

MÉRIDA III POWER PROJECT

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The Mexican bidders include such prominent engineering and construction companies as *Grupo Acerero del Norte*, *Grupo Protesa*, *Grupo Mexicano de Desarrollo* and *Mexico Compañía Constructora*. The engineering company *Tribasa* is bidding in conjunction with Spain's *Gogentrix-Ednesa*.

SAMALAYUCA II POWER PROJECT

In February 1995, the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, announced that a contract had been awarded for the construction of the *Samalayuca II* combined cycle electricity generating plant. The new plant will have generating capacity of 700 megawatts and will cost US \$650 million. It will consist of three generating units, the first of which will be completed in 27 months.

The consortium that will build the project includes General Electric, *ICA/Fluor Daniel*, Bechtel and El Paso natural gas. The partners will provide US \$120 million in equity capital, and the balance will be borrowed from major American financial institutions. For *Samalayuca II*, the consortium will design, implement, and finance construction of the plant. Once the project is concluded, operation of the facility will be transferred over to the *CFE*. Under the terms of the agreement reached after two years of lengthy negotiations, the consortium will recover its investment through leasing rights paid by the *CFE*.

According to the president of the *Grupo ICA*, *Samalayuca II* is the first plant financed entirely with private funds and without government loan guarantees. About US \$125 million of the initial investment will be provided by General Electric. The remaining US \$525 million will come from three American-based financial institutions: Citibank, Citicorp and Paine Webber.

Construction of the plant is expected to generate 1,000 direct jobs and 7,000 indirect positions.

The contract provides for a build-lease-transfer (BLT) financing arrangement. The plant will be operated by the *CFE* when it is completed. Industry observers believe that this will be the last plant financed this way, since BOT schemes are expected to become standard under the new government.

ENERGY SOURCE BY INDUSTRIAL SECTOR, 1991

PERCENTAGE

	Electricity	Natural Gas	Diesel	Oil	Liquified Petroleum Gas	Coke	Trash	Kerosene
Aluminum	53.3	36.9	9.3	0.0	0.0	0.0	0.0	0.0
Automobile	47.5	35.6	4.9	0.0	12.0	0.0	0.0	0.0
Mining	31.8	40.0	8.6	9.0	0.3	10.3	0.0	0.0
Tobacco	28.6	57.1	0.0	14.3	0.0	0.0	0.0	0.0
Bottled beverages	22.6	26.4	23.9	16.0	11.1	0.0	0.0	0.0
Construction	17.8	0.0	82.2	0.0	0.0	0.0	0.0	0.0
Rubber	16.7	65.6	10.2	7.4	0.1	0.0	0.0	0.0
Chemical	15.6	48.9	1.8	33.2	0.5	0.0	0.0	0.0
Cellulose, paper	14.9	35.9	1.7	46.9	0.6	0.0	0.0	0.0
Fertilizers	12.8	83.1	1.1	3.0	0.0	0.0	0.0	0.0
Steel	12.4	45.2	0.3	13.6	0.5	28.0	0.0	0.0
Cement	11.1	9.5	0.0	79.4	0.0	0.0	0.0	0.0
Glass	9.0	82.3	1.9	4.0	0.1	2.7	0.0	0.0
Beer	8.2	38.5	3.6	48.5	1.2	0.0	0.0	0.0
Sugar	0.2	0.0	0.1	34.4	0.0	0.0	65.3	0.0
Other	31.7	37.6	11.7	13.7	4.6	0.0	0.0	0.7

Source: Secretaría de Energía, Minas e Industria Paraestatal (SEMIP), Secretariat of Energy, Mines, and State-owned Industries.