Environmental and Social Data Sheet

Overview

Project Name: Norther Powergrid Network Investment

Project Number: 20150155
Country: United Kingdom

Project Description: Investment Programme to refurbish, upgrade and reinforce the

distribution network of Northern Powergrid in the North East of

England.

EIA required: not expected

Project included in Carbon Footprint Exercise¹: no

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

The project comprises an investment programme consisting of a large number of schemes having operating voltage from 132 kV down to low voltage. Some programme schemes fall under Annex II of the EIA Directive (2011/92/EU) thus implying a review by the competent authorities at the planning stage with due regard to the necessity for an environmental and biodiversity assessments. Given their characteristics and voltage range, none of the schemes are expected to require a full EIA.

Overall the environmental impacts of the programme are expected to be of a low order, and mainly relate to noise, vibration, dust, and traffic disruption during the construction and electromagnetic fields (EMF) and noise disturbance during operation. The vast majority of the programme schemes are related to refurbishment and upgrading of existing infrastructure with limited environmental impact. The programme also includes some minor flood defence measures (climate adaptation).

The relevant authorities are consulted where required to ensure proper protection of environmental aspects relating to plants, animals and their habitats, and designated areas of conservation as per environmental management system operating procedure of the promoter. The network design and routing will be done in accordance with the principles of the Holford Rules².

The promoter has the experience and the capacity to appropriately manage the programme. Based on the information available, the programme is expected to have only minor negative residual impacts and thus is acceptable in environmental terms for Bank financing.

Environmental and Social Assessment

Environmental Assessment

During the appraisal mission the promoter confirmed to have in place the main typical measures to mitigate the impact on the environment of power lines and substations. Disposal of all obsolete equipment and waste management is carried out in accordance with Northern Powergrid's environmental control procedure addressing all relevant UK legislations. The impact of the programme in term of SF6 emissions³ is negligible.

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.

² Guidelines on overhead line routeing

³ Sulphur hexafluoride (SF6) is a powerful greenhouse gas with a <u>global warming potential</u> of about 23,000 times that of CO₂. SF6 is the electric industry's preferred gas for high voltage electrical insulation, current interruption and arch quenching. It is extensively used in circuit breakers and gas insulated substations because of its inertness

Other Environmental and Social Aspects

The environmental management capacity of the promoter is strong as reflected in its Environmental Management System (EMS) which is designed to comply with the requirements of the ISO-14001 standard. The Bank has one previous operation with this promoter which was positive and reaffirms that the environmental management capacity of the promoter is good.

Bank Environmental Conditions

The Bank will require the promoter to undertake not to allocate Bank's funds to distribution programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the necessary biodiversity assessment have been finalized, satisfactory to the Bank, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank.

The Promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.

The promoter undertakes to store and keep updated any documents as may be relevant for the programme supporting the compliance with the provisions under the EU Habitat and Birds Directives and shall promptly upon request deliver such documents to the Bank.