Early Warning System

IFC-34588

Acajutla LNG

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Quick Facts

Countries	El Salvador
Specific Location	The port of Acajutla in the Department of Sonsonate.
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2018-12-14
Borrower	ENERGIA DEL PACIFICO S.A. DE C.V.
Sectors	Energy, Infrastructure
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 565.00 million
Loan Amount (USD)	$ 525.00 million

Project Description

Invenergy Clean Power El Salvador, Ltda. de C.V. (hereinafter Invenergy or ICPES) and Quantum Energy S.A. de C.V are the Sponsors of the “Acajutla LNG” project and shareholders of Energía del Pacífico Ltda. de C.V. (EDP), the project company. The project involves the construction and operation of a 378-megawatt (MW) thermal power plant at the port of Acajutla in the Department of Sonsonate in El Salvador and a marine terminal, consisting of a floating storage regasification unit (FSRU) permanently moored, for liquified natural gas (LNG) delivery, storage, and regasification, as well as a natural gas pipeline that will run from the FSRU to the power plant. The project includes the construction of a 44 km, 230 kilovolt (kV) transmission line and related substations to connect the power plant to the electrical grid of El Salvador. The power plant will be located in a brownfield port and industrial area in the municipality of Acajutla, in premises secured under a 24-year lease agreement with the Executive Commission of the Port of Acajutla (CEPA), who owns and manages the port.

The power plant will consist of 19 Wärtsilä 18V50SG internal combustion reciprocating engines with capacity of 18.9 MW each, and a combined steam cycle system that will use the exhaust gases of the engines to produce additional 26 MW. The LNG marine import terminal consist of a Restricted Catenary Mooring (RCM) system and a dedicated and chartered FSRU located approximately 1.2 km offshore. LNG carriers will moor directly to the FSRU with flexible hoses utilized to transfer LNG. The FSRU will receive approximately six LNG shipments per year. A combination of a flexible 3-D riser and a subsea gas pipeline will transfer the re-gasified natural gas from the FSRU to the onshore power plant. The transmission line (T-Line) between the Electricity Transmission Company of El Salvador (ETESAL) substations of Acajutla and Ahuachapán will have approximately 139 towers and a 38-meter wide right-of-way (ROW). The project involves the construction of a switchyard inside the project site in the port of Acajutla and the expansion of both substations.

Civil works at the plant site are scheduled to commence in the second quarter of 2019 with a project’s commercial operation day (COD) planned for July 1st, 2021. IFC’s proposed investment will comprise of a direct loan of US$ 100 million, a US$ 40 million credit guarantee and syndication of US$ 425 million.

Investment Description

- International Finance Corporation (IFC)

The International Finance Corporation's proposed investment consists of a direct loan of US$ 100 million, a USD$ 40 million credit guarantee, and a US$ 425 million loan syndication with multiple lenders.

Private Actors Description

The Inter-American Development Bank detailed the private actor relationship in the following paragraphs: "The Invenergy Clean Power El Salvador, Ltda. de C.V. (“ICPES”) and Quantum Energy S.A. de C.V. (“Quantum”) are the shareholders of Energía del Pacífico Ltda. de C.V. (“EDP”), the project company. ICPES owns 85% of EDP’s shares and Quantum owns the remaining 15%.

ICPES is 76.5% owned by wholly owned subsidiaries of Invenergy Clean Power LLC (“Invenergy”), 17.6% owned by Calleja, S.A. de C.V. and 5.9% owned by VC Energy De Centro America S.A. Founded in 2001, Invenergy develops, owns and operates power generation and energy storage facilities around the world, carrying out mainly clean energy projects (wind, solar, natural gas, cogeneration and energy storage) in North America and Europe, and more recently in Latin America.

Quantum was founded in 2009 and is a private company incorporated in El Salvador. Quantum’s objective is to participate in public tenders in Central America through the development of projects in the energy market."

As of the time of writing, Quantum Energy S.A. de C.V., Invenergy Clean Power El Salvador, Ltda. de C.V., Calleja S.A. de C.V. and VC Energy De Centro America S.A. do not have a presence online.

The following firms are also involved in advising for the project:

- Sargent & Lundy Consulting (Lenders’ Engineer)

- INDECS Consulting Limited (Insurance Consultant)

- PSR-INC Energy Consulting (Market Consultant)

- Norton Rose Fulbright US LLP (New York Counsel)

- Romero Pineda Asociados (El Salvador Counsel).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Calleja S.A. de C.V.	Investor	-
-	-	-	-	Dillon Consulting Limited	Contractor	-
-	-	-	-	Eco Ingenieros S.A. de C.V.	Contractor	-
-	-	-	-	Energía del Pacífico, Ltda de C.V.	Client	-
-	-	-	-	Environmental Resources Management	Contractor	-
-	-	-	-	Indecs Consulting Limited	Contractor	-
-	-	-	-	Invenergy Clean Power El Salvador, Ltda. de C.V.	Investor	-
-	-	-	-	Invenergy Clean Power, LLC	Parent Company	-
-	-	-	-	PSR Inc	Contractor	-
-	-	-	-	RINA Consulting	Contractor	-
-	-	-	-	Sargent & Lundy LLC	Contractor	-
-	-	-	-	VC Energy De Centro America S.A.	Investor	-

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Environmental & Social Review Summary (ESRS)
- Summary of Investment Information (SII)