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# WIDE –SCALE USE OF NATURAL GAS IN 7 REGIONS

SEPTEMBER 2020



# GENERAL ASPECTS

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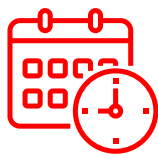
Contracting modality:  
**Concession**

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Referential Investment amount:  
**US\$ 200 Million (without VAT)**  
8 first years POC

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Concession term:  
**32 years**  
As of the closing date

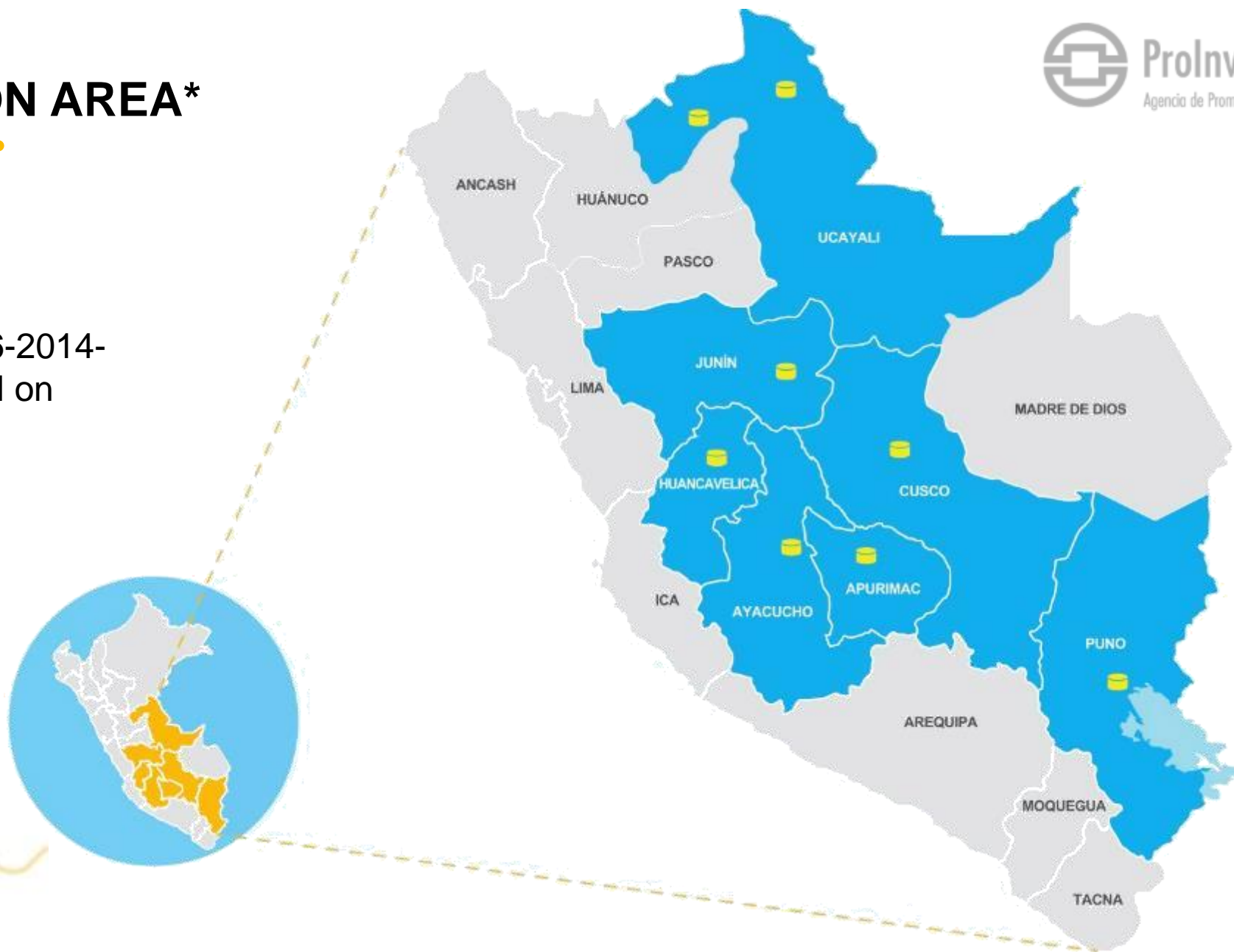
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Commercial operation:  
**Thirty (30) months**  
As of the closing date

