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# Newsletter Infrastructure and Energy

Newsletter

February 2021



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## New renewable energy economic regime in Spain

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## New renewable energy economic regime in Spain

A need has been verified to establish a supplementary remuneration framework as an alternative to the specific remuneration framework that replaced the old premium remuneration mechanism that will allow for the projection of stable income and the financing of the new renewable source electricity generation facilities to be built. This is essential to drive the development of new renewable projects that will comply with the EU commitments assumed by Spain in this respect.

The European Union established a 20% renewable source target in 2020 through the 2020 Climate and Energy Package which has materialized a series of EU-wide political challenges and goals for the next time horizon (2021-2030). Such new goals must be implemented by Member States through a National Integrated Energy and Climate Plan (“PNIEC”).

From the national standpoint in Spain, the PNIEC 2021-2030 establishes a 2030 target of renewable energies representing 42% of final energy consumption in Spain. The PNIEC calls for auctions to establish the new remuneration frameworks to attain these targets.

To meet these objectives, Royal Decree-Law 23/2020, of June 23, approving measures on energy and other areas to revive the economy, imposes the obligation to develop a new alternative remuneration framework based on recognizing a long-term fixed price for energy, which will be granted under competitive procedures.

Neighboring countries have recently implemented competitive bidding mechanisms similar to that envisaged by Royal Decree-Law 23/2020 and the results have reflected a generated energy unit price that is notably less than that seen in the electricity market. The urgent transfer of those economic savings to general consumers and industry in particular is necessary to ensure the competitiveness of the Spanish economy.

Royal Decree 960/2020 (“**RD 960/2020**”) has been enacted to fulfill that mandate and it governs a new economic framework using auctions. The first one was held on January 26, 2021 and it awarded 3,034 MW of installed capacity.

This new remuneration framework, called the renewable energy economic regime (“**REER**”), is granted by means of these auctions, in which a distinction may be made between different generating technologies and the product to be auctioned will be the installed capacity, electricity or a combination of both. Moreover, the bidding variable will be the price per unit of electricity, expressed in euros/MWh.



The price to be received by the plants subject to the REER for each unit of energy auctioned will be its award price, which may be corrected on the basis of certain symmetrical market participation incentives by means of the market adjustment percentage.

To implement the provisions set out in RD 960/2020, Order TED/1161/2020 has been approved. This Order regulates the first auction mechanism to grant the REER and establishes an indicative timetable for 2020-2025:

		Minimum capacity volumes (MW)					
		2020	2021	2022	2023	2024	2025
Wind	Increase	1000	1500	1500	1500	1500	1500
	Cumulative	1000	2500	4000	5500	7000	8500
Photovoltaic	Increase	1000	1800	1800	1800	1800	1800
	Cumulative	1000	2800	4600	6400	8200	10000
Thermoelectric solar	Increase		200		200		200
	Cumulative		200	200	400	400	600
Biomass	Increase		140		120		120
	Cumulative		140	140	260	260	380
Other technologies (biogas, water, wave action, etc.)	Increase		20		20		20
	Cumulative		20	20	40	40	60

The description of the auction process in that Order makes a distinction between three different phases (pre-classification, classification and auction) and defines installed capacity as the product to be auctioned and establishes the applicable system of guarantees necessary to participate in the auction (€60/kW) and for the successful bidders (€60/kW).

The return of the guarantees associated with successful bidders takes place progressively based on three administrative milestones, as was the case with the auctions in 2016 and 2017: (i) identification of the facility; (ii) administrative construction authorization; (iii) registration of the facilities with the operating REER registry.

The Resolution dated December 10, 2020 adopted by the Secretary of State for Energy formally called the first auction that took place on January 26, 2021. It established an awarded product quota of 3,034 MW of installed capacity, of which:

- 2,036 MW correspond to photovoltaic technology, with an average weighted price of 24.47 €/MWh.
- 998 MW correspond to wind power technology, with an average weighted price of 25.31 €/MWh.



Companies interested in the renewable energy sector within this new regulatory context can obtain complete advisory services from Cuatrecasas in order to cover the legal aspects associated with participating in these competitive bidding processes and to subsequently develop their energy projects in compliance with the established auction rules.

