Early Warning System

IFC-39358

CP Achiras S.A.

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Quick Facts

Countries	Argentina
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	CP ACHIRAS S.A.
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 80.00 million

Project Description

The Achiras wind power project (the “Project”) includes the construction and operation of a 48MW wind power plant, a transformation substation and a 17 kilometer transmission line connecting the plant and its substation to the national grid. The Project is located in the department of Rio Cuarto, near the city of Achiras, in the Province of Córdoba, Argentina. The Project will use 15 Acciona Windpower AW125/3.2MW wind turbine generators (WTGs), each one linked to the on-site 33kV collector switchgear. The voltage will then be stepped up to a transmission voltage of 132kV at the on-site Project substation and will be evacuated through the Project transmission line which will finally connect to the Villa Mercedes- Rio Cuarto node.

The Project will be developed and directly owned by CP Achiras S.A.U. (“CPA”, or the “Company”) a special purpose vehicle organized under the laws of Argentina, predominantly owned on an indirect basis by Central Puerto, S.A. (“CEPU”, the “Sponsor”), Argentina’s largest privately-owned power generation company.

The construction of the Project considers a multi-contract approach and as such, the procurement and installation of the wind turbines and the construction of the civil and electrical works are tasks covered under separate agreements between CPA and different contractors or suppliers, ultimately supervised and managed by CEPU and by Ventus acting as owner’s engineer.

During operations, Acciona will provide operating and maintenance services to the WTGs and CEPU will provide full corporate, operation and maintenance services to the Project.The Project will sell power through a 20-year Power Purchase Agreement (“PPA”) with the Compañía Administradora del Mercado Mayorista Eléctrico, S.A. (“CAMMESA”), awarded under round 1.5 of Renovar, the new renewable energy program launched by the Government of Argentina in 2016. The PPA with CAMMESA is USD denominated (with payments made in local currency).

Expected Development Impact

The IFC investment in these projects will: (i) Increase private participation in Argentina's energy sector, by being one of the first projects under the Renovar program; (ii) Support the development of the renewable energy sector, the Project will contribute towards a much-needed increase in domestic renewable electricity generation in order to improve competitiveness of the country, while diversifying the energy matrix from high reliance on thermal fuel sources and large-scale hydro. It will also enable the implementation of large-scale zero-emission renewable generation sources such as wind energy, exploiting the abundant natural resources of Argentina, while decreasing its reliance on imported energy and simultaneously reducing CO2 and GHG emissions; (iii) Benefits to the local economy, the Project is expected to generate employment opportunities during construction phase (both direct and indirect labor) and during operations; and (iv) Demonstration effect: upon successful implementation, the Project will send a positive signal of the feasibility and bankability of renewable energy projects in the country, acting as precedent for further private sector capital participation.

People Affected By This Project

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Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated at approximately US$80 million, leveraged on a 70/30 debt to equity basis. IFC will provide up to US$20 million in the form of an A Loan.

Contact Information

FOR INQUIRIES ABOUT THE PROJECT:

Central Puerto S.A.
Ing. Ruben Vazquez
Gerente de Energías Renovables
+54 11 43175000
ruben.vazquez@centralpuerto.com
Edison 2701 – CABA - Argentina
http://www.centralpuerto.com/en/

FOR INQUIRIES AND COMMENTS ABOUT IFC:

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

LOCAL ACCESS FOR PROJECT DOCUMENTATION

http://www.centralpuerto.com/en/

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/