# PEG-5-2025

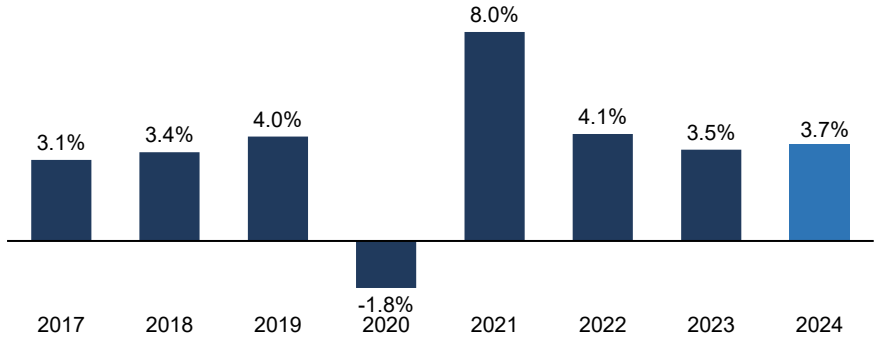
## Licitación Abierta

# Guatemala has a solid growth momentum and leading macroeconomic stability vs. peers across the region

## Real GDP Growth

*(%)*

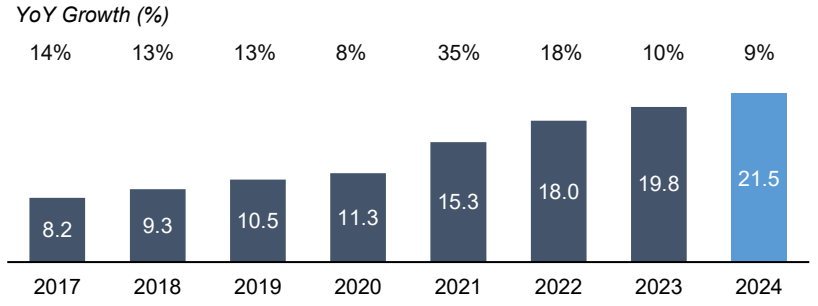
- Guatemala has shown one of the highest GDP growths in the region




## Foreign Currency Remittances

*(US$ billion)*

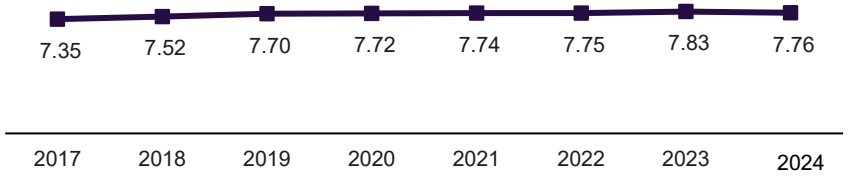
- According to the Bank of Guatemala (Banguat), in 2024 there was 9% more income from Guatemalans residing abroad than in 2023.




