1. Country and Sector Background

   A. Country and Sector Issues

   The project proposed in this document seeks to contribute to the market development of a technology known as Integrated Solar Combined Cycle System (ISCCS) which has high potential for future replication in the developing world and for reductions in Greenhouse Gas (GHG) emissions.

   Mexico is the ninth largest greenhouse gas emitter in the world. The main CO\textsubscript{2} emission sources (excluding land use-related emissions) are energy combustion (89 percent) and industrial processes (11 percent). The national CO\textsubscript{2} emissions from fuel combustion increased by 23 percent between 1990 and 2000 and are expected to increase by 69% when extending the period to 2010.
Within the next ten years the demands for electricity, natural gas and oil products are projected to rise by 75, 69 and 35 percent respectively.

The Mexican electricity system, operated primarily by *Comisión Federal de Electricidad* (CFE), serves 96 percent of the population. About 73 percent of Mexico’s installed power generation capacity of 47 GW is fossil fuel-based, with oil-fired plants, including combustion turbines, responsible for the largest share of both capacities (43 percent) and generation (49 percent). Combustion turbine plants comprise less than 8 percent of total generation and are used largely for meeting demands at peak and in isolated areas. Gas-fired plants represent more than 19 percent of generation, about the same share as hydro, with just below 14 percent of total generation capacity.

Mexico has abundant renewable energy resources; however it has only a small share of generation capacity based on either wind, solar, hydro or geothermal resources. Notably, Mexico is located within the world’s solar belt where high solar insulations allow for the efficient operation of grid-connected solar based power generation.

The electricity system in Mexico has 1,365 MW of nuclear capacity (2.90 percent), 960 MW of geothermal capacity (2 percent) and about 87 MW of wind capacity (considering La Venta I and La Venta II plants, less than 1 percent).

The most important element of Mexico’s power sector development is the considerable rearrangement of the fuel mix expected by 2014 which indicates a doubling of natural gas use and a 50 percent increase in coal for generation. By 2020 the IEA expects Mexico to increase gas use in the power sector five-fold, to 44 percent of all generation.

At the Federal level, the Energy Sector Program (PROSENER) establishes the increase in the use of renewable energy resources as a sector priority and defines a number of strategic actions including i) develop programs, projects and actions to increase the use of renewables, ii) increase the capacity share of renewable energy in the electricity sector, iii) strengthen research and technology development activities on renewable energy and iv) promote education on renewable energy.

Recently Mexico has made substantial progress in the development of policies and measures to increase the market share of renewable energy. These include: i) a provision for Accelerated Depreciation, which makes 100% investment in renewable energy technologies after January 2005 eligible for depreciation in the first year, and ii) a proposed Renewable Energy Law (passed by the lower house of Congress in late 2005; pending before the Senate) that specifies a range of methodologies and dispatch conditions to better capture the value of contributions of renewables.

In particular, the proposed Renewable Energy Law establishes the creation of a trust fund to support the development of emerging technologies based on renewable energy sources (Chapter IV, article 18). In addition, the law also proposes the implementation of a second trust fund to support research and development activities focused on those renewable energy technologies that
are considered promising for the future development of the national energy and other industries (Chapter VIII).

In March 2006, the Institute of Electrical Research (IIE-Mexico) issued a report that identifies the research and technology development priorities for the Mexican energy industry in the twenty first century. The report emphasizes that given the abundant solar resources in Mexico, research and technology development activities will have to focus on: a) heat production for industrial applications using solar resources, b) concentrating solar power technology (and specifically parabolic trough technology), and c) photovoltaic panels.

Today however, there are no policies or regulatory mechanisms that explicitly support renewable energy and the development of emerging technologies in this field. In fact, total expenditures on research and technology development initiatives in the electricity sector have declined from 1-1.5% of total electricity sales in 1993 to 0.68% in 2006\(^1\).

The demonstration of integrated solar combined cycle systems (ISCCS) using solar parabolic trough technology with the support of the Global Environmental Facility (GEF) will allow Mexico to install a technology that is considered promising for the development of the electricity industry in the twenty first century. With the first installation, Mexican engineers will learn how to integrate combined cycle gas turbines (CCGTs) with solar fields and be able to improve the thermodynamic integration based on first hand experience.

