

Environmental and Social Data Sheet

Overview

Project Name:	AGSM VERONA NETWORKS & RENEWABLES	
Project Number:	(2012-0352)	
Country:	Italy	
Project Description:	Investments for the development of the gas and electricity distribution networks in the concession areas of the promoter and small to medium electricity generation plants from renewable energy sources (wind and small hydro).	
EIA required:	yes (only for the renewable energy schemes)	
Project included in Carbon Footprint Exercise ¹ :	yes	

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

All the project components fall under Annex II of the Environmental Impact Assessment Directive (2011/92/EC). This means that the decision as to whether an EIA is required is left with the competent authority on the basis of the criteria defined in Annex III of the EIA Directive. As regards to the network component, the majority of the schemes are expected to consist of the renewal and installation of low pressure underground pipes and medium/low voltage underground electricity cables in urban areas—not normally requiring an EIA. The renewable energy projects consist of two small hydro plants (Belfiore and Peri) and two small wind farms (Rivoli and Affi) which have all been screened in by the competent environmental authority and are undergoing an EIA process. The two wind farms are located inside the Natura 2000 Site of Monte Baldo Est (IT3210041) and in the vicinity of other Natura 2000 sites. The Bank shall ensure full compliance with the EU Habitats Directive and that all the projects have received final environmental permits before financing this project component.

Environmental and Social Assessment

Environmental Assessment

The gas and electricity distribution project is a typical one and applies standard technologies which are undertaken by an experienced promoter. The main impacts occur during construction, are temporary in nature, and are mitigated according to established practices in the sector.

The Rivoli wind farm went through an EIA process and obtained the construction permit (“Autorizzazione Unica”) on 19 October 2010 subject to the receipt from the European Commission of a positive opinion on the appropriate assessment on the impacts of the project on Natura 2000 that was carried out by the competent authority (the Region of Veneto) as foreseen under Art.6 chap.4 of the Habitats Directive. According to such appropriate assessment the project was deemed to have significant impacts on the integrity of the Monte Baldo Est Natura 2000 site but that, in the absence of alternative solutions, it should still be executed for overriding reasons of public interest. The Commission has reviewed the project documentation and has raised a number of queries both on the procedure followed and on the substance of the assessments made, finally requesting the authority to clarify all such points before the Commission can provide its opinion. Among other things the Commission questioned the fact that the appropriate assessment does not cover all the protected species and that the reasons of overriding public interest are not adequately explained. At the moment

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 competent authority is in the process of reviewing the project's appropriate assessment and the project permits on the basis of the Commission's requests and on additional information received from the promoter.

The Affi wind farm is still undergoing the EIA and appropriate assessment process. As it is located around 1km away from the Rivoli wind farm, cumulative impacts will need to be covered both in the EIA and in the appropriate assessment. For the hydro projects no significant environmental impacts are expected as they are run-of-river with very limited storage and with fish ladders ensuring the passage of aquatic species. Belfiore has received the environmental permit while for Peri is still pending. Both are still waiting to receive the construction permit ("Autorizzazione Unica"). The non-technical summaries of the EIAs for the wind farms and hydro projects will be published on the Bank's website.

The Bank will not finance the wind farm projects until it has received evidence that they comply with the requirements of the Habitats Directive and that a positive opinion from the Commission has been provided to the projects if this is required. For all the project components it will not disburse its loan until they have received final environmental and construction permit.

EIB Carbon Footprint Exercise

Methane is a greenhouse gas and its emissions can be converted into CO₂ emission equivalents. The gas distribution projects are expected to reduce methane leakages (from 10 to 9 tCO₂eq/km/yr) for the network replacement investments (31kms) and introduce new methane emissions for the new network investments (72kms). All in all the gas network projects are expected to result in positive relative emissions of 0.2 kt CO₂ eq/year.

The renewable energy projects are expected to produce 66.5 GWh of electricity per year and will not generate any absolute CO₂ emissions. According to the Bank's carbon footprint methodology, the CO₂ savings are estimated on the basis of avoided emissions from existing fossil fuel-fired power plants in Italy and from the most efficient gas-fired CCGTs to be built in the near future. Overall the renewable energy projects will result in emissions savings of 35.2 kt CO₂e/yr.

The project as a whole will have emissions savings of 35.0 kt 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

All the renewable energy projects have gone through the "Autorizzazione Unica" process. This process implies the involvement of all the stakeholders including, amongst others, the municipalities, the province, the aviation authorities, the archaeological authorities and also the EIA Commission. The EIA Commission is formed by the Veneto Region and is the competent environmental authority. The environmental permit is provided by the EIA Commission upon review of the environmental studies carried out by the promoter and once public consultation has taken place. Based on the information available the projects are receiving wide support from both the authorities and the general public.