## Exchange Rate

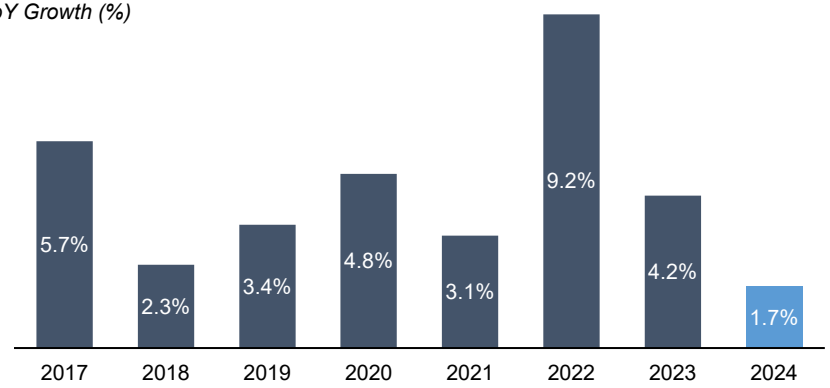
*(Avg. USD / Quetzal))*

- Guatemalan Quetzal has been a stable currency with low depreciation




## YoY Inflation

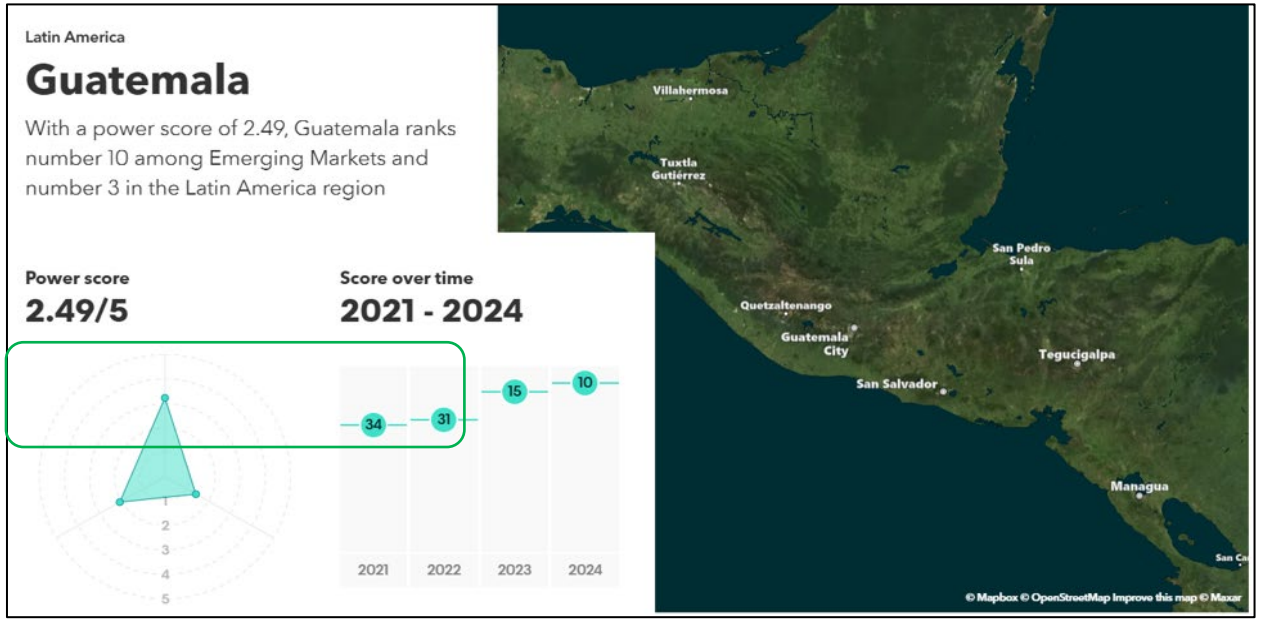
*YoY Growth (%)*




**With low fiscal deficits and low Debt-to-GDP relative to peers, Guatemala positions itself as an attractive investment location in Latin America. Most recently in February 2025, Fitch improved Guatemala's rating outlook from Stable to Positive, while reaffirming its 'BB' rating**