Without question, the passing of the Renewable Energy Law (expected to be passed in September 2006) and the implementation of the trust funds proposed would allow the replication and scaling up of solar thermal projects at the North of Mexico.

CFE has already expressed interest in exploring the possibility to integrate solar fields into existing coal-fired Rankine plants operating at the North of Mexico. Such a combination would result in higher CO\(_2\)-emission reductions by displacing coal rather than natural gas.

In addition, Mexico has a well-developed industrial base and has the potential to locally manufacture up to 40% of the plant components. Mexican companies have already manufactured parabolic collectors for the LUZ installations in California\(^2\).

The introduction of integrated solar combined cycle systems (ISCSS) has the potential to penetrate the national energy market considering high energy demand growth rates at the North of Mexico, the need to hedge against future increases in natural gas or coal prices and the benefits associated with the reductions in greenhouse gas emissions (GHGs).

2. Objectives

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B. Global environmental objectives and key indicators

The global benefits associated with the project include: i) demonstrate the operational viability and value added of integrating a solar field with a large conventional thermal facility (ISCCS using solar parabolic trough technology); ii) contribute to reduce the long-term costs of the technology; and iii) reduce global GHG emissions.

The carbon emissions reduction is estimated in 391,270 tons of CO2 over the 25 year economic life of the plant.

Key performance indicators associated with the global environmental objective include:

- **Cost of solar thermal power (c/KWh)**
- **Reduction of CO2 emissions (tons/year)**

The proposed project is consistent with the Country Partnership Strategy (CPS, Report No. 28141-ME, March 18, 2004) which proposes to promote environmental sustainability as one of its four strategic pillars. In particular, the CPS acknowledges the threat of climate change (paragraph 54 pp 21) and agrees “to support on-going programs to address the problems of GHG emissions and promote the introduction of clean energy technologies” (paragraph 119, pp 44).

The project is consistent with GEF Operational Program Number 7 “Reducing the Long Term Costs of Low Greenhouse Gas Emitting Technologies”.

The project will contribute to reduce GHG emissions from anthropogenic sources through the installation of an integrated solar combined cycle system (ISCCS) using solar parabolic trough technology. The project, known as Agua Prieta II, will be located at the North of Mexico in the State of Sonora within the world’s solar belt where there is potential for replication. The Agua Prieta II will be the first of its kind penetrating the electricity market in Mexico and Latin America.

3. Rationale for Bank Involvement

Global warming has been identified as a very significant poverty and security issue. The associated detrimental effects are likely to particularly manifest themselves in many developing countries.

Though most of the anthropogenic emissions thought to be contributing to the effect have historically come from the OECD countries, modeling shows that in the future other countries such as India, China and Mexico will have, although in a much lower scale, a growing contribution.

The GEF Operational Program 7 (OP 7) support technology development initiatives and aims to increase the market share of low greenhouse gas-emitting technologies that are not yet commercial, but which are promising for becoming competitive in the future.
In 1996, the GEF’s Scientific and Advisory Panel (STAP) recommended high temperature solar thermal power technology as one of the renewable energy technologies with significant potential for cost reduction and the expected high demand from countries located in the world’s solar belt. In 1999, the GEF launched a portfolio of four projects (to be located in India, Mexico, Morocco, Egypt) to promote the introduction of ISCCS.

Concentrating Solar Power (CSP) is viewed as the most cost-effective option for converting solar radiation into electricity, and it had been operationally proven in California since the mid-1980s.

In 2005, the GEF sponsored an updated review of the status of the technology and its potential for replication\(^3\). The review concluded that i) solar thermal electricity technology is worthy of continued support, ii) the benefits of a successful industry, particularly for developing countries, are significant, iii) the technology is not new and has been proven, however it is still in the process for becoming competitive, iv) the technology has the potential to follow a similar cost reduction curve as wind energy.

The World Bank and GEF, together with other bi-lateral agencies, have engaged a broad array of Mexican policy, technical, financial, and environmental agencies and actors on the topic. Discussions have aimed to building consensus on the need for energy sector diversification, the potential benefits of developing in-country renewable energy resources to achieve such diversification, and the technical assistance and program approaches required to stimulate and sustain long-term renewable energy development.

