

Environmental and Social Data Sheet

Overview

Project Name: ITALGAS DISTRIBUZIONE II
 Project Number: 2013-0130
 Country: *Italy*
 Project Description: Development and upgrading of the Promoter's gas distribution networks in Puglia, Calabria and Sicily and replacement of meters and pipes in the cities of Rome, Naples and Venice.

EIA required: no

Project included in Carbon Footprint Exercise¹: yes

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project comprises of two major types of activities: one involving typical gas pipeline investments (iron pipe replacement and network extension), and the other relating to meters—either the installation of smart meters or the replacement of obsolete standard meters.

The pipelines portion of the project applies standard technologies and the promoter is very experienced. The main impacts occur during construction, are temporary in nature, and are mitigated according to established practices in the sector. The smart meters portion is at its simplest about replacing one type of gas meter with another type. The enhancement in the meter type is such that real time consumption data will be able to be collected via a telecommunications system, allowing for more accurate billing and more opportunities for gas utilisation management.

The iron pipe replacement will mainly be undertaken in Rome, Venice and Naples. These are cities with significant archaeological and urban heritage. The promoter has processes in place to ensure that the reinstatement of excavated areas is carried out rigorously, that the surface disturbance is minimised and in any case reinstated, and that in the case of any archaeological discoveries the relevant authorities are involved. In Venice, specific measures for laying pipes in and across water have been developed.

The pipeline project components fall under Annex II of Directive 2011/92/EU as transposed into Italian legislation. None of the planned components of the project are considered to meet the requirements for an EIA; however a condition has been included in the contract in the event that an EIA may be requested by the competent authority for a project component. The condition requires that the promoter completes any EIA or nature conservation area impact assessment and receives approval from the competent authorities prior to allocating the Bank's funds to the project component, and that copies of the relevant documents, including the consents, are furnished to the Bank.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

The meters part of the project is not subject to an EIA per Directive 2011/92/EU. As regards the telecommunications requirements; the solution has adopted the 169 MHz frequency band dedicated by the EU for remote reading. The project complies with EU and Italian regulations (DPCM 08/07./2003). The 169 MHz band is used for short distances; for the other data transmissions, the national GPRS (mobile telephone) network is used.

Given the large numbers of meters being disposed of the waste management procedures are important. The promoter already handles some 400,000 obsolete meters per year. These are aggregated at district depots and then disposed of according to regulations by certified contractors. This process will continue for the project's meter installation activities.

The project's environmental basis is acceptable for Bank financing.

Environmental and Social Assessment

EIB Carbon Footprint Exercise

The sources of CO₂ equivalent (CO₂e) emissions are from fugitive emissions of the rehabilitated network and from fugitive emissions related to network expansion. The estimated absolute annual emissions are 6 kt CO₂e. The baseline is considered to be the emissions existing network, but with the increased gas demand. The overall relative annual emissions are -21 kt CO₂e.

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.

Other Environmental and Social Aspects

The promoter has provided evidence of sound practice with respect to environmental management and confirmed that all new projects are assessed for environmental impact. In addition to systems to meet regulatory requirements, the promoter has a comprehensive environmental management system which assesses new projects and monitors on-going operations and follows regulations regarding management of cultural heritage assets.

The promoter is accredited to meet the standards of ISO 9001; ISO 14001 and OSHAS 18001. Site visits demonstrated the appropriate implementation of health, safety, security and environmental standards.

The operation will provide environmental benefits through some reduction of methane leaks and through the substitution of more polluting fuel sources by gas.