

Classification and Environmental and Social Strategy (ESS) CELEO's Transmission Assets: Financing of Peru-Ecuador electric interconnection and additional transmission lines – PERU

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1. Project Scope and Objective and IDB Invest Participation

Puerto Maldonado Transmisora de Energía S.A.C. (the “Company”), belonging to the Celeo Concesiones e Inversiones S.L. Group¹ (“Celeo”), is the concessionaire responsible for building, operating, maintaining and transferring to the Peruvian State, after 30 years of operation, the following electricity transmission assets (the “Assets” or the “Asset” when it refers to one of them in particular) designated under the Guaranteed Transmission System (“GTS”) and the Complementary Transmission System (“CTS”) regimen: i) Piura Nueva - Frontera Transmission Line (“TL”), 550 km long (270 km on the Peruvian side and 280 km on the Ecuadorian side) with a voltage of 500 kV, awarded to Celeo in July 2023, which is part of the Peru-Ecuador Integrated Electrical Interconnection Project, and which will connect the Chorrillos electrical substation (“SS”) in Ecuador with the La Niña substation in Peru; ii) Puerto Maldonado-Iberia Transmission Line, with a voltage of 138 kV and 156 km long, awarded to Celeo in April 2021, and which will connect the cities of Puerto Maldonado and Iberia, in the Madre de Dios district, located in southeastern Peru; and iii) Valle del Chira substation, 220 kV, located in the Piura district, which came into operation in December 2023 and will be upgraded to increase the reliability of the electricity supply in the region.

This transaction (the “Project”) will finance the following components of the aforementioned assets: i) for Asset 1, the design, construction, testing, and connection to the National Interconnected Electric System (“SEIN”) of: (a) the 500 kV Piura Nueva - Frontera TL of approximately 270 km, and its ancillary components² and (b) expansion of the 500/220 kV Piura Nueva SS; ii) for Asset 2, the design, construction, testing, and connection to SEIN of: (a) the 138 kV Puerto Maldonado – Iberia TL of approximately 156 km, and its ancillary components, (b) the New 138/22.9/10 kV Iberia SS (“greenfield”), and (c) expansion of the 138/22.9/10 kV Puerto Maldonado SS; and iii) for Asset 3, the operation of the Valle del Chira SS.

2. Classification and Environmental and Social Strategy

This transaction has been pre-classified in Category A, in accordance with IDB Invest's Environmental and Social Sustainability Policy since, during the construction phase, the Project and its associated facilities³ will produce the following impacts among others: (i) removal or pruning of vegetation (mainly within the

¹ Jointly owned by the Netherlands APG Group (49%)—one of the world's largest pension funds—and Elecnor S.A. (51%), a Spanish conglomerate with a strong global presence in energy and infrastructure development.

² These range from: site facilities; power line sites; assembly and civil works areas; access roads to tower sites, new or improved; and easement strips in accordance with the 2011 National Electricity Supply Code (64 m for 500 kV TLs and 20 m for TLs between 115 and 145 kV).

³ TL easement access roads and the location of towers, worker camps, warehouses, staging areas, and temporary staging yard during construction.

TL easement strip and some access roads to the tower sites); (ii) loss of habitat;⁴ (iii) dust generation from excavation, earthworks, and vehicular traffic activities; (iv) emission of polluting gases due to vehicular and machinery traffic; (v) increase in noise levels due to the use of heavy machinery during construction; (vi) domestic wastewater generation; (vii) possible soil contamination from fuel, oil, or solvent spills; (viii) generation of domestic and industrial solid waste (excavation material, rubble, paper, wood, scrap metal, etc.) and hazardous waste (generated by the maintenance of construction machinery and equipment, etc.); (ix) an increase in risks to the health and safety of workers and community; (x) impact on private properties and their economic activities (e.g., crops or forestry plantations, mainly); (xi) potential impact on archaeological remains; (xii) resource use, primarily water and energy; and (xiii) creation of expectations regarding the employment opportunities that the activities associated primarily with the construction of the Project can provide. The majority of these impacts are deemed to be of medium intensity, in addition to some high-intensity ones.

