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## Vale and Pacific Hydro form wind energy joint venture in Brazil

Vale, the world's second-largest mining company, and leading Australian renewable energy company Pacific Hydro today announced a consortium agreement to jointly build and operate two wind farms in Brazil's northeast. Under the consortium agreement, each company will have 50% ownership of both wind farms, which are expected to be completed by late 2014. The projects will represent an investment of approximately R\$650 million (~AU\$315 million).

The wind farms will be located in Rio Grande do Norte and have already been granted all necessary environmental permits. Vale will be the sole off-taker of clean electricity produced by the projects for a period of 20 years, utilising 100% of its generation as self-production for its operations.

Signing of the consortium agreement will allow the companies to jointly complete the development of the projects including equipment supply and transmission connection arrangements.

According to Executive Director of Human Resources, Health and Safety, Sustainability and Energy of Vale, Vânia Somavilla, this is the company's first venture into wind energy and represents an important step for increasing the use of clean and renewable sources in Vale's energy matrix.

"Vale's global demand for electricity is expected to increase 150% by 2020 and we've been seeking options to meet this demand, on a sustainable way, using renewable sources such as hydro, wind and biomass. The option to develop wind projects also helps diversify our energy matrix, reduce our emissions and ensure cost competitiveness in the long term", she said.

Pacific Hydro CEO, Rob Grant, said the partnership will be the first free market and self-producer commercialisation model for wind farms in Brazil and an important step in Pacific Hydro's strategy in the country. "This model will allow the Brazilian wind market to expand well beyond the regulated energy auction market, where most of Brazil's wind capacity has been developed so far, and we are looking forward to further developing our partnership with Vale in Brazil and internationally."

Operating for 20 years and in Brazil since 2006, Pacific Hydro was a pioneer in building wind farms under the Brazilian Federal Government's Proinfa scheme and has 58 MW of operating wind farms in the state of Paraíba supplying Eletrobras.

Internationally, Pacific Hydro has developed and operates a further 300 MW of wind farms and hydros in Australia, where it built the country's first commercial wind farm in 2001, and operates 500 MW of run-of-river hydros in Chile.

More information 



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