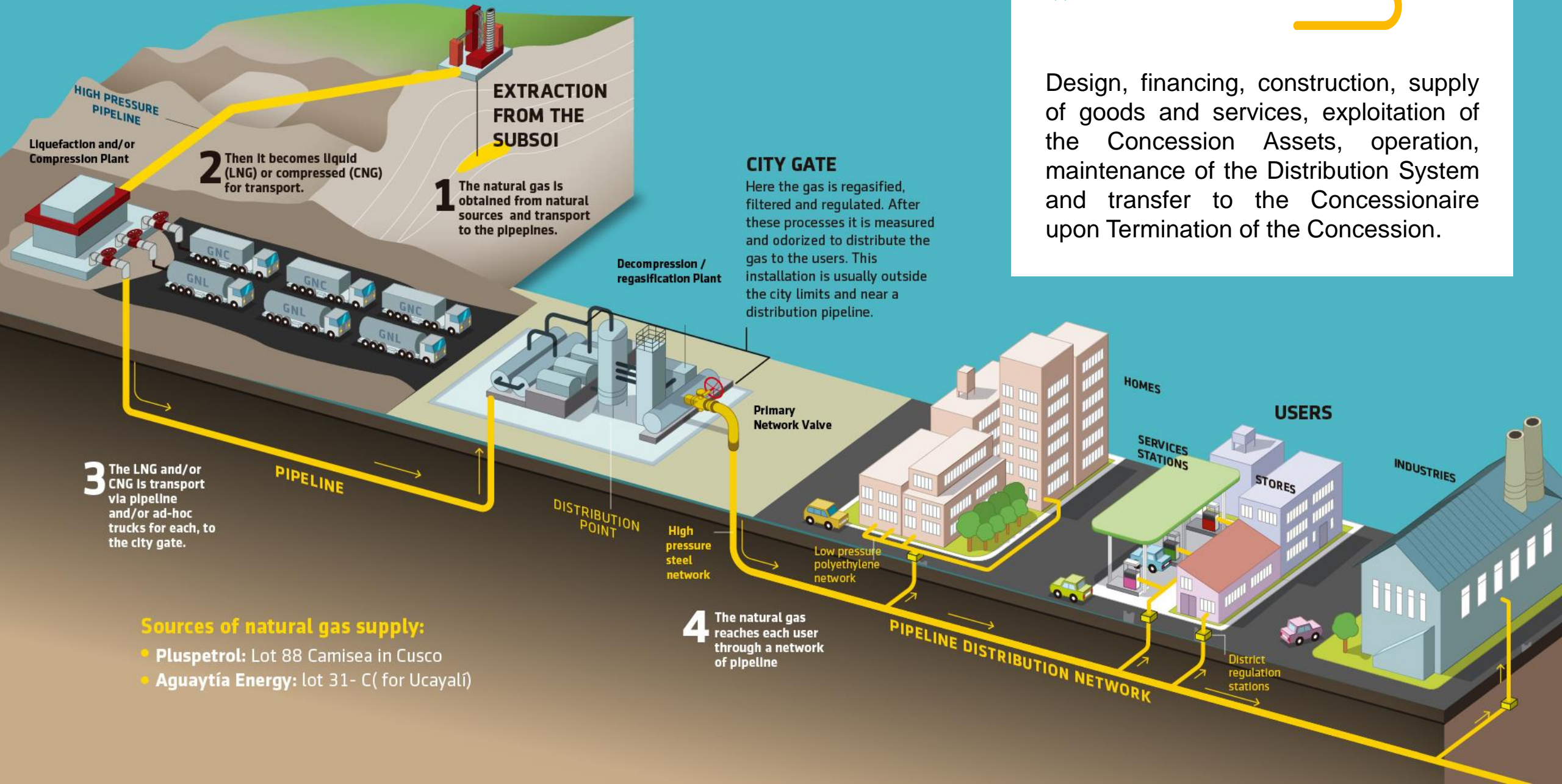
# CONCESSION AREA\*

\* Limited by MR 476-2014-  
MEM/DM, published on  
October 29, 2014



# OBJECTIVE 5

Design, financing, construction, supply of goods and services, exploitation of the Concession Assets, operation, maintenance of the Distribution System and transfer to the Concessionaire upon Termination of the Concession.



