



**Press release**

## **MPC Capital expands its footprint in Central America**

*Distributed generation project in El Salvador to be finalised next year*

**HAMBURG, Germany – 30 July 2019** – MPC Capital has acquired a 6.5 MWp solar PV project under development in El Salvador. The project has signed a 20-year USD-denominated power purchase agreement (PPA) with CAESS, the local subsidiary of the US-based energy company AES. This is MPC Capital's second investment in Central America, after Tilawind, the 21 MW operating wind farm in Costa Rica.

The development of the distributed generation project was led by Rogelio Castro Vasquez, CEO of Geo Ingeniería, a regional engineering firm, and the local Salvadorean partner Tecnica Internacional. Construction is targeted to begin in Q4 2019, with energy production expected to start in Q2 2020. MPC Capital is currently in the process of finalising the engineering, procurement and construction (EPC) and the project financing with commercial lenders. Total investment volume is expected to be up to USD 7.5 million.

Renewable energies are the main source of electricity production in El Salvador. More than 60% of the energy generated in the country comes from clean and renewable sources, largely thanks to the country's efforts to diversify its power mix.

Fernando Zúñiga, Director for Central America and the Caribbean at MPC Renewables Panama, a wholly-owned subsidiary of MPC Capital, said: "We are delighted to secure this project for the MPC Caribbean Clean Energy Fund. The project fits our strategy very well as we are continuously building up our diversified investment portfolio of selected high-quality renewable energy assets in the Central American and Caribbean region. The renewable energy market in El Salvador is very promising, not least due to the strong political support and the attractive regulatory framework. The distributed generation project combined with excellent relationships with our local partners and strong, bankable offtakers enables us to penetrate this growing sector."

"Distributed power generation plays an important role in the modern energy market and transition towards a low-carbon future," Mr Zúñiga added. "The shift towards decentralised energy systems means that electricity is being generated closer to where it will be used, leading to reduced grid infrastructure costs and lower transmission losses."

Rogelio Castro Vasquez noted: "El Salvador is a promising market and distributed energy is the key to fulfill the needs of it. The market has its own advantages such as the currency, avoiding the problem of exchange rate. The support for renewables from the government is also important to accelerate the permitting process. The experience of Geo Ingeniería in the regional market and the expertise of Tecnica Internacional on the local side have been fundamental for the success of the project as well. El Salvador strives to make steady progress towards diversifying its energy sources – and rightly so. We need to further decrease fossil



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fuel dependency and add more renewable capacity, ideally by harnessing the benefits of distributed power generation. We are proud to support the country on its journey to a diversified energy mix.”

### **About MPC Capital AG**

MPC Capital AG is an international asset and investment manager for real asset investments. Together with its subsidiaries, the company develops and manages real asset investments and investment products for international institutional investors, family offices and professional investors. Its asset categories of focus are Real Estate, Shipping and Infrastructure. MPC Capital AG is listed on the stock exchange (MPCK) since 2000 and has around 300 employees group-wide. More details at [www.mpc-capital.com](http://www.mpc-capital.com)

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