



FINAL REPORT

Annual Environmental, Health and Safety Report
for the year 2011

EDP Renovaveis
edp renewables

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1 Introduction

EDP Renovaveis (further referred to as EDPR) is the world leader in the renewable energy sector in Europe and America. Among others, the company develops and operates wind farms in Poland.

The Margonin wind farm project development was awarded financial support from the EBRD and other banks of the International Finance Corporation. The financial involvement of the banks was preceded with the Environmental and Social Due Diligence analysis and elaboration of two documents, Stakeholder Engagement Plan (SEP) and Environmental and Social Action Plan (ESAP), the both of which constitute the company's "road map" aimed at meeting the requirements of good management practice and internal rules and policies of the Banks.

This report has been prepared in order to show the Banks the status of the project and EHS issues as well as progress of implementation of SEP and ESAP. Following the Bank's expectations, the report presents:

- information on the status of the project, any changes to the project as well as information on environmental performance, mainly compliance with the contractual specifications as well as the domestic and EU environmental standards (section 2).
- Information on compliance with ESAP and on any new projects or changes to planned investment (section 3)
- information on post-construction monitoring results (sections 3.2 and 4);
- summary of any material changes in law significantly affecting Environmental or Social Matters, which have a material (above EUR 100 K) impact on the Company (section 6)
- summary of any and all areas in which material non-compliances with Environmental Laws have been identified (section 5),
- Information on material social matters (section 7)

This report, after approval by the Banks, will be posted on the project website.

2 Current status of the EDP Projects

2.1 Margonin Wind Farm

Construction works of Margonin wind farm were commenced in July 2008, with the construction of 110/30 kV electrical substation. In early spring of 2009, first turbines were delivered to the site. Between June and November 2009, the 110 kV overhead line was built. In August 2009 the investor signed an agreement with the local power company, ENEA for the temporary connection of Margonin farm to the grid. Thus, the investor was able to commission the electrical station and several turbines while the overhead line was being constructed. In December 2009 the construction works at the Margonin wind farm were practically completed and the wind farm was waiting for completion of construction works carried out by the transmission grid operator (PSE)



Margonin wind farm

In 2010, commissioning works and activities aimed at the formal acceptances were carried out at the wind farm. On 26 February 2010 the transmission grid operator (Polskie Sieci Elektroenergetyczne) provisionally accepted the power connection field at the main switching station (GPZ) in Piła and accepted provisional power supply to the main farm. This acceptance facilitated trial runs and commissioning works at the wind farm and the on-site switching station.

In February 2010 the District Building Inspector in Chodzież awarded the use permits to other parts of the Margonin wind farm.

The official trial runs of the wind turbines started on 2 March 2010 and were continued until 26 April 2010, when the license for power generation was granted to EDPR and the trial runs were officially completed. By June 2010 wind turbines were commissioned and the Provisional Acceptance Certificate was issued for all wind turbines. The Final Acceptance Certificate will be signed after the expiry of the guarantee period for the turbines, i.e. in two years.

Since June 2010, the Margonin wind farm has been recognised as a fully operational facility under the environmental law, i.e. compliant with the current environmental permits. Due to the type and nature of the operation, the wind farm does not require environmental permits, apart from the waste generation permit issued under the decision of the District Head in Chodzież, dated 25 March 2010. On 16 November 2011 the said decision was amended as more waste was generated than initially expected. In line with the waste generation permit, the farm may generate eight various types of hazardous waste

and three types of waste other than hazardous. Both types of waste are generated during service and maintenance operations. The amount of waste is recorded by the company as required by environmental law. The waste is collected for disposal by a certified waste handling companies (Remondis and Mar-pol). The waste is temporarily stored at a designated place arranged at the switching station area. In line with legal requirements, at each waste disposal the waste transfer note must be issued and waste handling notes must be kept. All these requirements have been met.

In 2010 and by 2012, the wind turbines were covered by the warranty and maintenance programme of Gamesa, turbine manufacturer. Individual wind turbines are subject to regular reviews and maintenance activities.

