

Environmental and Social Data Sheet

Overview

Project Name:	ITALIAN EE FUND CO-INVESTMENT CITY GREEN LIGHT
Project Number:	2017-0771
Country:	ITALY
Project Description:	The proposed operation is an equity co-investment of up to EUR 25m alongside the Italian Energy Efficiency Fund ("IEEF") in the SPV (Special Purpose Vehicle) "City Green Light" that will receive the entire street lighting business that currently is held by one of the largest energy services companies (ESCOs) in Italy.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

The operation concerns energy efficiency investments in street and traffic lighting in a number of Italian municipalities and will contribute to meeting the EU and Italian targets for energy efficiency. The operation will be implemented through the Special Purpose Vehicle ("City Green Light"), which will make new investments, including the installation of new highly-efficient lamps, and the refurbishments of the existing infrastructure (cables and masts) as detailed in the calls for tenders. In total, eligible investments related to energy efficiency expected to amount at around EUR 72.6m (total project costs amounts to 88.8m).

The market opportunity in energy efficient street lighting for Italy is deemed sufficiently large for the proposed operation. Italy is the second European country in terms of total number of street lights and the first in density per inhabitant. A total of 9.5 million of street lights are installed throughout the country. A large majority of the installed technologies (around 71% is high-pressure sodium and 15% mercury-vapour lamps) and have a very significant energy reduction potential (around 63% if replaced by LED lamps).

Environmental Assessment

The operation is considered environmentally and socially acceptable to the Bank. The underlying projects do not require an EIA as the environmental impact is considered negligible. It is estimated that the environmental benefits due to the energy efficiency

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 CO_{2e}/year absolute (gross) or 20,000 tons CO_{2e}/year relative (net) – both increases and savings.

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investments will generate energy savings of around 63% or 149.6 GWh per year compared to the current consumption-

The operation will also contribute to the reduction of light pollution, since the ULOR (Upper Light Output Ratio) of new luminaires is around 0%. Recycling of the old lamps will take place in line with national legislation, which is in line with the European Directives.

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EIB Carbon Footprint Exercise

Estimated emissions savings because of energy savings of 149.6 GWh per year are 70,304 tonnes of CO₂ equivalent per year. 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.

Social Assessment, where applicable

The operation is not expected to produce any hazardous social impacts, and it is estimated that it can contribute to create 247 person-years of employment during the implementation phase.

Conclusions and Recommendations

The current operation is not expected to produce any negative environmental and social impact, and is expected to contribute to a significant reduction in energy consumption and greenhouse gases emissions.

The environmental capacity of the promoter has been assessed by the Bank as acceptable for the scale and nature of the projects.

In view of the above findings, the operation is deemed satisfactory from an environmental and social compliance perspective.