

El Aromo

Photovoltaic project

Ecuador

MINISTERIO DE ENERGÍA Y RECURSOS NATURALES NO RENOVABLES



EL
GOBIERNO
DE TODOS

Ecuador

Country of opportunities

Thanks to the policies featured by the Ecuadorian government, we are a nation that supports private sector investment for promoting technological innovation and to generate qualified employment.

In order to support this type of investment, Ecuador has developed a institutional framework that provides legal settings, encourages local private Enterprises, and has become a confidence place for private investors.

Several incentives have been implemented to attract private investment in priority sectors, including renewable energy.



Ecuador

Galápagos

South America

Ministry

of Energy and Non-Renewable Natural Resources

The Ministry of Energy and Non-Renewable Natural Resources (MERNNR) is the government entity responsible for public policy making and guidelines for the energy sector in Ecuador

Among others, its main objectives include increasing the efficiency and productivity of energy and mining resources; expanding the nationwide side demand management efficiency; and increasing the quality, continuity, resilience, security, and coverage of the public electricity service.

In order to accomplish its goals, MERNNR has developed, together with other government authorities, an investment package mainly focused in pursuing private investment in renewable energy projects.



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Ministry of Energy and Non-Renewable Natural Resources

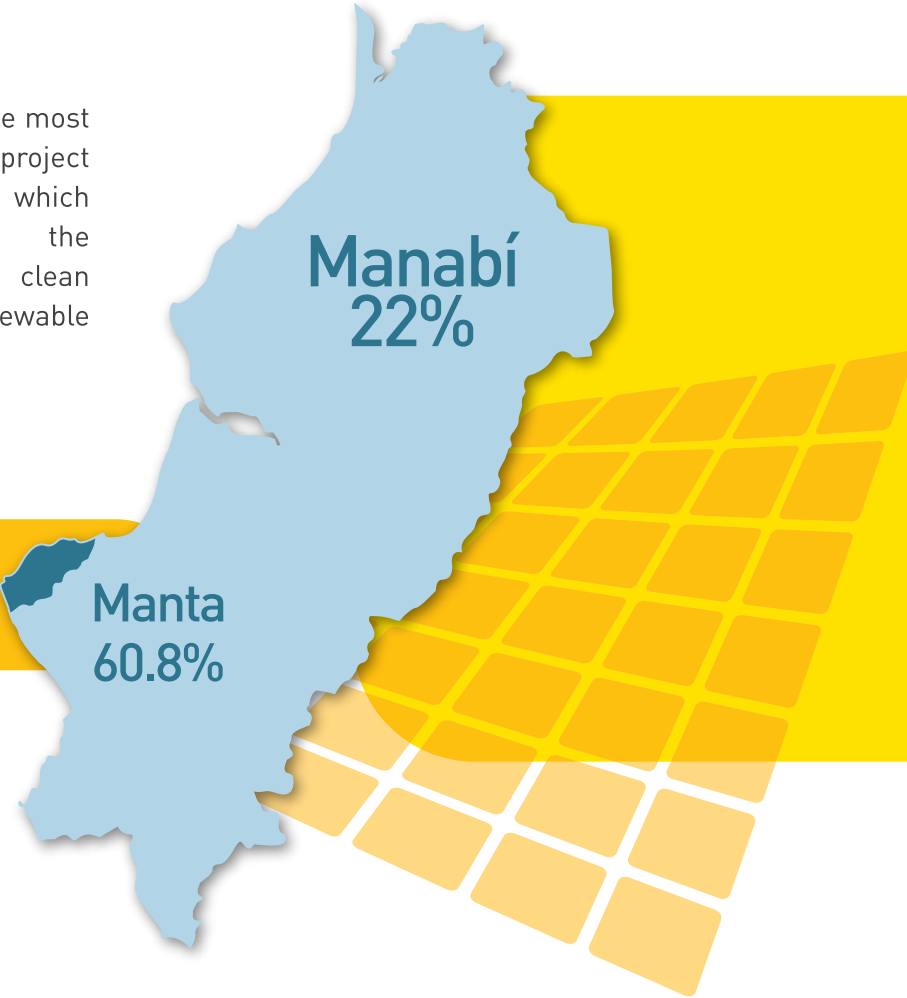
Projects

detail

“El Aromo” is currently the most important photovoltaic project development in Ecuador, which was prioritized by the Government to produce clean electricity, through renewable energy resources.

