

Green Gas signs term sheet with PASA

By Duncan Cox

On 12 October, 2010 Green Gas Americas signed a term sheet with Promotora Ambiental SAB de CV (PASA), for the development of the El Verde Power Generation Project which is located at the El Verde landfill in Leon, Mexico. A joint venture company to be called El Verde Power Generation Company will be formed between Green Gas, PASA and the Municipality of Leon. Green Gas will be the majority and managing shareholder; developing, building and operating the project; PASA will provide the landfill gas through a series of wells and gas distribution systems and the Municipality will be the off-taker of the electricity. The project will initially consist of three Caterpillar 3,520 machines producing 4.8 MW of electricity and will potentially double in size to almost 10MW over the next 10 years. These types of projects are not prevalent in Mexico and the biggest challenge will be to finalise the Power Purchase Agreement (PPA). Once this is accomplished, the project will be completed very quickly. PASA has been in operation since 1991 and is the leading company in

the Mexican environmental services market. It is active in waste management in 50 of Mexico's cities, has over 5,000 employees, 2,049 collection trucks, 27 landfills and deposits approximately 3.5 million tonnes of waste annually in its landfills.

The Leon site is its largest landfill and the power generation project at this site has a very high profile, not only in PASA but also in the municipality and the state government. In addition to the Leon project we are continuing to develop a partnership with PASA where we would hope to replicate this project over as many of their other landfills as possible.

This will be the second contract in Mexico in which Green Gas has been successful. The first being the Atotonilco Waste Water Treatment Project, where we have started providing design services to the power generation portion of the project.

Left: Electric Isometric – Artist's impression of landfill gas electricity generation plant

Right: Solidworks Rendering – Artist's impression of electricity generation equipment plant room.

