



Green Finance Report

November 2023



ILAP Green Finance Report

Context

As published in the ILAP Green Finance Framework ILAP will annually publish details on its green finance activities which will contain at least the following:

- Confirmation that the use of proceeds of its Green Bonds and Green Loans complies with the ILAP Green Finance Framework;
- A summary of the outstanding Green Bonds and Green Loans;
- A summary of the pool of Eligible Projects¹ with descriptive statistics such as location, technology, type of off-taker, construction/operations stage, age of project;
- Case studies on select Eligible Projects;
- Impact reporting elements as described below

Impact Reporting

ILAP's Green Finance reporting will include qualitative performance indicators and, where feasible, quantitative performance measures of the outcomes or impacts of the pool of Eligible Projects (performance indicators may change from year to year). The Report may include some of the following data for Eligible Projects:

- Total capacity of renewable energy production (MW)
- Annual renewable energy generation (MWh)
- Greenhouse gas emissions reductions (tons CO₂)

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Green Finance Activities & Impact Reporting

ILAP's green 144A bond proceeds were allocated to the refinancing of a pool of renewable energy projects complying with the eligibility criteria defined in ILAP's Green Finance Framework. The pool of renewable energy projects is made up of San Juan and Totoral.

San Juan Project

The San Juan Project is a 193.2 MW wind farm facility located in Vallenar, Region of Atacama, Chile (approximately 650 Km north of Santiago). The asset is comprised of 56 Vestas V117-3.45 MW wind turbines, making it the second largest single wind farm in Chile. The San Juan Project began partial operations in July 2016 and achieved full commercial operation in March 2017. The San Juan Project was built by Elecnor, a leading global EPC and renewable energy investor, and employs wind turbines supplied by Vestas, the world's most experienced wind turbine manufacturer. Vestas is responsible for the operation and maintenance of the turbines under a service and availability agreement between San Juan and Vestas that guarantees generation availability of 98%.

San Juan, as the legal owner of the San Juan Project, is party to 68 long-term power purchase agreements ("PPAs") with a diversified group of distribution companies to supply regulated customers. These offtakers are highly regulated entities that provide electricity service to both non-regulated and regulated end customers in Chile. These PPAs consist of U.S. Dollar denominated 15-year "take-and-pay" agreements, and were entered into after the tender process known as "2013-3 Second Call Auction/Tender Process" administered by the National Energy Commission (Comisión Nacional de Energía) ("CNE"), held in December 2014. In 2016, San Juan also entered into an additional offtake agreement with Metro S.A. (Empresa de Transporte de Pasajeros Metro S.A., the operator of Santiago's subway system), a government-controlled entity rated A3 (Stable) by Moody's and A- (Stable) by Fitch Ratings. Under that agreement, San Juan has contractually committed to supply up to 60% of Metro's hourly consumption that is not supplied by solar priority suppliers. In addition, San Juan has a PPA entered into in 2017 with Enel Distribución Chile S.A. ("Enel Distribución"), a power distribution company controlled by Enel Chile S.A. (rated Baa2 (Stable) by Moody's, BBB (Stable) by S&P and BBB+ (Stable) by Fitch), for which the company provides an annual average contracted energy of 180 GWh (with a "take-or-pay" of 70%, 126 GWh) until 2023. The PPA allowed Enel Distribución to secure electricity volumes to supply Enel Distribución's unregulated customers. However, effective January 1, 2021, Enel Distribución assigned the PPA to Enel Generación S.A. as a result of regulatory changes introduced to electricity related laws that prevented distribution companies to dedicate to business other than the supply of electricity to regulated customers. Enel Generación S.A. is the largest power company in Chile, also controlled by Enel Chile S.A. (rated Baa2 (Stable) by Moody's, BBB (Stable) by S&P and BBB+ (Stable) by Fitch).

The San Juan Project provides annual average contracted energy of 381 GWh with respect to the PPAs with distribution companies, 75 GWh with respect to the PPA with Metro and 180 GWh with respect to the PPA with Enel Generación.

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Totoral Project

The Totoral Project is a 46.0 MW wind farm facility located in Canela, Region of Coquimbo, Chile (approximately 300 km north of Santiago). The asset is comprised of 23 Vestas V90-2.0 MW wind turbines and began commercial operations in January 2010. The Totoral Project was built by SKANSKA, a world-leading project development and construction group, and with wind turbines supplied by Vestas.

Norvind, as the legal owner of the Totoral Project, was also awarded long-term U.S. Dollar denominated PPAs as a result of "2013-3 Second Call Auction/Tender Process" in December 2014. Norvind has 23 PPAs with 23 distribution companies to supply regulated customers consisting of distribution companies that began in January 2019 and will continue through December 2033. Under these agreements, the Totoral Project will sell an annual average of 45.5 GWh of contracted energy. Additionally, Norvind has 14 bilateral PPAs with unregulated customers and a power generation company to supply an average of 89.45 GWh expiring between 2022 and 2025. The unregulated customers range from large retail stores to universities and agro-industrial facilities.

Annual Generation and Capacity

During 2021 and 2022 San Juan and Totoral's monthly generation, in MWh, was the following.

	ene-21	feb-21	mar-21	abr-21	may-21	jun-21	jul-21	ago-21	sept-21	oct-21	nov-21	dic-21
San Juan	38.291	36.962	39.382	25.562	39.982	43.392	35.980	49.581	69.366	52.218	42.237	33.059
Totoral	5.650	4.649	4.828	4.722	6.325	5.779	5.926	3.697	8.629	8.453	7.692	5.368

	ene-22	feb-22	mar-22	abr-22	may-22	jun-22	jul-22	ago-22	sept-22	oct-22	nov-22	dic-22
San Juan	54.615	38.720	31.322	25.562	36.431	30.680	54.203	43.688	46.833	39.246	21.427	28.302
Totoral	11.460	6.167	7.977	6.291	6.355	5.398	7.312	6.025	5.736	6.923	4.067	6.059

Outstanding Green Bonds

ILAP's outstanding Green Bonds in December of 2021 and 2022 corresponded to the 144A issued in 2021. The balances, in thousands of US dollars, of the 144A bond at the previously mentioned dates were the following.

	2021	2022
Principal	403.900	385.169
Interests	11.213	20.399
Total	415.113	405.568

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Greenhouse Gas Emissions Reductions (tons CO2)

The green gas emissions reductions can be found in the document “Report ILAP – Carbon Footprint 2022” document in the ILAPCL I Inverstors section in www.latampower.com.



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