

Luxembourg, 20.09.2024

**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name: *BETICA PV PORTFOLIO*  
 Project Number: *2024-0340*  
 Country: *Spain*  
 Project Description: *The project comprises the implementation of 5 utility-scale solar PV plants with a total capacity of 450MWp. The PV plants are located in the Spanish provinces of Cordoba and Seville, in Andalusia.*

EIA required: *yes*

Invest EU sustainability proofing required *yes*

Project included in Carbon Footprint Exercise<sup>2</sup>: *yes*

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

### Environmental and Social Assessment

The operation entails a multi-scheme investment project, consisting of the construction and operation of five solar photovoltaic (PV) plants. The PV plants are organised in two clusters in separate locations, for a total capacity of c. **450** MWp. The first cluster consists of three PV plants of 50MWp each (Carmona 1, Carmona 2, Carmona 3), located in Cordoba, Andalusia. The second cluster consists of two PV plants, Cabra PV (250MW) and Olivar (50MW), located in Seville, Andalusia.

The project scope includes the associated infrastructure for the interconnection of the PV plants to the electricity grid. The Carmona PV plants will be interconnected to the electricity grid via the following steps: (a) via 30kV underground cables to the new step up 30/220kV substation ‘El Canto’ (b) the step up substation will be connected via a 3km 220kV overhead line to the new substation SET Carmona Nudo 220/400kV, shared with other producers, (c) Carmona Nudo will then be connected via a 15km overhead 220kV line to SET Colectora Promotores Carmona 220/400kV substation- already built and in operation-, also shared and (d) the latter substation is connected to REE’s existing substation SET Carmona, via 0.5km of electricity lines (both 220kV and 400kV lines).

The Cabra and Olivar PV plants will be connected -as a first step- via 30kV underground cables to a step-up substation (30/400kV) shared with other producers. The substation will be connected via a ca 26km 400kV overhead line to a new switching station, also shared with

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary.

<sup>2</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.



Luxembourg, 20.09.2024

other producers. Eventually, the switching station will be connected via a 0.5km overhead 400kV line to REE's 400kV (existing) substation.

## Environmental Assessment

Due to their technical characteristics, the solar PV plants fall under Annex II of Directive 2014/52/EU amending (Environmental Impact Assessment) EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment is required. The grid interconnection infrastructure is classified as follows: (a) some sections fall under Annex I of the EIA Directive (i.e. the 400kV overhead lines and the 220kV overhead lines, with a length greater than 15km), (b) the overhead lines not included in (a) fall under Annex II, and (c) the new electricity substations and underground cables do not fall under neither of the Annexes.

All PV plants forming part of the project scope have undergone an EIA process, either following the process called Autorización Ambiental Unificada (AAU, applicable to projects with a capacity <50MW, approval at regional level) or the Declaración de Impacto Ambiental process (DIA, applicable to projects with a capacity >50MW, approval by the Ministry for the Ecological Transition). The DIA was applicable only to the Cabra plant, whereas the rest of the plants and associated infrastructure were approved under the AAU process (regional). In the case of the Carmona cluster, the grid connection facilities were subject to separate EIA processes (AAU), as is often the case when the facilities are shared with other producers/developers. For Cabra and Olivar, the grid interconnection facilities formed part of scope of the EIA process for the Cabra PV plant (the facilities are shared with Olivar). Cumulative impacts were considered in the relevant Environmental Impact Assessment reports (EIA reports).

During the construction phase, the main impacts relate to dust, noise, traffic disruption, topsoil destruction, alteration of soil and groundwater quality, compaction of soil, habitat loss/fragmentation, alterations in landscape etc.

During the operational phase, the primary impact is attributed to the grid infrastructure, mainly the high voltage overhead transmission lines, and includes collision and electrocution of birds and visual impact. The impacts related to the PV plants are expected to be limited, such as noise emissions from the transformers, waste generation, loss of condition of hunting grounds, visual impact, impact on habitats (such as population fragmentation, barriers on movements of species etc.).

