



Luxembourg, 26.10.2022

## Environmental and Social Data Sheet

### Overview

Project Name:	PGE ELECTRICITY DISTRIBUTION
Project Number:	2022-0251
Country:	Poland
Project Description:	An investment programme for PGE Dystrybucja's electricity distribution network in Poland over the period 2022-2025. The programme includes investments in network rehabilitation and expansion, and metering, from 2022 to 2025.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes

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

### Environmental and Social Assessment

The programme includes investments in undergrounding of MV overhead lines, new MV and LV lines and MV/LV substations, and metering devices for LV customers (smart meters) and MV/LV substations (balance meters). The maximum voltage is 30 kV.

#### Environmental Assessment

All schemes have operating voltages below the threshold for screening set out in the national legislation (110 kV), as per the provisions of Article 4(3) of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. As a result, none of the schemes will require a full Environmental Impact Assessment (EIA). Environmental analyses may be carried out in the context of the construction permitting process.

The schemes will be screened with respect to the need for Appropriate Assessment (AA) under the EU Habitats Directive. Given the characteristics and the typical impacts of the programme schemes and considering the Promoter's planning policy of avoiding crossing Natura 2000 sites, the Promoter at this stage expects that none of schemes will be screened in for an AA.

The programme has the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and disruption of traffic during construction, and electromagnetic radiation during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. For smart meters, the

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20 000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



Luxembourg, 26.10.2022

main impacts of the components are electromagnetic radiation during data exchange (2G/4G network, LTE 450 network, and mBus), and the disposal of meters that are replaced (in line with relevant legislation). Smart meters comply with the electromagnetic radiation limits set out in guidelines published by national and international organisations.

Whilst smart meters may facilitate energy savings, they are not expected to have significant impact on CO<sub>2</sub> emissions. As a conservative approach, the savings in end-user consumption have not been considered in the Carbon Footprint Exercise.

The Promoter is PGE Dystrybucja S.A., an experienced Distribution System Operator (DSO) in Poland. The construction permitting process for each scheme, including the relevant environmental authorisations, are managed by the respective engineering contractor under the supervision of the Promoter's in-house team. The environmental and social due diligence has followed the investment programme lending approach according to the EIB's procedures and standards, i.e. the due diligence focussed on the Promoter's capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. Based on this assessment, the environmental capacity of the Promoter is deemed good, i.e. the Promoter has the experience and the capacity to manage the investment programme.

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 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**

- The counterparty PGE Polska Grupa Energetyczna S.A. is in scope and screened in to the PATH framework, because it is considered high emitting and of high vulnerability.
- The counterparty has agreed to develop a decarbonisation plan and publicly announce a new or updated alignment plan no later than the first anniversary of the Finance Contract.
- The counterparty is in line with the PATH framework resilience requirements.

### **EIB Carbon Footprint Exercise**

The source of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions for the programme is network losses associated with new or refurbished network equipment. At programme completion, the corresponding absolute emissions are estimated to be 32 kt of CO<sub>2</sub>e/year. These absolute emissions are offset by the reduction in network losses enabled by the programme in comparison to the do-nothing alternative. Therefore, at completion, the programme is expected to enable a saving of circa 124 kt of CO<sub>2</sub>e.

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.



Luxembourg, 26.10.2022

## **Public Consultation and Stakeholder Engagement**

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

## **Conclusions and Recommendations**

The Bank reviewed the environmental and social capacity of the Promoter, including its organisation, processes and procedures, and considers them satisfactory. Based on the information available and with appropriate conditions and monitoring, the programme is expected to be acceptable in environmental and social terms for the Bank's financing:

- The Promoter undertakes to ensure that all programme schemes will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The Promoter undertakes to store and keep updated any documents that may be relevant for the programme and which support the compliance with the provisions under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.