

Environmental and Social Data Sheet

Overview

Project Name: GNF NATURAL GAS NETWORK EXPANSION
 Project Number: 20140604
 Country: Spain
 Project Description: Investments under the promoter's 2015-2018 business plan to expand and reinforce natural gas distribution networks throughout Spain.
 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

This is a typical, albeit very large, gas distribution project in the EU applying proven technologies and undertaken by an experienced promoter. The schemes related to distribution networks (low pressure polyethylene pipelines and standalone Liquefied Natural Gas (LNG) regasification stations) are expected to have limited environmental impact, which will typically be related to noise nuisance and disturbance during construction. They will not require an EIA. Four local transmission pipelines will require EIAs at regional level, two of which have already been approved.

The project results in a direct reduction of greenhouse gases through the switch from more polluting fuels and close to a quarter of the investments will be carried out in EU cohesion regions.

With the conditions in place and the fact that the promoter has demonstrated it has the necessary experience and capacity to appropriately manage the environmental aspects of the programme, the programme is acceptable for EIB financing.

The following conditionality has been included in the contract:

- The promoter undertakes not to allocate the EIB's funds to programme components that require a full EIA until the EIA and/or the necessary social, biodiversity assessments as well as stakeholder engagement plans have been finalised satisfactory to the Bank.
- The promoter shall store and keep up to date all documents relevant for the programme supporting the compliance with the provisions of EU environmental legislation, including Habitats and Birds Directives, permits and environmental and social approvals and, where required, social studies, and shall promptly upon request deliver such documents to the EIB;

Environmental and Social Assessment

Environmental Assessment

The schemes related to distribution networks (polyethylene pipelines and small standalone LNG regasification stations) are expected to have limited environmental impact, given that significant trenching is not needed. Impacts related to the pipelines laying will typically be related to noise nuisance and disturbance during construction. They will therefore be temporary in nature and mitigated according to established practices in the sector: in densely populated areas, particular attention will be paid to limit the effect of noise, vibrations and traffic disruption during the construction works. The overall environmental impact related to the LNG regasification stations will essentially be limited to the physical disruption during

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.

implementation and the residual visual impact of the storage tanks. Main mitigating measures include public notification of construction works, close coordination with the municipalities, preliminary archaeological soundings, careful selection of storage sites and screen planting. None of the distribution schemes will require an EIA: the LNG standalone stations' characteristics (storage volumes below 200 t) are such that they do not fall in Annex I or Annex II of the EIA Directive as transposed into Spanish law (2013/21). Choice of localities to be connected follows an assessment methodology based on distance to existing pipelines and demand, among other criteria.

Under the Spanish law (Real decreto ley 2013/21) transposing EIA Directive 2011/92, formal EIAs are required for all high pressure pipelines with a diameter exceeding 800 mm and a length greater than 40 km, or 10 km if they are close to a protected area. Given their characteristics, the transmission schemes fall under Annex II of the EIA Directive and four will require an EIA at regional level. Indeed, regional Law of the Autonomous Region of Madrid (2/2002) requires that gas pipelines of 200 mm in diameter and a length of more than 1km be subject to an EIA. The list of projects and their status is given in the table below:

High pressure local transmission pipelines (16 < <60 bar)				
	Region	COD year	Length [m]	EIA approval date
Reinforcement				
Getafe - Usera	Madrid	2016	9 600	01/07/2013
Network extension				
Eje de la Sierra (Madrid)	Madrid	2019	26 304	In progress

Medium pressure local transmission pipelines (4< <16 bar)				
	Region	COD year	Length [m]	EIA approval date
Reinforcement				
Fuencarral	Madrid	2015	2 550	02/07/2013
Refuerzo Albacete	Castilla La Mancha	2016	6 658	In progress

*COD: Commercial Operation Date

No areas of nature conservation is expected be affected by the Getafe-Usera pipeline in the Autonomous Region of Madrid.

875m of Fuencarral pipeline will be laid on the border of the Regional Park "Cuenca Alta del Manzanares" (Natura 2000) in "transitional areas" characterised by road crossings (Madrid ring M40) and lower fauna and flora density. Prevention and mitigation measures have been put in place (pipeline parallel to an existing road, works to be done outside of nesting periods, compensatory reforestation in case of degradation to a forest area, specialist in environmental protection will be appointed by the promoter to supervise the works) and residual effects are not expected to be significant.

Public consultation is conducted as part of the EIA process.

The project by itself will not emit significant amounts of CO₂, as it covers new distribution pipelines and LNG storage and regasification stations. However, it replaces more polluting fuels (such as LPG and fuel oil) and electricity. The relative emissions reduction of the project amount to 601 kt CO_{2e}/y.

Other Environmental and Social Aspects

The promoter has provided evidence of sound practice with respect to environmental management and confirmed that all new projects are assessed for environmental impact including the impact on sensitive areas which include nature conservation sites. The promoter is ISO 9 001, ISO 14 001 and OSHAS 18 001 certified, and has recently implemented a quality, health, safety and environmental policy in the organisation under a "transformation plan".