

FERMACA NATURAL GAS PIPELINES - MEXICO



Basic Information

Projects name:

- La Laguna to Aguascalientes Pipeline
- Villa de Reyes to Aguascalientes to Guadalajara Pipeline

Borrowers:

- Fermaca Pipeline La Laguna S. De R.L. De C.V. (“AGS”)
- Fermaca Pipeline de Occidente, S. de R.L. de C.V. (“VdR”)

Sponsor: Fermaca New Projects S.A. de C.V.

Sector: Oil & Gas

Country: Mexico

Financial Product: Project Financing

ISP's role: Joint Lead Arranger

Equator Principles category: A

Project description

The La Laguna to Aguascalientes (LLAGS) Project is a 444km natural gas pipeline, consisting of a 48-inch diameter pipeline, valve stations, a Compression Station and a Measurement, Regulation and Control Station, located in Aguascalientes where it will interconnect with the Villa de Reyes to Aguascalientes to Guadalajara (VAG) project.

The VAG Project is a 379km natural gas pipeline, consisting of a 36-inch diameter pipeline, 20-inch diameter lateral pipeline, valve stations, a compression station located in Villa de Reyes and two measurement, regulation and control stations both located near Guadalajara.

The LLAGS Pipeline will have the capacity of delivering a total of 1,189 million standard cubic feet of natural gas per day (to two future power generation plants in Aguascalientes and the VAG Pipeline), while the VAG Pipeline will deliver a total of 886 million standard cubic feet of natural gas per day (to CFE's Guadalajara I Power Plant as well as the Manzanillo to Guadalajara Pipeline).

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The LLAGS Pipeline passes through the Mexico States of Aguascalientes, Durango and Zacatecas, while the VAG Pipeline passes through the Mexico States of San Luis Potosi, Zacatecas, Aguascalientes and Jalisco.

Both projects were awarded a 25-year Transport Services Agreement (“TSA”) with Comision Federal De Electricidad (“CFE”) through a public bidding process (TSA expires in December 2042). The TSAs are “ship or pay” and are structured as tolling agreements where the Projects take no commodity risk. Pursuant to the TSAs, the Projects will receive a fixed tariff payment over the life of the contract.

[more information](#)

Key environmental and social assessment/mitigation measures identified by the ES Action Plan

- Critical Habitat Assessment
- Biodiversity Action Plan
- Environmental and Social Management System (ESMS), Environmental Management Plan (EMP) and Social Management Plan (SMP)
- Management Plan for each of the following aspects:
 - Wastewater
 - Air emission
 - Noise
 - Solid waste
- Unanticipated Discovery Plan (cultural heritage)
- Decommissioning Plan
- GHG Emissions overview
- Hydrostatic testing Plan
- Hazardous Material Management Plan
- Contaminated Land Discovery Plan
- Traffic management Plan
- Venting and Fugitive Emissions Reduction Procedure
- Contingency Plan, that includes accident prevention and emergency response procedures
- Contingency Plan, that includes procedures to protect community health and safety
- Security Plan, according to the UN Guidance documents and the Voluntary Principles on Security and Human Rights
- Occupational Health and Safety Plan
- Stakeholder Engagement Plan (RoW acquisitions and Grievances resolution deriving from both workers and community)
- Social Impact Study (indigenous peoples)
- Grievance Mechanisms
- Environmental and Social Monitoring Program