During the operation and maintenance (“O&M”), stage, associated impacts will include: (i) impact on vegetation and biodiversity; (ii) an increase in risks to the health and safety of workers and community; (iii) possible bird strikes on the transmission structures; and (iv) generation of solid domestic and hazardous waste (e.g., dielectric oils). At this stage, most impacts are expected to be moderate and some of low significance.

For the execution of the Project, the Company has prepared the Environmental Management Instruments⁵ (“EMI”) required by Peruvian environmental⁶ and sectoral⁷ legislation and has complied with the requirements of the Environmental Assessment Directorate for Infrastructure Projects (“DEIN”) of the National Environmental Certification Service for Sustainable Investments (“SENACE”) of the Ministry of the Environment (“MINAM”) and the General Directorate of Environmental Energy Affairs (“DGAAE”) of the Ministry of Energy and Mines (“MINEM”).

The environmental and social due diligence (“ESDD”) process, which will be supported by an Environmental and Social Consulting firm, will include visits to the Project implementation sites, as well as the following activities among other: (i) interviews with executives from key areas of the Company (environmental and social management, labor and occupational health and safety); (ii) an analysis of the Company's Environmental and Social Management System (“ESMS”), including related plans and procedures; (iii) assessment of social and labor-based information related to the Project; (iv) analysis of issues associated with cumulative impact management and climate change risks and impacts; (v) review of plans and procedures for preparedness and response to anthropogenic and natural emergencies; (vi) assessment of the stakeholder consultation and engagement process;⁸ (vii) analysis of noise management plans and electromagnetic field measurement plans;⁹ and (viii) evaluation of the land acquisition process for the new SS and the constitution of the easement strip for the TLs. As a result of the ESDD, IDB Invest

⁴ Effects on connectivity and changes in fragmentation due to impacts on terrestrial ecosystems.

⁵ Detailed Environmental Impact Studies (“EIS-d”) in dossiers [E-EIAD-00019-2025](#) and [E-EIAD-00205-2023](#) (<https://consultaciudadana.senace.gob.pe/#/home>); Substantive Technical Reports (“STR”) (as required) in dossier [E-ITS-00269-2024](#) and the Citizen Engagement Plan (“CEP”) in dossiers [E-PPC-00308-2023](#) and [E-MPPC-00300-2022](#).

⁶ Law No. 28611 - General Environmental Law and its amendments (D.L. No. 1055) and Law No. 27446 - Law on the National System of Environmental Impact Assessment and its Regulations (S.D. No. 019-2009-MINAM).

⁷ The Electricity Concessions Law (Decree Law No. 25884) and the Regulations for Environmental Protection in Electricity Activities (S.D. No. 014-2019-EM).

⁸ According to the EIS-d the rural communities involved with the Project are not registered in the Indigenous or Native Peoples Database (“BDPI”) of the Ministry of Culture (“MINCUL”).

⁹ It is important to clarify that power transmission lines have frequencies between 50 and 60 Hz, so their electromagnetic field emissions (“EMF”) are considered extremely low frequency (ELF) or non-ionizing radiation.

will confirm the Project's categorization, identify any compliance gaps with regard to its ESSP, and define, together with the other lenders, an Environmental and Social Action Plan (“ESAP”) to close such gaps.

Based on data received and reviewed to date, the Project will trigger the following International Finance Corporation (IFC) Performance Standards (PS): PS1 Assessment and Management of Environmental and Social Risks and Impacts; PS2 Labor and Working Conditions; PS3 Resource Efficiency and Pollution Prevention; PS4 Community Health, Safety, and Security; PS5 Land Acquisition and Involuntary Resettlement; PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources; and PS8 Cultural Heritage. The ultimate determination of the PSs triggered by the Project will occur once the ESDD process has been finalized.

Once the ESDD process is completed, an Environmental and Social Review Summary (ESRS), together with the ESAP, will be prepared and published on this website.

3. Additional Information

For questions about the Project please contact:

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For questions and comments to BID Invest, please contact:

Name:	IDB Invest Communication Group
Email:	requestinformation@idbinvest.org

In addition, affected communities can access IDB Invest’s Independent Consultation and Investigation Mechanism (ICIM) as follows:

Phone number:	+1 (202) 623-3952
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