

Initial Project Summary

Project Location: State of Oaxaca, Mexico on the Santo Domingo River

Name of Applicant: Latin Power III Fund

Name of the Downstream Investor: Electricidad de Oriente

Name of the Project: El Cerro de Oro Hydroelectric Project:

Project Description:

This Project involves the construction of a 14 MW hydroelectric facility on the Santo Domingo River in the municipality of Tuxtepec in the state of Oaxaca, Mexico. The facility will be constructed using an existing dam structure. The dam was originally constructed for flood control. The project consists of installing a water intake and conduction tunnel, powerhouse, substation, tailrace channel and a 10.5 km transmission line.

Environmental and Social Categorization and Rationale:

This project has been reviewed against OPIC's policy related to dam projects and determined to be categorically eligible for further consideration. It has been screened as Category A because it could have impacts that are diverse and irreversible. The main environmental concerns are related to impacts from constructing the intake tunnel, the tailrace channel, and the associated transmission line. The intake tunnel will be constructed with the use of explosives and is in close proximity to the existing dam. The project is also located in an area of high seismic activity as well as subject to major floods and landslides associated with hurricanes. While these conditions are not prohibitive, they do pose engineering challenges and require evaluation and attention to issues of dam stability. Additionally, the discharge of water to the Santo Domingo River requires the dredging of the existing Arroyo Sal Creek. The associated environmental impacts associated with this dredging and construction of the transmission line will be closely evaluated.

Environmental and Social Standards:

International Finance Corporation's (IFC) Performance Standards (April 2006) 1 (Social and Environmental Assessment and Management Systems), 2 (Labor and Working Conditions) the Occupational Health and Safety section, 3 (Pollution Prevention and Abatement), 4 (Community Health, Safety and Security), 5 (Land Acquisition and Involuntary Resettlement), and 6 (Biodiversity Conservation and Sustainable resource Management) are applicable. Based on the information currently available, no indigenous people and cultural heritage sites near the project have been identified.

Environmental Guidelines applicable to the Project include the IFC's General Environmental, Health, and Safety Guidelines (April 2007) and the IFC's Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution.

Location of Local Access to Project Information: Cerro de Oro Project Office, Calle 2
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