

Results of Environmental Review

- (1) Reference Number
22-002
- (2) Project Name
Offshore wind farm
- (3) Project Site
Changhua County, Taiwan
- (4) Project Outline
Construction of offshore wind farm
- (5) Category
A
- (6) Reason of Categorization
The project is located in a sensitive area under the Environmental Guidelines.
- (7) Environmental Permission / Approval by the Environmental Authority
Environmental Social Impact Assessment report has been prepared in accordance with local laws and regulations, and the approval was obtained from Environmental Protection Administration of Taiwan in February 2018 and July 2022 respectively.
- (8) Pollution Prevention
It has been confirmed that appropriate measures will be taken to deal with pollution, including noise. In addition, it is planned that waste will be properly treated and disposed of.
- (9) Natural Environmental Considerations
Although the area surrounding the project site contains habitats for valuable species of marine mammals, the impacts of this project will be limited and temporary during the construction period, and appropriate mitigation measures including birds will be taken during construction

and operation.

(10) Social Considerations

Although involuntary resettlement will not occur, appropriate support measures will be planned and implemented to mitigate the impact on fishermen who will be temporarily but economically affected during construction.

(11) Applied International Standards

IFC Performance Standards

(12) Monitoring

An environmental monitoring plan including surveys of marine mammals and birds has been formulated, and the monitoring results will be submitted quarterly to the local environmental authorities.

(end)

Questions

Q1. Please provide the address of the project site.

Address of the project site: This project is located at offshore area of Fuxing Township and Fangyuan Township, Changhua County, where is site No.19.

Q2. Please provide brief explanation of the project.

Hai Long 2 is the project of construction, operation, and maintenance of Offshore Wind Farm in Taiwan.

In response to government policy, Bureau of Energy, Ministry of Economic Affairs promulgated “Guidelines of Application For Offshore Wind Farm Site” on 2nd July 2015. As a result, Hai Long 2 Provisional Office handles offshore wind farm preparation procedures in advance. In order to follow green energy policy launched by the government, efforts are made to reduce Taiwan’s dependency on single energy, diversify demand of energy structure, reduce greenhouse gas and adjust low-carbon energy structure and objective of green industries development. HL2A earned allocation project with 300MW while HL2B earned auction project with 232 MW.

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.

New Project Executing Project (with Claim etc.)
 Executing Project (without Claim etc.) 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.

Required (Completed) Required (Under execution or under planning)
 Not Required Others (Please specify)

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.

Approved (without condition) Approved (conditional)
 Under approval process Others (Please specify)

Date of Approval:

HL2 obtained EIA Approval on 6 February, 2018.

Name of Authorities: EPA

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): _____

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)?

(Yes / 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 / No)

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

At the EIA review meeting for this project, it was pointed out that birds such as migratory birds may wander into the wind farm area and collide with the turbines. HL has responded to these points by adjusting the turbine layout to make it more difficult for birds to wander into the area, conducting regular monitoring of birds flying near the wind farm, and implementing noise countermeasures and noise monitoring during the construction period. With these measures, the project has passed the EIA review meeting and obtained the EIA approval.

The EIA review meeting is divided into two stages: a panel meeting and a final review meeting, where experts such as local university professors, environmental groups and government officials serve as reviewers to examine the contents of the EIA application. This project has passed the final review meeting after taking the measures mentioned above.

Additionally, the habitat of the precious marine species (Chinese White Dolphin) designated by the Council of Agriculture, Executive Yuan, Taiwan, is shown in the following link. In this project, there is no habitat for this precious species in the project area, except for a limited area along the coast where the submarine cable between the offshore substation and the onshore substation passes through.

<https://conservation.forest.gov.tw/0002119>

Q9. Does the project involve following characteristics?

(Yes / No)

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 people:)
- (2) Pumping of groundwater (Scale: m³/year)
- (3) Land reclamation, development and/or clearing (Scale: ha)
- (4) Deforestation (Scale: ha)

The area where the Changhua County Fishery Association has exclusive fishing rights as published by the Council of Agriculture, Executive Yuan, Taiwan, is shown in the link below. As this project has some overlap with the exclusive fishing rights area, we are discussing the compensation to be paid to the fishery associations according to the guidelines of the Taiwanese government.

<https://www.fa.gov.tw/cht/ResourceFishRight/content.aspx?id=25&chk=7e2fe30e-dd87-4c5f-8017-c887a2bfd052>

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?

(Yes / 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)

(Yes / 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-expansive renovation project, and acquisition of rights and interests without additional capital investment)?

(Yes / 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 / No)

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 location: site 19
Project area: 59.2 km²
Capacity: HL2A-300MW, HL2B-232MW
Numbers of turbine to be build: 37 WTGs
SGRE: 14MW (DD-222)

Transmission lines are laid between the turbines and the offshore substation, and between the offshore substation and the onshore substation.

The total length of the transmission line between the turbines and the offshore substation is 124 km, with a voltage of 66 kV, and it is laid in the seabed.

The total length of the transmission line between the offshore substation and the onshore substation is 265 km, with a voltage of 220 KV, and is buried in the seabed or underground.

Questions

Q1. Please provide the address of the project site.

Address of the project site: This project is located at offshore area of Fuxing Township and Fangyuan Township, Changhua County, and part of Penghu County, where is site No.18.

Q2. Please provide brief explanation of the project.

Hai Long 3 is the project of construction, operation, and maintenance of Offshore Wind Farm in Taiwan.

In response to government policy, Bureau of Energy, Ministry of Economic Affairs promulgated “Guidelines of Application For Offshore Wind Farm Site” on 2nd July 2015. As a result, Hai Long 3 Provisional Office handles offshore wind farm preparation procedures in advance. In order to follow green energy policy launched by the government, efforts are made to reduce Taiwan’s dependency on single energy, diversify demand of energy structure, reduce greenhouse gas and adjust low-carbon energy structure and objective of green industries development. HL3 earned auction project with 512 MW.

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 _____) |

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:

HL3 obtained EIA Approval on 6 February, 2018.

Name of Authorities: EPA

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)?

- | | |
|--|---|
| <input type="checkbox"/> Obtained | <input type="checkbox"/> Required, but not obtained yet |
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