

06/01/2025

Environmental and Social Data Sheet

Overview

Project Name: *SACHSENERGIE STROMNETZ SACHSEN*
 Project Number: 2024-0409
 Country: *Germany*
 Project Description: *Investments into the electricity distribution network*

EIA required: no

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 encompasses investments in development, renewal and maintenance of the high, medium and low voltage distribution assets in the municipality of Dresden and in four Eastern areas of the Free State of Saxony, in Germany. It includes a large number of electricity distribution schemes providing for approx. 285 km of new or refurbished HV (110 kV) lines, 1280 km of new or refurbished MV and LV lines (mainly underground cables), 500 new or refurbished substations with 536 MVA added transformation capacity.

The networks covered by the Project, the one operated by SachsenNetze (SN) and the one operated by SachsenNetze HS.HD (SNH), both owned by SachsenEnergie AG, are respectively:

- the medium and low voltage electricity grid serving the state capital Dresden;
- the high (110 kV) voltage electricity grid in the district of Dresden, as well as high, medium and low voltage electricity grids serving the other four Eastern Saxony districts of Bautzen, Görlitz, Meißen and Saxon Switzerland-Osterzgebirge.

Environmental Assessment

The HV, MV and LV schemes included in the Project are expected to fall under Annex II point 3.(b) of the of the EIA Directive, leaving it to the national competent authority to determine whether or not an Environmental Impact Assessment (EIA) is required.

According to the national legislation, a screening decision by the competent authorities is required for projects with operating voltage equal to or above 110 kV. Environmental analyses may be carried out in the context of the construction permitting process.

Substations schemes, either in the form of new construction, extension, or refurbishment, do not fall under either Annex I or II of the EIA Directive. According to national law, the construction, refurbishment, or extension substations do not need to undergo an EIA screening.

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.



Based on preliminary information, some of the schemes might cross Natura 2000 areas. In such cases, the competent authority will be consulted and the assessments required under art. 6(3) and art. 6(4) of Habitats Directive 92/43/EEC will be carried out. Given the characteristics and the typical impacts of the programme schemes, the Promoter at this stage expects that a limited number of schemes will be screened in for an Appropriate Assessment².

The programme has the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other.

The Promoter is ISO 14001 certified and thus has an environmental management plan. The Promoter manages, monitors and mitigates the effects on the environment through documents such as the environment, health and safety handbook, the waste management plan and technical specifications (technical clauses) and requirements for subcontractors in general.

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly extreme rainfall events, flooding and storms and high winds, are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment.

The absolute emissions of CO₂ equivalent (CO₂e) resulting from the Project³ are estimated to be 5.3 kt of CO₂e/year, which falls below the Bank's methodology thresholds. The source of CO₂ emissions for the Project is network losses associated with new or refurbished network equipment. These absolute emissions are offset by the reduction in network losses enabled by the Project in comparison to the do-nothing alternative. Therefore, at completion, the Project is expected to enable a saving of circa -11.7 kt of CO₂e/year.

The operation has been assessed for its Paris alignment. It is considered to be aligned for low carbon and resilience, in line with the policies set out in the Climate Bank Roadmap and with the EIB's Energy Lending Policy.

EIB Paris Alignment for Counterparties (PATH) Framework

As a public commercial company SachsenEnergie is in scope. It is screened in for mitigation as more than 20% of its revenues derive from high emitting sectors (i.e. gas distribution and energy production for district heating). It is also screened in for high vulnerability as it has a draft physical combined anchor score of 3.08. The promoter is not currently involved in any incompatible activities.

The counterparty meets the requirements of the EIB PATH framework for mitigation with its existing decarbonisation strategy.

² Based on the information provided by the Promoter, 165 Project schemes (high-voltage lines and substations) were preliminarily analysed. The studies carried out concluded that:

- 3 schemes directly affect Natura 2000 protected areas. At the moment there is only one screening decision available for the 110 kV scheme *110-kV-Leitung Putzkau/West - Neustadt/Sa.; Mast 34a bis UW Neustadt/Sa. 110-kV-Leitung Polenz - Sebnitz; komplet-ter Leitungsverlauf*. The decision, released by the *Saxony Regional Directorate* on 28 April 2022, is negative, meaning no EIA is required for the specific scheme;
- for other 10 schemes there are potential impacts, that will need to be clarified/confirmed through a more detailed assessment according to the legislation in force;
- the remaining 149 high-voltage schemes do not affect Natura 2000 protected areas.

³ GHG emissions of the Project have been calculated according to the Bank's Carbon Footprint Methodologies (Version 11.3 of January 2023).



The counterparty is also in line with the PATH framework resilience requirements, based on the Bank's assessment.

The counterparty is deemed to meet the requirements of the PATH framework. No further action is required from the counterparty.

Public Consultation and Stakeholder Engagement

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process.

Other Environmental and Social Aspects

The Promoter is an experienced distribution network operator in Germany, with in-house teams responsible for the environmental and social aspects. The Promoter outsources the preparation of Environmental Impact Studies (EIS) and Appropriate Assessments (AA) to external specialised consultants in Germany. The environmental management capacity of the Promoter is reflected by the ISO-14001 and ISO-50001 standard certifications obtained. The environmental and social due diligence focussed on the Promoter's capacity and capability to implement the investments included in the Project in line with EIB environmental and social standards and requirements. Based on this assessment, the environmental capacity of the Promoter is deemed to be good; they have the experience and the capacity to appropriately manage the planned investments.

Conclusions and Recommendations

Considering the above the Promoter's capacity to implement this operation in compliance with the EIB's Environmental and Social Standards is deemed acceptable. Based on the information available and with appropriate conditions and monitoring, the programme is acceptable for EIB financing in environmental and social term.

The Promoter undertakes:

- to ensure that Project schemes that may have an effect on a Natura 2000 site will undergo an analysis (or screening) to determine whether the scheme requires an Appropriate Assessment. When an Appropriate Assessment has been deemed necessary, before allocating the Bank's funds to the relevant programme scheme, the Promoter will ensure that such assessment is carried out and the provisions under Article 6(3) of the Habitats Directive are respected.
- to store and keep updated any documents that may be relevant for the Project and which support the compliance with the provisions under the EU Habitats and Birds Directives and shall, upon request, promptly deliver such documents to the Bank.
- not to allocate the Bank's funds to Project schemes that require an Environmental Impact Assessment (EIA) and/or Appropriate Assessment (AA) until the EIA and/or the AA have been finalised to the Bank's satisfaction, including public consultations, and approved by the competent authority. For schemes requiring an EIA and/or an AA, an electronic copy of the relevant documentation, including EIA/AA reports, consultation documents, EIA approvals, must be sent to the Bank as soon as each scheme is approved by the competent authority.