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## Gauss Energia Starts Work on Largest Mexican Solar Power Project

Gauss Energia, a closely held Mexico City-based energy developer, has started building Mexico's largest solar project with support from International Finance Corp. and local development bank Nacional Financiera SNC.

The company is developing the 30-megawatt Aura solar power plant near La Paz in the Baja California region for \$100 million, Chief Executive Officer Hector Olea said in an interview on Tuesday. Nacional Financiera, or Nafinsa, has pledged about \$50 million and the World Bank's private lending arm another \$25 million, he said.

The plant will reduce the need for oil-fueled generation in Baja, where it's prevalent. The largest solar project operating in Mexico has 1.3 megawatts in capacity, Bloomberg New Energy Finance data show. In Latin America, the biggest solar plants operating are two 22-megawatt plants in Peru, while projects larger than 30 megawatts have been announced.

"We are building Latin America's largest photovoltaic plant and the first utility-scale solar project developed by a private company under a 20-year contract" with Comision Federal de Electricidad, he said. The deal will open the way for other large projects in a market that's likely to boom in about two years' time, he said.

A spokesman for CFE, as the state-owned utility is known, wasn't immediately available for comment.

Gauss hired the solar unit of Portuguese contractor Martifer SGPS SA to build the project and will use Chinese panels, Olea said without providing more details. Construction began Jan. 15 and is scheduled to be completed in August, he said.

Olea, a former chairman of Mexico's energy regulator, expects financial close in late March. Equity is being provided by Corporacion Aura Solar, a new private-equity fund for solar energy backed by local investors. The bank loans are expected to be in Mexican pesos, with a nine-to-10-year term and annual interest of about 10 percent, he said.

CFE currently has generation costs in southern Baja of about 30 cents a kilowatt-hour, compared with about 7 cents in northern Baja and an average of 12 cents in the rest of Mexico, Olea said.