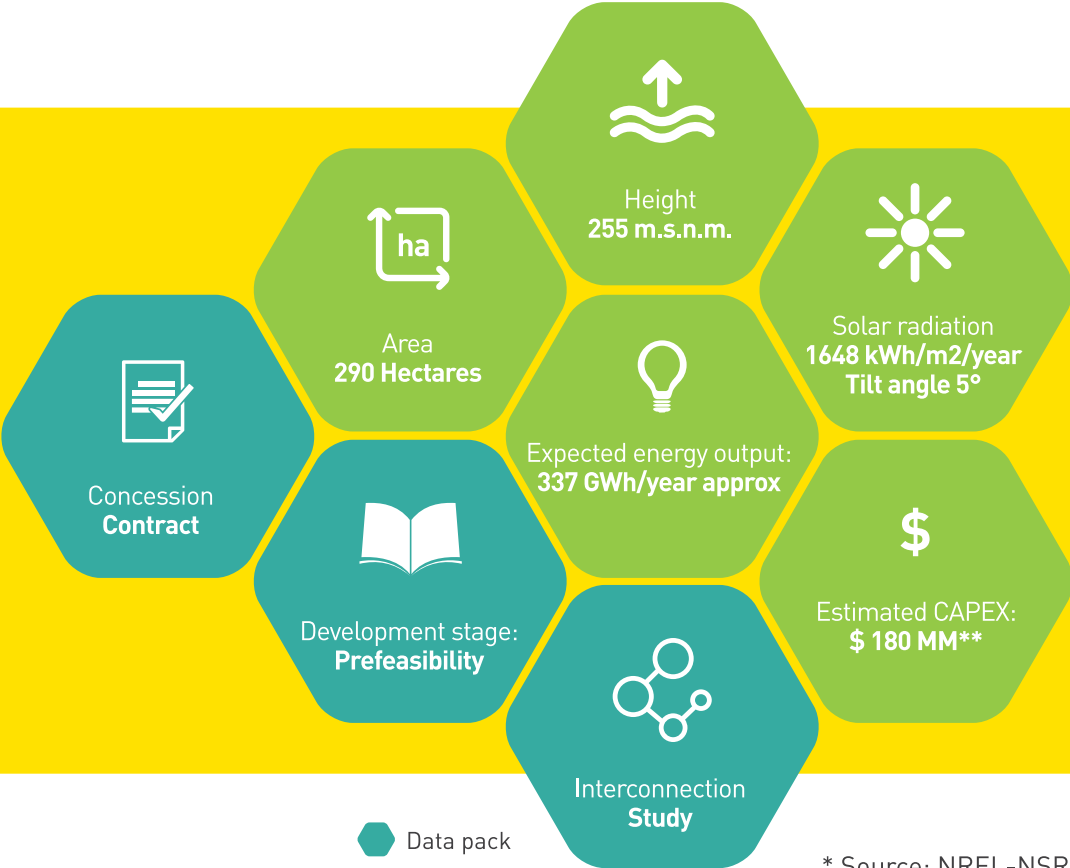


Energy consumption



Technical

detail



Data pack

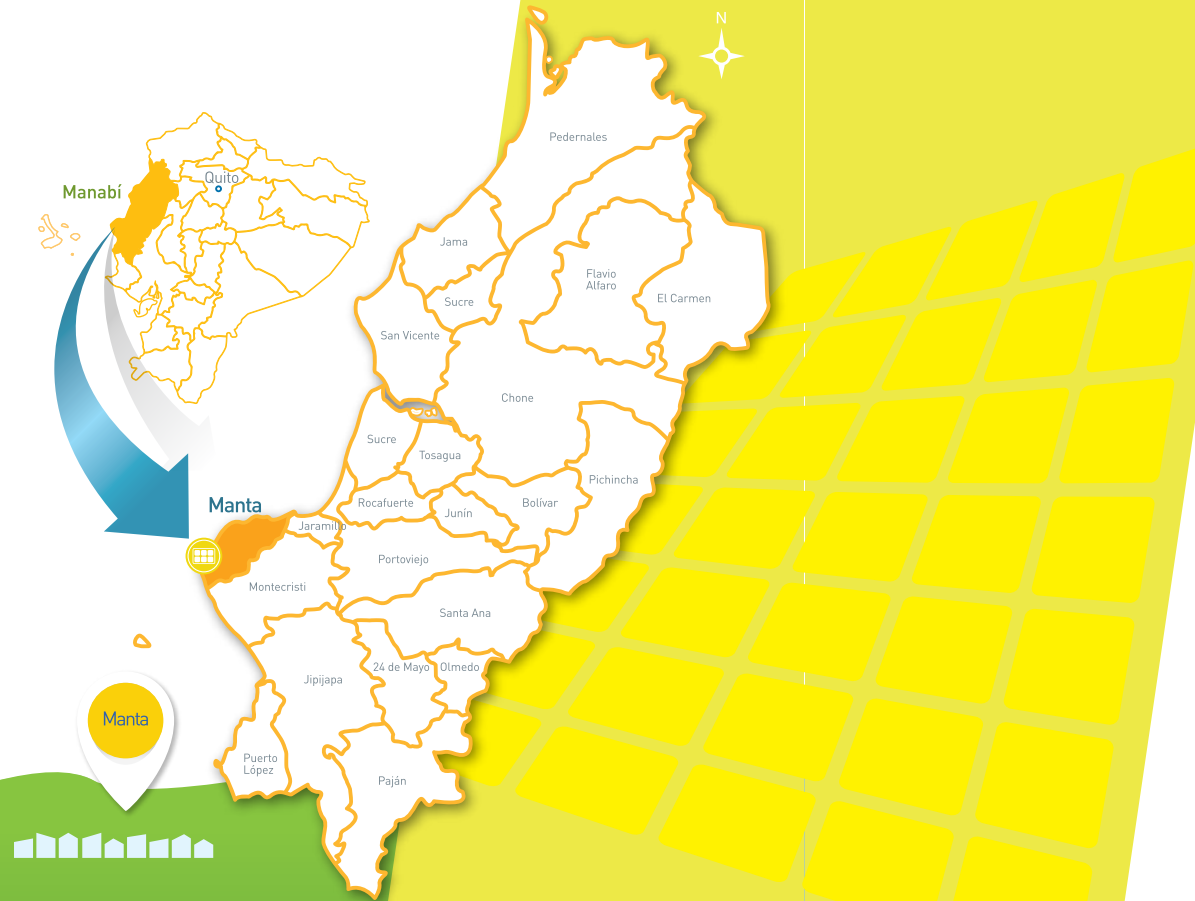
* Source: NREL-NSRDB

** The CAPEX includes photovoltaic farm, transmission line, and substation including the interconnection to the National Interconnected System.

Location

This project is located in the coastal region, in the site "El Aromo", which was intervened and conditioned to develop the Manabí Refinery. The coordinates of the site are: 523228 East, 9881616 North (coordinates UTM WGS-84), approximately 20km from the city of Manta, on the road to San Lorenzo, Manabí Province.

