

Luxembourg, 13th December 2016

Environmental and Social Data Sheet

Overview

Project Name: SGN Gas to the West

Project Number: 2015-0487

Country: UK – Northern Ireland

Project Description: The project consists of the extension of the Northern Ireland

natural gas network to towns of Dungannon, Cookstown, Magherafelt, Coalisland, Omagh, Enniskillen, Derrylin and Strabane, which will connect the current transmission network to the outskirts of each town; it consists of 78 km of high pressure pipelines and 136 km of intermediate pressure pipelines. The promoter is building the network on behalf of its partner company, who is the regulatory license holder and the receiver of regulatory revenues. The high pressure pipelines will be transferred to the partner company after construction is completed. The intermediate pressure will be

owned and operated by SGN.

EIA required: yes

Project included in Carbon Footprint Exercise¹: Yes

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

Environmental and Social Assessment

Environmental Assessment

The project consists of 78 km of high pressure pipelines and 136 km of intermediate pressure pipelines. The new network will include two offtake stations, four pressure reduction stations (PRS), one pig trap site and two valve sites.

Impacts that can be typically expected are mainly temporary and relate to construction works (clearing of rights of way, noise, dust, increased traffic, temporary access restrictions, construction camps and lay-down areas, waste disposal, crossing of highways, rails and water ways). These impacts can usually be well managed by appropriate measures in order to avoid unacceptable nuisance to other parties and the public.

In Northern Ireland the planning approval process falls either within the remit of the Local Authority or Strategic Planning Division of Planning NI, Department of the Environment (NI). As the Gas to the West project has been declared a 'regionally significant development' under the terms of Regulation 2 of The Planning (Development Management) Regulations (NI) 2015, the planning process will be overseen by the Department. A full planning application supported by a single Environmental Statement with Non-Technical Summary will be required for the entire project including high pressure pipelines, intermediate pressure pipelines and associated infrastructure such as above ground installations. The promoter plans to submit

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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.



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the EIA to the Strategic Planning Division of Planning NI in 4Q 2016. An assessment of alternatives and route corridor options analysis based on environmental, social and technical criteria among others has been performed. Baseline environmental surveys (e.g. terrestrial and aquatic ecology, archaeology, ground investigations) of the different options are currently progressing.

The intermediate pressure pipeline between Maydown and Strabane has already undergone an Appropriate Assessment (Habitats Regulations Assessment – River Foyle and Tributaries SAC (UK 0030320) and River Faughan and Tributaries SAC (UK 0030361)) in accordance with the Directives, which has been approved by the competent authority on 8 September 2015. This pipeline section will be in a close proximity to these two several protected areas. It will be laid entirely within the road network alongside the existing utilities. In sections where the road employs a bridge crossing, the pipeline will be accommodated within the deck structure of the bridge or adjacent to the carriageway on top of the bridge protected by concrete casing. The environmental permit requires that the methods of works and the associated mitigation measures outlined in the Habitats Regulations Assessment are implemented, and that the project will not conflict with Regulations 55 & 56 of the Conservation Regulations (Northern Ireland) 1995 (as amended).

EIB Carbon Footprint Exercise

Absolute CO_2 emissions associated with the project in a standard year of operation are estimated at around 151 kt of CO_2 eq/yr.

During first several years the main customers will be industrial who are expected to consume 750 GWh of natural gas. The emission factor for natural gas used for calculation is 56.1 t CO^2 per TJ. Currently the industrial users are burning light fuel oil to generate heat. The alternative to the project would be continuation of fuel oil consumption, with emission factor of 74.1 t CO^2 per TJ. The amount of oil in energy units would be the same since efficiency of oil boilers are approximately equal to that of gas boilers. Taking these assumptions into account, the estimated emission savings are $48 \text{ kt of CO}_2\text{eg/yr}$.

Social Assessment

The main expected social impacts relate to the compensations for losses incurred by the set easements and protection area of the pipeline, including losses for destroyed crops and cut forest.

The EIA will include screening and analysis of heritage/archaeological impacts of the project.

Public Consultation and Stakeholder Engagement

The procedures to be followed with regard to consulting with the public will be developed through the Pre-Application Community Consultation Process, which is developed in two stages: (i) information gathering – community issues, and (ii) informing community on project development & environmental issues. Public consultation events will be carried out in each council area. Section 27 of the Planning Act (Northern Ireland) 2011 places a statutory duty upon prospective applicants for planning permission to consult the community in advance of submitting an application, where the development is classed as major development under the terms of Article 25 of the Planning Act (NI) 2011.

Other Environmental and Social Aspects

SGN's Safety Management Framework is based on recognised best practice for safety management systems, such as the Health and Safety Executive (GB) document HS(G)65 'Successful Health and Safety Management' and British Standard OHSAS 18001



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'Occupational Health and Safety'. The principles in these documents, as well as those in the BS EN ISO 14001 model for Environmental Management, are fully incorporated into the structure of SGN's Safety Management Framework.

Conclusions and Recommendations

Comprehensive studies within the EIA to evaluate the environmental and biodiversity aspects of the project are being undertaken. Measures to prevent or minimize potential impacts are being identified.

The intermediate pressure pipeline between Maydown and Strabane has undergone an Appropriate Assessment. The competent authority has stipulated that the project must implement the detailed methods of works and mitigations measures.

The Promoter has to provide the Bank with the EIA, planning application, appropriate assessment, Form A or B, and environmental permit prior to the first disbursement, to the satisfaction of the Bank.

The Promoter undertakes to the Bank that the mitigation measures outlined in the EIA, planning application, appropriate assessment, Form A or B, and environmental permit will be fulfilled and complied with in all respects as per conditions during the project implementation.

With the conditions in place, the project is acceptable for Bank financing from an environmental standpoint.