# Guatemala: An Attractive Country for Investments in Energy

**In 2024, Bloomberg NEF ranked Guatemala among the top 3 most attractive countries for renewable energy investment in**



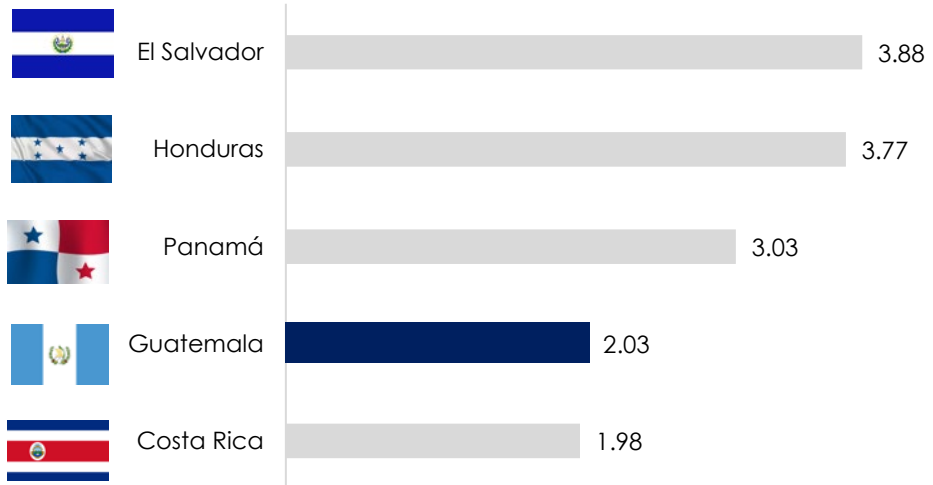

Source: https://www.global-climatescope.org/markets/guatemala

## Country Risk Evolution

| GUATEMALA | 2023T4 | 2024T1 | 2024T2 | 2024T3 | 2024T4 |
|---|---|---|---|---|---|
| Fitch Ratings | BB Estable | BB Estable | BB Estable | BB Estable | BB Estable |
| Moody's Investor Service | Ba1 Estable | Ba1 Estable | Ba1 Estable | Ba1 Estable | Ba1 Estable |
| Standar and Poor's | BB Estable | BB Estable | BB Positiva | BB Positiva | BB Positiva |

Source: SECMCA, https://www.secmca.org/wp-content/uploads/2025/01/Informe-Riesgo-Pais-2024-T4.pdf

## Emerging Markets Bond Index (EMBI))




Source: SECMCA, https://www.secmca.org/wp-content/uploads/2025/01/Informe-Riesgo-Pais-2024-T4.pdf

# Modern and growing power sector…

Guatemala **is the largest economy in Central America and has the most stable macroeconomy.**

Guatemala has a privileged geographical position that gives it **access to the most important markets in America (electrical interconnection and regulatory framework for transactions with Mexico and MER).**

## A — Longstanding regulatory framework

- Modern and effective regulation that has incentivized investment and maintained stability in the system
- Framework has been in place since 1996, with minimal changes
- Highly technical and independent regulatory bodies elected through cooperation between the government, private sector, and civil society

## B — Growing demand supported by electrification policy

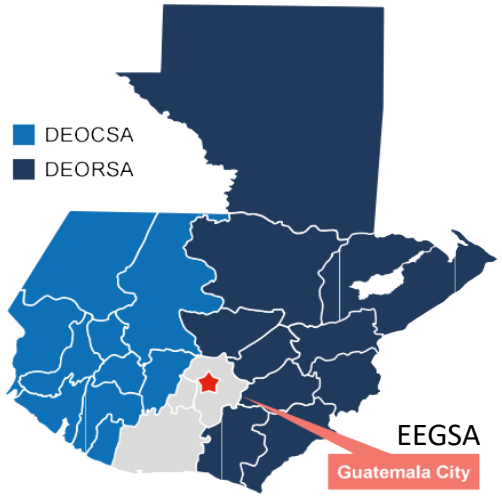
- Power demand per capita has grown by ~95% since 2000, driven by electrification policy and growth in GDP per capita in the country
- Attractive demographic trends for years to come, particularly in rural area of operation
- Power has continued to become more affordable over time, leading to additional consumption growth

## C — Robust generation sector led by private investment

- Highly diversified generation matrix, led by hydro power, and supported by biomass (sugar bagasse) generation, renewables, and thermal plant.
- Wholesale electricity market with high liquidity and payment guarantees.
- **ENERGUATE AND EEGSA** play an active role in the transformation of the energy sector by fostering long-term private investment in transition technologies and the integration of natural gas into Guatemala, through the PPAs awarded in PEG5
- Close to 82% of generation capacity is private, driven by strong participation from Guatemalan corporates and regional power generation platforms

## Guatemala is a largely rural country with clear electrification and grid improvement plans

DEOCSA and DEORSA both provide electricity to ~72% of Guatemalan population.




