

Luxembourg, 7<sup>th</sup> August 2023

## Environmental and Social Data Sheet

### Overview

Project Name:	ENEL OPEN METER II
Project Number:	2023-0228
Country:	Italy
Project Description:	Implementation of an advanced electricity metering system throughout E-distribuzione's (the "Promoter") concession areas in Italy - second phase (the "Project")

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 Project comprises the installation of approx. 6.5 million second generation electricity smart meters to replace the existing first-generation smart meters and the necessary supporting infrastructure (concentrators, central metering system). It will allow for remote readings, provide near real-time consumption information and better management of the electricity distribution network. The Project will enable the improvement of the distribution operator's efficiency as well as customer information and awareness and will allow for potential energy savings. The Project scope to be financed by the EIB covers the meters and supporting infrastructure to be installed during the period 2023-2024.

The Project components are not subject to an Environmental Impact Assessment as per the Directive 2014/52/EU amending the EIA Directive 2011/92/EU.

The main impacts of the Project relate to electromagnetic radiation and to the disposal of the old meters being substituted by this Project.

The Promoter has established appropriate procedures to streamline the disposal process of the meters and to reduce the environmental impact of the waste disposal. The procedures include: (a) the removal of the resin/glue from the base and casing protection, (b) the separation of the battery and the display and the removal of the antenna, the metal parts, the switch and the connectors; (c) shredding and recycling of the plastic parts; (d) shredding of the electronic parts and processing to extract metals. Subcontractors responsible for the disposal should have the appropriate certifications.

<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.



The smart meter is designed, manufactured and certified by accredited notified bodies in compliance with the “Measuring Instruments Directive” (MID) Directive 2014/32/EU of the European Parliament and of the Council, of 26 February 2014, on the harmonization of the laws of the Member States relating to the making available on the market of measuring instruments.

With reference to the electromagnetic radiation, the smart meter is compliant with the Directive 2014/30/EU of 26 February 2014 on the harmonisation of the laws of the Member States relating to electromagnetic compatibility.

Concerning the product standards, the smart meter is compliant with the specification EN 50470-1/3 and the EN 55032:2015, Electromagnetic Compatibility of Multimedia Equipment - Emission Requirements (previously with the EN 55022 2006 Information technology equipment – Radio disturbance characteristics – Limits and methods of measurement (CISPR 22:2005, mod.)).

Whilst the Project may facilitate energy savings, in itself it is not expected to have significant impact on CO<sub>2</sub> emissions. As a conservative approach, the savings in end-user consumption have not been considered in the Carbon Footprint calculation.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

Enel S.p.A. (“Enel”, the Promoter’s parent company) is not active in incompatible activities. Enel S.p.A. meets the requirements of the PATH framework as it is currently rated by SBTi (Science Based Targets initiative) as “Net-zero” committed by 2040, with a near-term target (2030) and a long-term target (2040) of decarbonisation adopting a 1.5 C degree scenario as a reference of global temperature increase. The counterparty is publicly committed to reach carbon net zero emissions by 2040.

### **Social Assessment, where applicable**

The smart meter allows customers to access their own consumption data more easily, increasing awareness of their energy use habits and encouraging behaviours that are more efficient and sustainable. It also enables personalized electricity tariffs to enable customers to save money by taking advantage of highly flexible pricing that are better suited to different consumer habits, with dynamic and highly flexible pricing.

The Promoter considers gender to be one of the priority areas in its diversity and inclusion approach. Enel's commitment on gender equality has been stated since 2015 with the endorsement of UN Women's Empowerment Principles by the CEO and the internal Diversity and Inclusion Policy issued in the same year and it is confirmed for the fourth consecutive year in the Bloomberg Gender-Equality Index.

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

Various public consultations related to the roll-out of smart meters have been held by the Italian regulatory authority for energy. The Promoter ran public consultations and engaged in dialogues with consumers associations and local authorities during the deployment of the first metering generation and repeated the exercise for the second-generation metering system. The consultations raised no major issue and they have been provided to the National Regulator, which approved the roll-out plan.

As required by European legislation (Directive 2012/27/EU), technological, performance and privacy requirements for the new architecture have been defined in Italy by the Italian Regulatory Authority for energy and addressed appropriately in the metering system to be installed.



## **Other Environmental and Social Aspects**

Regarding environmental aspects, the Promoter is ISO 9001 (Quality Management Standards), ISO 14001 (Environmental Management Standards), ISO 45001 (Occupational Health and Safety Standards), ISO 37001 (Anti-Bribery Management System) and ISO 50001 (Energy Management System) certified. The Promoter is experienced and has the capacity to mitigate the impacts to an acceptable level through its Environmental Protection Management programme. Safety aspects are integrated into the promoter's guidelines.

## **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 residual impacts and thus is acceptable in environmental terms for the Bank's financing.