

# EDC Project Review Summary:

## SunZia Wind and Transmission Project

<b>Project Description</b>	Development, construction and operation of a 3.5GW wind generation facility in New Mexico and dedicated ~885KM transmission line running from New Mexico to Arizona (the “Project”).
<b>Project Sponsor</b>	Pattern Energy Group LP
<b>Country</b>	United States
<b>Project Category</b>	A
<b>Canadian Exporter(s)</b>	Canada Pension Plan Investment Board (CPPIB)
<b>Description of capital goods and/or services</b>	Canadian Direct Investment Abroad (CDIA)
<b>EDC Product</b>	Structured Project Financing
<b>Date of publication on EDC’s website (dd/mm/yy)</b>	15/09/23
<b>Date of Signing (dd/mm/yy)</b>	27/12/23

### PROJECT CATEGORIZATION

The Project involves the design, construction, operation and maintenance of an onshore greenfield wind farm and dedicated transmission line running from New Mexico to Arizona. The purpose of the Project is to transport renewable energy produced in New Mexico to end markets in Arizona and California. EDC considers the Project to be Category A due to its size and potential for significant environmental and social impacts. Category definitions can be found [here](#).

### SUMMARY OF EDC’S REVIEW

EDC reviewed the Project in accordance with its Environmental and Social Review Directive (ESRD), the Equator Principles IV (EPIV) and the IFC Performance Standards (IFC PS). A Lenders’ Technical Advisor (LTA) was retained by the Lenders group to benchmark the Project against host country and international standards. In parallel, EDC conducted a risk-based due diligence assessment leveraging and contrasting the information produced by the LTA.

Where gaps against international standards were identified, the Project committed to address them via time-bound commitments in an Environmental and Social Action Plan (ESAP).

## SUMMARY OF KEY ENVIRONMENTAL AND SOCIAL RISKS AND MITIGANTS

EDC due diligence determined that upon implementation of the ESAP, the Project will have sufficient capacity to manage the environmental and social risks and suitably avoid and minimize impacts per the mitigation hierarchy as required by the aforementioned international environmental and social standards. The following table summarizes key risks identified for the Project along with the most pertinent mitigations that will be applied for each.

Key Risk	Key Mitigants
<u>Biodiversity Impacts</u> : Critical habitat for a bird species.	<ul style="list-style-type: none"> <li>• In addition to Host Country requirements, development of a Biodiversity Action Plan in alignment with international standards</li> <li>• Quantitative mitigation target for achieving net positive gain (compensation/offset measures in addition to impact avoidance/minimization measures)</li> <li>• Biodiversity Monitoring</li> </ul>
<u>Indigenous People</u> : Cultural heritage for Indigenous People.	<ul style="list-style-type: none"> <li>• Action Plan to bring project into alignment with International Standards (exceeding Host Country Standards)</li> <li>• Tribal Stakeholder Engagement Plan</li> <li>• Consult with Tribes on potential Project Benefits Sharing and Mitigation</li> </ul>

## DOCUMENTATION REVIEWED:

The following is an illustrative list of key documentation that was reviewed as part of the current confirmation of the ESRD.

### Project Environmental and Social Assessment Documentation:

- Wind Farm Environmental Reports, Burns and McDonnell Engineering Company (2018-2022).
- Transmission Line Environmental Impact Statement (EIS), Bureau of Land Management (2023).
- Transmission Line Record of Decision, Bureau of Land Management (2023).
- Biological Assessments
- Critical Habitat Assessment
- Human Rights Alignment Assessment
- Climate Change Risk Assessment
- Stakeholder Engagement Plan
- Lenders Technical Advisor Due Diligence Reports
- Various Contractor Environmental Management Plans

**International Finance Corporation (IFC) Environmental and Social Standards used by EDC (in addition to host country requirements):**

- Performance Standard 1: Social and Environmental and Management Systems
- Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management of Living Natural Resources
- Performance Standard 7: Indigenous Peoples
- Performance Standard 8: Cultural Heritage