

Feb 19, 2020

Nippon Export and Investment Insurance

Results of Environmental Review

- (1) Reference Number
19-017
- (2) Project Name
Offshore wind power generation
- (3) Project Site
Changhua County, Taiwan
- (4) Project Outline
Construction of offshore wind power farm
- (5) Category
Category A
- (6) Reason of Categorization
This project is located in a sensitive area and includes sensitive characteristics under the Environmental Guidelines.
- (7) Environmental Permission/Approval by the Environmental Authority
The Environmental and Social Impact Assessment report was prepared in compliance with Taiwanese laws and regulations and was approved by Environmental Protection Administration of Taiwan on Apr, 2018. In addition, the approvals for the first and second Differential Analysis on the revisions to the project plan were granted on Dec, 2018 and Oct, 2019 respectively.
- (8) Anti-Pollution Measures
There is no concern on the planned value of air, water and soil quality and the appropriate measures against pollutions, including noise are taken. The waste is properly treated and disposed in accordance with the related regulations.

(9) Natural Environmental Considerations

Part of the submarine cable will pass through a habitat of a rare marine mammal. However, no significant impacts are foreseen because the impacts on the habitat area will be limited during the construction phase and the appropriate mitigation measures are taken in construction. Also mitigation measures to protect migratory birds and cetaceans are planned.

(10) Social Considerations

Appropriate mitigation measures and support programs for the affected fishermen, etc. are developed and implemented.

(11) Applied International Standards

IFC Performance Standards

(12) Monitoring

The monitoring results, including the impacts on bird migration and marine mammals, will be reported quarterly to the related governmental authorities by the project sponsor.

(end)

Questions

Q1. Please provide the address of the project site.

Address of the project site: CFXD projects are located in the waters of Fangyuan Township, Changhua County, where CF project is 13 – 25 km west from the coast and XD project 11-14 km west from the coast. CFXD projects are connected to the same onshore substation, which is located in Changbin Industrial Park, on cadaster No. 1-2, Lunhai Section, Lukang Township, west area of Lunwei District.

Q2. Please provide brief explanation of the project.

The Project is located in the Taiwan Strait approximately 11 to 25km west of Changhua County, Taiwan. The Project received grid allocation in April 2018 as eligible under the Feed-in-Tariff (“FiT”) regime for a combined capacity of up to 600MW. The Project site comprises two adjacent offshore sites, Changfang and Xidao, but is being developed as a single wind farm.

Grid capacity will be made available in two stages; the first 100MW for connection in 2021, and a further 500MW for connection in 2023. The Project will therefore be constructed in two phases; up to 100MW scheduled to be commissioned in 2022 (“Phase 1”) and up to 500MW scheduled to be commissioned in 2023 (“Phase 2”).

The base case transmission concept is without a substation. 66kV cable will be used for both inter-array and export cable of Project. After landing on Fangyuan Township, Changhua County, the cable goes into an onshore substation where the voltage will be transformed into 161 kV and connects further into the grid.

Q3. Will NEXI insurance be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

- | | |
|---|--|
| <input checked="" type="checkbox"/> New Project | <input type="checkbox"/> Executing Project (with Claim etc.) |
| <input type="checkbox"/> Executing Project (without Claim etc.) | <input type="checkbox"/> Others (Please specify) |

Q4. In case of this project, is it necessary to execute Environmental and Social Impact Assessment (ESIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of ESIA.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Required (Completed) | <input type="checkbox"/> Required (Under execution or under planning) |
| <input type="checkbox"/> Not Required | <input type="checkbox"/> Others (Please specify) |

Note: In Taiwan an EIA is required under regulation. A formal social assessment is not required, however, social elements are addressed via a number of other consents including the Fishery Consent, the Administrative Contract (Selection Proposal) and the Local Government Consent. The project also operates its own Stakeholder Management Plan.

Q5. In case that ESIA is already completed, please inform whether ESIA report is already approved based on the environmental and social assessment system of the country where the project is to be implemented or not. If ESIA report is already approved, please provide the date and name of authorities of the approval.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Approved (without condition) | <input type="checkbox"/> Approved (conditional) |
| <input type="checkbox"/> Under approval process | <input type="checkbox"/> Others (Please specify) |

Date of Approval: CFXD project: April 12 2018 (amendment approved December 14, 2018). _____
Name of Authorities: Environmental Protection Administration (EPA), Executive Yuan. _____

Note: The project is currently in a process to amend the EIA in order to pursue design optimizations. These optimizations include updating the layout to reflect an updated wind turbine model, removing the substation,

changing the jacket foundation design, and amending the environmental monitoring timeline to align with the updated construction schedules. The final review committee meeting was held on 16 August, 2019, where the amendment was approved. The final approval letters are expected to be received by October 2019, prior to Financial Close

Q6. If environmental and social permit(s) other than ESIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

- Obtained
 Required, but not obtained yet
 Not required
 Others (Please specify _____)

