

Environmental Examination Report

(1) Project Name

Gas-fired Combined Cycle Power Plant Project

(2) Project Site

San Luis Potosi, United Mexican States

(3) Project Outline

The project consists of the construction, own and operation of Gas-fired Combined Cycle Power Plant Project.

(4) Category Classification

A

(5) Reason for Classification

The project falls into the sensitive sector (thermal power sector).

(6) Environmental Permits and Approvals

The Environmental Impact Assessment (EIA) and The Social Impact Assessment (SIA) on this project was prepared in compliance with Mexican laws and regulations. EIA was approved by Secretaría del Medio Ambiente y Recursos Naturales on February 10, 2016 and SIA was approved by Secretaría de Energía on February 21, 2022 with each collateral conditions.

(7) Pollution Mitigation Measures

It is confirmed that air quality, water quality, waste control, noise and vibration control are properly managed. Soil pollution (Vanadium) related to operation of an existing project is found. Although cleansing

has been completed, administrative procedures regarding cleansing is in progress.

(8) Natural Environment

It is confirmed that appropriate measures for the protection of the natural environment are being taken.

(9) Social Environment

There are no local people who are socially or economically affected, including relocation, by the project.

(1 0) International Standard

IFC Performance Standards

(1 1) Others, Monitoring

Taking the above environmental review into consideration, JBIC will monitor items such as the project's compliance with the conditions attached to the EIA and SIA approval, emission of NO_x (during operation), environmental level of NO₂ (during construction and operation), emission of Greenhouse Gas and status on administrative procedures regarding cleansing.

Questions

Q1. Please provide the address of the project site.

The project is a Combined Cycle Power Plant (CCC San Luis Potosí), it will be located on a portion of the land currently occupied by the Villa de Reyes Thermoelectric Power Plant (Villa de Reyes CT) located 24 km south of the city of San Luis Potosí.

Q2. Please provide a brief explanation of the project.

Located in Villa de Reyes, San Luis Potosí. The San Luis Potosí project consists of a combined cycle power plant with a net installed capacity of 437.17 MW ($\pm 10\%$).

Q3. Is it a new project to be implemented or a project that has been implemented? If it has been implemented, has it received a serious complaint from local residents or a directive for improvement, a stop-work order, a project suspension order, etc., from a local environmental authority?

- New project to be implemented
- Project that has been implemented (with a complaint)
- Project that has been implemented (without a complaint)
- Other ()

Q4. Do the laws or regulations of the country where the project will be implemented require the project to conduct environmental and/or social impact assessments (such as an Environmental and Social Impact Assessment (ESIA) and Environmental Impact Assessment (EIA))? If so, have they been conducted or planned?

- Required (Assessments done) Required (Assessments in progress or being planned)
- Not Required Other ()

Q5. If environmental and/or social impact assessments have been conducted, have they been approved in accordance with the environmental and social impact assessment system of the country where the project will be implemented? If so, please also specify the date of the approvals and the name of the authorities.

- Approved (without condition(s)) Approved (with condition(s))
- Under approval process Other ()

Date of Approvals : MIA (Environmental Assessment) : February 3rd, 2022. EVIS (Social Assessment): February 21st, 2022

Name of Authorities : SEMARNAT (Secretaría del Medio Ambiente y Recursos Naturales) and SENER (Secretaría de Energía)

Q6. Are there any environmental permits required other than environmental and/or social impact assessments? If so, have they been obtained? Also, if required, please specify the name of the permits.

- Obtained Required, but not obtained yet
- Not required Other ()

Name(s) of required permit(s) : _____

Q7. Will the project be specified after JBIC made a funding commitment (as in the case of a two-step loan, where sub-projects cannot be specified at the time of a funding commitment)?

(No)

If "Yes", please disregard the following questions.

If "No", please go to Q8.

Q8. Will JBIC's funding be used to serve as support for international balance of payments or to be used for the provision of goods or services that does not involve installation or implementation in particular sites or regions, as in the case of export/import or lease of machinery or equipment that is not connected with a particular project?

(No)

If "Yes", please disregard the following questions.

If "No", please go to Q9.

Q9. Are there any environmentally sensitive area(s) shown below in or near the project site(s)?

(No)

If "Yes", please mark the applicable items and go to Q10.

If "No", please go to Q10.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples, and cultural heritage, etc., designated by national governments)
- (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- (3) Habitats with important ecological value (including coral reefs, mangrove wetlands, and tidal flats)
- (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- (5) Areas in danger of large-scale salt accumulation or soil erosion
- (6) Areas with a remarkable tendency towards desertification
- (7) Areas with unique archaeological, historical or cultural value
- (8) Areas inhabited by ethnic minorities, indigenous peoples, or nomadic peoples with traditional ways of life (including areas which are used for cultural and spiritual purposes) and other areas with special social value

Q10. Does the project involve the following characteristics?

(No)

If "Yes", please specify their scale and go to Q11.

If "No", please go to Q12.

- (1) Involuntary resettlement or loss of means of livelihood (Number of affected people: _____)
- (2) Groundwater pumping (Scale: _____ m³/year)
- (3) Land reclamation, land development, and land clearing (Scale: _____ ha)
- (4) Logging (Scale: _____ ha)

Q11. Under the environmental and social impact assessment system of the country where the project will be implemented, do the applicable characteristics (1) – (4) of Q10 above and their scale serve as the basis for executing an ESIA for the project?

- Yes, they do
- No, they do not
- Other (_____)

Q12. Is the project likely to have a significant social impact, including human rights?

(No)

If "Yes", please describe the impacts and go to Q13.

If "No", please go to Q13.

- Likelihood of a significant impact on human rights ()
- Other ()

Q13. Will JBIC's funding or NEXI's insurable value be equal to or less than 5% of the total project cost, or will JBIC's funding or NEXI's insurable value be equal to or less than SDR 10 million? (If the funding or insurable value is additional to a project that has been supported by JBIC or NEXI, please add up the previous funding or insurable value and the funding or insurable value being considered to apply for this time.)

(No)

If "Yes", please disregard the following questions.

If "No", please go to Q14.

Q14. Is the project for capital investment or working capital in a project that has been implemented and does it involve no material change in output or function (as in the case of maintenance of the existing facilities, non-expansory renovation project, and acquisition of rights and interests without additional capital investment)?

(No)

If "Yes", please disregard the following questions.

If "No", please go to Q15.

Q15. Is the project in any of the following sectors?

(Yes)

If "Yes", mark the applicable sectors and go to Q16.

If "No", please disregard the following question.

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas, and chemical terminals
- (9) Paper and pulp
- (10) Cement plants (including a greenfield quarry)
- (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- X (12) Thermal power
- (13) Nuclear power
- (14) Hydropower, dams, and reservoirs
- (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging, or submarine electrical cables
- (16) Roads, railways, and bridges
- (17) Airports
- (18) Ports and harbors
- (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity

- (20) Waste management and disposal
- (21) Agriculture involving large-scale land-clearing or irrigation
- (22) Forestry
- (23) Tourism (construction of hotels, etc.)

Q16. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.). In addition, please explain whether an environmental and/or social impact assessment is required on account of the large scale of the project in the country where the project will be implemented.

Project area:

The required surface will be 83.4 hectares of which 26.7 will be destined for the installation of the project. Likewise, 56.5 ha are the facilities of the current Villa de Reyes Thermoelectric Power Plant with a permanent occupation mode since offices, equipment, and power generation facilities are located there.

Production capacity: 437.17 MW will be generated using natural gas as the main fuel and diesel for emergencies.

ESIA process

The MIA report has already been submitted to SEMARNAT and approved.