Early Warning System

IDBI-13473-01

Mendubim Solar PV Power Project

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Quick Facts

Countries	Brazil
Specific Location	municipality of Assú, Rio Grande do Norte State
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-08-30
Borrower	Mendubim Solar PV
Sectors	Energy
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 243.00 million
Loan Amount (USD)	$ 110.00 million
Project Cost (USD)	$ 253.00 million

Project Description

The proposed operation consists of the design, construction, operation, and maintenance of the Mendubim Photovoltaic Power Plant ("PV Power Plant") with a capacity of approximately 452.76 megawatts ("MW") and a substation, as well as a 5.17-kilometer ("km") long 230 kilovolts ("kV") Transmission Line ("TL") to connect the PV Power Plant to the Brazilian interconnected grid at the existing Acu III Substation ("The Project"). The Project will be developed in the municipality of Assu, Rio Grande do Norte State, Brazil.

Investment Description

- IDB Invest (IDBI)

As stated in a press release related to the development of the solar PV plant, in 2023 IDB Invest provided a loan of up to $130 million to Mendubim Geração de Energia S.A. and mobilized Banco Santander and BNP Paribas through unfunded risk holdings for an amount of up to $113 million. The deal also includes performance-based incentives (PBIs) of up to $10 million funded by the UK Sustainable Infrastructure Program (UK SIP).

Private Actors Description

As stated by the IDB Invest, the Project is sponsored by Equinor New Energy AS, Norsk Hydro and Scatec ASA, each with a 33.33% indirect ownership of the Borrowers. Project construction will be carried out by an Engineering Procurement and Construction Contractor to be determined.

Equinor has conducted business in Brazil since 2001, and the country is considered one of the core areas for Equinor. Equinor has a solid and diversified oil & gas portfolio in Brazil, with licenses both under development and in production such as Bacalhau, in Santos basin, and Peregrino, in Campos basin. Within renewables, Equinor is owner in the Apodi solar plant along with the operator, Scatec. In 2022, construction work started in the Mendubim solar project realized in partnership with Scatec and Hydro Rein. Together with Petrobras we are evaluating seven offshore wind projects in Brazil.

Hydro Rein is a leading provider of renewable energy solutions to industrials, fully owned by the global renewable energy and aluminum company Hydro. Hydro Rein facilitates access to affordable renewable power, sourced from our portfolio of hydro, solar and wind projects in Brazil and the Nordics. In addition, Hydro Rein also provides solutions for onsite generation, energy efficiency, energy storage and flexibility management. The company has a significant portfolio in the Nordics and in Brazil (1.7GW in construction and operations) with strong near-term growth potential (5 GW in the pipeline).

Scatec is a leading renewable energy solutions provider, accelerating access to reliable and affordable clean energy in emerging markets. As a long-term player, we develop, build, own and operate renewable energy plants, with 4.6 GW in operation and under construction across four continents today. We are committed to grow our renewable energy capacity, delivered by our 700 passionate employees and partners who are driven by a common vision of ‘Improving our Future’. Scatec is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol ‘SCATC’.

Approximately 60% of the expected energy produced will be purchased by Alumina do Norte do Brasil S.A., a subsidiary of Norsk Hydro, through a 20-year power purchase agreement denominated in U.S. dollars. The remaining volumes will be sold on the Brazilian electricity market.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	BNP Paribas	Investor	Finance
Banco Santander SA	Parent Company	Finance	owns	Banco Santander (Brasil) S.A.	Investor	Finance
Equinor ASA	Client	Energy	contracts with	Hydro Rein	Client	Energy
Macquarie Grp Ltd	Undisclosed	Finance	invests in	Hydro Rein	Client	Energy
Norsk Hydro ASA	Parent Company	Energy	owns	Alumina do Norte do Brasil S.A.	Buyer	Industry and Trade
Norsk Hydro ASA	Parent Company	Energy	owns	Hydro Rein	Client	Energy
Scatec ASA	Client	Energy	contracts with	Equinor ASA	Client	Energy
Scatec ASA	Client	Energy	contracts with	Hydro Rein	Client	Energy

Contact Information

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Transparency Hub

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Bank Documents

- MENDUBIM ENVIRONMENTAL AND SOCIAL ACTION PLAN - ESAP [Original Source]
- MENDUBIM ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY - ESRS [Original Source]

Media

- Corporate structure
- Mendubim Inaugurates Thirteen Solar Plants to Boost Clean Energy in Brazil