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## Main new developments

### Chile

#### **Economic reactivation megaplan**

The Government of Chile announced the implementation of an economic reactivation megaplan totaling US\$34 billion (approximately €28.231 billion) up until 2022. Of that sum, US\$24.521 billion (approximately €20.136 billion) relates to private investment incentives and US\$9.360 billion (approximately €7.772 billion) will be directly financed by the Ministry of Public Works. The program will benefit about 2,544 infrastructure projects.

The program focuses on the construction of 7,500 km of roads and 150 bridges, the capture of potable water and irrigation water works, port and airport infrastructure improvement works, hospitals and the construction of social infrastructures, with an emphasis on social housing and green zones.

The Government of Chile published its national green hydrogen strategy within the area of energy infrastructure. Chile thus reaffirms its commitment to reducing the carbon footprint of its energy consumption. The strategy seeks to bring forward the use of green hydrogen in industrial and domestic applications, as well as in heavy roadway transportation so that it can then develop an export market. The government projects public and private investment totaling US\$5 billion (approximately €4.151 billion) in this area by 2025 to obtain 5 GW in electrolysis capacity and production amounting to 200 kt/year. The strategy also seeks to take advantage of Chile's competitive advantages in green hydrogen production based on its low renewable energy production cost, which puts the country in a position to produce the cheapest green hydrogen in the world.

#### **Tender regarding the construction of the New HVDC Kimal - Lo Aguirre Line**

The National Electricity Coordinator has published a call to an international public tender for the construction of the new HVDC Kimal- Lo Aguirre line. The project consists of the



construction of a bipolar continuous current transmission line measuring 1,500 km and two AC/DC conversion stations located near the existing substations in Kimal and Lo Aguirre, in the regions of Antofagasta and Metropolitana, respectively.

The new HVDC Kimal – Lo Aguirre line will be the first continuous current type (HVDC) in Chile instead of the traditional alternating current transmission lines (HVAC) since it is more efficient and profitable for the transmission of energy over long distances. The initiative will drive the process of reducing the carbon footprint within the framework of the country's talent to obtain carbon neutrality by 2050 by facilitating the transmission of mandatory renewable source energy in the north of Chile.

The tender conditions are available on the website operated by the National Electricity Coordinator <https://www.coordinador.cl/desarrollo/documentos/licitaciones/nuevas/hvdc>

## Colombia

### **Modification of the procedure for the connection of energy projects**

The Energy and Gas Regulatory Commission (CREG, by its initials in Spanish) published on December 30, 2020 a draft resolution that proposes to modify the procedure for the connection of different types of projects to the National Interconnected System (SIN, by its initials in Spanish). This is due to the fact that the growth of renewable energies has required the expansion of transport capacity, which has caused delays in the issuing of connection concepts by the carriers and the Mining and Energy Planning Unit.

Within these modifications, we highlight the following 3 proposals: (i) create centralized procedures through a single window, where the information for these projects is also centralized; (ii) release the allocated capacity without the need for any additional paperwork when any of the following conditions arise: (a) it is determined that the project cannot be executed; (b) the agent does not obtain the ratification of allocation capacity; (c) the agent does not extend the guarantee or update the value of the coverage; (d) a third default is reached in the milestones of the S-curve; and (iii) possibility of transferring the transportation capacity when (a) the project is in operation, and (b) it is transferred between projects that have the same connection point, belong to the same interested agent and have the same primary generation resource.



### **Infrastructure investment plans of the main capitals of the country**

On November 23, 2020 the mayors of the main capitals of the country (Bogota, Medellin, Cali and Barranquilla) have included in their development plans, the infrastructure investment plans that together amount to 63 billion colombian pesos (USD\$18,000,000,000). These investment plans include the construction of the subway, main avenues and widening of roadways on the busiest roads in Bogotá, the construction of the commuter train between Bogotá and Zipaquirá (Regiotram de Occidente), and the Guillermo Gaviria Echeverri tunnel in Antioquia, among other projects.

### **The National Government approves the Integrated Mass Transit System (SITM) in the cities of Santiago de Cali and Ibagué**

The National Government published documents CONPES No. 4017 and 4018 on December 10, 2020 within the framework of the National Urban and Regional Mobility Policy that declared the strategic importance of mass transit projects in the cities of Santiago de Cali and Ibagué. The declaration of strategic importance is an essential requirement for the National Government to enter into bond commitments to cover the future project expenditures in those cities, which will contribute by signing co-financing agreements with the National Government (Santiago de Cali will amend the existing agreement).

