Luxembourg, 15 June 2017

Environmental and Social Data Sheet

Overview

Project Name:	*GALAWHISTLE ONSHORE WIND FARM*
Project Number:	*2015-0577*
Country:	*UK*
Project Description:	*66 MW onshore wind farm in Scotland (UK), including wind turbines, balance of plant and interconnection to the grid. A sub-operation of the Santander UK Renewable Energy Framework Loan (2013-0060)*
EIA required:	yes

Project included in Carbon Footprint Exercise[1]: yes

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project falls under annex II of the EIA directive, and in this case it was screened in by the competent authority, and an Environmental Impact Assessment (EIA) was conducted to support the planning consent application. Final consent was granted the 8th of August, 2012, and modified on the 26th of May, 2015, to include the definitive wind turbine model.

Scottish Natural Heritage has classified the proposed location for the wind farm as zone 2 medium sensitivity area, in their Natural Heritage Sensitivity Area , mainly due to the proximity of a protected area, named Muirkirk and North Lowther Uplands Special Protection Areas (SPA), designated under the provision of the Birds Directive (79/409/EEC). The Muirkirk and North Lowther Uplands is of European importance for its breeding and non-breeding birds, specifically breeding golden plover, hen harrier, merlin, short-eared owl and peregrine, and wintering hen harriers;

Following an appropriate assessment, the environmental authority, assisted by Scottish Natural Heritage as statutory consultee, concluded that, subject to a condition on a Habitat Management Plan being implemented, the impacts of the proposal would not adversely affect the integrity of the Site.

The main conclusions of the appropriate assessment was that, provided best practice is followed to avoid disturbance to breeding birds, including damage or destruction to their occupied nests, there will be no major or moderate impacts on any Valued Ornithological Receptor (VOR). The possible displacement of breeding curlew and other birds is considered to be not significant when mitigation measures are considered. It is considered that the

[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.

impacts on peregrine, hen harrier, merlin, short-eared owl and golden plover will be not significant.

Additionally, this area is at potential risk due to the presence of peat. In order to avoid a negative impact during the excavation works, a construction method statement and a peat management report were delivered prior to construction.

The biggest impacts during construction and operation are the visual impact, the impact on the natural heritage, the accumulated noise impact and the impact on the primary radar service in Lowther Hill (this not strictly environmental impact)[2].

However, the conclusion was that these impacts would not affect the integrity of the site, the groundwater, priority bird species, air traffic, etc. if a series of measures —'mitigation plans'— were implemented before starting to build the wind farm, such as a waste management plan, a programme to monitor the level and quality of the water, a Habitat Management Plan, a Mitigation Plan for the radar coverage in Lowther Hill (as well as other measures, such as fitting aircraft warning lights on the turbines).

Regarding the cultural heritage impacts, the desk-based assessment identified 9 sites within the boundary of the core study area. The majority of these relate either to farmsteads and features associated with pastoral farming such as sheepfolds, or with the mid- to late- 19th century resurgence of coal mining activity in the vicinity of Glenbuck.

All the proposed wind turbines have been located to avoid direct effects on any above ground cultural heritage receptors or potential below ground archaeological features within the proposed Development area. Construction of substations within and adjacent to High Monkshead farmstead will require archaeological monitoring during construction activities, as indicated in the consent. No other mitigation measures against direct impacts are necessary or proposed within the boundaries of the site.

Overall, the effects on cultural heritage are not significant under the terms of the Environmental Impact Assessment (Scotland) Regulations and other applicable legislation.

Some objections received expressed concern with regard to the potential visual impact, the impact on the natural and cultural heritage and the impact of accumulated noise. The authorities determined that all of these problems could be addressed appropriately through mitigation plans or, if a residual impact remained, it would be within acceptable levels and would be offset by the benefits of the development.

Galawhistle wind farm is currently under construction, and its Commercial Operation Date is expected for February 2017.

The promoter is deemed to have adequate experience and able to implement the local regulations end the EIB's Environmental and Social standards.

Public Consultation and Stakeholder Engagement

Following the legal requirements, both the application and the environmental statement were published in local and national press. Notifications were also sent to all members of the

[2] Radar impact consists in the turbines affecting to a radar feed from an airport nearby. The mitigation proposal consists in the use of a new radar feed, located in Glasgow airport, and paid by the project. An agreement that regulates this has been signed.

Scottish Parliament concerned (East Ayrshire Council, South Lanarkshire Council, planning authorities, Scottish Natural Heritage (SNH), the Environmental Protection Agency (SEPA), the Scottish Minister of Defence, local councillors, etc.).

Neither the regulatory advisers nor the 'relevant planning authorities' opposed the construction of the wind farm as long as the 'mitigation plans' were implemented before construction began and throughout the operating phase.

During the wind farm promotion phase, exhibitions on the project were held in Lesmahagow, Muirkirk and Douglas in September 2008. These exhibitions were advertised in the local newspapers and notified by post to the bodies concerned. They featured panels and brochures describing the EIA process and the proposed development and provided examples of possible views of the site using photomontage. Written comments received during the public exhibitions were mostly positive.

The Company is committed to maintaining a constant flow of communication with nearby town representatives as part of its relationship with the community. They are regularly notified in writing of the progress of the project, and quarterly meetings are held at the local council.

Lands are private and voluntary agreements with the owners were reached.

EIB Carbon Footprint Exercise

The wind farm is expected to produce an average of ca. 157 GWh/a, and will not generate any absolute CO2 emissions. Overall, the project will result in relative emissions of minus 90 kt CO2-e/a (i.e. savings of 90 kt CO2-e/a). 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.

Conclusions and Recommendations

The project’s financing contract will require that the promoter will provide the Bank with a copy of the monitoring construction reports.

Based on the information available and subject to the proposed loan condition, the project is acceptable for Bank financing.