The maintenance works at the on-site switching station are performed by an external contractor, EWINN company, while EDPR is responsible for operational management.

In 2011 the wind farm generated net 279,050.831 MWh of power and collected 284,437.336 MWh green certificates (renewable energy certificates – equivalent to gross energy generated by the wind turbines).

2.2 Pawłowo Wind Farm

In December 2009, the Pawłowo wind farm was supposed to comprise three separate projects, distinguished due to zoning conditions and geographical location of the wind farm on the territories of two different communes. The original project assumed the construction of:

- 60 wind turbines of a total capacity of 90 MW, in the commune of Golańcz in the area for which there was no local zoning plan, the project was to be based on decisions on zoning approvals;
- 5 wind turbines of the total capacity of 7.5 MW in the commune of Golańcz in the area for which the local zoning plan needed to be developed;
- 31 wind turbines in the commune of Wągrowiec for which there was no local zoning plan and therefore needed drawing up.

The current status of these sub-projects is presented below.

Development of the 60 MW wind farm

On 7 February 2010 the Mayor of the Town and Municipality of Golańcz issued the environmental decision. The decision allowed the construction of 52 wind turbines (the Company decided to reduce the initial number of turbines due to the noise and wildlife protection requirements) of the total capacity of 78 MW. However, a group of people appealed against the decision to the Self-Government Board of Appeals in Pila. The appealing party raised a number of reservations regarding the administrative proceedings. The most critical complaint pertained to the fact that some wind turbines were to be built on land held by the mayor's relative. The Board of Appeals found this reservation justified and ultimately repealed the environmental decision. At the same time, the Board of Appeals designated the Mayor of the commune of Margonin to perform the environmental impact assessment of the wind farm and to issue the environmental decision.

The Company applied to the Mayor of Margonin to issue the environmental decision as early as in May 2010. On 24 May 2010 the Company submitted the Project Specification Sheet to the authorities, which presented the guidelines of the investment and expected environmental impact. The Company explained the reasons for reducing the number of wind turbines from 60 to 52. The rationale for this was as follows:

- complaints reported by individuals during public consultations within the first environmental impact assessment;
- resignation from the construction of one turbine due to geological conditions;
- the remaining five wind turbines were to be located on the area for which the local zoning plan was being changed.



Current layout of Pawłowo Wind Farm

The turbines to be located at the wind farm were to be of the same type (Acciona AW 82/1500 IEC IIIb T80A LM40.3P) and height (hub height at 80 m asl).

The formal administrative proceedings were started by the Mayor of the commune of Margonin on 14 June 2010, after the supplementary information and documents to the EDPR application had been submitted. The Mayor of the commune of Margonin informed the parties of the proceedings by individual notifications as well as by the notification letters posted on the informational boards of the Commune and village authorities. Proper notifications were also published in local newspapers and magazines as well as in the Internet. In response to the announcements, a number of comments and protests were submitted by the local NGOs and individuals.

As required by the environmental law, the need for environmental impact assessment report was consulted by the Mayor of Margonin with the Regional Environmental Protection Directorate (Polish abbreviation RDOŚ) in Poznań and the State Sanitary Inspectorate in Wągrowiec (Polish abbreviation SANEPID). Both authorities deemed the EIA report necessary. Ultimately, on 31 August 2010, the Mayor of Margonin issued a decision that required EDPR to prepare the EIA report the scope of which should follow the guidelines of RDOS and SANEPID and should properly address the comments and protests submitted by the interested parties.

The EIA report was submitted to the Mayor of Margonin on 6 September 2010, and on the same day the Mayor of Margonin announced the period of public consultations of 21 days. This period was extended by the authorities due to the procedural reasons. Under the social consultations, on 26 October 2010 the Mayor organised a meeting with the local community. EDPR was represented by the project management team and experts – authors of the environmental impact assessment report. The meeting was attended by the representatives of Margonin and Golańcz authorities, the residents of the commune of Golańcz and the representatives of NGOs. After the meeting, additional consultation points were arranged by EDPR in four towns, open on 27 and 28 October.