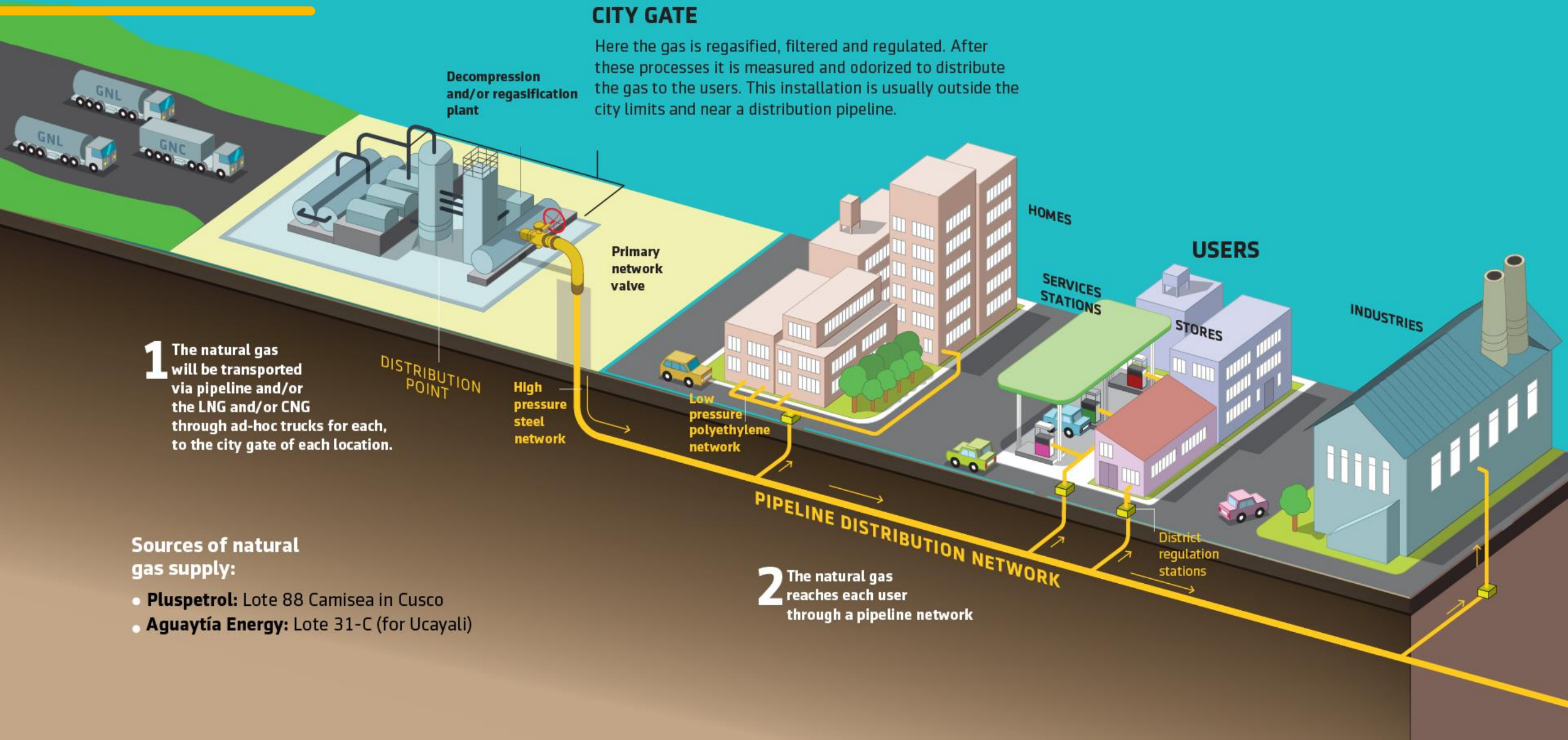
## Sources of natural gas supply:

- Pluspetrol: Lot 88 Camisea in Cusco
- Aguaytía Energy: lot 31- C ( for Ucayali)

# DISTRIBUTION SYSTEM

## CITY GATE

Here the gas is regasified, filtered and regulated. After these processes it is measured and odorized to distribute the gas to the users. This installation is usually outside the city limits and near a distribution pipeline.



