



NORTH AMERICAN DEVELOPMENT BANK FACT SHEET

MINA, NUEVO LEÓN

- Project:** El Mezquite Wind Energy Project.
- Sponsor:** Cubico Sustainable Investments Limited.
- Location:** The project is located in the municipality of Mina, Nuevo Leon, about 37 miles northwest of the urban area of Monterrey and approximately 145 km (90 miles) southwest of the U.S.-Mexico border.
- Background:** In 2015, Mexico enacted the Energy Transition Law to regulate the sustainable use of energy and obligations regarding clean energy and the reduction of pollution from the power industry, while preserving the competitiveness of the productive sectors. The law specifies, among other provisions, that the Mexican Ministry of Energy (SENER), in coordination with the Mexican Electricity Commission (CFE) and the Mexican Energy Regulatory Commission (CRE), must increase the use of clean technologies in power generation to at least 35% by 2024.
- According to SENER, Nuevo León had 2,776 megawatts (MW) of installed generation capacity and supplied 16,652 gigawatt-hours (GWh) of electricity in 2015.
- On May 13, 2016, the Mexican National Center of Energy Control (CENACE) published the guidelines for the auction of long-term renewable energy contracts. With CFE as the off-taker, contracts for the purchase of capacity and renewable energy will be for 15 years and contracts for clean energy certificates will be for 20 years.
- In September 2016, as part of the second long-term energy auction, the CENACE selected 23 bidders to build 2,871 MW of new renewable capacity worth US\$4.0 billion. This project is one of those selected in the auction.
- Description:** The Project consists of the design, construction and operation of a 250-MW wind farm on approximately 11,943 acres of privately-owned land. The project includes the following components:
- Wind turbines: A total of 100 turbines will be mounted on steel towers, Wind turbine transformers will step up the voltage of the generated power to 34.5 kV for transmission through an insulated underground cable to the collection substation.
 - Electrical substations and transmission line. A substation is being constructed to collect the 34.5-kV energy produced by the turbines and transmitted through underground cables. The collecting substation will step up the energy to 230 kV. From there, the

electricity will be conveyed approximately 15.2 km (49,869 ft.) through a 230-kV overhead transmission line to a second substation, where it will interconnect with an existing CFE transmission line.

- Monitoring and control system. A SCADA system will be installed to control and monitor the operation of each turbine, as well as the Project as a whole from a central computer or a remote PC.
- Access roads. A grid of unpaved roads will be constructed to provide access to the turbines, substations and transmission line.
- Operations & maintenance facility. A permanent facility is being built with administrative space, as well as for the maintenance and storage of equipment during construction and operation.

The energy generated will be delivered to CFE's Escobedo Substation located in Escobedo, Nuevo Leon, and will be purchased by CFE *Suministrador de Servicios Básicos* pursuant to long-term power purchase agreements, CELs, energy and capacity.

Certification Date: June 27, 2017.

NADB Funding: Loan Program:
Market-rate loan: up to US\$105.00 million

On September 1, 2017, a loan agreement for US\$74.10 million was signed with the project company, *Parque Eólico El Mezquite, S.A.P.I. de C.V.* NADB participates as senior lender and lead bank in this transaction.

Benefits: The project is expected to produce approximately 890 GWh of zero-carbon electricity per year, equivalent to the annual energy consumption of 117,000 households. As a result of this project, wind farms will account for nearly 5.5% of electricity generation in Nuevo Leon.

The project will help displace greenhouse gases and other pollutants by reducing the demand for electricity generated by fossil fuel-based power plants, thus improving air quality while providing local residents with a safe and reliable energy alternative. Specifically, the project is expected to displace approximately 428,787 metric tons/year of carbon dioxide (CO₂), 1.78 metric tons/year of sulfur dioxide (SO₂) and 1,175 metric tons/year of nitrogen oxides (NO_x).

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