

Public

Environmental and Social Data Sheet

Overview

Project Name:	IBERDROLA NUNEZ DE BALBOA PV
Project Number:	2018-0584
Country:	Spain
Project Description:	Financing of the Nunez de Balboa PV Plant (391 MWac) located in the Spanish region of Extremadura.
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 project contributes to the Spanish renewable energy targets of 20% final energy consumption coming from renewable sources by 2020 (as per National Renewable Energy Action Plan) as well as to the EU-wide 2030 target of 32%.

The operation is an investment loan scheme to finance the construction and operation of a solar PV plant with a total power of 500 MWp (391 MWac at the point of injection into the grid). The project scope includes the power plant and the associated infrastructure required to make the project operational, such as access roads, substations, grid connection, a ~12kms transmission line (400 kV) to connect to the Bienvenida substation (property of the Transmission System Operator - TSO), and other ancillary facilities. The proposed transmission runs parallel to an existing 400 kV line of the TSO.

The authorisation procedure and compliance with EU EIA, Birds and Habitats directives are deemed satisfactory following the Bank’s review of the EIA documentation and the environmental permit.

The project site will span over ca. 855 ha, currently mostly used for herbaceous crops, but also arable land. None of the project components is located within a Natura 2000 site.

The closest Special Protection Areas (SPAs) for birds are more than 10 km away from any of the project component (ES0000406 “Colonias de cernícalo primilla de Zafra”, ES0000325

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

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“Campiña Sur – Embalse de Arroyo Conejos”, ES0000403 “Colonias de cernícalo primilla de Fuente de Cantos”). Two Sites of Community Importance (SCIs) are located closer to the transmission line, the ES4310072 “Mina Mariquita”, at about 2km from the line, and the ES4310068 “Sierras de Bienvenida y la Capitana”, at about 4 km from the end of the line. The site is located within the Important Bird Area (IBA) n°271 (Bienvenida-Usagre-Ribera del Fresno), an important area for wintering Grus grus and breeding steppic birds, and close to the IBA 269 (Azuaga-Llerena-Peraleda de Zaucejo).

The project is included in Annex II of the EIA Directive (Directive 2014/52/EU amending the EIA Directive 2011/92/EU) and, based on national and regional environmental regulations, has been screened in by the competent authority, requiring full EIA, including public consultation. The Environmental Impact Study (EIS), both for the plant and the transmission line, was submitted for public consultation in July 2016. The environmental authority received the EIS for evaluation in January 2017, and the required additional information - including the results of a one-year cycle avifauna study – by September 2017. A specific study on the impacts on the IBA n.271 and its species was also performed and was annexed to the EIA. The project received its environmental permit in November 2017, for both the plant and the transmission line. The permit confirms the absence of environmental impacts on the project scope subject to permit conditions being complied with.

The Promoter is known to the Bank from previous operations and has sufficient E&S capacity to implement the project, having experience in the construction, acquisition and operation of a large portfolio power generation, with a combined installed capacity of about 47 GW globally and 26 GW is in Spain, of which ca 16 GW is renewable. The Promoter has a solid organisational structure and is also ISO 14001 and OSHAS 18001 certified.

With regard to the impacts of the project, these are mostly concentrated during the construction phase, and include disturbance to the fauna, because of the construction activities (noise, dust, vibrations, etc.). The structures will be installed hammering the poles into the ground, avoiding the need for major soil movements, and the profile of the land will not be changed, minimising earthworks. The construction sequence will avoid critical periods for the breeding of bird species.

During the operational period, the main impact is the exclusive use of land, and the associated loss of habitat for the fauna and flora, and the risk of collision of the avifauna with the overhead transmission line.

In relation to the loss of habitat, the mitigation measures include:

- the installation of 50 nesting boxes on the towers of the transmission line to foster the breeding of the lesser kestrel and the European roller;
- the installation of nesting-tiles on the roof of the buildings on site, and the installation of 30 holes and 15 nesting boxes in areas close to the site, to foster the nesting the Lesser Kestrel, the European roller and other species;
- the creation of two areas for agro-environmental management (45 ha each) and two reserves (5 ha each), both targeting the preservation of steppe birds present in the area.

In relation to the risk of collision, the mitigation measures are based on the Royal Decree 1432/2008, which establishes measures to protect flying species from collision and impact on high voltage aerial lines. Bird-flight diverters, including light signals, will be installed on the overhead connection line conductors and on the ground cables to minimise the risk of bird collision.

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The EIS includes environmental monitoring programmes (“Plan de Vigilancia Ambiental”), in order to monitor and control the foreseen impacts during construction and operation as well as the effectiveness of mitigation measures to reduce the environmental impact of the project.

The programme will monitor the noise, protection of the atmosphere, protection of the physical environment (soil and hydrology), vegetation, flora and fauna, historical and cultural heritage and waste management. It includes, in particular, an avifauna study to be performed over the construction period and the first seven years of operations.

EIB Carbon Footprint Exercise

The plant is expected to have an average electricity production of ~777 GWh/year (P50) over the first 20 years 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 299.3 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

The project requires the acquisition or lease of 1008 ha of land for the PV plant, spread over 36 plots of land. The transmission line will require the acquisition, lease or rights of way over 110 plots of land.

The Promoter has been engaging with the landowners in order to reach voluntary agreements for all project infrastructures, in the form of either sales, leases with annual payments and surface rights/rights of way with single payments. The Bank will require the satisfactory review of a report detailing, for each parcel, land status, type and specifics of the agreement reached, detail of the compensation and use of the land prior to the agreement, as a project undertaking.

For the pieces of land where a voluntary agreement could not be reached, the Promoter required expropriation, in line with the Spanish legislation. This concerns about 57% of the land for the PV plant, belonging to one landowner. 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.

According to the Promoter, all the land has been secured. In any case, the Bank will require the Promoter to provide notice of any new expropriation process to be initiated on the lands that are not yet covered by a land agreement/titling and to review to its satisfaction the related documentation, as a project undertaking.

Public Consultation and Stakeholder Engagement

For all project components, the public consultation was carried out in July 2016 under the EIA process, as required by the EU, and as transposed by the national and regional law. The EIS

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was submitted to the environmental authority in January 2017 and the project received its environmental permit in November 2017. The Promoter has not developed further stakeholder engagement activities.

Conclusions and Recommendations

Conditions to disbursement:

n/a

Undertakings

The Promoter undertakes to provide, as soon as available and to the satisfaction of the Bank, a report detailing, for each parcel of the PV plant and of the transmission line, location, surface, status type and specifics of the ownership agreement/land titling reached, ownership and use of the land prior to such agreement/land titling.

The Promoter also undertakes to provide, for each project component (i.e. site and accessory infrastructure) to the satisfaction of the Bank, as soon as available and unless already provided, notice of any new expropriation process to be initiated on the lands that are not yet covered by a land agreement/land titling, together with the related documentation.

Promoter undertakes to fulfil the requirements of the EIAs and Environmental Permits and to deliver to the Bank the copy of the environmental reporting as required by the permits, with the annual reporting, including the detailed study of bird populations to be performed during construction and operation, and the associated avifauna monitoring plan.

With the satisfactory implementation of the conditions set in the Environmental Permits and the specific conditions mentioned above, the EIA processes and their results are acceptable to the Bank.

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