The estimated investment is COP309.301 billion (approximately €71,930,465) for Ibagué and COP211.297 billion (approximately €49,138,837) for Cali. The resources will start to become available to Ibagué and Cali in 2021.

## **Spain**

### **Approval of Royal Decree-Law 36/2020, for the implementation of the Recovery, Transformation and Resilience Plan (Next Generation EU)**

On December 31, 2020, the Official Gazette of the Spanish State published [RDL 36/2020](#), approving urgent measures to modernize public authorities and to implement the Recovery, Transformation and Resilience Plan.

The objective of RDL 36/2020 is to guarantee the effective absorption of the [Recovery and Resilience Facility](#). Several public-private, budget and governance collaboration initiatives are defined in the legislation and some general laws have been amended (regarding public contracts, subsidies, administrative organization and environmental assessments) to make the administrative procedures relating to the projects funded by the Facility more flexible and agile.



The most relevant content of RDL 36/2020 from an energy and infrastructure standpoint is the creation of the Strategic Projects for Economic Transformation and Recovery (PERTE) that is intended to be permanent and is the oversight instrument for designing and executing the strategic targets of the Recovery Facility. They may be created for a large project or to cover several projects but they must always be “*strategic in nature with great drag along capacity for economic growth, job creation and the competitiveness of the Spanish economy*”.

During its creation and enactment, RDL 36/2020 established a series of objective and subjective elements and requirements, although enabling regulations will have to be enacted over the coming weeks. It also contemplates the creation of a public state registry of companies interested in the PERTE that will start operating before March 31, 2021.

For further information regarding the PERTE and the measures included in RDL 36/2020 you can visit our [LegalFlash](#).

## Mexico

### **Announcement of a second package of infrastructure projects**

The Government of Mexico presented the second package of infrastructure investment and economic reactivation support projects on November 30, 2020. This package covers 68 projects involving an investment of 525 billion Mexican pesos, representing 2.3% of GDP, and they are expected to create between 370,000 and 400,000 direct and indirect jobs. The second announcement covers an additional 29 projects in the energy, communications and transportation, water, sewer and environment sectors.

The criteria applied when selecting the projects are: (i) the participation of private initiatives must exceed 50% of the total investment in each project; (ii) the project must fall within the energy, communications and transportation, tourism, water, sewer and environment sectors; (iii) there must be a clear definition of the social benefits, the scope of the infrastructure, its cost and implementation time; and (iv) they cannot have an impact on government debt.

### **Regulatory changes affecting ports**

The Official Gazette of the Mexican Federation (“DOF”) dated November 12, 2020 published the decree through which several clauses of the Organic Act on the Federal Public Administration, the Shipping and Maritime Trade Act and the Port Act (“Decree”) were amended, expanded and repealed. The Decree will enter into force 180 calendar days after being published in the DOF.



The reforms established the Secretariat of the Navy as the national maritime authority in Mexican marine, coastal, port, terminal, marina and national port facilities and the national waters in which activities for which it is responsible take place. The Secretariat of the Navy is now the maritime and port protection authority and is the designated authority for the purposes of the International Ship and Port Facility Security Code.

The authorities exercised of the Secretariat of the Navy include the following, among others: (i) awarding and granting contracts, concessions and permits for the establishment and operation of water communications and transportation services using marine vessels or apparatus; (ii) coordination in maritime and river ports of maritime and port services and activities, the means of transportation operating in them and the main, auxiliary and related services involving general means of communication in order to ensure their efficient operation; (iii) administration of centralized ports and coordination of parastatal ports, and the granting of concessions and permits to occupy federal areas within port facilities; (iv) establishment of the technical operating rules for public water communications and transportation services and the applicable fees; granting of concessions and permits applicable to all operations and maritime, port, auxiliary and related services in the water communications and transportation area; participation together with the Secretariat of Finance and Public Credit in the establishment of the fees for the services rendered by the Federal Public Administration with respect to water communications and transportation; and (v) prevention of water pollution caused by marine vessels or apparatus.

