

Paris and San Salvador, 22 July 2021

## Neoen completes financing of two batteries with a capacity of 11 MW / 8 MWh for its solar farms in El Salvador

- Neoen has completed financing for two additional batteries with a total capacity of 11 MW / 8 MWh to service its Capella (140 MWp) and Providencia (101 MWp) solar farms in El Salvador
- Neoen will be 100% owner of the two batteries, which will be entirely financed with debt from IDB Invest, with resources from the Canadian Climate Fund
- The batteries will provide primary and secondary reserve services, improving the stability and reliability of the El Salvador electrical grid
- The two new batteries will complement the existing battery operated by Neoen in El Salvador, positioning the company as the largest operator of batteries in Central America

Neoen (ISIN: FR0011675362, ticker: NEOEN), one of the world's most dynamic independent producers of renewable energy, has completed financial close for two new batteries with a total capacity of 11 MW / 8 MWh that will provide primary and secondary reserve services for its Capella (140 MWp) and Providencia (101 MWp) solar plants, in the departments of Usulután and La Paz, respectively. This additional capacity will take the total power of Neoen's batteries in El Salvador to 14 MW and total storage capacity to 10 MWh, positioning Neoen as the largest operator of batteries in Central America.

The non-recourse debt for the batteries will be provided by IDB Invest, with the resources from the Canadian Climate Fund for the Private Sector of the Americas – Phase II (C2F2). The repayment schedule of the financing is linked to the operational savings the batteries will generate for the two solar farms. In line with its business model, the company will retain 100% ownership of the assets.

The consortium comprising TSK Electrónica and Gensun was chosen for the engineering, procurement and construction (EPC) of the batteries. Construction has already commenced, with commissioning scheduled for the second quarter of 2022. The batteries' millisecond response time will boost the quality of the primary and secondary reserve services, improving the stability and reliability of the electrical grid. The batteries will also reduce CO<sub>2</sub> emissions by an estimated 5,000 metric tonnes per year, avoiding the use of fossil fuel power plants for ancillary services.

Neoen has been present in El Salvador since 2014 and has invested around US\$300 million in solar farms and storage facilities. This latest development increases its total capacity to 255 MW. Neoen's plants are currently the largest in Central America. They supply 7% of demand from the wholesale market and provide the most competitive energy in El Salvador.

**Paolo Cartagena, Managing Director of Neoen in El Salvador, said:** *“Our local roots and history in El Salvador have allowed us to provide increasingly relevant solutions. We firmly believe the batteries are the perfect addition needed to catalyse the growth of renewable energy in El Salvador. We are grateful for the support of C2F2 and the IDB Group in achieving this shared goal.”*

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**Gian Franco Carassale, Chief, Infrastructure and Energy Division, of IDB Invest, commented:** *“The financing of the batteries for the Capella and Providencia solar farms represents a major milestone for the Salvadoran electricity market, providing an innovative solution to meet reliability requirements. These storage systems will also improve the operational efficiency of both solar energy plants, positioning Neoen – one of our strategic clients in the region – at the cutting-edge of the application of technologies that increase the penetration of renewable energy.”*

**Xavier Barbaro, CEO and Chairman of Neoen, concluded:** *“I would like to congratulate the Neoen team in El Salvador for this new project, which showcases our expertise in integrating storage systems into our solar farms. We have been present in El Salvador for over seven years now and we are proud to keep on contributing to its energy transition. Our local presence and global expertise provide a solid platform for our ambitions to expand further in Central America.”*

## About Neoen

Neoen is one of the world's leading and fastest growing independent producers of exclusively renewable energy. Neoen has over 4.1 GW of solar, wind and storage capacity in operation or under construction in Australia, France, Finland, Mexico, El Salvador, Argentina, Ireland, Jamaica, Mozambique, Portugal, and Zambia. The company is also present in Croatia, Ecuador, Sweden, and the USA. Neoen's flagship assets include France's most powerful solar farm in Cestas (300 MWp), and the world's largest lithium-ion power reserve in Hornsdale, Australia (150 MW / 193.5 MWh storage capacity). Neoen is targeting more than 10 GW capacity in operation or under construction by the end of 2025. Neoen (ISIN Code: FR0011675362, ticker: NEOEN) is listed in Compartment A of the regulated market of Euronext Paris.

For more information: [www.neoen.com](http://www.neoen.com)

## About IDB Invest

IDB Invest, a member of the Inter-American Development Bank Group, is a multilateral development bank committed to promoting the economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest finances sustainable companies and projects to achieve financial results and maximize economic, social, and environmental development in the region. With a portfolio of \$13.1 billion in asset management and 385 clients in 25 countries, IDB Invest provides innovative financial solutions and advisory services that meet the needs of its clients in a variety of industries.

For more information: [www.idbinvest.org](http://www.idbinvest.org)

## About the Canadian Climate Fund for the Private Sector of the Americas – Phase II

The purpose of the funds is to catalyze greater private investment in climate change mitigation and adaptation projects in Latin America and the Caribbean by providing concessional financings to projects that do not benefit from a sovereign guarantee, paying special attention, where possible, to the poorest and most vulnerable countries. The main areas of focus are renewable energy generation and storage, energy efficiency, sustainable transportation, greenhouse gas emission reduction and abatement projects, including forestry, agriculture and land-use changes, as well as other projects supporting the adaptation to climate change vulnerabilities. The funds have a cross-cutting focus on the empowerment of women and girls.

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