

## Environmental and Social Data Sheet

### Overview

Project Name:	ENI RENEWABLE ENERGY GENERATION
Project Number:	2016-0506
Country:	Italy
Project Description:	<p>The project comprises the construction and operation of four PV plants and their grid connections with an estimated total capacity of 75 MWp. These plants are to be constructed on unutilized industrial areas owned by the promoter in the south of Italy (Sardinia, Sicily, and Apulia):</p> <ul style="list-style-type: none"><li>• Assemini, Sardinia, around 26 MWp</li><li>• Porto Torres, Sardinia, around 31 MWp</li><li>• Priolo, Sicily, around 8 MWp</li><li>• Monte Sant'Angelo, Apulia, around 10 MWp</li></ul>
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The project is located within the EU and falls under Annex II of the EIA-Directive, requiring the competent authorities to determine whether an EIA is required. Given the characteristics of the installations, the promoter proposed to follow a full EIA process in all four cases and the competent authorities are expected to accept this approach. Permitting is currently underway for all sites, with the expectation of all of them being completed by Q1 or Q2 2017.

The EIA processes will end with a decision of the competent authorities to grant an environmental permit and further a Framework Authorisation, the Autorizzazione Unica (AU), which certifies compliance with national legislation on emissions and environmental matters and utilization of Best Available Technologies toward environmental risk mitigation (law Dpr 59/13-03-2013).

For both, environmental permit and AU, the competent authorities in Italy are the Regional Administrations, however for Monte Sant' Angelo, the EIA is carried out by Foggia Province. Moreover, the Regions of Sicily and Sardinia, where three out of four plants are located, have a higher level of legislative autonomy called 'special statute' (statuto speciale).

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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At the time of appraisal, the EIS documentation has been submitted by the promoter for the sites of Assemini and Porto Torres. It is under finalisation for the sites of Monte S. Angelo and Priolo whilst following the same approach.

All sites are classified as National Interest Sites subject to remediation (Sito di Interesse Nazionale or SIN,) which applies to contaminated lands and aquifers followed by the approval of an operational remediation plan.

As SINs, the sites have been characterized as follows:

Site name	Land characterization	Aquifer Characterization	remediation plan approved / remediation completed
Assemini	Non contaminated	Contaminated	Aquifer remediation plan approved (DM 19/05/2015)
Porto Torres	Contaminated	Contaminated	Aquifer and soil remediation plan approved (DM 28/10/2011 and 17/02/2014)
Monte S. Angelo	Non contaminated	Contaminated	Remediation completed for soil (DD 2015/0002056 – 15/09/2015) Aquifer remediation plan approved (Decreto Interministeriale 28/10/2003)
Priolo	Contaminated	Contaminated	Remediation plan approved for soil and aquifer (D MATTM 21059 – 24/12/2015)

Ongoing remediation is being undertaken by promoter's fully owned subsidiaries in compliance with the approved remediation plans.

Risks from the contaminated water or land on the project is low, as technical choices have been made (superficial foundations, avoidance/minimisation of digging, driven-in fencing, delimitation of contaminated hotspots) to avoid interaction with contaminated materials. These technical choices also minimise the environmental impact of the project on soil and water drainage.

None of the sub-projects are located in Natura 2000 Network but they are less than 5 km far from several Conservation Areas (Natura2000, Important Bird Areas, Marine Parks and other Protected Areas). According to the Habitat Directive (art.6 c.3 92/43/CEE, as transposed by art.6 DPR 120 of 12/03/2003), this requires a specific Appropriate Assessment (Valutazione di Incidenza Ambientale or VINCA, and Relazione Paesaggistica) to be carried out by competent authorities for each site. Consequently, the promoter's four EISs are supplemented by expert assessments of the projects' impacts on the integrity of these sites.

The assessment work carried out by the promoter to date has resulted in an overall understanding of the environmental and social risks, including cumulative impacts, and mitigation measures required for a project of this nature.

Overall, environmental impacts related to solar PV technology are expected to be generally low or non-significant and mainly related to the construction phase. In particular, most of the sites configure as non-homogeneously vegetated areas where the past industrial utilisation has determined the almost total absence of habitats and species with a conservation value (annex I-II of the Habitat directive 92/42/CE, Red List Italian and Regional flora, CITES convention on flora). With few exceptions, no protected species or nesting activities have

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been detected during the environmental survey. The sporadic vegetation growing on site is not suitable for hosting significant colonies of protected species, although it can potentially host some individuals for reproduction or nutrition purposes.

Whilst no significant loss of habitat is forecasted on project sites, the biological disturbance is proposed to be addressed by mitigation and monitoring measures.

No significant impacts on the integrity of any protected site are expected at this stage.

All four projects are generally aligned with applicable regional, local and spatial plans but in all four cases there are uncertainties about full compliance with these plans. This will be addressed during the further authorisation process.

### **Assemini**

According to the final EIS, environmental impacts are assessed as low or negligible, except for the impact related to temporary drainage modification, which results to be medium.

The site is close to 4 "Natura 2000" sites, 2 "Important Bird Areas" and other 2 sites of natural conservation, the promoter has produced an expert study supporting an Appropriate Assessment (Valutazione di Incidenza Ambientale or VINCA, and Relazione Paesaggistica) in compliance with the EU Habitat Directive. The expert study undertaken in June 2016 concludes that the project has no impact on the integrity of any protected area.

### **Porto Torres**

According to the final EIS, environmental impacts are assessed as low or negligible, except for the impacts related to temporary drainage modification and to temporary soil occupation, which results to be medium.