The amendments to the Maritime Shipping and Trade Act Regulations, the Port Act Regulations, the Regulations of the Unified Center for Maritime and Port Security and the relevant administrative rules that are necessary to comply with the Decree will be published no later than 180 calendar days after the date the Decree enters into force.

## Peru

### Line 3 of the Metro Network of Lima

The Urban Transportation Authority for Lima (“**ATU**”) issued a press release reporting that it held a virtual meeting at which the project for Metro Line 3 Lima Callao (the ‘**Project**’) was presented, which will be executed using a government to government contract (G2G). The Project was presented to representatives of the embassies of Germany, Austria, Brazil, Canada, South Korea, Spain, France, Japan, Malaysia, United Kingdom and Russia that had expressed their interest.

The ATU indicated that the Project will consist of a 34.3 km completely underground railway corridor that will have 28 stations and will take an estimated 56 minutes to travel



between the districts of San Juan de Miraflores and Comas, benefiting more than five million inhabitants. Line 3 will connect with Lines 1, 2 and 4 and with the *Metropolitano* bus system.

### Planning PPAs

The Private Investment Promotion Agency ProInversión has updated its portfolio of energy products that are expected to be awarded in 2021:

➤ **Mass Use of Natural Gas - Distribution of Natural Gas by Pipeline in the Regions of Apurímac, Ayacucho, Huancavelica, Junín, Cusco, Puno and Ucayali.**

This project consists of the design, financing, construction, operation and maintenance of natural gas distribution pipeline systems in 7 regions in the south-central part of the country and the transfer of those systems to the State of Peru after the concession period. This will benefit more than 110,000 households in the south.

The total investment is estimated to be US\$200 million. The contract is expected to be awarded during the first quarter of 2021.

➤ **138 kV Transmission Line Puerto Maldonado - Iberia and Valle del Chira Sub-Station of 220/60/23 kV**

This is a comprehensive project which includes both the transmission line and the sub-station. The concession period of both projects is 30 years from commercial start-up. The estimated investment in the 138 kV Transmission Line Puerto Maldonado – Iberia (in Madre de Dios province) is US\$33 million, and in the Valle del Chira Sub-Station of 220/60/22.9 kV (in Piura province), US\$17 million. The final version of the concession contracts is currently being prepared. The awarding of the contracts is expected to take place during the second quarter of 2021.

➤ **500 kV Transmission Line Piura Nueva Sub-Station – Border**

This project comprises the expansion of the Piura Nueva Sub-Station and the 500 kV interconnection line in Peruvian territory from the Piura Nueva Sub-Station to the point where it crosses the border with Ecuador.

The concession period of each contract will be 30 years from commercial start-up. The estimated amount of investment is US\$163 million. The call to the tender was issued on



October 16, 2020. The contract is expected to be awarded during the second quarter of 2021.

### > **Zona Sur Integrated Gas Transport System (SIT Gas)**

It has been announced that ProInversión is conducting pre-feasibility studies of the project comprising the transport system of natural gas and natural gas liquids for the south of Peru, in particular for the regions of Cuzco, Arequipa and Moquegua. The plan is to tender and award this project during 2021.

Although there is no precise information on the amount of investment, it is estimated that it will be approximately US\$4,500 million.

### > **Upgrade of the state distributor Electronoroeste (ENOSA)**

The objective of this project is to upgrade the management of Electronoroeste S.A. through the acquisition of new shares in order to offer better service to customers in its area of influence (Tumbes and Piura).

The total investment is estimated to be US\$104 million. There is no estimated contract award date and the report only states that the project is in progress.

### > **Ancón Industrial Estate Project (PIA)**

On January 18, 2021, ProInversión announced a call to an International Public Tender for the PIA project in order to select a private developer (a company or consortium) that will assume responsibility for the full implementation of the project.

This project will be implemented in three phases over 16 years. The investment in the project is estimated to be US\$750 million. The tender is currently open to companies interested in being pre-qualified.

## **OSITRAN's General Regulation on Tariffs (“RETA”)**

On Monday, January 25, 2021 the Official Gazette *El Peruano* published the new RETA, which is applicable to public-use transportation infrastructure operators.

The RETA seeks to increase the transparency and predictability of fee procedures, as well as the elimination of inefficient charges and costs within those procedures.



