

## **Initial Project Summary**

Project Location: Iteya, Ethiopia

Name of Applicant: Meridiam Infrastructure Africa Fund

Name of Project: Tulu Moye Geothermal Project

Project Description: The proposed Project involves the design, construction, operation and maintenance of a 150 MW geothermal power plant. The Project will be implemented in two phases with a first phase of 50 MW capacity, followed by 100 MW developed over a period of five years. The proposed DFC-supported Project will cover phase 1 only. The exact locations of wells, additional well pads, pipelines and the power plant will be confirmed in the detailed design phase of the Project, following exploration drilling. In addition to the power plant, the Project will include exploration and production drilling, establishment of well pads, access roads, water supply, quarries and a collection pipeline system. The Project will also require construction of a transmission line to connect the Project with the national grid; the design and route alignment of the transmission line are currently being finalized by Ethiopia Electric Power (EEP).

The Project is located approximately 130 km southeast of Addis Ababa in the Tulu Moye, Tero Desta and Anole kebeles of the Hitosa Woreda (district), Arsi zone, Oromia Regional State. Exploration drilling is focused on the Gnaro lava field between Lake Koka (to the north) and Lake Ziway (to the south). The Gnaro lava field is not suitable for cultivation, and there are no settlements in the lava field, which is primarily vegetated with trees and shrubs. The area adjacent to the Gnaro lava field is sparsely populated and primarily used for agriculture and livestock grazing. The closest town, Iteya, is located approximately 15 km east of the Project area. The Project will require the physical displacement of one household and the economic displacement of approximately 146 households.

Environmental and Social Categorization and Rationale: The Project has been reviewed against DFC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because the Project represents a greenfield project which could have significant adverse environmental and social impacts that are diverse and irreversible. The major environmental and social concerns related to the Project include land acquisition and involuntary resettlement; cumulative impacts associated with the development of all phases of the Project; impact on water resources; waste generation; impacts on biodiversity; air, noise and nuisance odor emissions; conditions of work; and occupational and community health and safety.

Environmental and Social Standards: DFC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation (IFC) 2012 Performance Standards: PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; PS 4: Community Health, Safety, and Security; PS 5: Land Acquisition and Involuntary Resettlement; and PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

The area affected by the Project is predominantly occupied by the Oromo ethnic group. Approximately 27 Oromo sub-groups have been identified in the Project area. None of these sub-groups (or the Oromo ethnic group) are considered “Indigenous Peoples” as defined by PS 7. As part of the ESIA process, culturally significant sites in the Project area were mapped, and potential infrastructure sites have been selected to avoid disturbance on culturally significant sites. A Chance Finds Procedure has been prepared and will be implemented. Performance Standards 7 and 8 are not triggered by the Project at this time.

Applicable provisions of the IFC General Environmental, Health and Safety (EHS) Guidelines (April 30, 2007), the IFC EHS Guidelines for Geothermal Power Generation (April 30, 2007), and the IFC EHS Guidelines for Electric Power Transmission and Distribution (April 30, 2007) also apply to the Project.

Location of Local Access to Project Information: A local language version of the non-technical summary of the EIA is available at:

- Tulu Moye Geothermal PLC, Kebele 01. House no;2159, Iteya town.