SENER, CFE and other agencies recognize the value added of the World Bank and GEF in (a) providing objective information on international experience and tailoring it to Mexican circumstances, (b) identifying and collaborating with a range of technical, financial, and policy experts within and outside of Mexico, and (c) carrying out key analyses required to inform decisions. Indeed, over the last years the Bank has contributed to strengthen the national institutional capacity to plan, integrate and develop renewable energy with the various projects supported with either carbon finance or the Global Environmental Facility.

Given the entry into force of the Kyoto Protocol in February 2005, the Bank’s engagement with Mexico (both through GEF and several projects under development through the Bank’s Carbon Finance Business) remains important in supporting Mexico position on emerging international accords on mitigating greenhouse gases (GHGs).


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As a non-Annex I country, Mexico is eligible for financing from the GEF through the mechanism established by the Convention. The Project has received the endorsement from the GEF Operational Focal Point and is formulated in accordance with national priorities.

The proposed project has been included by Treasury (SHCP) in the Federal Expenditures/Investments Program for 2006 (Programa de Egresos de la Federación, PEF) and approved by Congress.

4. Description

The design, construction and operation of the proposed Integrated Solar Combined Cycle System (ISCCS) include two components:

Component 1. Design and construction of a 31 MW (peak) solar field: the solar collector field consists of a large field of single-axis tracking parabolic trough solar collectors.

Component 2. Design and, construction of a 480 MW (net) gas based thermal plant: the plant is based on a standard configuration that includes two industrial frame combustion turbines each associated with a heat recovery steam generator (HRSG) and a steam turbine.

*The proposed project will only finance component 1, as indicated in the Table below.*

### Table 1. Design and Construction of a 485.5 MW (net) ISCCS Plant (4)

<table>
<thead>
<tr>
<th>Component</th>
<th>Indicative Cost (US$M)</th>
<th>GEF Financing (US$M)</th>
<th>% GEF Financing</th>
<th>GOM Financing (US$M)</th>
<th>% GOM Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1: 31 MW (peak) Solar Field</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solar field 118,500-120,000 m²</td>
<td>43.518</td>
<td>43.518</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fence (land of solar field)</td>
<td>0.241</td>
<td>0.241</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land purchase</td>
<td>1.5</td>
<td>-</td>
<td>100</td>
<td>1.5</td>
<td>100</td>
</tr>
<tr>
<td>Wastewater treatment plant</td>
<td>1.86</td>
<td>0.42 (1)</td>
<td>22.58</td>
<td>1.43</td>
<td>76.9</td>
</tr>
<tr>
<td>Incremental Cost due to Integration (2)</td>
<td>5.171</td>
<td>5.171</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>52.29</strong></td>
<td><strong>49.35</strong></td>
<td><strong>94.38%</strong></td>
<td><strong>2.93</strong></td>
<td><strong>5.60%</strong></td>
</tr>
<tr>
<td>Component 2: 480 MW Thermal Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combustion Turbine</td>
<td>79.9</td>
<td>-</td>
<td>-</td>
<td>79.9</td>
<td>100</td>
</tr>
<tr>
<td>HRSG (no duct firing)</td>
<td>36.7</td>
<td>-</td>
<td>-</td>
<td>36.7</td>
<td>100</td>
</tr>
<tr>
<td>Steam Turbine and Auxiliaries</td>
<td>26.5</td>
<td>-</td>
<td>-</td>
<td>26.5</td>
<td>100</td>
</tr>
<tr>
<td>Mechanical Equipment</td>
<td>56</td>
<td>-</td>
<td>-</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>18.9</td>
<td>-</td>
<td>-</td>
<td>18.9</td>
<td>100</td>
</tr>
<tr>
<td>Civil and Structural Work</td>
<td>13.3</td>
<td>-</td>
<td>-</td>
<td>13.3</td>
<td>100</td>
</tr>
<tr>
<td>Construction</td>
<td>65</td>
<td>-</td>
<td>-</td>
<td>65</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296.3 (3)</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>296.3</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>348.59</strong></td>
<td><strong>49.35</strong></td>
<td><strong>14.16%</strong></td>
<td><strong>299.23</strong></td>
<td><strong>85.84%</strong></td>
</tr>
</tbody>
</table>

(1) Includes only the expansion required for the maintenance of the solar field (i.e., cleaning of mirrors, etc.).
The integration of solar field requires modifications in the design of the thermal components, these include:
major equipment required expansion, design modifications in the power block (based on the configuration selected
during the cycle optimization phase of the project) and for the addition of duct firing.