El Aromo



San Juan Substation

10 km

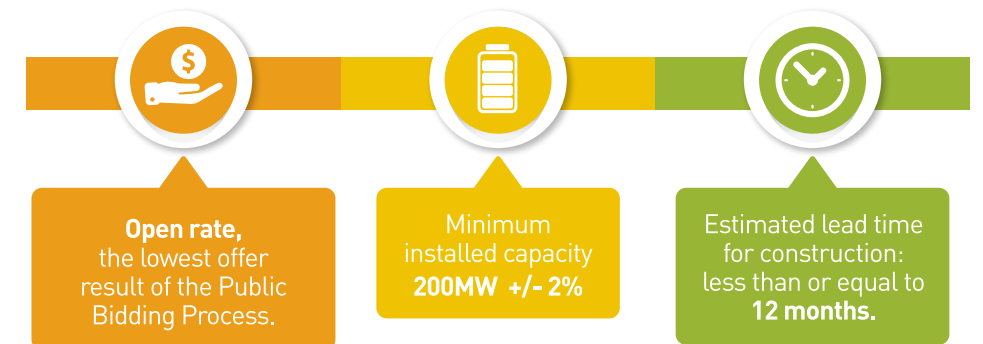
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Scope

of the Public Selection Process (PPS)

The photovoltaic project El Aromo, will have a minimum installed capacity of 200MW +/- 2%, it will be granted a concession contract through a public selection process. The winning company will be in charge of the design, financing, construction, operation, maintenance and delivery of the electric power service.

