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Mexico Inaugurates Second Major Wind-energy Plant

In early March, President Felipe Calderon inaugurated La Rumorosa wind-energy project in Baja California state, prompting the executive to declare that Mexico is becoming the most advanced country in Latin America in harnessing this type of energy. Mexico views a commitment to renewable energy as a necessary component of its campaign to fight global climate change.

During March, Mexico also completed financing plans for a supercritical pressure coal-fired power plant under construction in Guerrero state. This technology is designed to reduce greenhouse-gas emissions and operation costs. La Rumorosa to supply power to Mexicali in Baja California state La Rumorosa, which will supply the electrical-energy needs of Mexicali, is the country's second major wind-energy project, producing about 10 megawatts of electricity. But this project is significantly smaller than La Ventosa wind-power plant in Oaxaca, which has the capacity to generate a total of 330 MW from two separate plants (see SourceMex, 2009-01-28). The new facility will be located in the Sierra de Juarez between Tijuana and Mexicali, but all the power generated at La Rumorosa will be distributed to the municipality of Mexicali to provide electricity for its street-light system. Mexicali will devote the savings in electrical expenditures to subsidies to help low-income residents pay their power bills. The plant, which has been operational since January, was constructed at a cost of 26 million pesos (US\$2.1 million).

The facility initially will be operated by the private company TurboPower Baja Energia, which will turn over the facility to the state of Baja California after a year. The inauguration of La Rumorosa provided an opportunity for Calderon to boast about his plans to expand use of alternative and environmentally friendly energies in Mexico. Before he came to office, he said, Mexico did not have a single wind-energy facility. "Mexico will become the most advanced nation in Latin America in renewable energy and will rank among the top 15 in the world," said Calderon, who has taken a key role in promoting the UN's global climate-change initiatives (see SourceMex, 2010-03-03). "We believe that the Earth and humanity only have a future if we put our efforts on renewable energy." Others noted that wind energy can be a viable option as long as it is accompanied by other improvements in infrastructure.

"Mexico is economically and environmentally competitive when [wind energy] is accompanied by improvements in the electric grid," columnist Alejandro Diaz-Bautista wrote in the online publication La-Cha.com, based in Tijuana. Diaz-Bautista said Mexico has a very good potential to expand wind energy, and he cited the success of this effort in the US, Germany, and Spain, the three top producers of wind power. "The analysis of the energy sector indicates that the installed capacity [of wind energy] in the US increased by 39% in 2009, or the equivalent of 10,000 MW," said the columnist. He noted, however, that wind energy accounted for only 2% of total electricity usage in the US in 2009, compared with 13% for Spain. Guerrero power plant to use emission-reduction technology Mexico is also pushing for environmentally friendly technologies in traditional energy sources.

In late March, the state-run utility Comision Federal de Electricidad (CFE) completed financing plans for constructing the 651-MW supercritical coal-fired Central Carboelectrica del Pacifico in Petacalco in Guerrero state. The power plant is considered environmentally friendly because of its use of supercritical pressure, a technology that contributes to reducing CO₂

emissions by achieving more efficient coal-fired power generation. The CFE said the Central Carboelectrica del Pacifico will have an efficiency rate of 41.2% compared with 36% to 37% for other power plants currently in operation. The CFE said a Japanese-Mexican consortium, comprising Mitsubishi Corp. and Carboelectrica Diamante, began construction in 2005, with completion expected sometime in 2010. Under terms of the original agreement, Mitsubishi was to fund the construction phase and then be reimbursed by CFE upon its completion.

In March, the CFE announced the final funding details, which include a 10-year loan of US\$273 million from a Japanese banking consortium (Bank of Tokyo-Mitsubishi and Sumitomo Bank), which pays for about one-third of the US\$611 million cost of construction. "[The loan approval] demonstrates that international investors are confident in the solidity of the Mexican economy and the strength of its electricity sector," the CFE said. The remainder of the US\$338 million will be raised through the issue of bonds (Certificados Bursatiles) denominated in Mexican pesos, which be sold through Mexican financial markets. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on March 24, 2010, reported at 12.54 pesos per US\$1.00]