The main amendments to the RETA are as follows:

- Elimination of the obligation to publish fees in newspapers. The fees must be published on the Rendering Entity's website, as well as at its offices and collection points.
- Sections regarding the procedures for setting, revising and deregulating fees were included.
- It expressly states that the Rendering Entity's fee proposal must include: (i) the economic basis supporting the calculations made in the proposal, and (ii) the economic model with supporting information. Co-financed concessions must include the State's approval of the co-financing.

### **Amendments to Arbitration Law**

On January 25, 2020, the Urgent Decree No. 020-2020 (“**DU 020**”) entered into force and amended Legislative Decree No. 1071, which governs arbitration (“**Arbitration Act**”).

The main amendments included paragraph 5 of Article 7 of the Arbitration Act, which stipulates that when the State of Peru is involved as a party, arbitration is institutional unless the amount in dispute does not exceed ten (10) UIT, in which case *ad hoc* arbitration may be agreed. It also indicated that in both cases arbitration will be “in law”, except for projects carried out through Private-Public Associations since when their disputes are of a technical nature an alternative may be amicable dispute resolution.

The objective of this legislation is to institutionalize the arbitration proceedings in which the State participates. This will result in *ad hoc* arbitration not being allowed in arbitration agreements reached after DU 020 enters into force, when the amount of the dispute exceeds ten (10) UIT.

Arbitration agreements reached before DU 020 enters into force should not, in principle, suffer any alteration whatsoever since Article 62 of the Political Constitution of Peru expressly stipulates that contractual terms cannot be amended by laws or other legislative measures. However, the possibility that state entities will seek to retroactively apply the content of DU 020 cannot be ruled out, specifically in cases in which arbitration agreements have not been executed.

This practice could result in the *ad hoc* arbitration established in arbitration agreements reached before DU 020 entered into force being submitted by one of the parties to the institutional arbitration administration to which the counterparty did not provide consent. Should this scenario arise, this would compromise the validity of arbitration decisions issued in those arbitration proceedings.



## Portugal

### Recovery and Resilience Plan (“RRP”)

At a meeting held by the European Council in July 2020 to evaluate the effects of the Covid-19 pandemic, several measures were approved including the Multiannual Financial Framework for the period 2021-2027 and the European recovery instrument known as Next Generation EU. The latter will allow the mobilization of up to €750 billion in funds for the Member States of the European Union.

These two instruments will allow Portugal to access around €45 billion in the period 2021-2029 (in subsidies), of which €14 billion is expected to be used between 2021-2026. In October 2020, the **RRP** was presented in Brussels establishing investments for Portugal in this respect that will be implemented in the following areas: (i) resilience, (ii) climactic transition, and (iii) digital transition.

In terms of **resilience**, the investments will total around (i) €3.504 billion for social vulnerabilities, (ii) €2.755 billion for production capacity and jobs and (iii) €1.939 billion for competitiveness and territorial cohesion.

The **climactic transition** calls for investments of around (i) €1.032 billion for sustainable mobility, (ii) €865 million for carbon footprint reduction and the bio-economy, and (iii) €991 million for energy efficiency and renewable energy, notably consisting of the following reforms:

- > reform of the transportation ecosystem;
- > reduction of the industrial carbon footprint;
- > sustainable bio-economy plan;
- > long-term strategy for the upgrading of buildings; and
- > national hydrogen strategy (EN-H2).

As regards **digital transition**, the investments will total around (i) €538 million for digital education, (ii) €650 million for companies 4.0 and (iii) €1.670 billion for public and digital administration.

Finally, we note that the preliminary version of the schedule for the European Commission to approve the RRP was presented in Brussels in October 2020 and public information shows that the negotiations for its approval are in the final stages.



### Regulation on commercial relationships in the electricity and gas sectors

On December 30, 2020, Regulation 1129/2020 (“**Regulation**”) on the Energy Services Regulatory Entity (“**ERSE**”) was published in the official gazette (Gazette of the Republic). This Regulation modifies and unifies into a single body of law the regulations governing commercial relationships in the electricity and natural gas sectors.

In summary, the Regulation governs relationships between the parties involved in the two sectors (producers, distributors, transmission facilities, marketing entities, etc.) and customers and consumers, the commercial conditions for connecting to public networks, the rules regarding the measurement, reading and publishing of consumption data and the rules applicable to the decisions taken by marketing entities and the operation of markets.

