

Luxembourg, 27th November 2024

Environmental and Social Data Sheet

Overview

Project Name: IBERDROLA SOLAR PV GREEN LOAN
 Project Number: 2024-0155
 Country: ITALY
 Project Description: Financing of the construction and operation of a solar PV plant for a total capacity of c. 245 MWp in the Italian region of Sicily (the "Project")

EIA required: yes

Project included in Carbon Footprint Exercise¹: yes
 (details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

The Project consists of the construction and operation of a solar power plant of 245MWp and its ancillary facilities including grid connection works. The implementation started in the third quarter of 2024 and is expected to finish in the second quarter of 2025.

The Project is located in the Belpasso, Paternò and Centuripe municipalities in the region of Sicily. The Project scope includes:

- The solar PV (photovoltaic) generation plant, distributed in several plots of land grouped in three clusters.
- Underground interconnections in 33kV (ca. 55 km in total) to connect the different photovoltaic fields, to a common internal step-up substation 33/150 kV.
- Underground transmission line in 150kV (ca. 9 km) from the internal substation to the interconnection point at the national grid.

Environmental Assessment

Due to its technical characteristics, the solar PV plant falls under the Annex II of the EIA (Environmental Impact Assessment) Directive (Directive 2014/52/EU amending the EIA Directive 2011/92/EU), therefore leaving it to the competent authority to determine according to Annex III of the said Directive whether an Environmental Impact Assessment (EIA) is required, while the 30kV and 150kV underground lines and the substations are not in Annex I or Annex II. All the components of the Project scope, including the underground lines and substations, have been included in a single EIA and assessed together by the competent authority including public consultation.

¹ 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 CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



Luxembourg, 27th November 2024

General quality of the EIA report is considered acceptable in terms of the impact assessment methodology and the studies and fieldwork conducted. These reports consider the cumulative impacts with other neighbouring solar plants.

The environmental permit (“Giudizio positivo di compatibilità ambientale V.I.A.”) was obtained on June 24th, 2021, with conditions and technical measures to mitigate the potential impacts. The Promoter submitted a proposal to comply with the required mitigation measures (under the “Procedura di verifica di ottemperanza”) and the authority issued a positive opinion on it on May 18th, 2023.

The EIA report assesses impacts on air quality (mainly road use and vehicle emissions), soil (preventing permeability), hydrology (water use in construction and module cleaning) and noise as low and mitigated, through several measures, such as scrub planting, optimal management of roads and working hours, vehicle use and water. As positive impacts, the reduction of CO₂ emissions to the atmosphere is expected due to the displacement of electricity generation with higher emissions.

On biodiversity, flora, fauna and ecosystems, no significant impacts are expected by the solar generation plant since habitats of community interest, or priority, will not be affected by the Project, nor will species of protected flora or fauna be affected. The environmental decision includes also measures regarding soil and subsoil, atmosphere, noise, biodiversity, hydrology and landscape.

A small section of the electrical connection of the solar plant crosses (ca. 300m underground) two “Red Natura 2000” sites overlapping in the crossing area (ZCS ITA 070025 “Tratto di Pietralunga del Fiume Simeto” and ZPS ITA070029 “Biviere di Lentini, tratto mediano e foce del Fiume Simeto e area antistante la foce”), while the rest of the Project is outside the “Red Natura 2000”. The potential impacts have been considered, not only by the underground duct cable trespassing the area, but also by the potential effects of the whole Project on the protected area in terms of habitat fragmentation, connection reduction, reduction of nesting and feeding habitat, as well as light pollution. The competent authority confirmed that the Project will not have significant effects on the integrity of the “Natura 2000” sites provided that mitigation measures are put in place during design and construction, such as safeguarding natural vegetation, watercourses, rocky outcrops and trees and shrubs. It also requires permeability in the fences for small fauna and imposes limitations on night lighting and prohibition of creating slopes and compacting the natural terrain. In addition, during operation, the measures prohibit the use of herbicides in vegetation management, stripping and burning mowed vegetation.

EIB Carbon Footprint Exercise

The direct CO₂ equivalent emissions of the Project 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 Italy (combined margin for intermittent generation), the total relative effect of the Project is a net reduction in CO₂ equivalent emissions by ca. 137 kt CO₂-eq/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.

EIB Paris Alignment for Counterparties (PATH) Framework

Iberdrola S.A. as the head of group for the different Iberdrola subsidiaries is in scope and screened into the PATH framework, under the low carbon requirements. The counterparty is not involved in incompatible activities, and it already meets the requirements of the EIB PATH framework with its existing alignment plan.

Luxembourg, 27th November 2024

Social Assessment, where applicable

All the land plots required for the solar plant are private and have been purchased via bilateral agreements. The Promoter expects to secure via easements most of the lands required for the underground interconnection and will only resort on an expropriation procedure for the remaining land plots.

The implementation of the Project will not lead to involuntary physical displacement and is not expected to lead to involuntary economic displacement.

Public Consultation and Stakeholder Engagement

Public consultations have been carried out under the EIA process.

The Promoter has channels in place to contact on sustainability and environmental matters (www.iberdrola.com/contact and medioambiente@iberdrola.es).

Other Environmental and Social Aspects

The Promoter is planning to engage with the municipalities where the Project is located to agree in specific interventions. In addition, as part of the Project, the Promoter intends to carry out initiatives and partnerships to generate positive impact on communities at local and national level (such as sharing land of the plants with local farmers, promoting sports, supporting fund raising against diseases and organizing waste collection among others).

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The Promoter has a “Code of Ethics”, a “Human Rights” respect policy (including a “Human Rights” due diligence system) and a “Supplier’s Code of Ethics”, rejecting the use of any form of forced or compulsory labour, which are also applicable to their PV module suppliers.

The Promoter has performed a supply chain mapping exercise with its suppliers, concluding that it did not find evidence that any of the factories involved in the Project are using forced labour. The Promoter is committed to continue its engagement with the PV module manufacturers and their sub-suppliers and review their practices to avoid the use of forced labour in the supply chain.

The Promoter is known to the Bank from previous operations and is deemed to have sufficient E&S (Environmental and Social) capacity to implement the Project in line with EIB’s requirements.

Conclusions and Recommendations

As Project undertakings:

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. During and at the end of the construction period the Promoter shall provide information on the implementation of the measures foreseen in the EIA report and the permits.

Under these conditions, the operation is considered acceptable in E&S terms.