

Environmental and Social Data Sheet

Overview

Project Name:	<i>LANUZA WIND PROJECT</i>
Project Number:	<i>2017-0745</i>
Country:	<i>Spain</i>
Project Description:	<i>The project concerns the construction and operation of several onshore wind farms located in Spain, for a total capacity of 547 MW</i>
EIA required:	yes
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 present operation will contribute to the achievements of the Spanish 2020 targets for the reduction of the CO₂ emissions, which imperatively require additional renewable energy capacity to become operational in the coming years. The project was awarded in the third tender for renewable energy, carried out in July 2017 under the current legal framework.

The project consists of 21 wind farms, with sizes ranging from 8 to 50 MW, for a total installed capacity of 547 MW (163 wind turbines), to be installed in Andalucía, Asturias, Castilla la Mancha, Castilla León, Galicia and Navarra.

All wind plants are included in Annex II of the EIA Directive (2011/92/EU or EIA directive 2014/52/EU depending on their screening date). Based on the transposition to the national and regional environmental regulation, all wind farms have been screened in, requiring full EIA, including public consultation. Additionally, the presence of ancillary infrastructure that might be included in Annex I of the EIA Directive, may require separate EIAs, if not managed together with the plants. At this time, only eight plants have received the necessary environmental consents, and the rest of the processes are still ongoing.

None of the wind farms are located within Natura 2000 sites but some may be close to the nature protected areas (Natura 2000 or locally protected). For the eight wind farms that have received the environmental consents, the competent authorities confirmed that there will be no negative impacts on Natura 2000 or any other nature protected sites. The authorization

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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procedure and compliance with EU EIA, Birds and Habitats will be assessed in detail during the next stage of appraisal, following the Bank's review of individual EIA documentation and the baseline biodiversity studies. The Bank will also request the promoter to provide final environmental permits, including evidence of no negative impacts on Natura 2000 sites for all project components.

The EIA reports submitted and reviewed by the Bank are deemed acceptable, and include appropriate identification of the impacts expected for these plants. These are standard, as seen in other onshore wind projects, such as visual and noise impacts, impacts on biodiversity and ecosystems (mainly collisions and disturbance of avifauna, and impact on cultural and archaeological patrimony), the determination of their significance, as well as the measures to avoid, reduce, mitigate and compensate the impacts.

The EIAs are complemented by Archaeological Survey Reports (Prospección Arqueológica) approved by the relevant competent authority together with the environmental consent; birds and bats impacts study; and perceptive monitoring plan ("Plan de vigilancia ambiental") for the construction and operational phases.

The promoter is a relatively new company with an ambitious investment programme relying on acquisition of the projects from local developers. It is still building up its organisational structure, with dedicated expertise for all project activities including environment, and it is currently supported by a dedicated team of reputed E&S consultants.

EIB Carbon Footprint Exercise

The wind farms are expected to have an aggregate electricity production of ca. 1,491 GWh/year, and will not generate any absolute CO₂ emissions. In accordance with the Bank's current Carbon Footprint methodology it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Spain (75% operating margin and 25% build margin), the total relative effect of the project is a net reduction in CO₂ equivalent emissions by 776 kt CO₂-e/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

It is expected that the implementation of the project's components will not lead to involuntary physical or economic displacement or resettlement. The current use of the lands is for agriculture, livestock and recreation, and those activities will continue to be practised in the area, as with the normal safeguards, they will not be affected by the project.

The promoter is engaging with the land owners in order to reach voluntary agreements for all project infrastructures, in the form of leases, with annual payments; and surface rights or rights of way, with single payments. For the pieces of land where a voluntary agreement cannot be reached, the promoter intends to require expropriation, in line with Spanish legislation. In Spain all projects required for the implementation of the different activities within the electricity sector, including generation, promoted by public or private companies, are considered public utility, and subject to urgent forced expropriation, to be carried out by the authority, in the interest of the promoters. This will be further assessed in Stage 2 appraisal.

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Public Consultation and Stakeholder Engagement

For all project components, the public consultation was carried out under the EIA process, as required by the EU, and as transposed by the national and regional law. The declaration of public utility process has its own public information phase. The promoter has not developed further stakeholder engagement activities.

Conclusions and Recommendations

For all project components no significant environmental or social impacts are expected. For the majority of wind farms EIAs were received, the main negative residual impacts have been evaluated to be minimal and will mainly be concentrated during construction. They will be mitigated with detailed project control mechanisms, as defined in the environmental documents. For the other wind farms final EIAs are still pending. In any event, all environmental licences and EIA reports have to be provided to the satisfaction of the Bank and the Lender's Technical Advisor (LTA) as a condition for financial close.

Relevant Environmental and Social Management Plans (ESMPs) will be included in the individual EIA reports, specifying measures to avoid, reduce and mitigate the impacts, as well as monitoring indicators.

In agreement with the LTA the Bank will specify the minimum requirements for the promoter's E&S expertise required for the future implementation of the projects. This will be a project condition for the financial close.

With the mentioned conditions in place, the EIA processes and their results are acceptable to the Bank.