This is an indicative cost, actual costs of the thermal component will be specified once the bidding has been
awarded.

The operation of the integrated ISCCS is responsibility of the CFE.

It is important to note that under the Finance Build Transfer scheme (known as Obra Pública
Financiada or OPF), the bid winner will design and construct the plant and CFE will operate and
maintain it.

5. Financing
Source: ($m.)
BORROWER/RECIPIENT 0
GLOBAL ENVIRONMENT FACILITY 49.35
FOREIGN PRIVATE COMMERCIAL SOURCES (UNIDENTIFIED) 0
Total 49.35

6. Implementation

The project is co-financed by the Federal Commission of Electricity (86% of total project costs
corresponding to the thermal component) and the Global Environmental Facility (14 % total
project costs corresponding to the solar component).

Main Responsible Institutions:

The Ministry of Finance and Public Credit (SHCP) is the official recipient of the grant. SHCP is
the only entity of the Federal Government that has the capacity to receive donations from
international financing agencies. It also assigns the financial agent for the project.

The Federal Commission of Electricity (CFE) will execute the project. CFE’s investments in
power generating plants is authorized by a budgetary allocation from the central government
under the scheme of Projects with Deferred Impact in the Budgetary Registry (Proyectos de
Impacto Diferido en el Registro de Gasto, PIDIREGAS), using either the Independent Power
Production scheme (IPP) or the Finance Build Transfer modality (Obra Pública Financiada,
OPF). Under the OPF scheme, the contractor is responsible for the construction phase, including
its financing. CFE pays the contractor in full upon satisfactory reception of the project, at which
point CFE becomes the project’s owner. CFE finances the project under financing modalities
authorized by Treasury (Secretaría de Hacienda y Crédito Público, SHCP), accessing the
financial markets, or borrowing from national or international financial institutions. In some
cases, the CFE buys the financial scheme already arranged by the contractor.

The Federal Commission of Electricity (CFE) through its Directorate for Financed Investment
Projects (Dirección de Proyectos de Inversion Financiada) will assume overall GEF project
implementation responsibilities, including:
i. Preparation of bidding package including general technical specifications
ii. Bidding process: bid structuring and evaluation
iii. Purchase and operation of the Agua Prieta II ISCCS Plant
iv. Project monitoring and evaluation
v. Regular reporting

The preparation of the bidding package has been completed. The CFE advertised the bidding documents last June 27th, 2006 and will award the bid next November 30th, 2006. The Agua Prieta II ISCCS plant is expected to start operations in March 31st, 2009.

*Nacional Financiera (NAFIN)* has been designated by SHCP as the financial agent for the Project and as such will provide overall financial management of the Project and the Special Account. NAFIN will also be responsible for formal correspondence with the Bank.

The grant will be transferred through a special account directly to the contractor under the terms and conditions of a legal contract signed between CFE and the contractor. The grant will be disbursed in tranches as the construction of the project proceeds under the technical supervision of the CFE.

7. Sustainability

Grant recipient commitment has been demonstrated by significant support during project preparation over the last six years: a) despite the delays and inconsistencies between Bank’s and country’s procurement policies, CFE has consistently supported the project and allowed - to the extent of possible - changes in its bidding process to accommodate Bank’s requirements\(^4\), b) CFE’s high level management has visited Washington DC on several occasions to discuss alternative solutions and overcome obstacles to project implementation, c) given the impossibility of obtaining a GEF CEO endorsement before the launching of an IPP process, CFE accepted to change project’s modality to a Finance Build Transfer scheme (OPF), d) CFE agreed to finance the cost of the land for the solar field given that GEF grants cannot cover this type of expenses, e) CFE has spend resources in the development of technical specifications for their inclusion in the bidding package and in public consultations to comply with Bank’s safeguards and finally f) due to electricity growth rates at the North of Mexico CFE will launch the bidding process as a hybrid plant in June 2006 despite the fact that the GEF CEO endorsement is not expected until the end of July 2006.

