

Environmental and Social Data Sheet

Overview

Project Name:	SPAIN GAS NETWORK EXPANSION II
Project Number:	2017-0397
Country:	Spain
Project Description:	Reinforcement and extension of the promoter's natural gas distribution network in several Spanish regions during the period 2018-2019.
EIA required:	no
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

This is a typical gas distribution project in the EU applying proven technologies. The project components consist of distribution networks (low pressure polyethylene pipelines, standalone Propaned-air (PA) stations and standalone Liquefied Natural Gas (LNG) regasification stations. They are expected to have limited environmental impact, which 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. The project components fall under Annex II of Directive 2011/92/EU.

The project is mainly the gas distribution continuation of a previous gas distribution and transmission project financed by the EIB for which an EIA was required in relation to certain components. The infrastructure associated with this project will be located primarily in urban areas, is not expected to negatively affect the local environment and is thus not expected to require an EIA. Nevertheless, to address any unforeseen circumstances the following requirement shall be included in the finance contract:

Undertakings

The Promoter undertakes not to allocate the Bank's funds to components of the Programme that require a full Environmental Impact Assessment (EIA) until the EIA and/or the necessary nature assessments have been finalized, approved by the competent authority, and in form and substance satisfactory to the Bank. For any screened-in component, once the EIA report

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.

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is available, the Promoter will provide the Bank with the EIA report for publication on the Bank's website, Form A or Form B, and the approval from the national authorities once available.

EIB Carbon Footprint Exercise

Absolute CO₂ emissions from the incremental gas consumption of 788 GWh as a result of this project are estimated at 159 kt CO₂eq/yr. The emission factor for natural gas used for calculation is 56.1 t CO₂/TJ. The alternative to the project would be continuation of electricity (50%), heating oil (39%) and LPG (11%) consumption, with emission factors of 318 t CO₂/GWh (Spanish electricity grid factor), 77.4 t CO₂/TJ and 63.1 t CO₂/TJ, respectively. Taking these assumptions into account, the estimated emission savings are estimated at around 71 kt CO₂eq/yr.

Other Environmental and Social Aspects

The Promoter has provided evidence of sound practice with respect to environmental management and confirmed that the project is assessed for environmental impact including the impact on sensitive areas which include nature conservation sites.

Conclusions and Recommendations

The project results in a direct reduction of greenhouse gases through the switch from more polluting fuels.

With the conditions in place, the project is acceptable for Bank financing from an environmental standpoint.