

 Early Warning System

IDBI-14915-01

MPC 2 - Tarifas Chile (Project Newen)



Quick Facts

Countries	Chile
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-06-18
Borrower	Fondo de Estabilización de Protección al Cliente
Sectors	Energy, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 240.00 million
Loan Amount (USD)	\$ 240.00 million
Project Cost (USD)	\$ 2,160.00 million



Project Description

The Chilean Government has presented a new law to stabilize electricity tariffs, amending the current Law No. 21,472, which establishes the Final User Protection Mechanism (known as the "MPC Law"). The aim is to stabilize tariffs and eventually reimburse them. To achieve this, a separate fund, the "Tariff Stabilization Fund" ("FET"), will be used and managed by the General Treasury of the Republic. This fund will periodically issue payment documents with interest in favor of the generators. The amount of the Certificates is estimated to be US\$2.4 billion, maturing in 2035. To pay the FET obligations, it will receive payments from regulated customers that will be collected by the distributors. The objective of the project is to structure a new financial facility available to generators, based on the previous Tariff Stabilization project (14300-01) that is currently being disbursed. Similar to the previous transaction, a facility equal to the amount required to purchase all Payment Certificates from the FET will be provided. The Facility will consist of: (a) a committed purchase facility from IDBI ("Facility A") of at least 10% of the transaction amount, estimated to be \$240 million as of the date, (b) a fully committed purchase facility for an amount of up to 90% of the Facility Amount ("Facility B") that IDBI will provide through an SPV, which will finance its participation by issuing a B-Bond for an amount that allows the Project to complete the required Facility Amount. Unlike the previous transaction, the Payment Certificates will not have a full government guarantee; instead, 30% of the principal and total interest will be guaranteed.



Investment Description

- IDB Invest (IDBI)



Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://www.iadb.org/en/access-information/information-request>

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IDB Invest)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IDB Invest is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).



Bank Documents

- [MPC 2 TARIFAS CHILE \(PROJECT NEWEN\) - RESUMEN DE LA REVISION AMBIENTAL Y SOCIAL \(RRAS O ESRS\)](#) [Original Source]