The State District Sanitary Inspector in Wągrowiec, in the sanitary opinion dated 11 January 2011, no. ON.NS-72/4-1/11, gave a positive opinion on the conditions in the area of hygienic and health requirements related to the decision on environmental conditions. The authority specified the terms and conditions of the project.

The Regional Environmental Protection Director in Poznań, in the decision of 29 June 2011, old number: RDOŚ-30-OO.I-66190-920/10/ps, new number: WOO-I.4242.36.2011.PS, agreed, during proceedings for the issue of the environmental decision, the execution of a project consisting in the construction of "Pawłowo" wind farm along with ancillary facilities, located on the territory of the commune of Golańcz and defined the terms of the project. The decision was issued for 49 turbines (and not the requested 52 turbines), i.e. 73.5 MW and minimised environmental impact to minimum.

Under the above agreements, on 20 Mar 2011 the *environmental decision no. OŚ 7624.08/14/10* was issued, which specified the environmental terms and conditions of project consisting in the *construction of "Pawłowo" wind power plants with ancillary facilities, of the total capacity of 73.5 MW, located in the commune of Golańcz*. On 13 January 2011 one appeal was lodged against the decision by BUTEO association. On 23 December 2011, the Self-Government Board of Appeals, in its decision no. SKO-41/OŚ-1443/D/2011 sustained the environmental decision no. NR OŚ 7624.08/14/10 and thus made it final.

At the moment the procedure of issue of zoning approvals is pending, the approvals will be appended to the building permit. The planned date of obtaining all decisions necessary to start the construction is mid 2012.

Development of the 7.5 MW wind farm

The local zoning plan for the area selected for the wind farm was adopted by the authorities of the commune of Golańcz on 28 December 2010 under resolution No. III/14/10 which allowed EDPR to continue project development activities. Meanwhile, EDPR decided to reduce the number of planned wind turbines from 5 to 4, since one of the turbines was found to cause excessive noise impact.

On 18 August 2010 EDPR applied to the Mayor of the Town and Commune of Golańcz for the environmental decision regarding the construction of the 6 MW wind farm. After the consultations with Sanepid in Wągrowiec and RDOŚ in Poznań, the Mayor issued a decision which required the environmental impact assessment. The environmental impact report submitted to the authorities was adopted for further proceedings on 20 October 2010 and sent to Sanepid in Wągrowiec and RDOŚ in Poznań. Both these authorities approved the report and presented environmental requirements related to the consent for the project in the following decisions:

- The Regional Environmental Protection Director in Poznań – decision of 7.01.2011 no. WOO-I-4242.56.2011.KB;

- The State District Sanitary Inspector in Wągrowiec – sanitary opinion dated 23 November 2010, number: ON.NS-72/4-14/10

Before issuing the decision, the society participation procedure was followed and the fact of including the data in the application and report was made public. The announcement of the Mayor of the Town and Commune of Golańcz no. OŚ.7624- 08/8/10 dated 10 January 2011 was made public in the Public Information Bulletin (BIP) of Golańcz, information boards in Golańcz, Bogdanowo, Chawłodno, Oleszno, Morakówko, on the information board of the local Town Hall and in the following papers: the Wągrowiecka Oficyna, the Tygodnik Wągrowiecki.

The deadline for lodging comments and application was set for 21 days. Moreover, on 25 January 2011 consultations were held, summarised in a report. In the said period no protests, applications or comments were submitted.

The environmental decision no. OŚ. 7624.08/14/10 related for the project consisting in the *construction of "Pawłowo" wind farm with ancillary facilities, of the total capacity of 6 MW, located in the commune of Golańcz* was issued on 19 May 2011 and is binding and final.

Under the environmental decision no. OŚ. 7624.08/14/10 two building permit decisions were issued, no. 603/11 and 611/11, dated 20 December 2011 and 27 December 2011 respectively.