**1** The natural gas will be transported via pipeline and/or the LNG and/or CNG through ad-hoc trucks for each, to the city gate of each location.

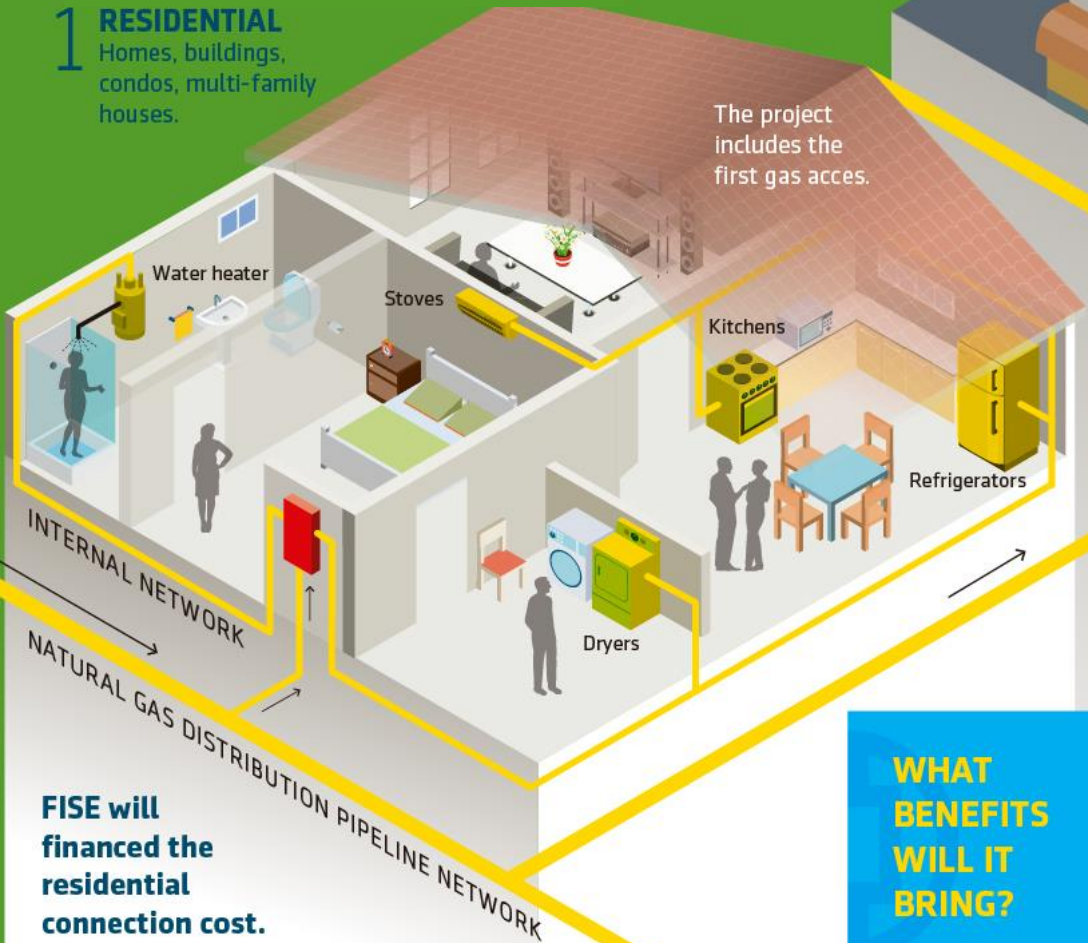
### Sources of natural gas supply:

- **Pluspetrol:** Lote 88 Camisea in Cusco
- **Aguytía Energy:** Lote 31-C (for Ucayali)

**2** The natural gas reaches each user through a pipeline network

# THE NATURAL GAS WILL ARRIVE BY PIPELINE NETWORK

**1 RESIDENTIAL**  
Homes, buildings, condos, multi-family houses.



**FISE will financed the residential connection cost.**

**2 BUSINESS**  
Hotels, restaurants, hospitals, etc.



**4 INDUSTRY**  
Factories, refineries, logging companies, agriculture, etc.



**3 TRANSPORT**  
Public and rural transport (buses and all kind of cars)  
Diesel engines for trucks, heavy machinery, tankers, compactors, railways, etc.



