

 Early Warning System

IIC-12232-01

Capella Solar PV Project



Quick Facts

Countries	El Salvador
Specific Location	Municipalities of Puerto del Triunfo, Jiquilisco, and Ozatlán in the department of Usulután
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-07-31
Borrower	Capella Solar S.A. de C.V.
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 30.00 million
Loan Amount (USD)	\$ 30.00 million
Project Cost (USD)	\$ 144.00 million



Project Description

According to IIC website, this project consists of the construction, operation and maintenance of two photovoltaic (PV) power plants (Albireo 1 and 2) with a combined installed capacity of 140 MWp (100MWac), including an 8.7-kilometer transmission line and other interconnection facilities, located in the municipalities of Puerto del Triunfo, Jiquilisco and Ozatlan, in the Department of Usulután, El Salvador.

The project will provide significant and tangible benefits to El Salvador as (i) it will significantly increase the share of solar energy within El Salvador's generation matrix; (ii) based on the auction price, the Project will contribute to reduce the electricity bills as the current PPA price is significantly below the current market average; and (iii) by investing 3% of the Project's revenue in local social development programs, the Project will support local communities.



People Affected By This Project

According to the Inter-American Investment Corporation, the Project will provide significant and tangible benefits to El Salvador in the following ways:

- (i) it will significantly increase the share of solar energy within El Salvador's generation matrix
- (ii) based on the auction price, the Project will contribute to reduce the electricity bills as the current PPA price is significantly below the current market average
- (iii) by investing 3% of the Project's revenue in local social development programs, the Project will support local communities.

The Inter-American Investment Corporation says that the potential environmental and social risks and impacts are limited to the project site, largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation. Risks and impacts related to this project are typical of the construction, operation and maintenance of a large photovoltaic (PV) plant. These include, but are not limited to the following: generation of dust and road-safety risks from vehicle and equipment traffic; risks to health and safety of construction workers; and generation of significant quantities of solid waste (particularly when the project is ultimately decommissioned). The project is subject to additional risks, mostly related to worker and community security, from the strong presence of criminal gangs in the project region.



Investment Description

- IDB Invest (IDBI)

The project is being developed by Neoen S.A.S. a French independent power producer. The estimated total cost of the project is around US\$144 million. It is anticipated that the financing will be structured through three Senior Loans from Inter-American Development Bank Invest, the Dutch Development Bank (FMO) and Proparco of around US\$30 million each. The rest of the financing will be funded with equity from the Neoen SAS.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Impala SAS	Parent Company	-
-	-	-	-	neoen SAS	Client	-



Contact Information

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ACCOUNTABILITY MECHANISM OF IIC

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 (IIC)-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 IIC 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

- [Environmental and Social Action Plan.pdf](#) [\[Original Source\]](#)