

Environmental and Social Data Sheet

Overview

Project Name:	<i>TAURON HYBRID BOND NETWORK CAPEX 2018-2022</i>
Project Number:	<i>2018-0204</i>
Country:	<i>Poland</i>
Project Description:	The investment programme comprises schemes for the reinforcement and modernization of the Promoter's distribution networks in Southern and South-Western Poland in the period from 2018 to 2022.
EIA required:	maybe
Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

The programme comprises a large number of electricity distribution schemes up to 110 kV with the majority of schemes being reinforcement and refurbishment of medium and low voltage network and connection of new users.

Environmental Assessment

Some programme schemes fall under Annex II of the of the Directive 2014/52/EU amending the EIA Directive 2011/92/EU leaving it to the competent authority to determine whether or not an Environmental Impact Assessment (EIA) is required. According to the national legislation, a screening decision by the competent authorities is required for projects with operating voltage equal or above 110 kV. The biodiversity assessment under the EU Habitats and Birds Directives, where required, is part of the EIA process.

Overall, the environmental impacts of the project are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other.

The environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards, i.e. the due diligence focussed on the promoter's capacity and capability to implement the programme in line with EIB environmental

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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and social standards and requirements. The environmental capacity of the promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment programme.

EIB Carbon Footprint Exercise

The source of CO₂ equivalent (CO₂e) emissions for the programme is the ohmic losses of the new network equipment being installed. At programme completion, the corresponding absolute emissions are estimated at 317.2 kt CO₂e per year. These absolute emissions are however, offset by the reduction of system losses enabled by the programme in comparison to the do-nothing alternative. Therefore, at completion, the Project is expected to enable a saving of 57.3 kt CO₂e 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.

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. The Bank also reviewed EIAs for schemes that the Promoter implemented in the past and found them to be satisfactory.

Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The promoter undertakes to send to the Bank copies of all EIA screening decisions concerning the distribution Programme components issued by the competent authority for nature and environment as soon as they are available.
- The promoter undertakes not to allocate the Bank's funds to distribution Programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised, satisfactorily to the Bank, and approved by the competent authority.
- Once the EIA is made available to the public, an electronic copy of all the environmental and social documents must be placed on the website of the promoter and maintained until completion of reporting, or made accessible to interested parties via a web-link on the EIB website.
- The promoter undertakes to ensure that all programme components will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.
- The promoter undertakes to store and keep updated any documents that may be relevant for the project and which support the compliance with the provisions under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.