The start of the construction is scheduled by the end of Q2 2012.

Development of 31 wind turbines in the commune of Wągrowiec

The Council of the commune of Wągrowiec decided not to allow the construction of wind farms in the commune. In these circumstances EDPR decided to suspend any activities related to development of this project.

Ancillary facilities

Under the project accompanying the construction of Pawłowo wind farm, EDPR carried out investments covering the construction of an overhead power line of 110 kV between Rybowo and Sypniewo and the main switching station in Rybowo. These projects are aimed at including the future Pawłowo wind farm in the domestic power grid.

The environmental decision concerning the overhead 110 kV power line was issued by the Mayor of the Town and Commune of Golańcz on 14 February 2011. The environmental decision concerning the switching station was issued by the Mayor of the Town and Commune of Golańcz on 23 December 2010. Both decisions were issued without the detailed environmental impact assessment procedure as the consulted authorities (the Regional Environment Protection Inspectorate in Poznań and the State Sanitary Inspectorate in Wągrowiec did not deem it necessary.

Two building permit decisions were issued for the 110 kV overhead power line, no. 14/12 and 63/2012 dated 17 January 2012 and 27 January 2012 respectively. The building permit decision regarding the transformer station was issued on 5 December 2011. The construction will be started in May 2012.

2.3 Other Wind Farm Projects

EDPR is currently developing a few wind farm projects in Poland. The projects comprise both the drawing up and construction of wind farms developed by the Company and the third parties.

Since EDPR is a joint stock company operating in many countries, detailed information on currently on-going development activities cannot be distributed and made publicly available without a written permission of the company headquarters. As this report is in principle going to be publicly available,

information on projects other than specified herein can be provided to the Banks upon a separate request.

3 Implementation of the Stakeholders Engagement Plan and Environmental and Social Action Plan

The contract between the banks and EDPR obliged EDPR to implement actions required to meet international standards and requirements of bank, specified in the Stakeholders Engagement Plan (SEP) and Environmental and Social Action Plan (ESAP) agreed by the parties. The sections below present how the company implemented SEP and ESAP.

3.1 Actions undertaken to meet the requirements under SEP

SEP has been drawn up to formalise the communication between EDPR and project stakeholders and to develop a complaint mechanism.

Following the SEP requirements, EDPR assured internal and external communication with stakeholders. The internal communication was based on routine exchange of information between different organisational units of the Company and individuals involved in project development. To assure undisturbed exchange of information between employees, the following means were used: e-mail exchange, periodical meetings and notifications posted on information boards.

External communication was focused on building a good understanding of the Margonin and Pawłowo projects among the local community, NGOs and authorities.

The information about Margonin wind farm was posted at the EDPR website under URL: www.edprenovaveis.com/Sustainability/EDPRintheCommunity/PoloniaSustainability/Margonin.

Following the recommendations of banks, a disclosure package regarding the Margonin project was made public, comprising of:

- basic administrative decisions;
- non-technical summary in English and Polish;
- SEP in English and Polish;
- ESAP in English and Polish;
- Environmental and Social Due Diligence report in English;
- Complaint form;
- The results of noise monitoring at the wind farm;
- The EDPR company results for the first 9 months of 2010.
- Annual environmental, health and safety report for 2010.

Moreover, the Environmental Impact Assessment report for the 6 MW wind farm development under the Pawłowo project was posted on the website, as well as all environmental decisions related to the project.

Due to the internal corporate standards, the branch offices of EDPR are not allowed to create their own websites. Also the official language of the company website can be chosen between English, Portuguese or Spanish only, thus the Polish version of the website is not available.

Apart from the project website, the company also organised Project Information Points (PIP) at the offices of authorities of Margonin and Golańcz. Copies of documents comprising the disclosure package are available there for review. The PIPs are maintained by the authorities, EDPR staff is not directly involved. Complaint forms (including contact data of the company) are available at information points, as well as information bulletins on wind energy and both wind farm, which were also distributed to all households in the communes of Margonin and Golańcz. It should be stressed that apart from being informative, the bulletins provide the community with an opportunity to express opinions and ask questions using the dedicated e-mail address: pytania@edpr.com.