The ISCCS Agua Prieta II is expected to operate sustainably as an integral part of the Mexican power system. Gas based thermal generation based on combined cycle gas turbines (CCGTs) are about the most efficient and clean thermal generation arrangements in the capacity mix. These plants are generally dispatched in based load, displacing other older, less efficient generating

\(^4\) An internal review of the case by Bank’s Operational Procurement Review Committee in 2003 required one alteration to CFE’s procurement process in order for the process to be accepted by the Bank: the intervention of an independent third party auditor proposed by CFE and acceptable to the Bank to safeguard the integrity of the two envelope system. CFE accepted this condition in 2003. Recently, CFE allowed the Bank’s review of the bid evaluation report of the power plant ensuring the Bank’s fiduciary obligation under certain workable arrangements.
plants. In addition, the solar contribution hedges against future increase in natural gas prices and during the periods when temperature and humidity conditions affect the performance of the thermal plant.

As mentioned before, Mexico has made substantial progress in the development of policies and measures to increase the market share of renewable energy. These include: i) a provision for Accelerated Depreciation, which makes 100% investment in renewable energy technologies after January 2005 eligible for depreciation in the first year, and ii) a proposed Renewable Energy Law (passed by the lower house of Congress in late 2005; pending before the Senate) that specifies a range of methodologies and dispatch conditions to better capture the value of contributions of renewables.

In particular, the proposed Renewable Energy Law establishes the creation of a trust fund to support the development of emerging technologies based on renewable energy sources (Chapter IV, article 18). The law also proposes the implementation of a second trust fund to support research and development activities focused on those renewable energy technologies that are considered promising for the future development of the national energy and other industries (Chapter VIII).

CFE has already recognized the potential to replicate the integration of solar fields with coal based power generating facilities already operating at the North of Mexico; a technological arrangement with higher potential for reductions in GHG emissions and with the characteristics to hedge against future high natural gas prices.

Another aspect that support the argument of potential replication at the national levels is the fact that Mexico has well-developed industrial base and has the potential to locally manufacture up to 40% of the plant components (Spencer Management Associates 1994). Mexican companies have already manufactured parabolic collectors for the LUZ installations in California. The manufacturing of some of the ISCCS component in the country would lower the overall capital costs of the technology, facilitating its replication.

Ultimately, it is expected that the ISCCS Agua Prieta II Project will contribute globally to knowledge dissemination and the adoption of the technology in other developed and developing countries located within the world’s solar belt.

8. Lessons Learned from Past Operations in the Country/Sector

A portfolio of four ISCCS projects to be located in India, Morocco, Egypt and Mexico entered the GEF program in 1999 with a grant volume of US$ 194.2 Million. However, each of these projects has encountered significant delays.

A STAP review of the portfolio in 2004 concluded that low greenhouse gas emitting technologies are not only exposed to the barriers typical of innovation and technology market development, but also to the common barriers that affect conventional projects (e.g. transactional, informational, institutional and capacity-related).
The lessons learned with the GEF portfolio as indicated by the STAP review include:

**The difficulty in adapting emerging technologies to the IPP scheme**

The four projects in the portfolio, originally programmed to operate under the scheme of Independent Power Production (IPP) switched to a different modality with a more limited participation of the private sector. In the case of India, Morocco and Egypt, the scheme switched to the Engineer Procure Construct (EPC) model with contracts for operation and maintenance. In Mexico, the project will be bid as a Finance Build Transfer (known as *Obra Pública Financiada* or OPF) where the project is ultimately State owned, operated and maintained by the CFE.

The 2004 STAP review concluded that the lack of success with the IPP approach seemed to be the result of private sector risk aversion associated with the costs of financing the high capital investment characteristic of large solar field, coupled with the general global decline in IPP interest across the developing world.

In the case of Mexico, the CFE made the decision to change the IPP for the OPF scheme even before the bidding was launched. The reason for the change was the Mexican legal constraint for launching a bidding process that offers a grant, where the grant has not been secured. In this case the GEF CEO endorsement could not be provided before the beginning of the bidding process due to uncertainties regarding both the project design offered by the bid winner and the reputation of the bid winner. Under the OPF scheme, the GEF CEO endorsement can be provided before the bidding starts considering that the project design is already specified in the bidding document and the owner and operator of the plant is known to be CFE, a company with strong technical capacities and solid reputation.

