

NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Republic of Chile
Name of Borrowers:	Parque Solar Fotovoltaico Luz Del Norte, SpA
Project Descriptions:	The proceeds of the loan will be used to finance the development, construction, commissioning, and operation of a solar photovoltaic power plant with a total capacity of approximately 141 MWac located approximately 60 km northeast of the city of Copiapó, Chile.
Proposed OPIC Loan:	Up to \$230 million.
Total Project Costs:	Approximately \$366 million (excluding VAT)
U.S. Sponsor:	First Solar, Inc.
Foreign Sponsor:	Not applicable.
Policy Review	
U.S. Economic Impact:	This Project is not expected to have a negative impact on the United States economy. Initial and operational U.S. procurement for the purchase of solar modules and components is expected to have a positive impact on U.S. employment. The Project is expected to have a negative five-year balance of payments impact.
Developmental Effects:	This Project is part of Chile's ongoing effort to expand its renewable energy capacity to 20% of all energy capacity by 2025, as outlined in the Chilean government's National Energy Strategy. Chile is devoting significant resources to building renewable energy infrastructure that will reduce the country's reliance on imported energy and support increasing energy demand due to recent economic growth. The Project would be the largest solar PV project in all of Latin America. Furthermore, this Project will create employment throughout its construction and operation phases, and will bring advanced solar generation, operation technologies, and management practices to Chile.
Environment:	Screening: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Solar power generation facilities are screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The

major environmental and social issues associated with the Project include the need for appropriate health and safety measures and a robust environmental and social management system for day-to-day aspects of construction and operation including solid waste disposal, hazardous materials management and treatment and disposal of wastewater. In addition, the Project will need mitigate potential impacts to flora and fauna and to minimize potential impacts to archeological sites within the project site.

Applicable Standards: OPIC's environmental and social due diligence indicates that the Projects will have impacts that must be managed in a manner consistent with the following IFC Performance Standards:

PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
PS 2: Labor and Working Conditions;
PS 3: Resource Efficiency and Pollution Prevention;
PS 4: Community Health, Safety and Security;
PS 6: Biodiversity Conservation and sustainable Management of Living Natural Resources; and
PS 8: Cultural Heritage.

The Projects will not involve land acquisition; land will be leased from the Chilean government via 30 year concession. The Project will be located on site that is isolated desert, located approximately 8 km from the nearest residence, and therefore will not result in physical or economic displacement. Therefore PS's 5 is not triggered at this time.

The DIA includes discussion of Indigenous communities in the area together with a general map showing some valleys of use by Colla. The Corporation for Indigenous Development (CONADI), which oversees all Indigenous affairs, monitors the Colla people and their locations and maintains a registry of all Indigenous communities in Chile. The CONADI participates actively in the evaluation of projects that go through the environmental assessment process. The Borrower represents that at the time that the Project was presented Environmental Authority, CONADI reviewed and presented information, verifying that there are no Colla or any other indigenous communities, lands, natural resources or cultural patrimony in the project area or within its area of influence that would be affected by the project, including nomadic routes of the Colla people. Therefore, P.S. 7 is not triggered at this time.

In addition to the Performance Standards listed above, the IFC's April 30, 2007 EHS Guidelines for Electrical Transmission and Distribution and IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to the Projects.

Environmental and Social Risks and Mitigation: The Project involves development, construction, commissioning and operation of an approximately 141 MWac solar photovoltaic plant in the Atacama Desert region of Chile. The Project will occupy a total area of 456 hectares. The Project will be connected to the grid via a 2.5 km 220 kV single circuit transmission line. The Project will not involve onsite worker housing; workers will be housed in Copiapo and transported to and from the site.

The Borrower has developed a draft Environmental and Social Management Plan that includes all of the requirements laid out in the environmental permit, a summary of identified risks common during construction and control measures to mitigate those risks. First Solar will have an Environmental, Health and Safety Coordinator (EHS) and will require that the contractor also has an EHS coordinator. The Project has developed an Occupational Health and Safety Plan that adequately covers all applicable aspects in PS 2. The Project expects to have a Recycling Services Agreement with First Solar, Inc. to collect and recycle end-of-life modules.

The project site is located in desert area. Six species identified during winter and spring surveys were listed in conservation status by the national listing (Chilean Redbook). In addition, two of the species identified as potentially present in the Project area of influence, *Vultur gryphus* and *Leopardus colocolo*, are listed as Near Threatened by IUCN. The Project has developed a Flora and Fauna Protection Program and a Biology Management Plan to minimize potential impacts to flora and fauna.

An archeological study, which was conducted as part of the environmental assessment that was conducted for the Project, found 28 cultural heritage findings within the Project footprint. None were considered to be in use or have been used within living memory for long-standing cultural practices. The Project has developed a Cultural Heritage and Landscape Protection Program to minimize potential impacts to archeological sites

	<p>within the project site. In addition, an archeologist will be on site during earth moving activities.</p> <p>OPIC will require that the Borrower develop and submit to OPIC for review and approval project-specific Community Grievance Mechanism, project-specific organizational chart, additional information regarding underground storage tanks and a chance find procedure in accordance with PS 8.</p>
Workers Rights:	<p>OPIC’s statutorily required standard Worker Rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, hours of work, the timely payment of wages, and hazardous work situations. The Project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation’s PS 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this Project on May 8, 2014.</p>