

Environmental Information Summary for the Public

Project Description: This Project involves the construction of a 66 MW thermal power facility in Kingston, Jamaica. The project consists of six 11 MW Wartsila engines which will operate primarily on heavy fuel oil with a sulfur content of 2 percent or less. The Project will be located on a 4 hectare site which previously housed a sewage treatment plant

Screening: This project has been screened as Category A because its greenhouse gas emissions exceed 100,000 tons of CO_{2eq} per year. Potential environmental Project concerns are related to air quality impacts, noise, any biological or ecological issues associated with disturbance to the site, water supply or water discharge impacts, and occupational health and safety hazards.. Additionally, the facility will be located in an urban environment and evaluation of impacts to nearby residences will be important.

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), and 6 (Biodiversity Conservation and Sustainable resource Management) are applicable.

Land for the project is leased and there will be no physical or economic displacement as a result of the project. There are no Indigenous People residing in the area of the Project. Additionally, the land has been significantly disturbed and this is not an area where cultural heritage items are anticipated to be found. Therefore, IFC Performance Standards 5, 7, and 8 are not applicable.

Industry Sector Guidelines applicable to the Project are the IFC's Environmental, Health and Safety Guidelines for Thermal Power Plants and the General Environmental, Health, and Safety Guidelines (April 2007) .

OPIC's Board approved the Latin Power III Fund prior to the establishment of OPIC's greenhouse gas policy. Per agreement between Latin America Power III and OPIC, the Fund agreed to "not make any investment in a Portfolio Company if after such investment, the assets and operations of all Portfolio Companies then held by the Fund would emit (in the aggregate and on a calendar year basis) in excess of 2,290,013 short tones CO₂ as calculated in accordance with the IPCC". This project will be the first of the Fund's investments that will count against that maximum limit. Greenhouse gas emissions for this project are estimated to be approximately 390,000 tons of CO_{2eq}/year.

Environmental Risks: Thermal power plants have the potential to cause significant environmental impacts primarily from air emissions, noise, water use, and wastewater discharge. The Jamaica Energy Partners proposed power generating facility consists of six engines. Engine power plants produce little solid waste and use small quantities of water. Therefore, in the case of this facility the major environmental issues will relate to air quality and noise. Additionally,

the facility is located within 300 meters of a residential community, so, impacts to the community will be of importance. Finally, given the prior use of the site as a waste water treatment plant, the appropriate clean up of remaining sewage and contaminated materials on site will also be essential.

Risk Mitigation: Based on a thorough review of the Environmental and Social Impact Assessment and other project documentation, site visits, and interviews with project sponsors, host country officials, and nearby communities, it appears that the project can be constructed and operated in accordance with Jamaican standards and the IFC's General Environmental and Thermal Power Guidelines. The primary environmental issue related to the plant is its air quality emissions due to the use of heavy fuel oil. Available data on ambient air quality show that when the plant is in operation, ambient air quality standards for non degraded areas can be met. Additionally, the engines are guaranteed to meet the IFC stack emissions limits for NO_x and particulates and fuel oil with 2 percent or less sulfur will be used to satisfy SO₂ limits. The facility will be required to continue to monitor ambient air and if the area is shown to be degraded, the Project will be required to retrofit the facility with additional pollution controls and/or to use a fuel oil with lower sulfur content.

Noise modeling shows the Project will be in compliance with IFC noise requirements. However, given the importance of assuring that the plant is not a nuisance to the neighboring community; the Project will be required to conduct frequent noise monitoring. Should standards be exceeded, the Project will be required to mitigate for noise by using supplemental noise shielding and/or attenuation for the engines. A closure plan has been prepared that outlines procedures for the cleanup of the onsite abandoned sewage treatment plant and appropriate measures are in place for diversion of sewage that continues to flow to the site, for the removal of remaining sewage, and for the proper removal of asbestos from discarded pipes and roofing materials.

Water will be sourced from either groundwater or municipal supply and will be treated on site prior to use in the engines. Wastewater will be discharged to the municipal wastewater treatment plant. The quantity of water needed for the facility is not anticipated to create any issues for either neighboring wells or the municipality. The discharge water has been shown to be of adequate quality for release to the municipal sewage network.

In order to achieve compliance with the Applicable Standards, the Project will be required to monitor noise emissions quarterly during construction and the first year of operations of the power plant. The Project will also be required to submit annual reports to demonstrate compliance with applicable standards. Additionally, the Project will be required to prepare an Emergency Response, Occupational Health and Safety , and a Fuel Oil Contingency plans. Any recommendations and procedures as well as changes in the current operational procedures must be provided in an updated Environmental and Social Action Plan. Finally, an independent audit

will be required within three years of OPIC support to demonstrate compliance with environmental and social conditions set forth in the Consent.