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# OPIC AND IFC FINANCE FIRST SOLAR'S PLANT FOR USD289 MILLION

**First Solar obtains power plant financing in Chile.**

Thomas Muskett-Ford

Claro & Cía and Skadden, Arps, Slate, Meagher & Flom LLP have helped US renewables company First Solar obtain a loan worth US$289 million to help finance the construction of a solar plant in Chile, set to be one of Latin America's largest.

The Overseas Private Investment Corporation, a US government financial body, and the International Finance Corporation granted the loan, seeking counsel from Chile's Carey and Chadbourne & Parke LLP. Larraín Rencoret Urzúa in Santiago advised Banco de Crédito e Inversiones, a Chilean bank, which provided First Solar with a credit line to offset the project's value-added tax obligations.

First Solar will use proceeds from the loan to finance the construction and operation of the 141-megawatt Luz del Norte solar plant in Chile's Atacama region. The Atacama Desert, which dominates the territory's topography, receives the most sunlight on earth.

First Solar made its first major foray into Chile at the start of 2013, when it sought counsel from Bahamondez, Alvarez & Zegers in Santiago and Davis Polk & Wardwell LLP in New York, to acquire Solar Chile. More recently in July, the Chilean government reported that First Solar was eyeing a huge 370-megawatt concession in Antofagasta worth US$823 million.

Recently elected socialist president Michelle Bachelet has made some effort to boost the use of renewables in Chile. Over the past seven months, 70 solar projects have been auctioned off in contrast to the 74 tendered during the entirety of the previous administration.

However, the country's solar industry remains relatively undeveloped with renewables as a whole accounting for only 9 per cent of national output and solar accounting for a mere 11 per cent of that mix. In



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contrast, Uruguay sources nearly 90 per cent of its power from renewables. Chile's limited use of renewable energy is underlined by rising consumer prices, which are driven upward by an energy-intensive economy and a swollen middle class.

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**Counsel to First Solar**

Claro & Cía

Partners Nicolás Eyzaguirre B. and Luisa Núñez, counsel Miguel Dunay and associates Alejandra Mejía, José, Domingo Ilharreborde, José María Eyzaguirre, Pablo Hamilton, Paulina Lasen, Trinidad Cifuentes, Álvaro Iriarte, Vicente Portales and Ignacio Orellana in Santiago

Skadden, Arps, Slate, Meagher & Flom LLP

Partners Paul Kraske and Sean Shimamoto, counsel Frank Shaw and associates Lauren Gaffney and Aryan Moniri in Washington, DC, and counsel Thomas Logan in New York

**Counsel to Overseas Private Investment Corporation and International Finance Corporation**

Carey

Partner Felipe Moro and associates Juan Pablo Stitchkin, Paulina Sandoval, Manuel José Prieto, Consuelo Mengual, Matías Vergara, José Miguel Bellagamba, Loreto Ribera, María José Martínez, Montserrat Godoy and Pablo Morales in Santiago

Chadbourne & Parke LLP

Partners Marissa Alcala and Peter Fitzgerald, and associates Tracy Horton, Lee Gordon, Charlotte Del Duca and Jason Keating in Washington, DC

**Counsel to Banco de Crédito e Inversiones**

Larraín Rencoret Urzúa

Partner Felipe Rencoret and associates Hector Rencoret and Nicolas Reyes in Santiago