

INFORMATION SUMMARY FOR THE PUBLIC
Energética Wind Project

Host Country	Argentina
Name of Borrower	Energética Argentina S.A.
Project Description	Development, construction, and operation of a 100 megawatt wind project in the Buenos Aires province of Argentina.
Proposed OPIC Loan/Guaranty	USD 115,500,000
Total Project Costs	USD 172,408,366
U.S. Sponsor	AES Corporation
Foreign Sponsor	N/A
Policy Review	
U.S. Economic Impact	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and therefore, the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral U.S. trade balance impact.
Developmental Effects	This Project is expected to have a highly developmental impact through the construction and operation of a wind power plant in Argentina. From the early 1990s through 2010, Argentina was a net exporter of power, but with underinvestment in the sector, the country has since become a net importer. Argentina has become increasingly dependent on imported fossil fuels to feed the nation's power plants and the importation of power from its neighbors. Over the past five years, Argentina's average annual cost of imported electricity was just under USD 500 million, the vast majority of which comes from Paraguay. The World Bank Enterprise Survey states that access to affordable electricity is a major obstacle for about half of all companies in Argentina. This Project will not only increase the supply of power, but also reduce the country's reliance on imported fossil fuels. Renewable power constitutes a far smaller percentage of the overall amount of electricity consumption in Argentina (10%) as compared to Argentina's neighbors. By comparison, in Brazil, renewables account for 43% of consumption, and in Chile, the figure is 24%. The Argentine government is focused on addressing this and has set the goal that 20% of the country's power capacity come from renewable energy generation by 2025.

Environmental & Social Assessment

Screening: The Project has been reviewed in light of OPIC’s categorical prohibitions and was determined to be categorically eligible. The Project is screened as Category A because the Project represents a large-scale greenfield wind 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 are potential impacts on avifauna, cumulative impacts, and impacts to community health and safety resulting from increased traffic and movement of heavy equipment during construction, and worker influx.

APPLICABLE STANDARDS: OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following 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; and
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines and IFC’s August 7, 2015 Environmental Health and Safety Guidelines for Wind Energy are applicable to the Project.

Environmental and Social Risks and Mitigation: The proposed Project involves the construction and operation of a 100 MW wind power project located in Tornquist, Argentina, approximately 30 km north of Bahia Blanca. The Project comprises 30 wind turbine generators (WTGs), as well as an electrical substation and connection to a high voltage transmission line that passes through the Project site. The Project site is 950 hectares and is predominately agrarian and cattle lands. The nearest towns to the Project site are Tres Picos (6 km) and Tornquist (26 km).

The Project site is owned by three private landowners, each of whom has a house within the Project site. Although no resettlement or economic displacement is anticipated, potential impacts to these houses and other land uses that will change due

to the Project's activities during construction and operation will need to be assessed and mitigated.

There are indigenous communities living in urban localities of Bahía Blanca and Tornquist. According to the local Institute of Indigenous Affairs, these indigenous communities are not physically present within the Project site, nor are they known to use the land within or near the Project site.

The Project submitted an Environmental Impact Assessment, which was approved by local authorities. The EIA identifies key environmental risks during construction, operations and maintenance phases. The EIA includes general mitigation measures and an Environmental Management Plan (EMP) for the Project. Because the EIA was developed to local standards, the Project was required to develop a Supplemental ESIA to include additional assessments in order to meet international standards, and a Stakeholder Engagement Plan per PS 1. While the Borrower has a General Management System Policy where environmental, health and safety commitments are established, the Borrower has not yet developed a Project-specific Environmental, Social, Health, Safety and Labor Management System.

The Project Manager will be responsible for ensuring compliance with the environmental policy and EMP. The HSE officer will be in charge of coordinating all activities of the Environmental Management Plan and monitoring environmental parameters. As part of the ESHS and Labor Management System, the Project will develop an organizational procedure that includes skills, description of job, responsibilities, and an organizational chart specifically for social, environmental, health and safety and labor.

The EMP for construction includes a Health and Safety Program. In addition, the Principal Contractor has developed a Health and Safety Program for construction which contains specific section on verification, follow-up and corrective measures. However, the Project does not currently have specific procedures for monitoring to ensure that all contractors and subcontractors ESHS and Labor performance aligns with international best practices.

The Project site is located within the Interior Plane Pampa eco-region. There are three Important Bird Areas surrounding the Project site each located approximately 20 to 30 km away.

	<p>Desktop studies indicate potential presence of high priority species such as <i>Chloephaga rubidiceps</i> (Ruddy headed goose), <i>Buteogallus coronatus</i> (Crowned solitary eagle), <i>Gubernatrix cristata</i> (Yellow cardinal), and <i>Leistes defilippii</i> (Pampas meadowlark). The Project continues to collect site-specific primary data on birds and bats through on-site baseline surveys.</p> <p>OPIC will require the Project to develop and implement a Project-specific Environmental, Social, Health, Safety and Labor Management System, which will include appropriate management tools for consultation and information disclosure throughout construction, Project-specific workforce management and monitoring programs for construction and operation, security policies and procedures, cultural heritage management, and emergency preparedness and response. In addition, the Project will be required to complete spring, summer, and autumn surveys to acquire baseline data for bats and migratory birds and develop an adaptive biodiversity monitoring and management plan. Surveys and monitoring and mitigation measures will be done following international best practice as outlined in IFC's EHS Guidelines for Wind Energy.</p> <p>OPIC Site Visit: The Project's ESIA was posted on OPIC's web site for a 60 day comment period on June 28, 2019. The posting period ends on August 27, 2019.</p> <p>OPIC staff undertook a social due diligence site visit in June 2019. The visit included a visit to the Project site and meetings with landowners. OPIC environmental staff completed on-site due diligence in August 2019.</p>
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