

Host Country:	Mexico
Name of Borrower:	Los Santos Solar I, S.A.P.I de C.V. (Mexico)
Project Description:	Construction and operation of a 15.82 MW solar photovoltaic power project located in Villa Ahumada, Chihuahua, Mexico.
Proposed OPIC Loan:	Up to \$15,500,000
Total Project Costs:	Up to \$43,000,000
U.S. Sponsor:	Skookum Energy (Texas) and Mark Jacobsen
Foreign Sponsor:	Sky Sincere Investments Ltd. and Promised Land Holdings Ltd.
<b>Policy Review</b>	
U.S. Economic Impact:	This project will have a positive developmental impact in Mexico, with the construction of a new solar power plant. The project will increase solar electrical supply in a country in which overall renewable power generation constitutes only five percent of total installed capacity. The project fits in with the government of Mexico's new energy policy requiring that 35 percent of all energy generated in the country must come from renewable resources by 2024. The World Bank Group's most recent Country Partnership Strategy with Mexico highlights the need for continued private sector investments in renewable energy to help Mexico diversify itself away from domestic and imported fossil fuels. The project will stimulate the local economy through its construction activities and procurement of local goods and services.
Developmental Effects:	This project is not expected to have a negative impact on the United States economy. Initial and operational U.S. procurement for the purchase of solar inverters and trackers is expected to have a positive impact on U.S. employment. The project is expected to have a negative five-year balance of payments impact.
Environment:	<p>SCREENING: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Solar power generation facilities not located in or near sensitive areas and that are unlikely to have significant negative impacts associated with biodiversity, Indigenous Peoples and land acquisition are screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The major environmental and social issues associated with the Project include the need for appropriate health and safety measures and a robust environmental and social management system for day-to-day aspects of construction and operation including solid waste disposal, hazardous materials management and disposal and wastewater treatment and disposal.</p> <p>Applicable Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in</p>

a manner consistent with the following 2012 International Finance Corporation's (IFC) Performance Standards (PS):

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; and  
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project will not involve land acquisition nor does it displace or restrict any person from their home, job or livelihood. The closest Indigenous Population is located 32 km from the Project site and the Project will not have impacts to Indigenous Peoples. The site has received authorization to construct from the Instituto Nacional de Antropología e Historia (INAH), the Mexican archaeological regulatory agency. A chance finds procedure has been established in the event of an archaeological find during construction. Therefore PS's 5, 7 and 8 are not triggered at this time.

In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to the Project.

Environmental and Social Risks and Mitigation: The Project is located in a sparsely populated, arid/semi-arid desert region of Mexico. No flora of significance have been identified. Some sensitive fauna are located in or near the site, but all have a wide geographic range and stable population and not anticipated to be impacted by the Project. Air emissions from the Project will be generated only during construction and they will be of a short duration and temporary. Water will be trucked to site and supplied by the Ahumaba Municipal authority. Portable toilets will be used during construction and they will be maintained by a licensed provider. Once operational a septic system will be installed on-site to handle wastes.

The Project is in the process of developing an environmental and social management system for the Project. As part of its permit requirements for the Mexican Government a Soil Restoration Plan, Reforestation Plan, and Flora and Fauna Relocation and Conservation Plan, and a monitoring plan are being developed. OPIC will review these plans to assure they are consistent with International Standards. Additionally, OPIC will require the Project to Develop a Stakeholder Engagement Plan, Occupational Health and Safety Plan and Emergency Response Plan. The Project will hire an on-site environmental, health and safety officer to assure the plans

	<p>are properly implemented. Additionally, the Project will work with the Universidad La Salle Chihuahua to develop a community outreach program.</p> <p>GHG's emitted &lt;1,000 tons CO2e  GHG's avoided 11.130 tons CO2e</p>
<p>Workers Rights:</p>	<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> <p>During the construction phase, there will be approximately 60 total workers, 85% of which will be low-skilled workers engaged through subcontractors of the EPC, IMASA. One to two workers will be employed during the operational phase.</p> <p>Before the operational phase commences, the Project will be required to develop human resource policies appropriate to the operational phase of the project and aligned with the IFC Performance Standards.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for this project on May 27, 2015.</p>