Name(s) of required permit(s): _____

Name of permit	Purpose of permit	Date of approval	Authority
Admin Contract (Selection Proposal)	Proposal for project to be awarded grid capacity in Taiwan. Scoring criteria included community initiatives and localization of industry	[CF] Nov. 5, 2018 [XD] Nov. 27, 2018	Ministry of Economic Affairs (MOEA)
Local Government Consent	Consent to ensure the project meets with local expectations in terms social responsibility	[CFXD] Sep. 12, 2018	Changhua County Government
Coastal Management Plan	Consent to ensure development activities do not cause significant impact to the coastal area.	[CFXD] Dec. 27, 2018	Ministry of the Interior
Fishery Consent	Approval of project impact on fishery industry from governing authority (Condition of consent is project must reach a compensation agreement with the local fishery association prior to offshore construction)	[CFXD Fishery Consent] Jun. 28, 2018 Fishery compensation negotiations are in progress	Fishery Agency, Council of Agriculture

Q7. Will the insurance be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

No

If you answered “Yes”, it is not necessary to reply to the following questions.

If you answered “No”, please reply to the following questions.

Q8. Are there any environmentally sensitive area(s) shown below in and around project site(s)?

Yes

If you answered “Yes”, please select applicable items by marking, and reply to the following questions.

If you answered “No”, please reply to the questions 9 and after.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples and cultural heritage, etc. designated by national governments)
- (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- (3) Habitats with important ecological value (including coral reefs, mangrove wetland and tidal flats)
- (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- (5) Areas in danger of large-scale salt accumulation or soil erosion
- (6) Areas with a remarkable tendency towards desertification
- (7) Areas with unique archaeological, historical or cultural value
- (8) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of

life (including areas which are used for cultural or spiritual purposes) and other areas with special social value

Q9. Does the project involve following characteristics?

Yes

If you answered “Yes”, please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered “No”, please reply to the questions 11 and after.

- (1) Involuntary resettlement and/or [loss of means of livelihood](#) (Number of affected households is under assessment)
- (2) Pumping of groundwater (Scale: m3 /year)
- (3) Land reclamation, development and/or clearing (Scale: ha)
- (4) Deforestation (Scale: ha)

Note:

The project is assessing short and long term impacts to the areas available for commercial fishing. Fishermen are compensated based on an estimated loss of catch, which is calculated by a government-endorsed academic. The project is also offering a Fishery Transformation package, which includes guard vessel contracts, training, advisory services, and long term jobs in the operations phase. The project operates a Fishery Stakeholder Management Plan

Q10. Under the environmental and social impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) – (4) of the questions 9 and their scale serve as basis for executing an ESIA for the project?

- They do They do not
- Others (Please specify)

Q11. May the project involve significant social impacts?

No

If you answered “Yes”, please describe the outline of the impacts, and reply to the questions 12 and after.

If you answered “No”, please reply to the questions 12 and after.

- The likelihood of severe project-related human rights impacts ()
- Others ()

Q12. Will the value insured by NEXI in the export, loan or investment project be equal or less than 5% of the total project cost, or equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

No

If you answered “Yes”, it is not necessary to reply to the following questions.

If you answered “No”, please reply to the questions 13 and after.

Q13. Does the project belong to either of the sectors that impact on the environment and society is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansory renovation project, and acquisition of rights and interests without additional capital investment)?

No

If you answered “Yes”, it is not necessary to reply to the following questions.

If you answered “No”, please reply to the questions 14 and after.

Q14. Does the project belong to the following sectors?

Yes

If you answered “Yes”, please specify the sector by marking, and reply to the questions 15 and after.
If you answered “No”, it is not necessary to reply to the following questions.

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Cement plants (including a greenfield quarry)
- (11) Manufacturing and transport of toxic or poisonous substances regulated by international treaties, etc.
- (12) Thermal power
- (13) Nuclear power
- (14) Hydro power, dams and reservoirs
- (15) [Power transmission](#) and distribution lines involving large-scale involuntary resettlement, large-scale logging or [submarine electrical cables](#)
- (16) Roads, railways and bridges
- (17) Airports
- (18) Ports and harbors
- (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (20) Waste management and disposal
- (21) Agriculture involving large-scale land clearing or irrigation
- (22) Forestry
- (23) Tourism (Construction of hotel, etc.)

Q15. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, please explain whether an execution of EISA is required on account of the large scale of the project in the country where the project is implemented.

Project	CF	XD
Wind farm area	82.4 km ²	7.7 km ²
Installation area	43.4 km ²	6.5 km ²
Number of WTG	57	5
Installed capacity in MW	Up to 552	Up to 48
Onshore electrical cable corridor	66kV & 161kV, 1 km	66kV & 161kV, 1 km
Submarine electrical cable corridor	66kV, 20km	66kV, 20km

According to Item 5, Article 29 of Standards for Determining Specific Items and Scope of Environmental Impact Assessments for Development Activities (開發行為應實施環境影響評估細目及範圍認定標準), an Environmental Impact Analysis (EIA) is required for development of offshore wind farm, despite the scale of the project. The CFXD project obtained its EIA approvals in 2018 and is progressing the developments of its projects.