

IEnova and IFC join forces to develop the Volta de Mexicali (VDM) battery storage facility and to establish IEnova's Sustainability-Linked Finance Framework

Mexicali, Mexico, June 22, 2021 — Aiming to promote the development of renewable energy projects and to maximize the benefits of sustainable finance, Infraestructura Energética Nova S.A.B. de C.V. (IEnova) and IFC, a member of the World Bank Group, agreed to join forces in the development efforts of the Volta de Mexicali (VDM) Battery Energy Storage System (BESS) facility in Mexicali, Mexico, as well as in the development of IEnova's Sustainability-Linked Finance Framework.

Once operational, the VDM BESS would be connected to the California Independent System Operator (CAISO) electric grid via an IEnova-owned cross-border transmission line. Energy stored in batteries is expected to be delivered to the CAISO grid, as a firm, dispatchable resource, providing essential electricity reliability services to the local area. This is a particularly important service in systems with high levels of intermittent renewable energy generation such as the CAISO system. The project is expected to promote resiliency and further the deployment of renewable energy in what is expected to become an increasingly integrated cross-border system. VDM is expected to be developed in phases, starting with 100 megawatts, with a potential of up to 500 megawatts of capacity. The first phase could reach Final Investment Decision as early as the first half of 2022 and commercial operation in mid-2023.

Through its "upstream" pre-investment support of early development projects such as VDM, IFC will conduct market and interconnection assessments and evaluate BESS charging and dispatch optimization models.

In addition, the Sustainability-Linked Finance Framework will be an umbrella strategic instrument through which IEnova will aim to achieve its sustainability targets and align its sustainable funding efforts with the Sustainability-Linked Loan (and Bond) Principles.

"In an era that calls for urgent actions in favor of the environment, once again IEnova is positioned as leader in the Mexican energy infrastructure sector in many fronts: sustainable financing, innovation, research and development, and substantial efforts towards diversification of the energy matrix and decarbonization," said Tania Ortiz Mena, CEO of IEnova. "Our continued strategic alliance with IFC signals IEnova's commitment



to continue developing energy infrastructure under world-class standards that not only ensure the protection of the environment, but also guarantee equitable development for Mexico”.

“With extensive global experience in sustainable financing, IFC is well-positioned to advise IEnova in the development of its Sustainability-Linked Financing Framework, a key step that solidifies the company’s strategic commitment to its sustainability targets,” said Juan Gonzalo Flores, IFC Country Manager for Mexico. “IFC is also delighted to partner with IEnova at this early stage in the VDM BESS project cycle, leveraging our “upstream” approach and highlighting the concrete benefits that energy storage through batteries can provide at utility scale to promote decarbonization of the energy matrix, an approach which we expect to replicate in most of our markets in the coming years.”

About IEnova

IEnova is a leading Mexican company that develops, builds, and operates energy infrastructure in Mexico. With more than 1,400 employees, IEnova has a presence in 17 Mexican states and has approximately USD\$10.5 billion in total assets. Its business strategy within the energy sector integrates gas pipelines, storage, and distribution (natural gas, ethane, and LPG), power generation, and storage of refined products. IEnova is committed to generating economic, social, and environmental well-being for the communities in which it operates, always working and collaborating in adherence to a framework of ethics, security, and respect. The company was recognized as 2021 Second Best Company to Work for in Challenging Times and held one of the top 25 positions in the Great Place to Work ranking; in addition, for the seventh consecutive year, it was granted Cemefi’s recognition as a Socially Responsible Company. IEnova is also one of the Top 10 in the 500 Companies Against Corruption ranking, received the Human Rights Campaign certification for good practices in diversity and inclusion, and HR Ratings granted it highest score in Mexico for its Integrity Policy. IEnova is Energy for Mexico. For more information, visit www.ienova.com.mx; [@IEnova_MX](https://twitter.com/IEnova_MX).

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2020, we invested \$22 billion in private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.