That system has given rise to regulatory changes concerning the following areas: (i) the legitimacy requirements for final customers in terms of signing a supply contract; (ii) the interruption of supply for events attributable to the customer; (iii) a time limitation on mandatory terms of contracts concluded with consumers; (iv) the reduction of the contracted capacity over the supply interruption early warning period; (v) the system for terminating a supply contract; (vi) the system for treating marketing entity debt; (vii) the invoicing of access mandates during the interruption period; (viii) the consolidation of reputation and independence aspects; (ix) the treatment of the self-consumption system; (x) the definition of the aggregation and representation processes; and (xi) the consideration of the risk management and guarantee model.

This regulation entered into force on January 1, 2021. The regulation approval process and the involvement of the interested parties are available on the ERSE website ([link](#)).

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## Cases and transactions

### Tunel Aburrá Oriente (TAO)

Tunel Aburrá Oriente (TAO) - Cuatrecasas Bogotá advised Bancolombia S.A., Banco de Bogotá S.A., Banco Davivienda S.A., Banco Popular S.A. and Banco de Occidente S.A., (the “Lenders”) in the structuring and negotiation to grant a syndicated bridge loan of COP\$660,000,000,000,000 (USD\$188,571,428,571.4286)<sup>1</sup> to Concesión Túnel Aburrá

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<sup>1</sup> Exchange rate: USD\$1/COP\$3,500



Oriente S.A., for the financing of the toll road project between Valle de Aburrá and Valle de San Nicolás in Antioquia.

This bridge loan was secured by a shares pledge agreement of property of Concesion Túnel Aburrá Oriente S.A., and those of which it may become the owner.

The Concesión Túnel Aburrá Oriente is one of the most important road corridors in Antioquia and serves as an example for Colombia regarding compliance with the budget and execution schedule. This tunnel interconnects the Aburrá (Medellín) and San Nicolás (Rionegro) valleys, reducing travel times by 60% between these sub-regions, which has a great impact on the economy of Antioquia through 17 km of tunnels, including, 8.2 km of the Santa Elena Tunnel, the second longest tunnel operating in Colombia, 4 viaducts, 6 bridges and road interchanges, with an investment of more than one billion colombian pesos (USD\$285,714,285.71), which are benchmarks for Colombian engineering.

### Lightsource BP acquires 14 solar projects from the RIC Energy Group, with a total 1060 MW of installed capacity

Cuatrecasas advised Lightsource BP, a joint venture created by the British Group BP and Lightsource to develop photovoltaic assets, the acquisition of a portfolio of 14 photovoltaic projects with a total installed capacity of 1,060 MW in Spain from RIC Energy Group.

This acquisition by the British oil company's joint venture is, to date, its largest investment in renewable energy in Europe and it is one of the largest transactions by MW volume carried out in the renewable energy sector in Spain in 2020.

As a result of this agreement, which consolidated Lightsource BP as one of the main players in the renewable sector in Spain, both entities will cooperate on the development of the 14 solar projects located in Madrid, Andalusia and Castille-Leon until they are in a position to start construction.

Cuatrecasas advised the client on conducting the proper legal due diligence of the assets and in negotiating the contractual documentation (share purchase agreement and service provision agreement for project development) required to sign the transaction.



### ELECNOR, S.A.: Establishing an asset-backed securities (“ABS”) fund

Cuatrecasas advised ELECNOR, S.A. on establishing an asset-backed securities fund (Elecnor Eficiencia Energética 2020, Securitization Fund) and on issuing securitized bonds worth €50 million which have been admitted for trading on the Spanish Alternative Fixed-Income Market (MARF).

This is the first ABS fund whose assets are made up of present and future credit rights owned by Elecnor, S.A., resulting from contracts with public administrations for energy services management and the maintenance of public lighting installations, and the first securitization transaction for the sale of future credit rights derived from contracts with public administrations to be concluded in Spain. This allows Elecnor, S.A., as the entity assigning the credit rights, to obtain immediate liquidity on their sale compared to otherwise obtaining that liquidity over the fixed terms of the contracts with public administrations and it also can obtain financing from capital markets since future credit rights are concerned while continuing to carry out new projects.