**Securing full co-financing is frequently a slow and difficult process for capital intensive projects in developing countries**

Some of the projects in the portfolio have experienced delays due to the difficulty in securing full co-financing as public sector power plants (Morocco, Egypt, India). In the case of Mexico, as a Finance Build Transfer or OPF project, the bidders are responsible for the financing of the thermal facility (the combined cycle gas turbines CCGT). The OPF scheme and the transactions for CCGT projects have been successful in all cases in the past resulting in a low perception of risk by the participant bidders. For the particular case of the solar thermal hybrid project, the bid winner will not have to finance the solar component, as the grant will be provided before the construction starts or in tranches as the construction advances.

**There are a limited number of consulting firms and suppliers in the solar thermal technology industry**

This is evidenced by the fact that the engineering design of three of the four projects is being carried out by the same firm. In addition, consultations carried out by the four utilities, as well as their requests for interest, and the experience with the India ICB suggest that there are probably only one or two suppliers of the solar thermal power technology. In this regard, it is also worth noting that about 15% of the value of the solar thermal components is covered under intellectual
property protection. In the case of the India project, the reluctance of power-plant bidders to assume the liability for under-performance of the solar thermal component resulted in no bids being received after the bidding process in 2003.

Since the solar contribution in all the projects is in the 6-10% range, the lead in all the bids for these hybrid projects would be taken by mainstream power generation firms.

*The potential for ISCSS cost reductions still looks promising*

While there was a strong rollout of solar thermal electricity plants in California in the 1980’s, no new commercial scale solar thermal electricity plant were commissioned in the last 12 years. In that time, research and development led to improved solar field components, new thermal storage concepts, and operation and maintenance experience has continued to emerge through the existing California plants. Over the last 12 months however, the industry has been reinvigorated. Several projects are presently under construction around the world. Nonetheless, no critical mass of projects has yet been reached such that the industry would be self-sustaining.\(^5\)

The assessment to review the GEF strategy for the market development of concentrating solar thermal power technology sponsored by the GEF in 2005 concluded that:

“This report determines that solar thermal electricity technology is worthy of continued support. The benefits of a successful industry, particularly for developing countries, are significant. The technology is not new, but stalled in its development path. All required technology elements are essentially already in place. The major outstanding issue is the need for cost reduction, and this study concludes that there is no fundamental reason why the technology could not follow a similar cost reduction curve to wind energy and eventually be cost-competitive. However robust, long term support mechanisms will be required.”

9. Safeguard Policies (including public consultation)

The Project has been categorized as “B”.

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment ((\text{OP/}BP\ 4.01))</td>
<td>[X]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Natural Habitats ((\text{OP/}BP\ 4.04))</td>
<td>[ ]</td>
<td>[X]</td>
</tr>
<tr>
<td>Pest Management ((\text{OP\ 4.09}))</td>
<td>[ ]</td>
<td>[X]</td>
</tr>
<tr>
<td>Cultural Property ((\text{OPN\ 11.03, being revised as OP\ 4.11}))</td>
<td>[ ]</td>
<td>[X]</td>
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<tr>
<td>Involuntary Resettlement ((\text{OP/}BP\ 4.12))</td>
<td>[ ]</td>
<td>[X]</td>
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<tr>
<td>Indigenous Peoples ((\text{OP/}BP\ 4.10))</td>
<td>[ ]</td>
<td>[X]</td>
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<tr>
<td>Forests ((\text{OP/}BP\ 4.36))</td>
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<td>[X]</td>
</tr>
<tr>
<td>Safety of Dams ((\text{OP/}BP\ 4.37))</td>
<td>[ ]</td>
<td>[X]</td>
</tr>
</tbody>
</table>

Projects in Disputed Areas (OP/BP 7.60)* [ ] [X]  
Projects on International Waterways (OP/BP 7.50) [ ] [X]

The potential environmental impacts of the power plant are confined to the site and appropriate mitigation measures have been identified and included in the Environmental Management Plan (EMP), which follows the World Bank’s guidelines, notably OP 4.01.

10. List of Factual Technical Documents

The project files also include all relevant official letters and communications between the Bank and the Government of Mexico including SHCP, SENER and CFE.

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Email: pic@worldbank.org  
Web: http://www.worldbank.org/infoshop

*By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas.*