**REGIONS WHERE THE SERVICES WILL BE PROVIDED**



## WHAT BENEFITS WILL IT BRING?

 Permanent gas supply due to direct connection to the pipelines.

 Ecological alternative to replace fuel such as LPG, Gasoline, residual 500, diesel, carbon.

 Monthly savings for the lowest cost of fuel.

 Less health problems (better combustion and less polluting gases).

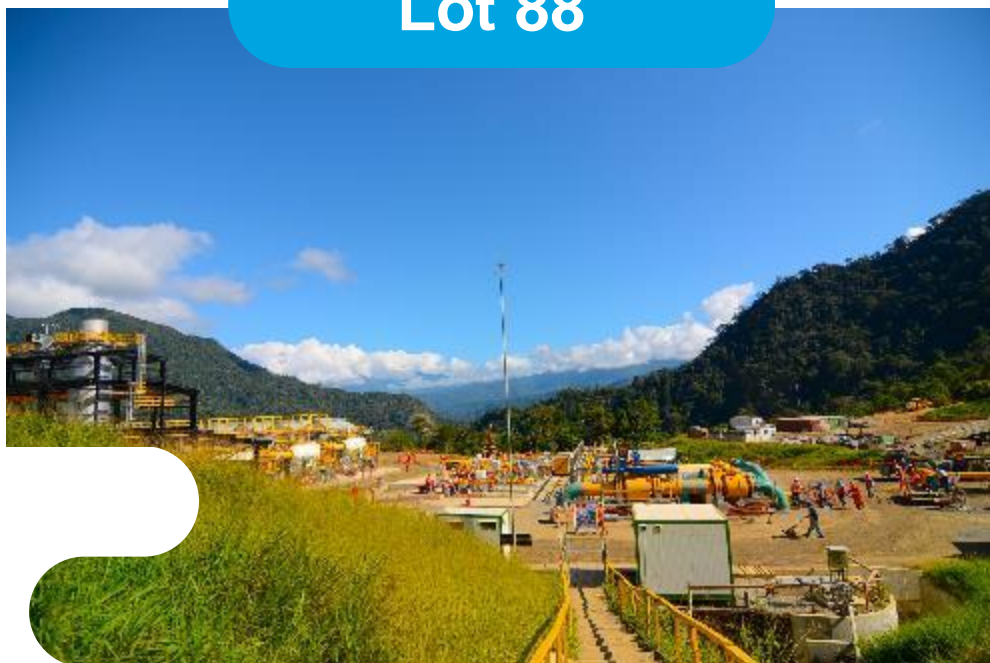
 The service is paid after use (monthly bill for consumption).

 Support from the State because the home connections to natural gas will be financed by the FISE.

# SOURCES OF SUPPLY

The Concessionaire will be able to use the Natural Gas molecule supply from:

