementation of the 138 kV overhead line Jales – Santa Fé do Sul. This scheme consists of a new 138 kV double circuit of around 38 km from Jales to Santa Fé do Sul replacing the existing 69 kV line.

The ESIA process for the 138 kV overhead line Jales – Auriflama is in progress and preliminary environmental studies have been prepared. This scheme consists of a new 138 kV double circuit of around 48 km from Jales to Auriflama replacing the existing 69 kV line.

No significant impacts have been identified. During construction environmental impacts are expected to relate to dust, noise, vibration, traffic disruption and vegetation clearance. Environmental impacts during operation will concern electromagnetic fields (EMF), noise disturbance and impact on flying vertebrates. When relevant, appropriate mitigation measures will be implemented to minimise impacts. This includes measures to contain the effect of noise during operation, specific maintenance procedures to minimise potential leakage of SF₆, reuse of existing access roads, soil conservation measures, compensatory replanting as well as use of insulated conductors and spacer cable systems for LV and MV network when appropriate. The impacts on vegetation (affected tree species and surface areas) are thoroughly identified in the ESIA and the permits are subject to compensatory planting conditions and to an appropriate reporting to the competent authority on the reforestation plans. During excavation works, particular attention will be paid to cultural heritage sites and archaeological monitoring will be undertaken when appropriate. In densely populated areas, particular attention will be paid to contain the effect of noise, vibration and traffic disruption during construction works. Regarding the schemes relating to works in substations, contamination from oil leakage of transformers is mitigated through the appropriate design of bunds.

Public Consultation and Stakeholder Engagement

Under the national legislation, the public is informed in the printed press and official journals that ESIA processes are undertaken and, when appropriate, the competent authority conducts public hearings.

As part of the standard practices of an experienced distribution system operator, customer relations and public relation officers would deal with complaints and grievances.

Other Environmental and Social Aspects

The promoter is certified to meet ISO 9001, 14001 and OHSAS 18001. The Environmental and Social Management Plan of the promoter comprises specific measures with respect to occupational health and safety. The promoter monitors and publishes a set of indicators that reflect its environmental and social performance; the reporting is based on the standards of the Global Reporting Initiative.

The promoter will liaise with the appropriate competent authorities should any of the right of ways be located on customary lands.

Bank Environmental Conditions

The Promoter undertakes not to allocate the Bank's funds to any components that require an E(S)IA including relevant social and biodiversity assessments until the E(S)IA and/or the necessary assessments have been finalised, approved by the competent authority and sent for review to the satisfaction of the Bank and approved by the competent authority. An electronic copy of the E(S)IA will be published on the EIB's website.

The Promoter undertakes to implement the Project in compliance with the environmental permits from the respective environmental authorities. Electronic copies of permits pertaining to project components shall be sent to the Bank as soon as available.