

Environmental and Social Data Sheet

Overview

Project Name: Electricity Distribution Slovenia II
Project Number: 2018-0037
Country: Slovenia
Project Description: The programme comprises investment schemes in the electricity distribution network in Slovenia over the period 2019-2021. It includes network reinforcements and refurbishments in high, medium and low voltage, which target at maintaining the quality of supply, integrating renewable energy generation, catering for peak demand growth, as well as climate-proofing part of the network.

EIA required: maybe (for some components)

Project included in Carbon Footprint Exercise¹: no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

MV: Medium Voltage
LV: Low Voltage

Environmental and Social Assessment

The programme comprises the installation of approx. 362 km of new MV and LV overhead and underground lines and the refurbishment of ca 779 km of MV and LV overhead and underground lines. It also includes the construction of new and the refurbishment/extension of several 110/20kV substations, the refurbishment and installation of new distribution transformers and the deployment of an advanced metering scheme. The schemes of the programme fall within the area of control of two separate electricity distribution networks operators in Slovenia: Elektro Maribor and Elektro Primorska, which operate respectively in the wider regions of Drava and Mura in Eastern Slovenia (Elektro Maribor's network) and in the Primorska region in Western Slovenia (Elektro Primorska's network).

Environmental Assessment

Substations schemes, either in the form of new construction, extension or refurbishment, do not fall under either Annex I or II of the EIA Directive. According to Slovenian Law, such schemes need to undergo an EIA screening. Based on the information currently available by Elektro Primorska, the extension of one 110/20kV substation (RTP Ajdovscina) has already been screened out for an EIA. The EIA screening decision for the extension of another

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 20,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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substation (Izola 110/20kV) is expected in the course of 2019. For the other substations under the scope of the programme EIA screening procedures have not started yet.

MV and LV schemes do not fall under either Annex I or II of the EIA Directive and under Slovenian law fall below the exclusion thresholds for EIA screening set out according to article 4 (3) of the EIA Directive. Based on preliminary information, some of the new MV lines might cross Natura 2000 areas. In such cases, the competent authority will be consulted and the assessments required under art. 6(3) and art. 6(4) of Habitats Directive 92/43/EEC will be carried out.

Given that at appraisal there was only limited information on the individual programme schemes and that slight changes in scope are inherent in operations of this type, the environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards. Under such approach, the due diligence focuses on the promoters' capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. The promoters outsource the preparation of Environmental Impact Studies (EIS) to external specialised consultants in Slovenia. The Bank reviewed an EIS of a component, which does not form part of the programme and found it to be satisfactory.

Part of the investment programme includes the undergrounding of overhead lines, as well as the replacement of non-insulated with insulated conductors. Both promoters have engaged in such actions in order to address the increasing and unpredictable extreme weather events encountered in their networks over the past years, which include heavy snow loads, icing, and frequent lightning strikes, resulting in significant damages in the network and consequently in thousands of end-users being affected. Therefore, the implementation of the programme will contribute to climate adaptation.

The environmental management capacity of the Promoters is acceptable, as reflected by the ISO-14001 standard certification that they have obtained. The Promoters are experienced distribution network operators in Slovenia and they are both certified to BS OHSAS 18001 standards for occupational health and safety management aspects.

The environmental impacts of the project are expected to be minor and related mainly to noise, pollution, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. The promoter has the capacity and is committed to implement the necessary mitigating measures at both design and construction stages. These typically include special construction procedures to minimize damages and disturbance, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other.

Based on the above elements and considering the performance on environmental and social matters in past operations, the promoters are deemed to have the experience and the capacity to manage the investment programme in line with EIB environmental and social standards and requirements.

Public Consultation and Stakeholder Engagement

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoters including its organisation, processes and procedures, and deemed them to be good.

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

- The promoter undertakes to store and keep updated all EIA screening decisions concerning the programme schemes issued by the competent authority and shall, upon request, promptly deliver such decisions to the Bank.
- The promoter undertakes not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved by the competent authority. An electronic copy of the EIAs must be placed on the website of the promoter from the moment the EIAs are made available to the public and maintained until completion of reporting.
- The promoter undertakes to ensure that all programme schemes 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 store and keep updated any documents that may be relevant for the programme 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.