Q1 2015 League Tables Analysis: Latin American Renewables

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Renewables' share of total closed Latin American project finance debt has continued its ascent, though wind and solar remain minority players against the transport and midstream sectors, according to *IJGlobal*'s Q1 2015 league tables.

Eight of the 16 Latin American project financings that closed in Q1 2015 support renewables – six onshore wind and two solar photovoltaic (PV) deals. Renewables account for 34% of total regional debt that quarter, up from 7% in Q1 2014.

The regional rise of renewables can be traced to public policy. Latin American countries are keen to diversify energy matrices that remain heavily reliant on fossil fuels and hydropower, and have been hosting public tenders for power purchase agreements (PPAs).

Of renewable fuels, wind continues to dominate Latin American project finance. The region enjoys several strong wind regimes, and countries, including Brazil, have held more auctions for wind than any other renewables resource.

The largest three renewables deals that closed in Q1 2015 are wind projects – the 148.5MW Tres Mesas in Mexico owned by Goldman Sachs and local fund GBM Infraestructura, the 140MW Pampa in Uruguay developed by state-owned utility UTE, and the 97.15MW Tres Hermanas in Peru developed by Cobra of Spain's ACS group. Cobra, in particular, enjoyed a strong Q1 2015; the sponsor closed the most deals in Latin America, having closed the Tres Hermanas and Marcona in Peru and the Kiyu wind project in Uruguay.

Two PV deals closed in Q1 2015, down from four in Q4 2014. But more PV projects will close in 2015.

In Q3 2014 Brazil held its maiden round of solar auctions. Also last year, multiple Central American countries hosted procurements for solar PPAs. Honduras may see a wave of PV deals, after the government promised incentives to the first 300MW installed by August 2015.