The investor who makes the best offer will be responsible for the construction and operation of the "El Aromo" photovoltaic power plant. Once the concession period has ended, which lasts 20 years, the asset will be transferred to the Ecuadorian State. All reckless bids will be disqualified and associated guarantees executed.



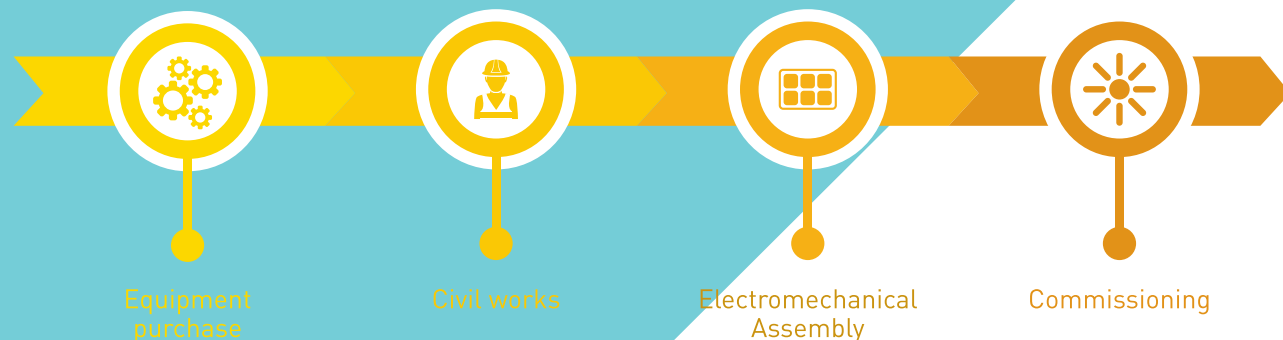
Supervisory

role of ecuadorian State

The State, through the Ministry of Non-Renewable Natural Resources, will carry out the public selection process.

Once El Aromo photovoltaic project has been granted, the State assumes a supervisory role throughout the construction, operation and maintenance, ensuring compliance with current legal regulations.

Principal project milestones



El Aromo Photovoltaic project



Tender Guidelines Purchase, Draft Contracts, and reference studies.

Offer qualification and eligibility requirements



Legal

- Bid security and warranty period

Technical

- Experience in the Non Conventional Renewable Energy (NCRE) sector, with a minimum cumulative installed capacity of 300 MW by the company or consortium in the last 10 years.
- Design certificate according to IEC Standards; 61215, 61730 , 61701, 62804, 62109, 62116, 62103 and EN60529
- Energy quality compliance certificate (ARCONEL 004/15).

Financial

- Company or consortium net worth => US\$ 300MM
- Liquidity and indebtedness index.
- a. Liquidity ratio (>1)
- b. Debt / Equity ratio (< 2)



Economical

Lowest bidding value: USD/kWh

Ministry of Energy and Non-Renewable Natural Resources

Legal affairs



Incentives

for private investors



Exemption of Overseas Remittance Tax (IMPUESTO A LA SALIDA DE DIVISAS -ISD- in Spanish) for capital goods and raw materials.

Exemption of the Overseas Remittance Tax for the importation of goods, service acquisition, financing, dividends or profits, payments for acquiring shares, rights or holdings.

12 year Income Tax (IR) payment and pre-payment exception for new investments on the outskirts of Quito and Guayaquil. In case the project is developed in zones labeled as prioritized or vulnerable, the tax income exemption applied is for 15 years.

8 year Income Tax (IR) payment and pre-payment exception for new investments in urban jurisdictions in Quito and Guayaquil.

Source: Organic Law for Productive Development, Attraction of Investments, Generation of Employment, and Stability and Fiscal Equilibrium.



Public tender activities
for concessioning the project
(Includes Concession Contract, and PPA)

Launch and call for proposals

- Preliminary bit documents publication and reception of the suggestions
- Elaboration of the final bit documents

Development activities

- Bid Prequalification
- Purchase the bit documents

User-names and password delivery

- Technical visit
- Questions & inquiries
- Answer to questions & inquiries
- Results publication

Offer preparation

- Technical and economical bid requirements delivery
- Technical bid requirements evaluation
- Bid validation process
- Technical bid requirements qualification
- Results publication
- Economical bid requirements qualification
- Results publication
- Recommendation to award or declare void the public tender

Transaction closing

- Contract suscription
- Construction begins
- Equipment purchase order

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