Since the site is close to 3 "Natura 2000" sites, 1 "Important Bird Area" and other 1 Marine Mammals Sanctuary, the Promoter has produced an expert study supporting an Appropriate Assessment (Valutazione di Incidenza Ambientale or VINCA, and Relazione Paesaggistica) in compliance with the EU Habitat Directive. The expert study undertaken in June 2016 concludes that the project has no impact on the integrity of any protected area.

### **Monte S. Angelo**

The EIS is not finalised yet but preliminary versions were analysed at appraisal.

Since the site is close to 4 "Natura 2000" sites, 2 "Important Bird Areas" and other 1 Protected Area, the promoter will produce an expert study as input to an Appropriate Assessment (Valutazione di Incidenza Ambientale, VINCA) and a Landscape Report (Relazione Paesaggistica) based on the results of an environmental survey.

The EIS and the expert study relating to impacts on protected sites (Valutazione di Incidenza or VINCA, and Relazione Paesaggistica) are currently under development. The Bank will review these documents and their appropriate consideration during the authorisation process.

As for remediation activities relating to contaminations on the site, these have been successfully completed for soil, as certified by decree (DD 2015/0002056 - 15/09/2015). Therefore, no specific mitigation measure is expected to be required in this respect, while some aquifers remediation activities are still in place.

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As for the environmental impact, additional mitigation measures are deemed likely for this site, entailing the eradication and replanting of olive trees located on the site (following an appropriate authorisation) and the creation of delimited buffer areas around existing carsic grottos' accesses. This will be addressed during authorisation.

## **Priolo**

The EIS is not finalised yet but preliminary versions were analysed at appraisal.

In compliance with the regional, local and provincial planning, the preparation of a Landscape Report (Relazione Paesaggistica) is required and to be approved by the specific regional authority (Sovrintendenza dei Beni Culturali ed Ambientali).

Additionally, since the site is close to 3 "Natura 2000" sites, and other 2 Protected Areas, the Promoter will produce an expert study as basis for an Appropriate Assessment (Valutazione di Incidenza Ambientale or VINCA and Relazione Paesaggistica).

The EIS and expert study for Appropriate Assessment (Valutazione di Incidenza or VINCA, and Relazione Paesaggistica) are currently under development. They will be submitted to the competent authorities during EIA procedure which has not started yet.

As for remediation activities of contaminations on site, the related plan has been approved, as certified by decree (D MATTM 21059 – 24/12/2015), and current remediation affects only on a limited area of the site assessed as contaminated (land and water). The contaminated area, with reference to soil, has been appropriately delimited and left out of the project. As a site-specific mitigation measure, the decree requires the presentation of a Risk Analysis, which will be part of the promoter's information requirements to the Bank.

## **EIB Carbon Footprint Exercise**

The four PV power plants are expected to produce a 20 years average of ca. 118 GWh/a, and will not generate any absolute CO<sub>2</sub> emissions. Overall, the project will result in relative emissions of minus 62 kt CO<sub>2</sub>-e/a (i.e. savings of 62 kt CO<sub>2</sub>-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.

## **Public Consultation and Stakeholder Engagement**

Public consultation is part of the EIA process, whereby all permitting authorities and relevant stakeholders' gather and express their opinion on the project in what is called a Services Conference (Conferenza dei Servizi).

Stakeholder engagement activities will be conducted in compliance with the national and regional applicable Italian legislation and with the promoter Management system guidelines on Stakeholders Engagement which is considered satisfactory by the Bank.

For the plants of Assemini and Porto Torres, Sardinia Region has foreseen public hearing activities within the EIA process, to be held in December 2016 for Assemini and in Q1 2017 for Porto Torres. For the plants of Monte Sant'Angelo and Priolo, the need for public hearing activities will be determined by the relative EIA processes, which are still due to start. The promoter will send to the Bank the non-technical summaries (NTSs) of EIAs for publishing on its website.

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### **Other Environmental and Social Aspects**

The promoter obtained overall, with reference to different business lines, the quality certificates of OHSAS 180001, ISO 9001 and ISO 14001. It has good E&S capacity to implement the project.

Occupational health and safety (OHS) standards are deemed satisfactory. The Bank's impression of OHS standards when visiting the sites of the Assemini and Porto Torres was good.

The project will also contribute to reducing the emissions of air pollutants and greenhouse gases, ultimately supporting climate change actions in the European energy sector.

### **Conclusions and Recommendations**

All four solar PV plants currently undergo an authorization process which is not finalised yet.

The available environmental impact studies are satisfactory to the Bank and confirm that the sub-projects do not have significant negative environmental impacts if all mitigation measures are fully implemented. Impacts on the integrity of Natura 2000 sites and other protected sites in the project areas are also being assessed. Available studies are also satisfactory to the Bank and conclude that such impacts are not significant.

The Bank will closely monitor the permitting processes of all sub-projects.

For the Priolo and Monte S. Angelo site, the promoter is required to submit environmental studies including those assessing the impacts on the integrity of protected sites, once finalised.

As a condition for 1st disbursement relating to any of the four PV plants, the promoter shall provide to the Bank, for that site, the final environmental permit and AU.

If the permits do not provide evidence that an Appropriate Assessment has been carried out by the competent authority, corresponding written confirmation must be provided separately to the Bank prior to first related disbursement.

For the Priolo site, in particular, the promoter undertakes to provide evidence of approval of the promoter's Landscape Report (Relazione Paesaggistica) by the specific regional authority (Sovrintendenza dei Beni Culturali ed Ambientali).

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