

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Peru
Name of Borrower:	Energía Eólica S.A (“EESA” or the “Project Company” or the “Borrower”), a Peruvian special purpose entity.
Project Description:	The development, construction, operation, and maintenance of two wind farms: (i) Cupisnique wind farm with approximately 83 MW of installed capacity (“Cupisnique”) and the Talara wind farm with approximately 31 MW of installed capacity (“Talara” and, collectively, the “Wind Farms”). The Wind Farms have a total installed capacity of approximately 114 MW and are located in Northwestern Peru (the “Project”) adjacent to the Pacific Ocean. The Project won power purchase agreements during a competitive auction under Peru’s renewable energy program in 2010.
Proposed OPIC Loan:	Maximum of \$192,755,250
Total Project Costs:	\$257,007,000
U.S. Sponsor:	ContourGlobal L.P.
Foreign Sponsor:	None
Policy Review	
U.S. Economic Impact:	This investment will be used for the construction of two wind farms in Peru, with all new capacity dedicated to the national grid. There will be no U.S. procurement associated with this project, and thus it is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative impact on the U.S. balance of payments over the first five years.
Developmental Effects:	This Project will have a positive development impact on the host country through the construction of two new wind farms that that will supply renewable power to Peru’s national grid. The use of renewable power is in its nascent stages in Peru, but when complete this plant will be among the largest wind power generation plants in Latin America. The Project will involve the installation of advanced wind turbine equipment in a country where only a minor amount of wind power generation is realized. This Project will also support government efforts to increase power generation through renewable resources. The two new sites will be located in rural areas of the host country.

<p>Environment:</p>	<p><i>Screening</i></p> <p>This Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. Small to medium wind farms not located in sensitive ecological areas and that demonstrate minimal potential for significant adverse impacts on birds and bats are typically screened as Category B under OPIC’s environmental and social guidelines because impacts are site specific and readily mitigated. The major concerns related to wind energy conversion systems are proximity to sensitive bird habitat or migratory flyways, disturbance of sensitive ecosystems, erosion and sediment control, ambient noise, and visual impacts.</p> <p><i>Applicable Standards</i></p> <p>OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <p>PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; PS4: Community Health, Safety and Security; PS5: Land Acquisition and Involuntary Resettlement; and PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.</p> <p>In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety (EHS) Guidelines for Wind Energy and the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this Project.</p> <p>The Project will not impact any Indigenous Peoples or cultural sites. Therefore, PS’s 7 and 8 do not apply to this Project.</p> <p><i>Environmental and Social Risks and Mitigation</i></p> <p>The Project involves construction and operation of wind power generation facilities located on two separate sites in Northwestern Peru (Cupisnique and Talara) as detailed above. The Borrower conducted Environmental and Social Impact Assessments (“ESIA”) for both project sites, and as part of the ESIA process has developed a thorough Social and Environmental Management Plan (SEMP) which will be implemented. The SEMP includes measures for environmental</p>
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	<p>prevention, mitigation and control; monitoring for environmental parameters; biological monitoring; waste management; reforestation; training; community relations; and emergency response.</p> <p>Land that has been thus far purchased or leased for the Project has been obtained through negotiated settlements and no resettlement or displacement will be necessary. However, the company is still in the process of acquiring certain plots of land for the Project. OPIC will require documentation that the process of land acquisition or lease was carried out in accordance with PS 5.</p> <p>Flora and fauna studies have revealed the potential presence of an IUCN identified endangered bird species (<i>Phytotoma raimondii</i> or “Peruvian Plantcutter”) on both wind farm sites where vegetation exists that is the preferred habitat for the bird. While the bird was not observed at either site during a nine-month bird study, its song was heard at both of the sites. After reviewing the flora and fauna studies, OPIC required the Project to hire an ornithology expert who concluded that, due to significant on-site disturbance, the likelihood that the Peruvian Plantcutter is present is low. In addition, because the bird flies at a height well below that of the wind turbine blades, in the event that the bird is present, the likelihood of its collision with the blades is low.</p> <p>Nonetheless, OPIC will require the Project to implement mitigation measures that reduce potential impacts on the Plantcutter. These measures will include: minimizing removal of the Plantcutter’s on-site habitat; applying mitigation measures recommended by the ornithologist (cited above); preparing a bird monitoring program; and implementing additional mitigation measures if significant adverse impacts to birds are observed during plant operations. In addition, OPIC will recommend that the Project collaborate with a local conservation wildlife NGO and conduct community reforestation projects that enhance the Plantcutter’s habitat.</p>
Workers Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, hours of work, the timely payment of wages, and hazardous work situations. The Project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p>

Human Rights:

OPIC issued a human rights clearance for this Project on January 22, 2013.