Consorcio Eólico Amayo (Fase II) S.A.

Consorcio Eólico Amayo S.A. developed the second phase wind project in Nicaragua Amayo II (A2). It is a 23 Mega Watt (MW) wind project adjacent to the 39 MW Amayo I (A1) project, the first commercial wind park in Nicaragua.

COUNTRY
Nicaragua
SECTOR
Wind energy
EMPLOYEES
18 operations staff / 330 temporary construction workers
Average projected revenues
A2 ≥ USD 9 mln per annum

BETTER BUSINESS

- Amayo is the first wind farm in Nicaragua. It operates on commercial returns. Its business model is based on economic- and private sector-based returns, without support from subsidies or feed-in tariffs.
- The Amayo project is eligible for Clean Development Mechanism (CDM) carbon credits as defined in the Kyoto protocol, which may eventually be sold as Verified Emission Reductions (VERs) and/or Certified Emission Reductions (CERs) and may generate additional revenue.
- The project's sustainable nature sets an example in Nicaragua for more clean-energy projects.
- The track record on wind speeds and generated electricity of the Amayo wind farm ensure good financial performance.

BUSINESS RESULTS

- **Increased revenues** – In case of CDM-validation of carbon credits (VERs/CERs), the project could generate an additional > USD 500.000 yearly in revenues/cash flows.
- **Access to finance** – Amayo benefits from long-term financing, which is only available through development finance institutions that focus on renewable energy.
- **Reduction of total amount of fossil fuel import in Nicaragua** – The additional capacity to generate energy will reduce dependence on fossil fuels considerably and make the cost of wind-powered electricity compatible with fossil fuel-based sources.

RISKS

- **Avoided carbon emissions** – The project has a positive effect on climate change with no greenhouse gas (GHG-) emissions and 120,000 CO_2 ton equivalent/p.a. avoided on the A2 project.
- **Cash-flow risks** – Long term financing was meticulously tuned to the seasonal pattern of the local wind-regime (and, therefore, to cash flows).

Through its financing, FMO promotes the implementation of best practices in environmental, social and good governance (ESG) standards.

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