Luxembourg, 26 February 2016

Environmental and Social Data Sheet

Overview

Project Name:	*SSE CAITHNESS MORAY POWER TRANSMISSION*
Project Number:	2015-0580
Country:	UK
Project Description:	The project is located in north-eastern Scotland and comprises about 180 km of underground and subsea cable, 2 AC/DC converter stations, and the construction or reinforcement of 8 substations and 2 power transmission lines.

EIA required:	Yes, for some of the 6 sub-projects
Project included in Carbon Footprint Exercise[1]:	No

Environmental and Social Assessment

Environmental Assessment

The project should be viewed in the context of the National Planning Framework (NPF) for Scotland (June 2009), which states as follows:
"This strategic grid reinforcement is essential to provide the transmission capacity necessary to realise the potential of Scotland's renewable energy resources, maintain long-term security of electricity supply and support sustainable economic development."

In general, the promoter takes a precautionary approach in order to minimize any potential impact of its projects. For example, the major component of this project, a 113 km long 320 kV subsea cable, has been chosen as the best option in order to avoid building new terrestrial overhead power lines that would be visually intrusive and could be expected to require an extended approval time due to the risk of significant public opposition. Environmental and social assessments and considerations are incorporated as a key decision factor in the initial planning phase of any new development.

One of the sub-projects falls under Annex I of the EIA directive, namely a 26 km long double-circuit 275 kV overhead power line on lattice steel towers, and therefore require the promoter to develop an EIA. Three other sub-projects (subsea cables and converter stations) have been screened in by the authorities due to the potential impact. Consequently, the promoter has prepared full EIA reports for these sub-projects.

Underground cables and reconductoring an existing overhead line as well as two new related substations have all been screened out by the authorities and do not require an EIA due to the limited character and scope of these sub-projects. However, due to the promoter's own company policies informal Environmental Appraisals have been prepared in order to ensure that these schemes are taken forward in a responsible manner with due regard for the environment.

New line and cable routes and substation locations have all been selected with a view to minimising as much as possible their proximity to human settlements and sensitive areas. Furthermore, all sub-projects are designed to comply with official electro-magnetic field (EMF) exposure limits[2].

[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] EMC directive 2004/108/EC.

The various environmental analysis carried out all conclude that no significant impacts are expected to result from the construction and operation of the sub-projects, provided the mitigating measures are implemented as they are proposed to and approved by the relevant authorities. The mitigation mainly relates to issues such as containment of noise, dust, vibration, traffic disruption, management of excavations, installation of flight diverters on overhead line sections to minimize bird mortality, and avoiding construction activities in key breeding, resting or migration periods. Post-construction landscaping, screening and replanting will also be used when needed, as well as painting substation buildings in unobtrusive colours in order to reduce visual impact. In the case of critical proximity to sensitive areas, e.g. water zones, the promoter has opted for horizontal directional drilling (HDD) instead of open trenching or ploughing in order to avoid the risk of high sediment loads or other contamination.

The promoter has carried out appropriate assessments to ensure compliance with the Birds and Habitats Directives. In the specific case of the subsea cable, the promoter has carefully chosen the exact routing of the cable, keeping a distance of more than 3 km to two Natura 2000 sites (both designated for wild birds in UK offshore waters), thus avoiding any impact on them. Appropriate mitigation will be put in place during construction, e.g. the landing (the conversion from subsea to underground cable) will be carried out using HDD, thereby reducing turbulence of the water and the use of heavy machinery in the most sensitive shore areas. About 2 km offshore there is an extensive horse mussel bed, which is listed as a priority habitat in UK. Potential impacts on the habitat will be minimised through laying the cables across the bed with a protective metal sleeving, rather than burying them in the bed.

In general, the analysis of the 5 other sub-projects also demonstrates that no significant adverse impact is foreseen on any other European site of conservation. There are a number of such sites in the vicinity of several sub-projects but all of them are more than 2 km away and the development is therefore not expected to affect their integrity or bio-diversity.

Public Consultation and Stakeholder Engagement

Public consultation has played a key role throughout the process, from initial consideration of site locations or route corridor options and final route selection. Public exhibitions and meetings have been held seeking feedback from the public and from other stakeholders on the proposals.

Other Environmental and Social Aspects

For all the sub-projects, the promoter has prepared or will prepare specific Construction Environmental Management Documents (CEMD) to be adhered to by its own staff and by all the contractors. Implementation of all the agreed mitigating measures as spelled out in the CEMDs will be monitored and managed by the promoter's Environmental Project Managers. If there are changes from the anticipated conditions then additional mitigation measures shall be developed and agreed with the authorities.

Conclusions and Recommendations

The environmental management capacity of the promoter is strong. The Bank has positive experience with the promoter from a previous project.

All key consents have been granted by the relevant authorities except for the final marine consent for the subsea cable, which is expected in first quarter of 2016. Marine licenses are time-bound so they are applied for as relevant works progress.

Based on the information available, the environmental processes undertaken, the conclusions and the mitigation and monitoring plans in place, the project is acceptable for Bank financing from an environmental and social perspective.