

**INFORMATION SUMMARY FOR THE PUBLIC**  
**Platanares Geothermal Project**

Host Country:	Honduras
Name of Borrower:	Geotérmica Platanares, S.A. de C.V., a company organized under the laws of Honduras.
Project Description:	Geotérmica Platanares, S.A. de C.V. will develop, construct, and operate a 35 MW geothermal power plant that will provide continuous baseload power to the grid in Western Honduras. The Project will increase reliable electricity generation capacity in Honduras by approximately 2% at a cost that is 24.5% less than the average cost of residential electricity in Honduras. In addition, the Project will be situated in an area of Honduras with little existing generation capacity and significant problems with blackouts.
Proposed OPIC Loan:	Not to exceed \$135,000,000 for a term of up to 15 years.
Total Project Costs:	Up to \$180,000,000.
U.S. Sponsor:	Ormat Technologies, Inc.
Foreign Sponsor:	Electricidad de Cortes, S. de R.L. de C.V.
<b>Policy Review</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. U.S. procurement associated with this Project is expected to have a positive impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact on Honduras through the addition of 35 MW of clean installed capacity that will supply baseload power to the country's national grid. The Project will be the first industrial geothermal power project in Honduras. It will supply power at a price lower than the price of other renewable power projects, and at a price lower than the average cost of electricity in Honduras. It is registered as a Clean Development Mechanism as defined by the Kyoto Protocol, and it aligns with the Government of Honduras's goal of promoting the development of sustainable energy production. The Project also supports Sustainable Development Goal Seven, which calls for increasing the share of renewable energy in the global energy mix.

<p>Environment:</p>	<p><b>Screening:</b> This Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Geothermal projects not located in sensitive ecological areas and that demonstrate minimal potential for significant adverse impacts on wildlife and community 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 the Project are degradation of air quality related to dust and hydrogen sulfide (H<sub>2</sub>S); increased water withdrawals from local surface waterbodies; impacts associated with the discharge of wastewater from drilling and power production operations; and potential impacts to community (e.g., impacts during construction such as dust, noise and traffic; influx of workers; noise pollution during operation, etc.); and potential land legacy issues.</p> <p><b>Applicable Standards:</b> 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>PS 1: Assessment and Management of Environmental and Social Risks and Impacts;  PS 2: Labor and Working Conditions;  PS 3: Resource Efficiency and Pollution Prevention;  PS 4: Community Health, Safety and Security;  PS 5: Land Acquisition and Involuntary Resettlement;  PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;  PS 7: Indigenous Peoples; and  PS 8: Cultural Heritage</p> <p>No physical resettlement or economic displacement will occur on the Project's site of 50 km<sup>2</sup>. Land acquisition for the 22 km 69 kV transmission line is on-going. OPIC's due diligence indicates that the likelihood of the involuntary resettlement or impacts to Indigenous Peoples is low. The Borrower continues to negotiate with land owners along the transmission line route to reach agreement. Because land acquisition is on-going, the Project will be required to conduct land acquisition in accordance with PS 5, consultation in accordance with PS 7 and provide evidence to OPIC of such in the case of non-willing seller, resettlement/displacement or impacts to Indigenous Peoples.</p>
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Consistent with the requirements of PS 3 (Pollution Prevention and Abatement) the Project is required to meet applicable provisions of the IFC General Environmental Health and Safety Guideline and IFC's Environmental, Health, and Safety Guidelines for Geothermal Power Generation.

**Environmental & Social Risks:** The Project site is located in a Tropical Seasonal Evergreen Forest where the prevailing vegetation is pine forest and shrubs. The nearest communities are located 0.8 km from the Project site.

The Project has received its environmental permits which include conditions to which the Project is required to adhere and will serve as the basis of the Project's environmental and social management system (ESMS). The Project will be required to develop a project-specific ESMS and demonstrate adequate organizational capacity to effectively implement the ESMS.

Most occupational health and safety (OHS) issues associated with the construction and operation of a geothermal power facility are common to those of large industrial facilities and include exposure to physical hazards from the use of heavy equipment and cranes; trip and fall hazards; exposure to dust; falling objects; work in confined spaces; exposure to hazardous materials; and exposure to electrical hazards. OHS risks unique to this Project include exposure to potentially high levels of heat, noise and geothermal gases (particularly H<sub>2</sub>S) and hazards inherent in well drilling. In contrast to oil and gas wells, which are often over-pressured and where pressures are controlled by weighted drilling fluids, geothermal wells most often are under-pressured. For this reason, well blow-outs and pipeline failures are rare. However, while such failures can occur the Project uses non-toxic drilling fluids and additives and failures are not likely to result in the release of toxic drilling additives. H<sub>2</sub>S gas is found in low concentrations in steam from the Project. The design of the facility allows for 100 percent injection of cooled geothermal fluid into the reservoir from which it was extracted. The Borrower will be required to demonstrate that there are adequate emergency response plans in place to respond to these potential emergencies.

The Project will have fugitive Volatile Organic Compound (VOC) emissions (25-50 tons per year) of the binary working fluid (typically Pentane or Butane) which will be minimized through leak detection and repair (LDAR) procedures and through vapor recovery systems. If H<sub>2</sub>S is detected during

drilling and well testing, an abatement system to control H<sub>2</sub>S will be deployed. No H<sub>2</sub>S will be released during normal operations. The Project is closed-loop system and therefore impacts related to potential contamination to water or significant water use is minimized. Waste is being collected and stored on-site in a storage area and is collected on a regular basis. Potential impacts to community health and safety include fire hazards, H<sub>2</sub>S and steam exposure and water withdrawals during drilling and construction. Potential impacts to flora and fauna during construction include disturbance and tree cutting. The Project will be required to develop an Environmental and Social Management Plan for the construction and operation phases of the Project to ensure compliance with IFC General EHS Guidelines and Performance Standards.

Inspections by the Honduran Institute of Anthropology and History uncovered specific areas of the Project site that contain archeological remnants which need to be conserved and protected. The environmental permit requires that in case of any finding of cultural value, works must cease immediately in the area and the Honduran Institute of Anthropology and History notified. The Project will be required to develop a Chance Finds Procedure.

*Community Engagement.* The Project site is located directly adjacent to a large gold mine owned and operated by Aura Minerals Inc., a Canadian gold mining company. Based on publicly available information and conversations with local stakeholders, the mine has a long history of tense relations with the local community, including conflict over land, resettlement and ineffective community engagement. The Project has acquired some of its land from the mine and there is potential for land legacy issues. The Borrower and Sponsor have hired an independent social consultant to conduct a social assessment to better understand the social context of the Project area and analyze potential social risks, including those related to legacy issues related to land acquisition by the mine.

Recommendations that come from that assessment will be incorporated into the Environmental and Social Action Plan for the Project. In addition, the Borrower will be required to develop formalized Community Engagement and Community Development Plans as well as ensure that its Community Grievance Mechanism is well-communicated to stakeholders.

<p>Worker Rights:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions, OPIC’s Environmental and Social Policy Statement and applicable local labor laws. OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, hazardous working conditions, and security. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Project will be required to develop human resource policies appropriate to its workforce consistent with IFC Performance Standard 2 and local labor law. OPIC has reviewed the Project’s employee grievance policy which is compliant with IFC Performance Standard 2. The Project will be required to provide evidence of organizational capacity to manage and monitor working conditions and to demonstrate how terms and conditions of work are communicated to workers during the construction phase. The Project will be required to conduct a security risk assessment and engage security personnel in a manner consistent with IFC Performance Standard 4 on Community Health, Safety, and Security.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for this Project on August 18, 2016.</p>