

 Early Warning System

EBRD-54875

RLF - Lutsk District Heating - Phase II



Quick Facts

Countries	Ukraine
Specific Location	City of Lutsk
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-05-14
Borrower	DISTRICT HEATING COMPANY LUTSKTEPLO OF THE CITY OF LUTSK
Sectors	Energy, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 11.35 million
Project Cost (USD)	\$ 16.98 million



Project Description

According to the Bank's website, the project consists of a senior loan of up to EUR10.5 million to State Communal Enterprise "Lutskteplo" (the "Company") to finance the modernization of the district heating ("DH") system in the City of Lutsk. The EBRD loan is a part of a broader financial package, which includes a EUR4.2 million investment grant from the EU Neighbourhood Investment Platform ("EU NIP") and a EUR1.0 million co-financing from the City. The Project builds upon the achievements of and lessons from the previous DH project in the City of Lutsk, which was financed by the EBRD, Clean Technology Fund and Eastern Europe Energy Efficiency and Environment Partnership.

The EBRD loan and the investment grant from the EU NIP will be used to finance i) the replacement and interconnection of DH networks along with optimization of their diameters; (ii) the installation of heat pumps and biomass-fired boiler(s); and iii) the installation of dispatching and monitoring system also known as SCADA. The total Green House Gas ("GHG") emission reduction from the Project implementation is calculated to be 10,191 tonnes of CO₂e per annum.



Early Warning System Project Analysis

Categorized B (2019 ESP) and Low-Medium risk. The Project will result in environmental and social benefits, associated with the enhanced resilience of the City's DH system, reduced natural gas consumption and heat carrier leakages, lower air emissions and improved overall quality, reliability and energy efficiency of the DH services. The Project will not involve any investments into fossil fuel generating capacities; and will focus on heat generation from renewable sources including sustainably produced biomass and heat pumps.

The implementation of the Project will be associated with temporary adverse environmental and social impacts during the construction period only, such as noise and emissions, health and safety, waste management, traffic safety, contractor management, which will be addressed by the good practice construction management plans and contractor supervision.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

EBRD Finance Summary: EUR 10,500,000.00

Total Project Cost: EUR 15,700,000.00

€10.5 million senior loan co-financed by up to €4.2 million investment grant from the EU NIP, and up to €1.0 million local contribution.



Private Actors Description

DISTRICT HEATING COMPANY LUTSKTEPLO OF THE CITY OF LUTSK - The Company is a municipal district heating ("DH") service provider wholly owned by the City of Lutsk and the existing client of the Bank.

The Company operates 43 boiler houses with the total installed capacity of 650 MWth. The heat transmission and distribution system consists of (i) 131.6 km (in two pipe measurement) of transmission and distribution pipelines of different diameters; (ii) 47 central heating substations, and (iii) circa 350 individual heat substations.



Contact Information

COMPANY CONTACT INFORMATION

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:
<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:
http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Bank Documents

- [Translation: RLF - Lutsk District Heating - Phase II \(Ukrainian\)](#)



Other Related Projects

- EBRD-53662 Resilience and Livelihoods Framework