The EIA reports propose measures to prevent, eliminate, minimise or correct the aforementioned negative impacts. The EIA decisions entail specific measures for each PV plant (and associated infrastructure) required to be implemented during the construction and operation phases. Such measures include, but are not limited to:

- Minimisation/avoidance of dust, systematic irrigation/water spraying of the construction areas; measures to minimise dust during the transportation of materials;
- Waste management, according to national law requirements;
- Measures on avoidance of water contamination; prohibition of installation of equipment within flooding zones, design for adequate water drainage suitable to the site needs; temporary barriers during construction to prevent contamination in bordering channels; no permanent crossings over water courses;
- Protection of fauna and flora, avoidance of certain works during breeding seasons;
- Avoidance works during night hours;
- In relation to the risk of collision for the transmission lines, enhanced visibility marks of overhead lines to reduce avifauna collision risk;
- Maintenance/restoration of existing roads and infrastructure; Maintenance of livestock routes, where applicable;



Luxembourg, 20.09.2024

- Protection of the historical and archaeological heritage;
- Implementation of restoration and revegetation plans;
- Soil protection/rehabilitation and landscape integration plans;
- Maintenance of the fallow on a minimum of 25% of the land (for Carmona);

The environmental permits require an environmental monitoring plan for each of the sites, for the monitoring of the implementation of measures contained therein.

The PV plants and their associated infrastructure do not fall in Natura 2000 sites. The potential impact of the plants on the closest Natura 2000 sites was covered in the respective EIA report and the relevant permit. Specifically:

#### Carmona Cluster and associated facilities

The project site does not overlap with Natura 2000 sites, or any other environmentally protected site contained in the Network of Protected Areas of Andalusia. The closest Natura 2000 site from the PV plants is more than 15km away (ES6180015 "Mina El Abrevadero"). The relevant EIA decisions (AAUs) concluded that the project has no significant impact on Natura 2000 sites. Nevertheless, as the route of the medium voltage lines fall within the scope of the Imperial Eagle Recovery Plan, the lines will be underground to minimise any impact. The sites are located close to the Habitats of Community Interest (HICs) 31.70 and 63.10 ("Mediterranean Temporary Pond" and "Dehesas perennifolias de Quercus spp"). The EIA report concludes that the HICs will not be affected by the PV plants. None of the grid interconnection infrastructure is located in or close to Natura 2000 network (the closest being 15km away). The AAUs for all the interconnection facilities related to Carmona, conclude that the infrastructure will not affect the integrity of Natura 2000 sites.

#### Cabra and associated facilities

For Cabra, the nearest Natura 2000 site (ES6130008, "Tramo Inferior del Rio Guadajoz") is located ca 5.5km from the plant and 7km from the closest point to the transmission line. The next Natura 2000 site closer to the transmission line is located more than 10km away (SAC ES0000034, "Lagunas del sure de Cordona"). The DIA concludes that no significant impact is expected on Natura 2000 network, taking into account the measures proposed in the EIA report, as well as the proposed environmental monitoring plan. The site polygon overlaps with a section of HIC 6310 "Dehesas perennifolias de Quercus spp" and with HIC 92D0 "Nerio-Tamaricetea", the latter mainly associated with watercourses. According to the EIA report, the transmission line crosses riparian forest habitats, with a small section of the line crossing over the HIC 92A01 "Mediterranean ommedas" of the Arroyo de la Carchena, the HIC 92D0 "Nerio-Tamaricetea", and the HIC 92A0 "Alamedas and Arboreal Willows in the Galindo Stream". Due to this, the DIA concludes that the aforementioned areas could be affected during the installation of the towers. The main impact entails the destruction of vegetation cover during the construction works. For the protection of HICs, the main measures envisaged entail the creation of a visual pant screen using native species in the perimeter of the fence, strengthening existing natural plant barriers, improving their coverage and density, as well as minimising the surface to be cleared for the installation of equipment.

#### Olivar

The environmental permit (AAU) states that the project does not interfere with a Natura 2000 site, is outside of the Network of Protected Areas of Andalusia and does not affect HICs . The EIA report does not identify potential impacts on the Natura 2000 network, due to the large distance from the closest Natura 2000 site, located at ca 9km north of the site (SAC ES6130008, Tramo Inferior del Rio Guadajoz). According to the EIA report, no other environmentally protected areas entailed in the Network of Protected Areas of Andalusia are located within a 10-km radius from the project. The solar plant is located within 5km from the IBA Campinia Alta de Cordoba and from three Habitats of Community Interest (HICs). It is not



Luxembourg, 20.09.2024

within any of the Important Areas for steppe birds and there are no wetlands included in the Spanish Inventory of Humedades Zones. Olivar shares the same interconnection facilities with Cabra, so the relevant impact analysis is covered in the Cabra section.

### **Climate Assessment**

The project substantially contributes to the climate change mitigation objective. The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy. Residual risks from physical climate hazards are deemed low.