**Lot 88**



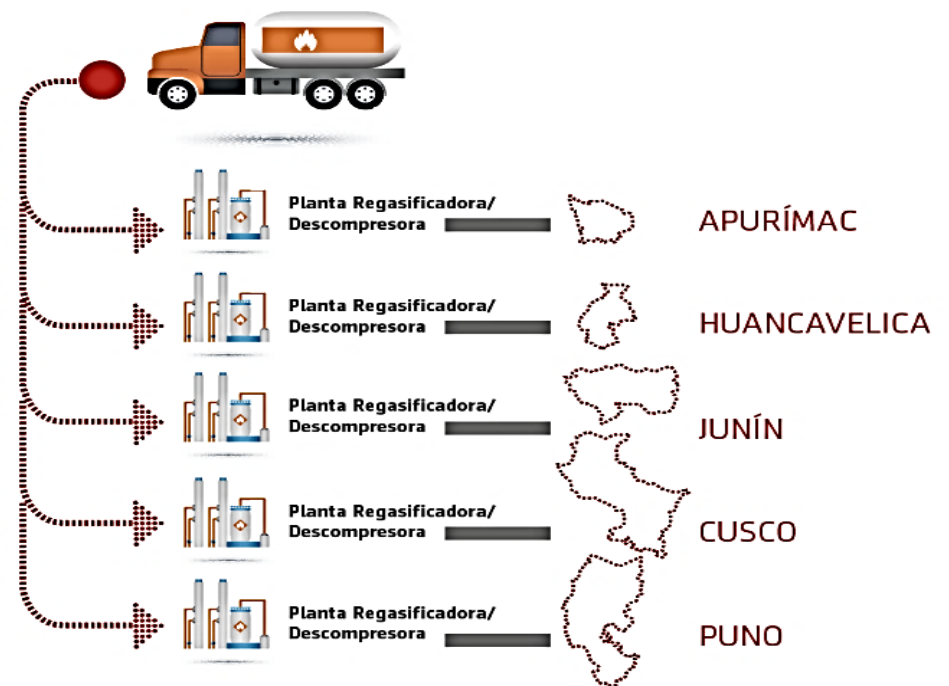
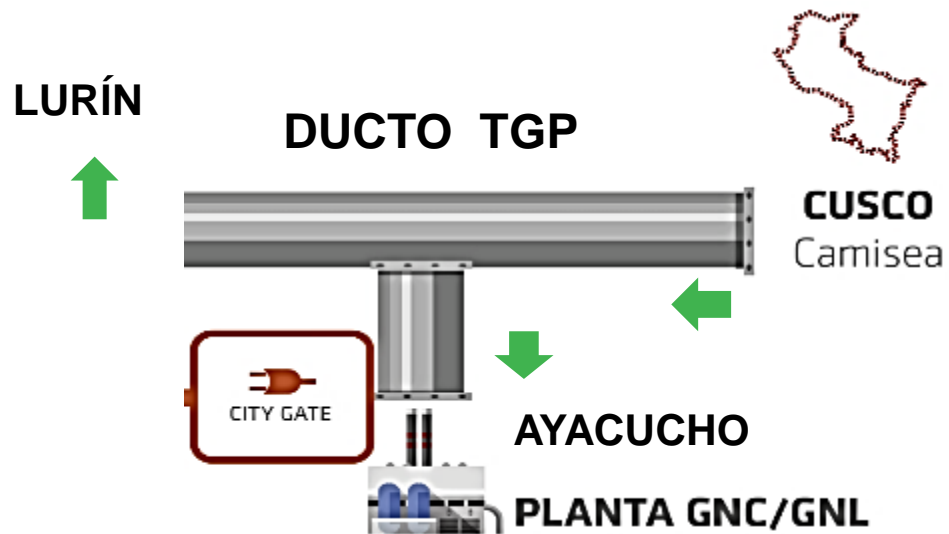
**Lot 31-C**



