



INTEGRATED GAS TRANSPORTATION SYSTEM IN SOUTHERN PERU (IGTS)



ProInversión

Private Investment Promotion Agency - Peru

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BACKGROUND

The proven reserves of natural gas (NG) of Peru are 14.1 TCF, mainly placed in natural gas fields of Blocks 56, 57, 58 and 88, located in Camisea (Cusco) and its influence area.

Additionally, proven reserves of natural gas liquids (NGL) of these fields have been estimated in 789,719 thousand barrels of oil.

Bearing in mind the proven reserves of natural gas in the country, one of the axis of the energy policy of the Government of Peru since 2010 has been the expansion of the supply service of natural gas to the provinces of the country, via the “mass use” policy. Its goals were set forth in the framework of 2010-2040 Peru’s National Energy Policy. In particular, two goals directly related to the expansion policy of the gas service were established:

- Universal access
- Natural gas industry development and its uses in household, transportation, Commercial and industrial activities

Project to Improve the Energy Security of the Country and Gas Pipeline Development of Southern Peru

In January 2013, MINEM requested PROINVERSIÓN to incorporate the Project named “Improvement of the Energy Security of the Country and Gas Pipeline Development of Southern Peru” into the process of private investment promotion. It would allow to strengthen the existing Energy Security System as well as to decentralize power generation of the country through NG supply to thermal power plants comprising the Southern Energy Nodes and Quillabamba Thermal Power Plant, helping thus the development of the petrochemical pole in Southern Peru.

PURPOSE OF PROJECT

Within the framework of the Hydrocarbon Policies of the Ministry of Energy and Mining (MINEM), the Integrated Gas Transportation System in Southern Peru (IGTS), was considered priority infrastructure for delivery and consumption of natural gas in Southern Peru. This project will contribute to the socioeconomic development of Cusco, Apurímac, Arequipa, Puno, Moquegua and Tacna regions, and will increase trustworthiness of the national supply system of natural gas and natural gas liquids, because it is an independent project from the existing gas pipelines.

PROJECT DESCRIPTION (*)

The project comprises the design, financing, construction, operation, maintenance and transfer of pipeline infrastructure for transportation of natural gas and natural gas liquids.

The diameters of the main pipeline will be approximately 32, 24 and 14 inches, with a length of approximately 1080 Km. It starts at “Las Malvinas” station (Cusco), ending up in Moquegua, passing through Cusco, Arequipa and Moquegua. Moreover, pipelines to Quillabamba, Cusco, Juliaca, Puno, Abancay, Arequipa, Mollendo, Moquegua, Ilo and Tacna are considered.

The main polyduct’s diameter will be 24 inches (Natural Gas Liquids), 83.5 Km length. It starts at “Las Malvinas” station (Cusco) to the Connection Point with the existing infrastructure of Transportadora de Gas del Peru (TGP), approx. in KP 75.00).

Graph N° 1
Integrated Gas Transportation System in Southern Peru



TYPE OF PROJECT (*)

It will be delivered within the framework of Public-Private Partnerships by signing a concession contract by the Peruvian State and the Concessionaire.

- Scheme: To be defined
- Modality: Co-financed
- Factor of competition: To be defined
- Concession term: 34 years, 4 for construction and 30 for exploitation

PROJECT LOCATION AND AREA OF INFLUENCE (*)

Table N° 1
Influence Zone

DEPARTMENTS	PROVINCES	DISTRICTS
Cusco	La Convención	Echarte, Quelonio
Cusco	Calca	Yántatele, Lares
Cusco	Paucartambo	Challabamba, Colquepata,Huancarani
Cusco	Quispicanchis	Caicay, Urcos, Quiquijana, Cusipata
Cusco	Canchis	Checacupe
Cusco	Acomayo	Mosca Llacta, Acopa
Cusco	Canas	Pampamarca, Yanaoca, Langui, Kunturkanki
Cusco	Espinar	Pichigua, Alto Pichigua, Pallpata, Ocoruro, Condoroma
Arequipa	Caylloma	Tisco, Callalli, Yanque, San Antonio de Chuca
Arequipa	Arequipa	Yura, Arequipa, Uchumayo, La Joya
Arequipa	Islay	Cocachacra, Punta de Bombón, Mollendo, Islay
Moquegua	Mariscal Nieto	Moquegua
Moquegua	Ilo	El Algarrobal, Ilo

QUALIFICATION REQUEREMENTS

To be defined

INVESTMENT AMOUNT

To be defined

INVESTMENT REMUNERATION

To be defined

SUPERVISING ENTITY

Supervising Agency for Energy and Mining Investment – OSINERGMIN

SCHEDULE



PROINVERSIÓN has hire technical, financial and legal consultants in order to prepare the project studies, which include:

- Diagnosis
- Demand analysis
- Offer analysis
- Technical analysis of the proposed alternative
- Costs at market prices
- Social assessment
- Sensitivity and risk analysis (probabilistic) of social profitability
- Sustainability analysis
- Baseline for ex – post evaluation

(*) Provisional information based on the the “Peruvian Southern Gas Pipeline Project”. This information will be revised once the studies commissioned by ProInversión are finished.



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