In 2011 EDPR continued the cooperation with "Q&A Consulting (Q&A) to handle efficient communication with the parties. Since mid 2010 Q&A has been handling, in a professional manner, all actions related to social consultations, communication between the parties and public opinion polls both for the Margonin and Pawłowo projects.

The activities of Q&A in 2011 were concentrated on the co-operation with the "opinion leaders", i.e. local authorities at the Commune and village levels as well as with the local community. To present and discuss the status of the projects, meetings were held in the offices of communes of Margonin and Pawłowo.

Active participation of EDPR in the public consultations being a part of the administrative environmental impact assessment procedure was an important element of communication with the stakeholders. The consultations were held not only after the submission of the environmental impact report in 2010, but also additional public meetings were held on 18 July and 10 August, aimed chiefly at the discussion of the decision of the Regional Environmental Protection Directorate in Poznań. The meetings were attended by the residents of the commune of Golańcz, representatives of "BUTEO" association, the Investor and Investor's experts, as well as representatives of the Town and Commune Offices of Margonin and Golańcz.

At each stage of the procedure to obtain environmental decisions, relevant information was made public by:

- Announcing on information boards and Commune's website,
- Announcements on information boards of interested village council offices,
- Mail notifications of owners of real estate on which the investment is planned,
- Announcements in local press, e.g. the Głos Wągrowiecki and the Tygodnik Wągrowiecki.

The Commune Office of Margonin, which handled the procedure for issuing the environmental decision for Pawłowo wind farm uploaded all announcements, major regulations, the environmental decision and the decision of the Self-Government Board of Appeals to the website:

http://margonin.pl/index.php?option=com_content&task=view&id=281&Itemid=91

In order to research the community's attitude to wind farms, Pentor (opinion poll company) arranged a public opinion poll in the communes of Margonin and Golańcz, upon the request of EDPR and Q&A. The polls showed that the opinion of the local community regarding wind farms is evenly distributed (app. 1/3 of respondents expressed a positive, neutral and negative attitude), although over 80% respondents concluded that wind farms had a positive influence on the local economy and community. The results of the poll were published in local newspapers.

EDP, in an attempt to build positive relations with the local community and trying to promote ecological attitudes, organised the following educational and sponsorship events in the commune of Margonin in 2011.

a) **“Wiatrakalia” festival sponsorship** – International Movies and Music Festival: EDP Renewables was the strategic sponsor of the International Movies and Music Festival. The festival combines the ecological image of Margonin (the largest wind farm in Poland) with a cultural event which will be long remembered by the residents of Margonin. Wiatrakalia is a series of concerts lasting through the summer holidays. The festival was organised by the Town and Commune Office of Margonin and the local Community Centre. EDP Renewables, as an investor cooperates with the commune and local community and takes care of the development and improvement of living conditions, also by supporting cultural and entertainment events. The event was held between June and September 2011 and the relevant information was published on the Margonin’s website and in local papers, e.g. the Tygodnik Nowy.



b) In cooperation with local communities EDP Renewables takes care of infrastructure development – by investing in placed serving a larger social group. In response to local needs, the company equipped **the playground at local kindergarten in Margonin**, e.g. see-saws and play structures which help develop agility and balance.// June 2011



c) **Green scholarships – 6 winners.** EDP Renewables financially supports young and brilliant people. In 2011 Margonin was included in the global scholarship programme. Six students from the commune, from the primary school, secondary school and university, were awarded scholarships ranging from EUR 500 to 2000. The winners were selected by the commune committee. // December 2011

d) **The “Wind Power” newsletter,** distributed free of charge to all households in the commune. To provide the residents with information on the project and to educate on the development of renewable energy sources in the commune, the newsletter was distributed to all households. // April 2011

e) Four-page long **educational supplement in the Tygodnik Nowy** – local press. Cooperation with local editors to produce educational and informative press release on wind farm investments in Margonin.// November 2011

f) Four-page long **educational supplement in the Chodzieżanin regional paper.** Cooperation with local editors to produce educational and informative press release on wind farm investments in Margonin.// December 2011

g) Educational show about “The Birth of Windmills” for children aged 5-10. A dedicated educational performance, prepared by experts in theatre and early school education about renewable energy sources with special attention drawn to wind energy and turbines. // October 2011