## Guatemala´s electrification system characteristics

- **89%** — Guatemala's Electrification rate
- **99%** — 2032 electrification rate target
- **64%** — Total Rural territory in Guatemala
- **48%** — Population that lives in rural territories

Source: CNEE, MEM, AMM., CEPAL

# PEG 5-2025 Tender: Objectives

Awarding of 15-year PPAs for new generation plants with staggered commercial operation start dates in 2030, 2031, 2032 or 2033

- **The procurement of up to one thousand five hundred fifty megawatts (1,550.00 MW) of capacity** to ensure supply to end-use distribution service customers.

| Start Date | Firm Capacity (MW) | Installed Capacity (MW) | Total Capacity (MW) |
|---|---|---|---|
| May 1, 2030 | 1,000 | 150 | 1,150 |
| May 1, 2031 | 1,000 | 150 | 1,150 |
| May 1, 2032 | 1,300 | 150 | 1,450 |
| May 1, 2033 | 1,400 | 150 | 1,550 |

# Objectives

- The representative blocks of Firm Capacity corresponding to the demand are determined as detailed below:

| Start Date | Firm Capacity Base Block (MW) | Firm Capacity Supplementary Block (MW) | Total Firm Capacity (MW) |
|---|---|---|---|
| May 1, 2030 | 500 | 500 | 1,000 |
| May 1, 2031 | 500 | 500 | 1,000 |
| May 1, 2032 | 600 | 700 | 1,300 |
| May 1, 2033 | 700 | 700 | 1,400 |

1. **Firm Capacity Base Block:** It is the capacity associated with the amount of electrical energy from the total curve that constitutes the base of the electrical energy to be covered during all hours of the day throughout all years of the Supply Period, in relation to the total requirement of the Distributors.

2. **Firm Capacity Supplementary Block:** It is the capacity associated with the amount of electrical energy from the total curve that results from subtracting the energy corresponding to the Base Block from the total requirements of the Distributors.

# Objectives

- ✓ The following segments of Firm Capacity and associated energy for the Base Block are defined:

- ✓ The following segments of Firm Capacity and associated energy for the Supplementary Block are defined:

- ✓ Award the Offer or the set of Offers that meet the requirement of minimizing the total cost of purchasing power and electrical energy for the total requirements of the Distributors.

| Start Date | Firm Capacity of New Generation Plants (MW) | Firm Capacity of Operating Generation Plants with or without additional investments (MW) | Total Firm Capacity Base Block (MW) |
|---|---|---|---|
| May 1, 2030 | Up to 500 | Up to100 | 500 |
| May 1, 2031 | Up to 500 | Up to 100 | 500 |
| May 1, 2032 | Up to 600 | Up to 200 | 600 |
| May 1, 2033 | Up to 700 | Up to 200 | 700 |

| Start Date | Firm Capacity of New Generation Plants (MW) | Firm Capacity of Operating Generation Plants with or without additional investments (MW) | Total Firm Capacity Supplementary Block (MW) |
|---|---|---|---|
| May 1, 2030 | Up to 500 | Up to 400 | 500 |
| May 1, 2031 | Up to 500 | Up to 400 | 500 |
| May 1, 2032 | Up to 700 | Up to 500 | 700 |
| May 1, 2033 | Up to 700 | Up to 500 | 700 |

# Tender Process Description

The Tender Rules govern the development of the Open Tender Process, from the publication of the call for bids to the signing of Supply Contracts by each Awarded Bidder, with the following stages established:

1. **Consultation Stage:** It begins with the publication of the call for the Open Tender. This is the period during which those who have withdrawn the Tender Rules and are considered Interested Parties can submit inquiries.

2. **Offer Submission Stage:** It takes place on the date established in the Tender Rules for the submission of offers to the Tender Board. During this stage, those who have withdrawn the Tender Rules are eligible to participate.

3. **Technical Evaluation Stage:** It begins on the date of submission of the offers and is the period during which the Tender Board evaluates whether the submitted Technical Offers meet the requirements established in these Tender Rules. The Tender Board must, for this purpose, assess the Technical Offers as either “Technically Acceptable” or “Technically Unacceptable”, as appropriate. In the case of a “Technically Unacceptable” evaluation, the reason for this assessment must be documented by the Tender Board.

