

Public

Environmental and Social Data Sheet

Overview

Project Name:	RESEAU DE CHALEUR GRENOBLE METROPOLE
Project Number:	2018-0119
Country:	France
Project Description:	Expansion and modernization of the district heating service in the metropolitan region of Grenoble-Alpes.
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

The Project will support the investment programme to develop further the Grenoble District Heating, the second biggest in France. It will increase substitution of coal to biomass in existing boilers, increase of efficiency through heat recovery, and increase the reach of the heating network. Smart metering and some storage investments will also improve network flexibility to increase renewable energy consumption.

The investments will generate environmental benefits by reducing emissions of Green House Gas and air pollutants from heat and power generation, both in existing facilities operated by the Promoter and in the buildings which will be connected to the District Heating networks. Given the relatively small scale of the operations, nature of the investments and expected locations in built-up areas, the investments are not likely to have a significant negative environmental impact. Temporary nuisance due to construction works (traffic, dust, noise) will be mitigated through appropriate site organisation and construction management.

The Project should not fall under the EIA Directive 2011/92/EU. Should the relevant competent authority screen in an investment Project, the Promoter shall deliver to the Bank a copy of the Non-Technical Summary (NTS), or provide a website link to the location where the EIA is published. The legal documentation to be concluded between the Promoter and the Bank shall include an obligation to ensure that all Project components are aligned with national and European legislation (where applicable), as well as the Bank's Environmental and Social standards.

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.

Luxembourg, 11/12/2018

EIB Carbon Footprint Exercise

The estimated emissions savings are 41 300 tonnes of CO2 equivalent per year, through the substitution of coal by biomass and connection to the District Heating of building previously heated by fossil fuel. The boundary of this estimation is the fuel consumed by the production units, which supply the network.

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 environmental capacity of the Promoter has been assessed by the Bank as satisfactory. The Bank's E&S standards and requirements will be included into the Promoter's due diligence procedures and in the Finance Contract with the Bank.

The following loan condition will be included in the Finance Contract of the Borrower:

The Promoter undertakes to provide to the Bank, if requested, any screening decisions related to the Project components. If for any reason at a later stage any of the Project components were screened in and required an EIA, the Promoter undertakes not to allocate the Bank's funds to those components of the Project until the EIA and/or the necessary nature assessments have been finalized and approved by the competent authority in form and substance satisfactory to the Bank. For any screened-in components, once available, the Promoter will provide the Bank with the EIA report, Form A or Form B (if applicable) and the approval from the national authorities for publication on the Bank's website.

In view of the above findings and conditions, the operation is deemed satisfactory for Bank financing from an environmental and social perspective.