

Requirements

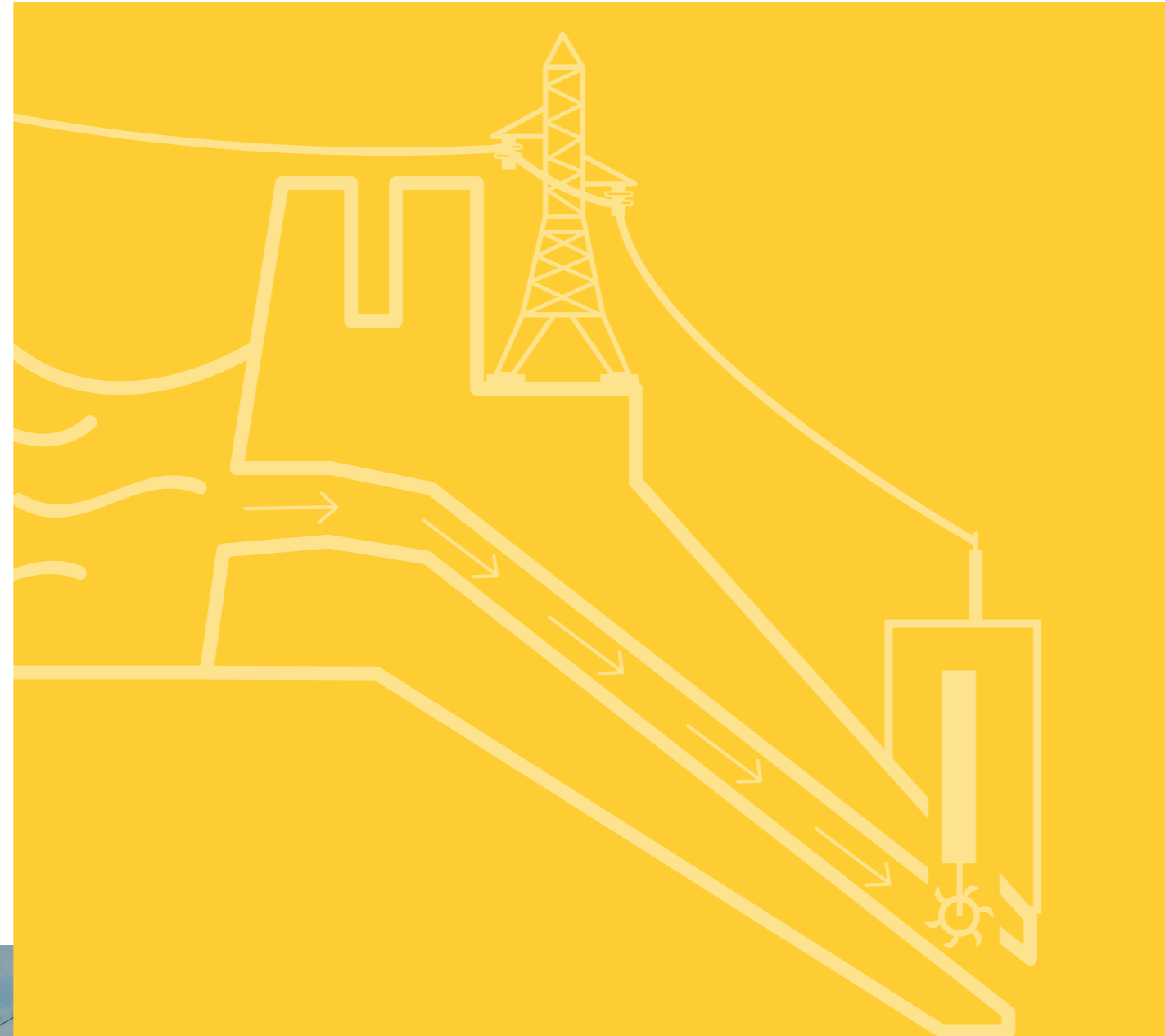
According to the Declaration of Interest document, the Third Parties must comply with the following Qualification Requirements in order to participate in the Selection Process:

- **Financing:** Demonstrate a total of minimum assets equivalent to US\$ 600 million and a net equity of US\$ 200 million. This requirement may be achieved by adding the net equity of each company of the consortium or by the companies affiliated to the participant.
- **Technical:** Must prove that is operating or have built directly or indirectly a hydroelectric power plant whose nominal power exceeds 350 MW in total.
- **Legal:** Should be a consortium or a legal entity that proves the power and/or authority of its legal representative and other requirements detailed on the Bidding Documents.



The Terms of the Declaration of Interest are available to the interested parties and the public in ProInversión website (www.proinversion.gob.pe).