Under social support, the company funded the following educational and sponsorship activities in the commune of Gołańcz:

- a) **Educational show about “The Family of Windmills”** for children aged 5-10. A dedicated educational performance, prepared by experts in theatre and early school education about renewable energy sources with special attention drawn to wind energy and turbines. // June 2011



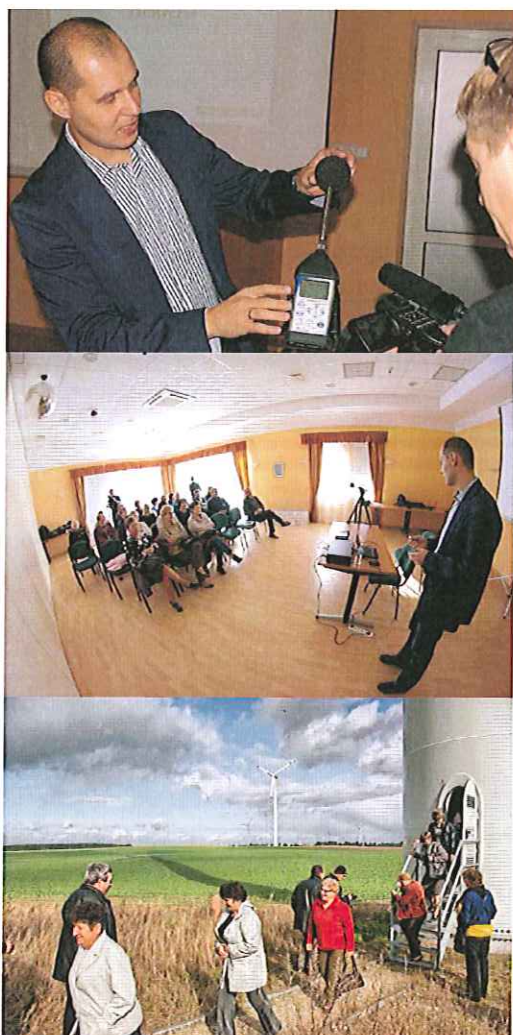


- b) **St. Nicolas' Day with Windmills:** A holiday event for children and the disabled, with EDP Renewables as partner and main sponsor. Almost 600 children played with animators from Poznań, took part in ecology-related art and music contests, with wind power being the main subject. After over two hours of play, everyone received gifts from Santa – Mieczysław Durski, the Mayor of Golańcz; Józef Ryłko, head of the Council and a representative of EDP Renewables.



- c) **Acoustic workshops for children from the complex of schools in the commune of Golańcz and representatives of the Farmers' Wives Association in Golańcz.** To educate on wind power, EDO

Renewables organised meetings focused on acoustics, to inform the residents of all matters related to sounds generated by wind turbines. Meetings with Jacek Szulczyk, M.A., a member of the Polish Acoustic Society, were supposed to provide information on the matter and were organised both youth and adults. The attendants (junior secondary school students from Golańcz and representatives of the Farmers' Wives Association in Golańcz) learned the difference of sound and noise and the limit of infrasounds for the human ear. The theoretical part was combined with practice at the operational wind farm in Margonin, where the attendants could see for themselves that the sounds generated by the turbines are not harmful or disturbing. *"Meetings like this are very necessary. Especially for those, who are sceptical about wind turbines. You could see that the turbines generate clean, green energy and are totally harmless"* – Barbara Belter, the Head of the Farmers' Wives Association in Golańcz summed up the meeting. September/October 2011

