

## **PROJECT ABSTRACT**

Project number:	AR-0200
Project name	AES/PARANA PROJECT
Country/Location	Argentina/San Nicolas
Sponsors	AES Americas Inc.
Total project cost	US\$448 million (approx.)
IDB participation	IDB A-Loan: US\$60 million IDB B-Loan: US\$52 million
Department	Private Sector Department
Status	Approved by the Board of Executive Directors
Date	September 24, 1997

### **1. BACKGROUND**

The San Nicolas Thermal Plant (SNTP), located in Buenos Aires Province, Argentina and with an installed capacity of 650MW, was privatized in 1993. The plant is presently owned by AES America Inc. (70%), Community Energy Alternatives Inc. (18%) and its workers (12%). Based on experience gained in Argentina and in order to improve its position in the market, AES America, the major shareholder of SNTP, decided to expand plant capacity by 750MW with a new environmentally friendly and efficient gas-fired cogeneration unit.

### **2. THE SPONSORS**

The sponsors of the Project are AES Americas Inc., a wholly owned subsidiary of AES Corporation, with a majority stake, and Community Energy Alternatives Inc. with a minority stake.

### **3. THE PROJECT**

The new 750MW class gas-fired combined cycle electric generating facility will be constructed at the same site as SNTP, about 240 Km northwest of Buenos Aires on the southwest bank of the Parana River. It will be an independent company from a legal stand point, named AES-Parana.

The project includes other secondary facilities, such as an additional 7 km of transmission lines to the grid, substations and a short gas pipeline that may or may not be included in the scope of the project, depending on final negotiations with the gas distributor company. The construction term will be for a period of 2 years. The electricity will basically be sold directly to the Argentine national grid (CAMMESA). The sponsors expect to have firm long-term PPAs (about 100MW) with several large industrial users.

### **4. FINANCIAL STRUCTURE**

The tentative financial structure is the following :

Equity:	US\$ 184 million (41%)
IDB (A Loan):	US\$ 60 million (13%)

IDB (B Loan):	US\$ 52 million (12%)
Others:	US\$152 million (34%)
Total Cost:	US\$448 million (100%)