Early Warning System

MIGA-13880

Ciclo Combinado Tierra Mojada S.A. de R.L. de CV.

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Quick Facts

Countries	Mexico
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Bank Risk Rating	B
Voting Date	2017-05-23
Borrower	International Lender to be Determined
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 916.00 million
Project Cost (USD)	$ 916.00 million

Project Description

PROJECT DESCRIPTION

Project Description

Fisterra Energy (FE) is seeking a MIGA guarantee for its US$ 916 million investment in the Tierra Mojada Power Plant ("Tierra Mojada", or "the Project"), against the risks of expropriation, transfer restriction, war and civil disturbance, and breach of contract, for a period of up to 15 years.

The Project is developed by Ciclo Combinado Tierra Mojada S. de R.L. de CV, a Mexican special purpose vehicle fully owned by FE, which in turn is part of the Blackstone group. Blackstone is a multinational investment firm, with headquarters in the U.S.A. FE is specialized in energy infrastructure with a focus on Latin America, Europe and the Middle East. Other investments in Mexico include the development of the Ventika Wind Farm in the northeast.

The Project comprises the development, construction, and operation & maintenance of a combined cycle gas turbine power plant with a nominal capacity of 874 MW. The project location is in Zapotlanejo Municipality in the State of Jalisco, approximately 30 km southeast of Guadalajara. The Project will also include the construction of two overhead transmission lines that will connect the Project's substations to two existing transmission lines owned and operated by the Federal Electricity Commission. The Project will be connected to the Villa de Reyes - Guadalajara - Aguascalientes natural gas pipeline which is owned by Fermaca (a Mexican energy company), and to the Salamanca-El Castillo pipeline, which crosses the south portion of the Project site and is owned and operated by CENAGAS (Centro Nacional de Control de Gas Nacional).

Tecnicas Reunidas, a global consulting and engineering firm based in Spain, has been selected as the EPC Contractor for the Project, and Leidos, a global technical consulting firm, has been contracted as Independent Engineer. Tecnicas Reunidas will undertake construction, commissioning and testing of the plant once completed, and NAES will provide operation and maintenance services for the Project during the operations stage. NAES is an American engineering firm specialized in the operations of plants in the power, and oil & gas sectors.

The key components of the Project include two gas fired combined-cycle turbines with associated electric generators, two heat recovery steam generators, a single steam turbine, an air cooled condenser, emission control equipment, an electric switchyard and substation, a control system, a wastewater treatment plant, and auxiliary infrastructure such as control room building, offices and access roads.

The project will be located on two land plots with a total area of 25 ha, which FE has acquired through willing buyer - willing seller negotiations. The site is surrounded by private land lots mainly used for crop or livestock farming. Right-of-way agreements for the transmission line have also been negotiated with the relevant landowners. The construction stage is planned to commence in May 2017, and estimated to take approximately 34 months.

Environmental and Social Categorization

This is a Category B project according to MIGA's Policy on Environmental and Social Sustainability because the environmental and social risks and impacts associated with this Project are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. The main environmental and social issues associated with the Project during both construction and operation relate to air emissions (dust during construction and decommissioning, and NO2 and greenhouse gases during operations), noise, occupational health and safety risks, community health and safety risks (e.g. explosions, traffic accidents), land acquisitions, solid and hazardous waste generation, access to water and wastewater generation.

APPLICABLE STANDARDS

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Contact Information

ACCOUNTABILITY MECHANISM OF MIGA

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

- Estudio de Riesgo Ambiental - Ciclo Combinado Tierra Mojada
- Evaluacion del Impacto Social - Ciclo Combinado Tierra Mojada