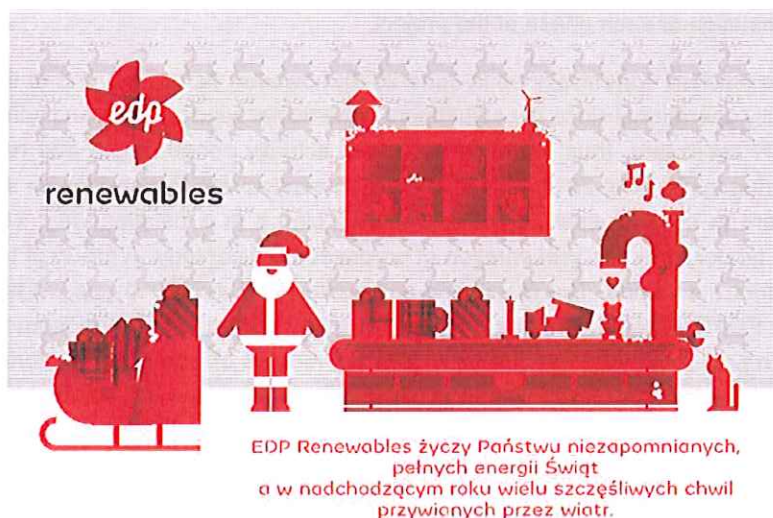


d) **Reflective safety bands – Pawłowo project** – over 100 bands were given to children from the town and commune of Golańcz (the commune distributed them through regular and school bus drivers), December 2011

e) **Supplements in the press:**

- 4-page long supplement in the Tygodnik Wągrowiecki Samo Zdrowie – February 2011 – information on health and wind farms
- 4-page long supplement to the Głos Wągrowiecki Energia Przyszłości – June 2011 - articles on environment-friendly sources of energy, including information on wind farms.
- Sponsorship of the Głos Wągrowiecki Poll Gala – March 2011,

- 4-page long supplement to the Tygodnik Wągrowiecki Golańcz kiedyś i dziś – November 2011. Information on the history and development of the commune of Golańcz.
 - 4-page long supplement to the Głos Wągrowiecki. "Energia" – November 2011, included materials on acoustic workshops, an article and photographs of modern buildings with wind turbines in the world.
- f) **Educational material on wind farms in TVP3 in the "Szkiełko i Eko" programme** – October 2011
- g) **Holiday wishes from EDP in the local media:** Printed in the Tygodnik Wągrowiecki and the Głos Wągrowiecki/ April and December 2011



- h) **Cooperation with opinion leaders** - Meeting with owners of land where turbines are to be built / June 2011
- i) **The "Wind Power" newsletter**, distributed to all households in the commune. To provide the residents with information on the project and to educate on the development of renewable energy sources in the commune, the newsletter was distributed to all households. // April/August 2011
- j) **Events sponsored by EDP** – there were many cultural and entertaining events in the commune of Golańcz during summer holidays. Some of them were co-organised by EDP Renewables:
- Golańcz Land Days
 - Harvest Festival,
 - Art workshop for children,
 - Outdoor movie screenings,
- k) EDP Renewables also supported the purchase of specialised hydraulic equipment for the local fire department/ 2011

The Margonin and Pawłowo projects have also been widely presented and discussed in the Internet.

3.2 Actions undertaken to meet ESAP requirements

The actions undertaken by EDPR to fulfil the obligations under adopted action plans are described below. For convenience, each action required by the ESAP is described individually.

Development of the ESHS annual report

This report has been prepared to meet this obligation. After the approval of the Bank, the report will be published on the company's website

www.edprenovaveis.com/Sustainability/EDPRintheCommunity/PoloniaSustainability/Margonin).

The report for 2010 is available at the said site.

Monitoring of avifauna after the completion of each phase of the project

Based on the ESAP provisions, the monitoring of birds and bats should be conducted within a two-year period after the completion of each phase of the project.

