

Environmental and Social Data Sheet

Overview

Project Name: *NEOENERGIA ELECTRICITY DISTRIBUTION II*
 Project Number: *2015-0661*
 Country: *Brazil*
 Project Description: *Modernisation and expansion of the electricity distribution network of Coelba, Neoenergia's distribution subsidiary in the state of Bahia, Brazil.*

EIA required: no

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

The project is a typical electricity distribution expansion and modernisation investment programme. The programme includes schemes undertaken under the national rural electrification programme *Luz para todos*.

The programme comprises the construction or replacement of LV and MV overhead lines with voltage levels up to 34.5 kV, the development of new electricity distribution facilities, including new HV/MV substations and transformers, as well as other operations of refurbishment, reconstruction or modernisation of existing facilities.

Environmental Assessment

The programme schemes comprise LV and MV power lines operated at voltage levels up to 34.5 kV and other electricity distribution facilities. In the state of Bahia, electricity distribution projects are subject to a simplified licensing process and do not require a full ESIA. If undertaken in the EU, given the nature and characteristics of the programme schemes, it is not anticipated that full ESIA would be required for these schemes.

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 licensing process.

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 promoter has indicated that no physical resettlement is likely. No major environmental or social impacts were identified that could not be adequately mitigated.

During construction environmental impacts are expected to relate to dust, noise, vibration, traffic disruption and vegetation clearance. Environmental impacts during operation will

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.

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 covered conductors or 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 environmental studies 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

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

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter, including its organisation, processes and procedures, and deemed them to be good. 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.

The Promoter undertakes not to allocate the Bank's funds to any components that require an ESIA including relevant social and biodiversity assessments until the ESIA 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 ESIA 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.