

Environmental and Social Data Sheet

Overview

Project Name:	PGE Power Generation
Project Number:	2012-0688
Country:	Poland
Project Description:	The programme comprises three gas-fired, combined heat and power (CHP) plants in various PGE locations in Poland: Pomorzany (Szczecin), Gorzow and Rzeszow. The new units will be located within the boundaries of the existing CHP facilities and will replace coal-fired installations. The first two plants will represent Combined Cycle Gas Turbine (CCGT) technology while the Rzeszow project will deploy the Internal Combustion Engines (ICE). The plants will vary in size from 29 MW _e to 240 MW _e and their total capacity will amount to 403 MW _e (plus 281 MW _{th}).
EIA required:	yes (for one out of three plants)
Project included in Carbon Footprint Exercise ¹ :	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 largest project (240 MW_e Pomorzany) had to undergo a mandatory Environmental Impact Assessment according to the EU requirements for this type of plants. Two other projects were screened out by the competent authorities. Some auxiliary investments such as new transmission lines, substations and gas pipelines required or may require an Environmental Impact Assessment as well. All three generation projects have already received environmental permits, two of them also have construction permits (a construction permit for Pomorzany project is pending).

The 2010 (Pomorzany) EIA study found the project's impact on environment acceptable. The project is a brown field investment; the unit will be constructed at the existing industrial site replacing obsolete coal-fired units, thus decreasing significantly the overall impact of the plant on the environment. All three plants have valid IPPC permits and the applications used to upgrade them to include the new units have been or will be submitted in due time to the competent authorities.

The projects' main environmental impacts are noise, dust and increased traffic during the construction of the plant, and noise and airborne pollutants during their operation. They comply with the atmospheric emission limits for NO_x, SO_x and particulates, defined by the Directive 2010/75/EU on Industrial Emissions. Mitigation measures for construction activities are stipulated in the environmental permit. The Environmental Impact Assessments have considered possible impact of the investments on sites of nature conservation including sites Natura 2000. The Natura 2000 competent authority is routinely consulted during the EIA process in Poland and the permits state that the projects do not have a significant negative impact on any site of nature conservation.

Based on the environmental process undertaken, the capacity of the project sponsors and the location of the site, the projects are acceptable for Bank financing.

Prior to the disbursement of the loan amount associated with the relevant plants, the promoter will provide the signed forms A/B (or equivalent declaration) to confirm the compliance of the projects with the provisions of EU Habitats and Birds Directives. For the Pomorzany project, the promoter will provide a decision by the competent authority on the need for an EIA for a new electricity transmission line. The promoter will also undertake not to allocate the Bank's funds to any investment scheme associated with the projects (such as a transmission line, substation or gas pipeline) that requires an Environmental Impact Assessment (EIA), until the EIA with the integrated biodiversity assessment for this scheme has

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.

been finalised and approved by the competent authority. In such a case, an electronic copy of the Environmental Impact Statement with its Non-Technical Summary must be sent to the Bank.

Environmental and Social Assessment

Environmental Assessment

The environmental permits stipulate measures (already identified in the Environmental Impact Statements) to limit the negative environmental impacts of the projects such as, among others: - installation of low NO_x and CO₂ burners (for CCGT), - installation of catalytic reducer of carbon monoxide (for Internal Combustion Engines), - application of adequate noise protection measures, such as construction of noise absorbing walls, - compliance with the regulations on soil disposal, - planning of the investments taking into consideration birds mating and hatching seasons.

The project sponsor is a major energy company in Poland and has a high environmental and social capacity.

EIB Carbon Footprint Exercise

Estimated absolute CO₂ emissions from the plants in a standard year of operation will amount to 841 kT of CO₂e/yr.

The baseline emissions for the plants are calculated assuming that electricity is generated separately from heat using the same fuel, i.e., natural gas. Electricity-related baseline emissions result from the fact that the plant will displace existing (mostly coal fired) and new (CCGT) power generators in Poland. Heat-related baseline emissions of CO₂ are emissions from a gas-fired boiler, the most likely alternative heat generator. Taking these assumptions into account, baseline emissions are 1555 kT CO₂e/yr resulting in estimated emissions savings of minus 714 kT of CO₂e/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.

Public Consultation and Stakeholder Engagement, where required

The project which required an EIA underwent public consultation process according to the Act on Environmental Protection and was notified to the public. No objections, concerns or appeals were lodged by third parties during the public consultation exercise.