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

The borrowers (Special Purpose Vehicles) are owned by different funds and different vehicles managed by the fund manager, Everwood Capital. Everwood Capital is in scope of the PATH framework (being a fund manager) and has been screened-in (as it has more than EUR 500m of assets under management). At the moment, Everwood is not disclosing in line with the TCFD recommendations. The counterparty will be required to disclose in line with TCFD recommendations within one year after the contract signature.

### **EIB Carbon Footprint Exercise**

The direct CO<sub>2</sub> equivalent emissions PV plants are negligible.

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 (combined margin for intermittent electricity generation), the total relative effect of the project is a net reduction in CO<sub>2</sub> equivalent emissions by 281kt CO<sub>2</sub>e/yr.

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 promoter has engaged with the landowners and, for the vast majority of the plots needed for the implementation of the project (including associated infrastructure), has reached voluntary agreements for the project infrastructure in the form of leases. For the pieces of land where a voluntary agreement could not be reached, the promoter proceeded with securing an expropriation approval (Declaración de Utilidad Pública, "DUP"), in line with Spanish legislation. The process for the Carmona cluster has been concluded and for Cabra the relevant decision is expected to be issued shortly. The promoter intends to (re)approach the landowners of the plots involved in the expropriation process, in order to obtain a voluntary agreement. Upon conclusion of the aforementioned process, the promoter will need to report to the Bank that all land rights have been successfully secured (as part of the overall permitting process).

During the implementation phase of the project, the promoter intends to deploy an Owner's Engineer to support the oversight of the construction activities, including all Health & Safety aspects, as envisaged in the relevant permits and the respective agreements with the contractors. Any grievances during the implementation period are expected to be directed at first instance to the site manager and to the Owner's Engineer.

Public reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has its own Code of Ethics, which rejects any form of forced or compulsory labour, includes a framework for human rights due diligence and has a specific Supplier Code of Conduct. The promoter also incorporates additional anti-corruption, corporate social responsibility and human rights related provisions in its contracts with suppliers. The



Luxembourg, 20.09.2024

promoter applies a suppliers' qualification system, which includes the review of suppliers ESG documentation and proceeds with.

The promoter shall make reasonable efforts to assess and address the labour risks associated with the solar PV panels used in the project, including throughout the supply chain, as required by the EIB E&S Standards. The due diligence to be performed by the promoter (including supply chain mappings) will be reported to and reviewed by the Bank.

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

Public consultation has been conducted by the relevant authorities in the context of the EIA processes. The promoter has not conducted further stakeholder engagement activities.

### **Other Environmental and Social Aspects**

The promoter, an investment fund manager, with primary focus on activities in the field of renewable energy sources, manages a sizeable pipeline of projects in Spain, all at various permitting steps. It has experience in the construction of solar PV plants and deploys the support of external contractors of the management of assets during the operational phase. The environmental and social capacity of the promoter is deemed to be adequate. This is the first operation conducted with the promoter – as such, there is no relevant monitoring experience.

## **Conclusions and Recommendations**

The Bank reviewed the environmental and social aspects of the project, as well as the capacity of the promoter to implement the project in line with EIB's requirements and considers them to be acceptable.

Considering that the EIA processes are concluded and limited residual environmental risk is identified in the relevant documentation -subject to the implementation of the measures envisaged in the permits-, no further sustainability proofing is needed for the environmental dimension.

For the climate dimension, considering that the project comprises PV plants, the aforementioned climate assessment and the outcome of the carbon footprint exercise, the sustainability proofing is completed with no further actions required.

The outcome of the screening on the social dimension, indicated a risk linked to the forced labour in the PV supply chain, thus requiring further measures/actions to be undertaken, covered by the conditions listed below, resulting in a medium residual risk.

Based on the information available and with appropriate conditions and monitoring, the project is expected to be acceptable in environmental and social terms for the Bank's financing:

- The promoter will be required to make reasonable efforts to carry out appropriate due diligence throughout its supply chains, with the aim of preventing the use of forced labour in the supply chains of the solar panels that will be used for this project. The outcome will be reported to and reviewed by the Bank.
- The project shall comply with the relevant provisions of the Bank's labour standard, which foresees zero tolerance for the use of forced labour.
- The promoter shall store and keep up to date all documents relevant for the project supporting the compliance with the provisions of EU environmental legislation, permits and environmental approvals, and shall promptly upon request deliver such documents to the EIB.