The Margonin wind farm was officially commissioned in June 2010, however, before the end of the year the wind farm was not fully operational since the adjustment of particular wind turbines and some additional trial runs were still necessary, thus the wind farm was actually conducting a trial run. Therefore, instead of monitoring avifauna in 2010, EDPR decided to concentrate its activities on the selection of professional team to conduct such monitoring and to plan it in a detailed way. The contractor was selected in a tender, after the presentation of proposed methodology. A group of top quality experts was selected for monitoring. The monitoring has started in March 2011 and will last three years. During this time EDPR will receive monitoring reports every six months. At the moment one report is available, which presented very good results. After six months of intensive monitoring actions, 11 bats and 9 common birds collided with 60 operational turbines on towers 100 metres high.

Monitoring of noise impact

Eko-Pomiar and WIOŚ conducted measurements in summer 2010 when noise propagation conditions are favourable for noise level reduction due to presence of intensive vegetation and lack of snow cover. To perform noise evaluation in non-vegetative period, EDPR ordered further measurements in winter 2010/2011. The measurements were performed at the nearest residential buildings and demonstrated no excessive values.

Cumulative impact of the wind farms

Due to development of Pawłowo wind farm in the vicinity of Margonin wind farm, an assessment of the cumulative impact of the farms was required by the ESAP.

The EIA reports prepared for both 73.5 and 6 MW subprojects relate to the assessment of cumulative environmental impact of EDPR wind farms planned in the vicinity: "Kcynia – Task IV". No negative cumulative impact was identified by the EIA reports.

EH&S management systems

In 2011 EDPR implemented and certified environment management system at Margonin wind farm, in line with ISO 14001. Before EHS management was based on corporate procedures and routine practice.

Monitoring of the project

The Margonin wind farm is operated by the company headquarters, through on-site representatives (2 people). The Polish branch of the company is in general responsible for business management. During the warranty period, the on-site service is provided by the manufacturer of the wind turbines.

Overall environmental management is provided by Ms. Paulina Szuliga-Piętka and Ms. Barbara Sidoruk.

SEP development

The Company has implemented the SEP plan. For details please refer to section 3.1.

4 Margonin Wind Farm Environmental Issues

The environmental issues related to the operation of the wind farm were continuously monitored and any identified issues were solved.

The following environmental problems occurred in 2010:

TV signal disturbed

The citizens of the nearby villages complained to the company that the analogue TV signal was disturbed by operation of the Margonin wind farm. As a mitigation measure, the company purchased satellite TV signal receivers for all households in these villages. The receivers as well as a pre-paid fee for a two year period were given to the citizens free of charge. No further complaints related to the quality of TV signal were reported. In 2013 TV signal will be digital in the entire country, and the farm will cease to disturb TV reception in the vicinity.

Damage of wind turbines blades

On 19 December 2011 one of the turbine blades was damaged. The turbines were automatically turned off, however, the damaged parts of the blades were thrown around in a distance of a few dozen meters. No personal injuries or property damage were recorded. The blade was replaced.

The wind turbines are under continuous supervision by the manufacturer and are subject to regular maintenance program conducted by Gamesa.

5 Changes in Environmental Law Affecting the Project

In 2011 no significant changes which would have a material impact on Margonin and Pawłowo projects were made.

6 Material Project Compliance with Environmental, Social and H&S Regulations

The company acts in accordance with all applicable Polish regulations and laws.

In 2011 no non-compliances with environmental, social and H&S regulations or law were identified.

7 Material Social and H&S Matters

No material social and H&S issues were identified at the Margonin wind farm. In particular, no prosecutions due to social or H&S issues were launched against the company and no accidents threatening human health or life or property of third parties were recorded at the farm in 2011. As established based on the public opinion poll (see section 3.1), the project was met with a positive attitude

of the local community with respect to benefits of the wind farm, and number of individuals having neutral or positive attitude exceeds the number of these with negative attitude.