

INFORMATION SUMMARY FOR THE PUBLIC
Vientos Neuquinos Wind Project

Host Country	Argentina
Name of Borrower	Vientos Neuquinos I S.A.
Project Description	Development, construction, and operation of a 100.5 megawatt wind project in Neuquén province, Argentina.
Proposed OPIC Loan/Guaranty	USD 122,600,000
Total Project Costs	USD 170,229,726
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, electricity has become an issue for people and businesses. 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 for about half of all companies in Argentina, electricity is a major obstacle. This Project will not only increase the supply of power, but also reduce the country's reliance on imported fossil fuels. Renewable power plays a far smaller role in Argentina compared to its neighbors at only 10% of total consumption. By comparison, in Brazil, renewables account for 43% of consumption, and in Chile the figure is 24%. Focused on this challenge, the government has set the goal of the country's power capacity to be 20% renewable by 2025.

<p>Environmental & Social Assessment</p>	<p>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 birds and bats, cumulative impacts, and impacts to community health and safety resulting from increased traffic and movement of heavy equipment during construction, and worker influx.</p> <p>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:</p> <p>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.</p> <p>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.</p> <p>Environmental and Social Risks and Mitigation: The proposed Project involves the construction and operation of a 100 MW wind power project located approximately 40 km northeast of the town of Piedra del Aguila in Neuquén province, Argentina. The Project comprises 29 wind turbines (WTGs) and will connect with an existing 132 kV transmission line that passes through the Project site. The nearest towns to the Project site are Santo Tomas (23 km), Piedra del Aguila (40 km), and Picun Leufu (45 km).</p> <p>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</p>
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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.

According to the EIA, there must be a designated environmental and safety leader who is responsible for implementing mitigation measures. In addition, there will be an Environmental, Health and Safety Manager to ensure that all waste will be properly managed. 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 Project site is approximately 2,600 hectares in size and is currently used for cattle rearing and hydrocarbon activity. There is a household located within the Project's area of influence that currently uses a part of the Project site for cattle grazing whose economic activities could be impacted by the Project temporarily (during construction). In addition, the Project has negotiated with two private landowners to obtain easement for the access road (8.5 ha) leading to the Project site. The Project will be required to demonstrate compliance with PS 5 for land acquisition and land use impacts.

The Project site is located within the Argentine Low Monte Region eco-region. There are three Important Bird Areas located 58, 80, and 87 km from the Project site. Desktop studies indicate potential presence of 8 bird and 6 bat species with priority status. The Project continues to collect site-specific primary data on birds and bats through on-site baseline surveys.

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

	<p>management, occupational health and safety program, 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. Posting period ends on August 27, 2019.</p> <p>OPIC staff conducted an on-site environmental and social due diligence visit during the first week of August 2019.</p>
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