# TRANSPORT

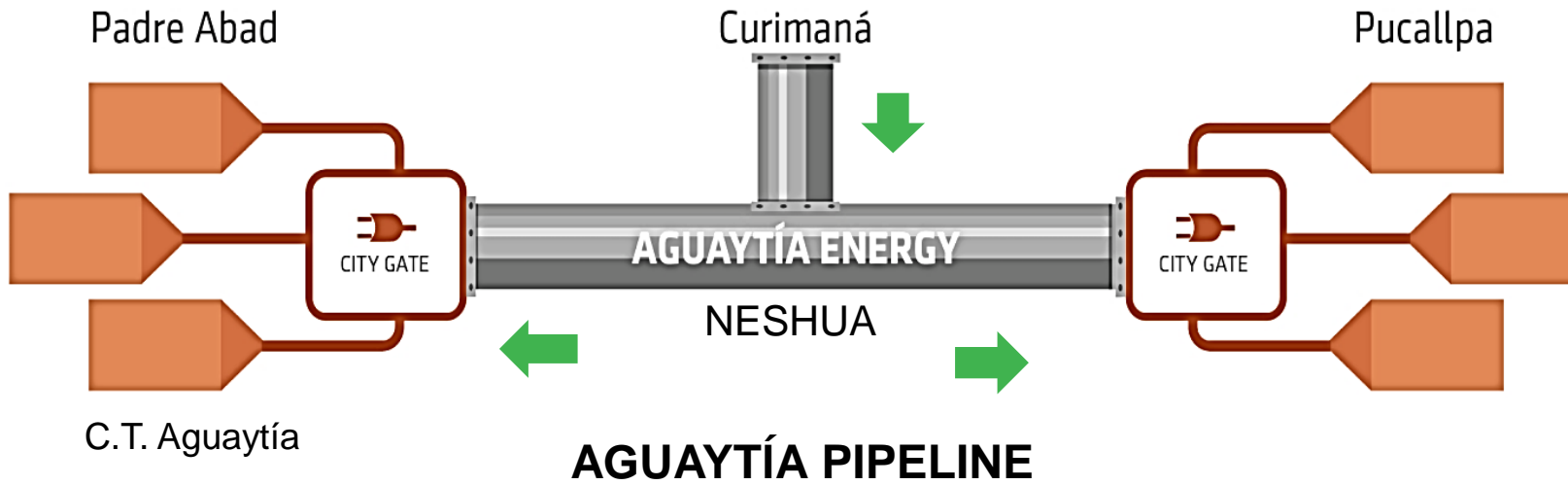
It is the responsibility of the concessionaire to define the location of the NG Molecule intake and the NG transport to the City Gate.