The securitization bonds issued are aligned with ICMA's Green Bond Principles and have been rated as Green Bonds by G-Advisory.

Elecnor, S.A. is one of the benchmark electricity, renewable energy, gas, infrastructure, industrial plant, services, new technology and even aerospace engineering business groups in Spain. Its strong international vocation has led to the company to continually expand into different markets. Elecnor is present in 55 countries, is listed on the stock market and in 2019 it obtained record revenues of €2.454 billion and a net consolidated profit of €126.4 million.

### Advising on acquiring four road assets.

Cuatrecasas advised the fund Unión para la Infraestructura (UPI) on its minority shareholding in a joint venture with Mexico Infrastructure Partners to acquire a controlling interest in four road assets in Mexico.

SURA Investment Management and Credicorp Capital Asset Management manage UPI's investments. UPI is a fund engaging in making investments in high-impact infrastructure projects in Latin America.



### Advisory services on the acquisition of the initial asset of the Investment Trust in Energy and Infrastructure (Fibra-e) called Orión Fibra-e (BIVA “FORION”)

Cuatrecasas advised Orión IEP, S.C. and FORION (Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, acting solely and exclusively in its capacity as the trustee of Irrevocable Trust No. 4235) on the acquisition of Autopistas de Tapachula, S.A.P.I. de C.V. (“ATAP”), involving certain investment vehicles owned by Blackrock.

ATAP is a concession company held by the Mexican Government’s Secretariat of Communications and Transportation engaging in the operation of the section of roadway Tapachula-Talismán, which is a toll-free section located in the south-east of the State of Chiapas and it is part of the Puebla-Oaxaca-Ciudad Hidalgo road corridor.

Cuatrecasas advised the client during the negotiation and closing of the ATAP acquisition transaction, as well as the negotiation and closing of the changes made to the syndicated financing granted by Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, as the Agent Bank and Surety Agent, for its own benefit and the benefit of the rest of the creditors and Banco Nacional de Obras y Servicios Públicos, S.N.C., Institución de Banca de Desarrollo.

### Acquisition of a portfolio of hydraulic plants with total installed capacity of 1.7 GW from EDP by the consortium Engie, Predica (Crédit Agricole Assurance) and Mirova (Natixis Group).

Cuatrecasas advised the consortium Engie (industry leader), Predica (Crédit Agricole Assurance) and Mirova (Natixis Group) on the acquisition from EDP of a portfolio of hydraulic plants located in the Douro River valley. The portfolio consists of three plants (Foz tua, Baixo Sabor and Feiticeiro) and three plants with pumping facilities (Miranda, Bemposta and Picote) with a total installed capacity of 1.7 GW.

We advised the consortium during the due diligence stage (identifying the main advantages of the valuation and the relevant risks in the legal framework for the operation of renewable energy projects in Portugal), and during the negotiation of the contractual documents and financing for the transaction, as well as other regulatory, labor and corporate aspects of creating an operational structure in Portugal. This transaction started in 2019 and ended in December 2020.



The transaction was valued at €2,210,000,000 and the acquisition reinforced the consortium's presence in the renewable energy market on the Iberian Peninsula, particularly Engie's entry into the hydraulic plant market in this region.

## Advisory services on international public tenders for the supply of trains

Cuatrecasas advised CP – Comboios de Portugal, EPE (“CP”) – the public railway operator – in all phases of the €168 million public tender for the supply of 22 regional trains intended to reinforce the fleet. Among others, the Swiss company Stadler and the Spanish companies CAF and Talgo participated in the bidding. The project was awarded to Stadler. However, the outcome of the tender has been challenged by one of the bidders and the operator, CP, requested the revocation of the tender suspension that has been implemented. Cuatrecasas is also advising CP on the preparation of the international public tender for the supply of new urban and regional trains.

## Current advisory services for Fusion Fuel: a hydrogen producer

Cuatrecasas advises the Nasdaq listed company Fusion Fuel on its business activity in Portugal.

Fusion Fuel has a project to build a five-stage green hydrogen plant in Sines with a total overall investment of €452 million intended to attain 27,000 tons of green hydrogen production per year. The first stage of the project will involve a €23 million investment to create a production capacity of 3,000 tons per year.

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