# Tender Process Description

4. **Economic Evaluation of Offers and Award Stage:** It begins on the date established in the Tender Rules and is the period during which the Tender Board applies the Economic Evaluation Methodology through a reverse auction process in successive rounds, in accordance with the considerations outlined in the Terms of Reference, the Tender Rules, and the corresponding Evaluation Manual.

5. **Contract Signing Stage:** It begins on the latest date on which the award of the offers is notified and ends with the signing of the Supply Contract.

6. **Contract Commercial Management Stage:** Once the Contracts have been signed, each Awarded Bidder shall be obligated to:

   a. **Guarantee the supply of the Firm Capacity through the power plant offered in the Technical Offer** for the start of power and/or electricity supply and throughout the Supply Period, by means of an Efficient Firm Offer to cover Firm Demand, wither by its own or through Backup Capacity Contracts.

   b. **Deliver the electrical energy to the Distributors at the Delivery Point**, in accordance with the contracting modality in the Long-Term Market, pursuant to the type of contract established in the Offer and in compliance with Commercial Coordination Regulation No. 13 of the AMM.

   c. **Validate the Contract Schedules, in which the supply conditions established in each Supply Contract signed with the Distributors must be recorded.**. It is understood that the Schedule corresponding to the start of power and/or electricity supply must be supported by the power plant offered in the Technical Offer, which must be declared in commercial operation by the Wholesale Market Administrator with all the technical conditions and characteristics under which it was qualified in the Technical Offer submitted by the Awarded Bidder.

   d. **Comply with any other condition or requirement established in the signed Supply Contract**, in the applicable regulations, or in these Tender Rules.

# Tender Events

| Event | Date |
|---|---|
| Acquisition of the Tender Rules. | From the publication of the call until the day before the Offer Submission Date. |
| Information Meetings. | From April, 2025 |
| Deadline for submitting requests for clarifications to the Tender Rules. | October 10, 2025 |
| Deadline for providing responses to requests for clarifications regarding the Tender Rules or questions, and for issuing Addenda to the Tender Rules. | October 31, 2025 |
| Date for submission and opening of Technical Offers. | November 21, 2025 |
| Date for the Economic Evaluation of Offers. | January 15, 2026 |
| Award Date. | January 30, 2026 |
| Deadline for the signing of each Supply Contract. | Up to 3 months after the award. |

**Amount for withdrawal of the Tender Rules: USD20,000**

# System Security and Flexibility

Sworn statement and technical study stating that the capacity of each unit that is part of any power plant offered as a New Generation Plant for the Base Block must be less than or equal to a specified number of megawatts that does not compromise the operational security of the National Interconnected System.

In this regard, each power plant as a whole must be designed in a way that complies with the recommendations of the Guatemalan system operator, ensuring that the maximum capacity of each generating unit within the plant does not exceed 140 MW. The generating units of the group of units forming part of the plant must have operational flexibility characteristics that allow for quick starts and shutdowns, with the criterion that the load increase or decrease ramps must be at least 2.5 MW per minute.

# Capacity Price

The Bidder must indicate a capacity price (PPG) in US Dollars per kilowatt-month (US$/kW-month) when applicable, according to the type of contract offered for each Power Generation Plant offered.

The Capacity Price established in the Offer includes the Secondary Transmission System toll, Transmission Rights, or any other charge related to the Delivery Point of the capacity, including transmission system costs or the generator's connection facilities to the Main System, and will not be subject to any type of indexing.

# Energy Price

The energy price must be offered at the Node of the offered Plant or at the connection point to the National Interconnected System, where commercial metering is enabled, and it shall include all costs, without exception, for the delivery of energy at that node. For the purposes of technical and economic evaluation, a nodal loss will subsequently be applied as a location signal for each plant.

When the Bidder offers Generation Plants whose generation technology is based on Renewable Resources or a combination of Renewable Resources, they must indicate in their Offer a single offered energy price (PEO) in US Dollars per MWh (US$/MWh). The Operation and Maintenance component shall be no more than ten percent (10%) of the offered energy price.