Route:
ProInversión web > Projects portfolio > Electricity > Unsolicited Proposals Projects



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San Gabán III Hydroelectric Power Plant

SELF-SUSTAINING UNSOLICITED PROPOSAL



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Project Features

CONTRACTOR:	Empresa de Generación Eléctrica San Gabán S.A
MEDIATOR:	Ministry of Energy and Mines (MEM)
INVERSTOR:	Legal person who will execute the Business Corporation Agreement
PURPOSE:	To design, finance, build, operate and maintain the Hydroelectric Power Plant San Gabán III in order to increase the electric power supply using renewable sources to meet the increasing demand of electric power in the country contributing to the National Interconnected Electric System (SEIN, as per its Spanish acronym) by energy generated in the southern region of the country.
TYPE:	SELF-SUSTAINING All the project activities, its implementation and exploitation will be in charge of the investor only. The Project will be self-sustaining with the income generated from selling power and its associated energy. There will be no co-financing, clause of economic-financial balance, promise of energy purchase or assurance of any selling price or other similar mechanism.
TYPE AND TERM OF THE AGREEMENT	Innominate Agreement of Business Collaboration in accordance with Paragraph c) Section 2 of the Legislative Decree N° 674, Private Investment Promotion Law of the State-Owned Enterprises that will contain the following items: a. Investment commitment between the Peruvian State and the Investor. b. Acquisition of studies between Empresa de Generación Eléctrica San Gabán S.A and the Investor. c. Mechanism of business collaboration and establishment of easement between Empresa de Generación Eléctrica San Gabán S.A and the Investor about the connection between C.H. San Gabán II and C.H. San Gabán III. The concession will last 30 years, in addition to the term of 84 months to implement the Project up to the Commercial Start-up (POC). At the end of the 30 years of the POC, it will be given back to the state (given as a property to Empresa de Generación Eléctrica San Gabán S.A.) free of charge, liens and/or taxes.
ESTIMATED INVESTMENT	US\$ 438 million (VAT is not included).
COMPETITION FACTOR:	At least 5% of the energy (and associated power) produced by the Plant must be transferred to Empresa Pública San Gabán S.A. This value will be the competition factor based on which the bid will be applied, if there are interested Third Parties.

HYDROELECTRIC POWER PLANT SAN GABÁN III

Generation of self-sustaining Energy

ProInversión promotes San Gabán III Hydroelectric Power plant project, which involves the design, finance, construction operation, and maintenance. This project will meet the increasing electric power supply demand of the country by the National Interconnected Electric System (SEIN).

Estimated Investment:
US\$438 million
VAT in not included

SAN GABÁN III LOCATION

It is located in San Gabán district, Carabaya province, Puno region.

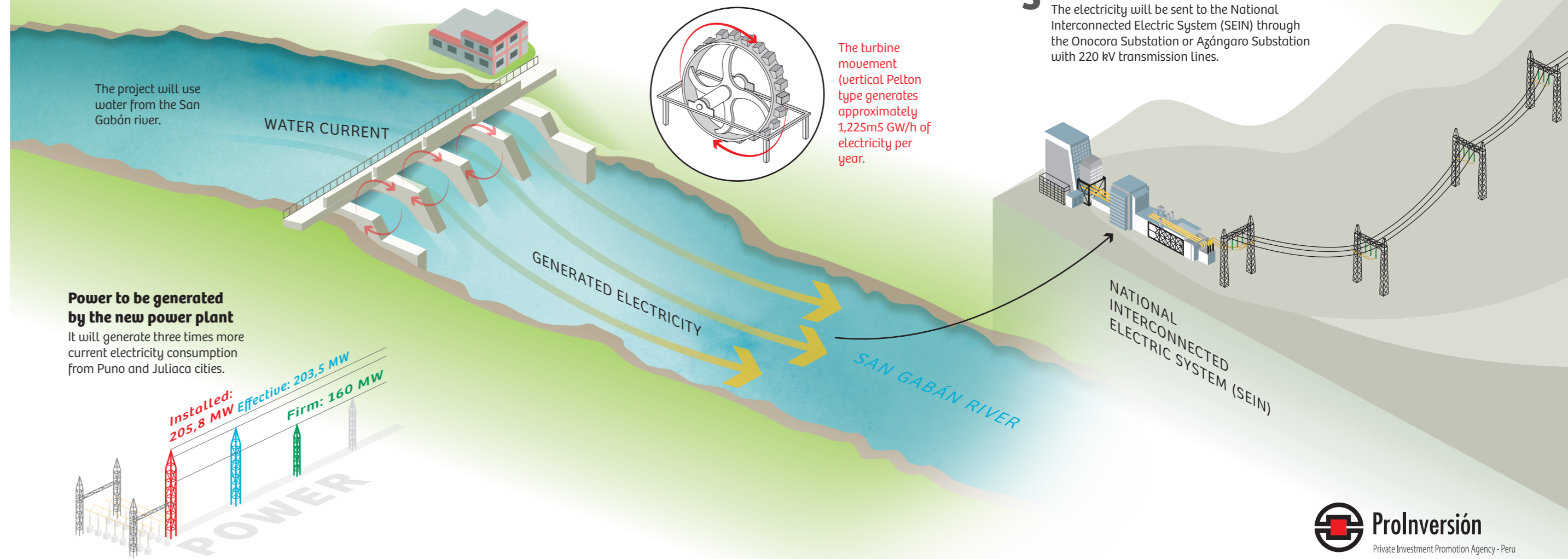


OPERATIONAL PROCESS OF SAN GABÁN III

1 San Gabán River water concentration
Water produced by the San Gabán II Hydroelectric Power Plant will be used

2 Electric power generation
Power generated by the water movement will be exploited to operate the plant.

3 Electricity Delivery
The electricity will be sent to the National Interconnected Electric System (SEIN) through the Onocora Substation or Azángaro Substation with 220 kV transmission lines.



The project will use water from the San Gabán river.

The turbine movement (vertical Pelton type) generates approximately 1,225m5 GW/h of electricity per year.

Power to be generated by the new power plant

It will generate three times more current electricity consumption from Puno and Juliaca cities.

Installed: 205,8 MW Effective: 203,5 MW Firm: 160 MW