

## Environmental and Social Data Sheet

### Overview

Project Name:	ESTAG NETWORK INVESTMENT AND GREEN LOAN
Project Number:	2019-0293
Country:	Austria
Project Description:	The project is an investment programme that comprises number of schemes in the electricity and gas distribution network of the Austrian region of Styria. The project includes the rollout of smart meters and ICT activities to facilitate the transition to a smart distribution network.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### Environmental and Social Assessment

#### Environmental Assessment

The environmental 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 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.

The project components are listed under Annex II of Directive 2014/52/EU amending the EIA Directive 2011/92/EU and are expected to fall below the exclusion national thresholds set out according to article 4(3) of said Directive. They are therefore expected to require neither an EIA nor an EIA screening. According to the relevant Austrian legislation, for 110-kV overhead lines below the length of 20 km full EIA is not necessary. Projects are in any case screened with respect to the need for an appropriate assessment under the EU Habitats and Birds Directives. The Bank reviewed an EIA for a scheme that the promoter implemented in the past and found it to be satisfactory.

Overall the environmental impacts of the investments into electricity and gas network components of the project are expected to be modest and mainly relate to noise, vibration, dust, and traffic disruption during the construction and electromagnetic fields (EMF) and noise disturbance during operation. The main impacts occur during construction, are temporary in nature, and are mitigated according to established practices in the sector. Likewise, by virtue of size, nature and location, it is not expected that these schemes will have a significant impact on sites of nature conservation.

The majority of the electricity distribution schemes will concern medium and low voltage activities, which are expected to have minimum impact. Other schemes address 110 kV voltage works that will mostly replace conductors and insulation chains, strengthen and

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<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

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replace pylons of existing overhead lines as well as power transformers and switchgears in existing substations. The project involves the installation of smart metering infrastructure at the customer's premises of the promoter's distribution operation, with the objective to improve remote reading and demand side management, real time consumption information and differential pricing according to the systems load. The investments into digital remote metering infrastructure principally involve the substitution of existing equipment and the usage of telecommunication networks. The main potential impact on the environment relate to electromagnetic fields and the management of the old meters being substituted by this project according to the established industry practice. The promoter confirmed that exposition of people to electromagnetic radiation from smart meters is compliant with the applicable national regulation (OVE Richtlinie R 23-1). Appropriate procedures are established to manage, track and monitor the disposal process of mechanical and electric meters. Any adverse environmental impact of this component is thus expected to be minimal. The meters are enabling billing according to real-time consumption, encouraging the consumers to rational use and saving of electricity.

## Conclusions and Recommendations

The Austrian legislation delegates the federal states for the screening activity. None of the planned components of the project at this stage are considered to require an EIA.

The electricity and gas distribution project schemes apply standard technologies which are undertaken by an experienced promoter. The impacts that can be expected for the project schemes relate to visual impact, vegetation clearance, noise nuisance, and disturbance during construction that are mitigated according to established practices in the sector.

Site visits demonstrated the appropriate implementation of health, safety, security and environmental standards. 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, 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 store and keep updated all EIA screening decisions concerning the programme schemes issued by the competent authority for nature and environment.
- The promoter undertakes not to allocate the Bank's funds to the implementation of 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



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the competent authority) and shall, upon request, promptly deliver such documents to the Bank.