When the Bidder offers Generation Plants whose generation technology is based on Non-Renewable Resources or a combination including Non-Renewable Resources, for the Non-Renewable Resource, the Offer must indicate the **Guaranteed Net Unit Heat Rate (CTUNG), the Natural Gas Adjustment Value ($FA_{GN}$), the Petroleum Coke blending percentage ($P_{cp}$), the Fuel Supply Guaranteed Factor for Natural Gas (FGSC), the importation costs into the country for Bunker or Natural Gas (CI), and the Unit Operation and Maintenance Charge or (O&M).**

The Operation and Maintenance value shall be indexed annually starting on May 1st of the year following the start of supply, in accordance with the United States Annual Producer Price Index – PPI – for Industrial Commodities excluding fuels (WPU03T15M05). This indexation shall have a maximum cumulative year-over-year variation of two-point ninety-one percent (2.91%) and a minimum of negative two-point ninety-one percent (-2.91%).

# Generation Technology Types

The Bidder must indicate in its Offer the type of generation technology, choosing between Renewable Resource-based technology and Non-Renewable Resource–based technology.

**The permitted energy sources in this Tender are:**

New Generation Plants using renewable resource-based generation technologies recognized under the Law on Incentives for the Development of Renewable Energy Projects and its regulations.

New Generation Plants using non-renewable resource-based generation technologies whose sources have low Carbon Dioxide ($CO_2$) emissions factors from Natural Gas, ethane, and propane, according to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy.

Additional investments for the combination from an Operating Generation Plant must be with renewable resources, and the change of energy source to non-renewable resources must meet the same requirements as for New Generation Plants with non-renewable resources.

Bidders who, due to their specific characteristics, offer two generation technologies (Renewable and Non-Renewable Resources), must participate by clearly indicating the monthly periods they offer with each technology; it being understood that each of the monthly periods will have conditions corresponding to each type of generation technology (Renewable and Non-Renewable Resources). That is, for the monthly periods where each type of technology is offered, they may opt for the types of contracts established in section 4.3 of the Tender Rules.

In the case of Offers with renewable resource from Geothermal sources, the contract will be adjusted to include the clauses that will allow the Bidders and the Distributors, by mutual agreement, to terminate the commitments made under the power and energy supply contract, without exercising the right to enforce the Pre-Operational Guarantee and/or applicable conventional penalties.

# Tender Security

Each Bidder must provide a Tender Security in an amount equivalent to multiplying the maximum Guaranteed Capacity (MW) offered by thirty thousand US Dollars (US$30,000.00). The capacity for which the Tender Security amount is determined, in the case of Offers with Generated Energy Contract, will be the installed capacity (MW) established in the Offer according to the corresponding format.

The Tender Security must be denominated in US Dollars or the equivalent in Quetzales using the exchange rate published by the Bank of Guatemala on the date of issuance, and must be constituted by an unconditional, irrevocable letter of credit confirmed in favor of the Distributors. It must be issued by a financial institution acceptable to the Distributors, using the template provided in Section 6.3 or another that complies with the provisions of ISP 98 (International Standby Practices 1998, issued by the International Chamber of Commerce), or by Bank Deposit/Transfer.

# Natural Gas Supply: Fuel Procurement and Transportation

Bidders awarded Offers using Natural Gas shall be responsible for the procurement and transportation of the fuel to the Power Plant, as applicable, for the entire awarded periods. It must be understood that the contract will only recognize the reference fuel price, and the **FGSC** and **FAGN** factors included in the Economic Offer.

The works, facilities, equipment, or any other means required for the reception, storage, measurement, disposition, processing, treatment, handling, and preparation of the fuel in the form in which it will be used at the Generation Plant, in proportion to the plant's fuel requirements to comply with national market regulations – such as, but not limited to, tanks, gas pipelines, oil pipelines, conveyor belts, regasification units, pulverizers, dryers, reheaters, centrifuges, etc. – shall be considered included in the values submitted in the Economic Offer. These shall not be considered part of the fuel or transportation costs, nor may they be included in any way as part of or condition for the bidding process for fuel supply transportation.

# Correspondence:

PEG-5-2025 Tender Commitee

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# Thank You!

PEG-5-2025
Licitación Abierta