

## Environmental and Social Data Sheet

### Overview

Project Name:	OPOLE HEATING AND ENERGY EFFICIENCY UPGRADE
Project Number:	2017-0866
Country:	Poland
Project Description:	Modernization of district heating systems in Opole and several other municipalities served by Group ECO, including the installation of CHP gas engines and general upgrade of generation units and networks.
EIA required:	Investment Programme, some schemes may require EIA.

Project included in Carbon Footprint Exercise<sup>1</sup>: yes

### Environmental and Social Assessment

This 5 years (2018-2022) investment programme concerns district heating systems in several municipalities and includes:

- installation of gas engines cogenerating electricity and heat in 8 locations, all engines will cogenerate electricity at high efficiency as defined by the energy efficiency directive 2012/27/EU;
- modernisation of existing local boilers including fuel switch from coal to biomass or gas;
- extension of existing networks including building new connections and substations;
- modernisation of existing networks, including replacements of existing pipes with pre-insulated ones and replacement of group substations with local heat exchangers.

Installation of gas engines will be brown field investments within the existing plants. The proposed units will make use of advanced, yet well-proven technology with environmental emissions compliant with the Industrial Emissions Directive 2010/75/EU and with the Directive on the limitation of emissions from medium combustion plants 2015/2193/EU.

### Environmental Assessment

The investments in heat generation and distribution systems included in the programme fall within the Annex II of the EIA Directive 2011/92/EC amended by Directive 2014/52/EU thus requiring a review by the competent authorities at the planning/consent stage with due regard to the necessity for environmental and biodiversity impact and appropriate assessments.

<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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Several investment schemes including gas engines and grid modernisation and expansion have already received certificates issued by the competent authority about the lack of need to perform an appropriate assessment on compliance with the EU Habitats and Birds Directive.

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 (this concerns mostly investments in the district heating network) and to airborne emissions during operation of heat generation units, i.e., gas engines (NO<sub>x</sub>s). Appropriate mitigation measures will be implemented to minimise investments' impacts during construction and operation.

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

The promoter is ISO 14001 certified. The organisation has developed an environmental management plan and has established an action plan to follow up its implementation. The promoter is experienced and has the capacity to mitigate the impacts to an acceptable level through its Environmental Protection Management programme.

### **Public Consultation and Stakeholder Engagement**

In case the EIA and public consultations are requested by competent authorities for any of the programme schemes, the Bank will review the outcome of the public consultation process.

### **EIB Carbon Footprint Exercise**

This project's absolute emissions amount to 173,900 t of CO<sub>2</sub> per year. The estimated emission savings due to the project are expected to reach 101,600 t of CO<sub>2</sub> 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. Based on the information available, the Project is expected to have minor negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective.

The Promoter undertakes to send to the EIB 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. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank.

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 as may be relevant for the project supporting 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.