## Lot 88

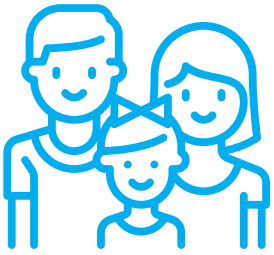


# TRANSPORT

## Lot 31-C



# MINIMUM PROJECT CONNECTION PLAN



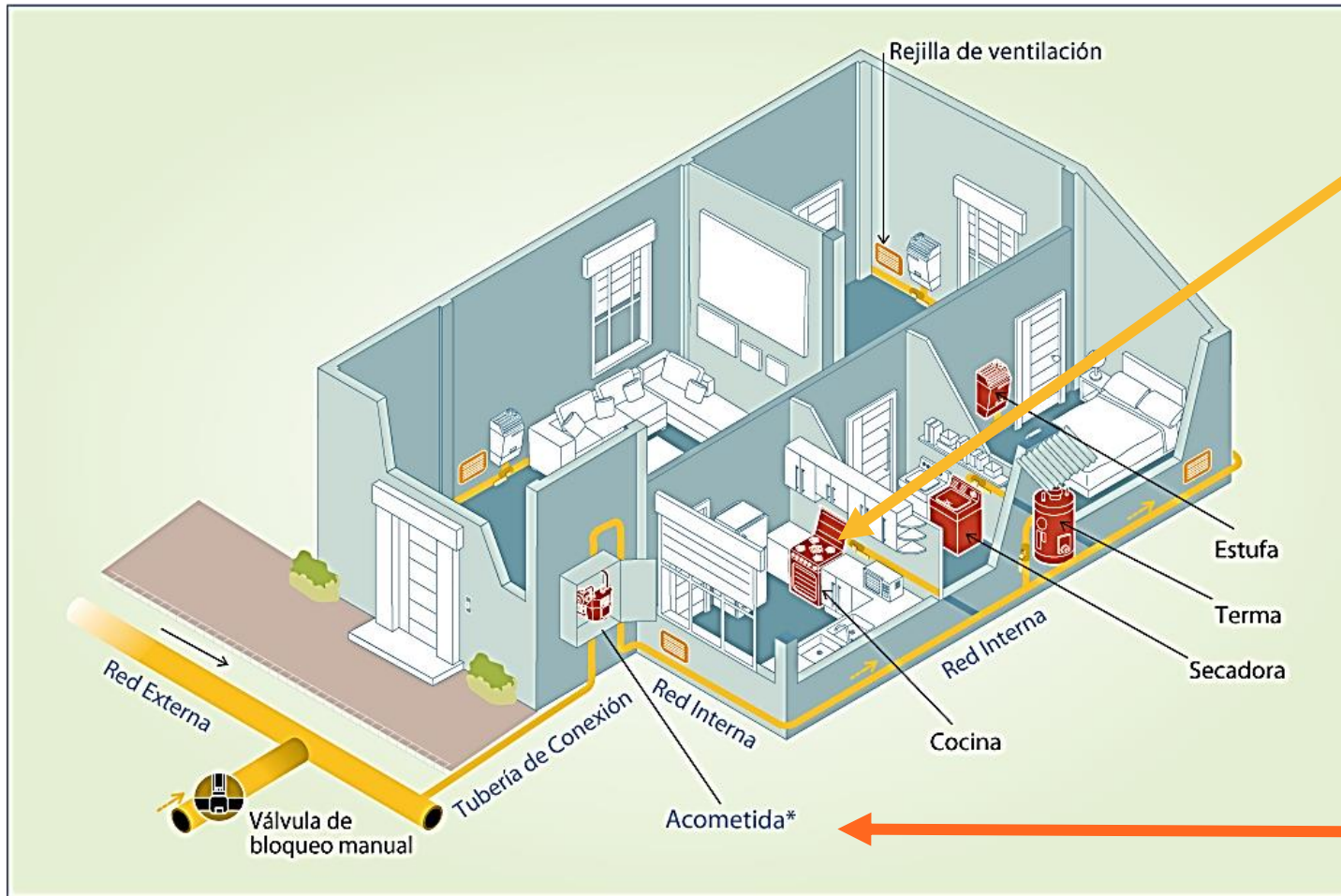
**113 535**

**FAMILIES  
BENEFITS**

to the year 8 of Commercial  
Operation



# HOME NATURAL GAS CONNECTION



The Social Energy Inclusion Fund (FISE) will finance the Connection Costs of users who meet the criteria for determining FISE beneficiaries:

1. Connection right,
2. The connections, and
3. The complete service of in-house installation

The application of the FISE will be carried out according to the FISE Regulations (MINEM)

\* La acometida incluye el medidor, los equipos de regulación, la caja de protección, los accesorios y las válvulas de protección.

Fuente: Cálidda

# CONCESSIONAIRE INCOMES

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The concessionaire will obtain the following incomes:

Income for the provision of the Service through the Distribution System (Distribution Fee).

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Incomes from Virtual Transport.

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Income from other services generated by the Exploitation of the Goods of the Concession

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Income from the Supplementary Income Mechanism (SISE).



## Regarding natural gas distribution tariffs, the Contract regulates:

- Tariffs applicable for the first 8 years of operation (from POC) for each type of user according to their range of consumption.
- Virtual transportation tariff, connection charges, charge for Inspection, Supervision and Installation Qualification for Consumers with consumption over 100 Sm<sup>3</sup>/month and the charge for Connection Rights.

\*POC: Commercial operation



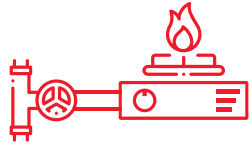
## Regarding the Complementary Revenue Mechanism (MIC):

- It is linked to the bidder's offer and aims to cover part of the project's CAPEX
- The amount will be paid for each user connected to the Minimum Connections Plan, which will be calculated and paid quarterly from each year of operation
- The Energy Security System Fund (SISE) will support the MIC\*.

**Connected Consumers of the Minimum Connections Plan will have the benefit of the FISE funds, which will be used to finance the connection costs.**

(\*) The use of the SISE is possible due to the fact that through Supreme Decree N° 011-2016-EM the Wide-Scale Natural Gas Center –South Project was included as part of the Energy Security System in hydrocarbons

# COMPETITION FACTOR



The competition factor is the **Amount per Connected Consumer (MCC)**.



Only those Offers that present values for the **Amount per Connected Consumer** that are equal to or less than the maximum value that was communicated through Circular Letter No. 30 (published on 08.08.2020) will be accepted



**The successful bidder will be the one who offers**

**THE LOWEST AMOUNT PER CONNECTED CONSUMER**

**(US\$/per connected consumer)**



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