



Press Release

9 April 2019

ENGIE and Tokyo Gas to establish renewables joint-venture company in Mexico

ENGIE and Tokyo Gas Co., Ltd. announce their intention to invest in Heolios EnTG, a 50/50 joint-venture company to develop renewable energy projects in Mexico. Heolios EnTG follows the successful and long-lasting relationship between Tokyo Gas and ENGIE which dates back to 1983.

Heolios EnTG will develop, finance, construct, own, operate and maintain six renewable energy projects in Mexico. Two of the plants are onshore wind while the remaining four are solar photovoltaic, totaling 898.7 MW, enough to power 1.3 million Mexican households. The joint-venture received approval from Mexico's federal competition commission, COFECE, on March 28, 2019.

The projects were granted 15-year power purchase agreements through Mexican power auctions. One of the power plants, Tres Mesas 3, is a 50 MW wind power facility that entered into commercial operation in March 2019, ahead of schedule. The remaining plants are currently in various stages of construction and will start commercial operation in 2019 and 2020.

Mexico is endowed with extraordinary solar and wind resources. Aware of this potential, the Mexican government issued an energy law in 2015 transitioning the country to a low-carbon growth model targeting 35% of clean energy sources by 2024. Through Heolios EnTG, Tokyo Gas and ENGIE will support Mexico's clean energy ambitions and boost the development of their renewable energy business in the country.

"We are delighted to further consolidate the relationship of mutual trust between our teams and those of Tokyo Gas with the creation of Heolios EnTG. This joint-venture will combine our complementary areas of expertise and will enable ENGIE to continue to grow in a key area, the development of renewables in Mexico with Tokyo Gas. This move

is fully aligned with ENGIE’s strategic roadmap presented during our Capital Market Day on February 28th, for which ENGIE plans to add 9GW of renewables to its generation portfolio by 2021. The partnership scheme implemented with Tokyo Gas also highlights ENGIE’s commitment to dynamic capital allocation through sell-downs and new investments. Heolios EnTG will also enable ENGIE to actively support Mexico in achieving its national renewable targets and to decarbonize its energy sources.” said Pierre Chareyre, Executive Vice President of ENGIE in charge of Latin America Business Unit.

“We are very pleased to have this opportunity to actively participate in the Mexican renewable market together with ENGIE, now a world leading company in the renewable sector, with whom we have a longstanding relationship. We strongly believe Heolios EnTG would bring prosperity to both ENGIE and Tokyo Gas. This is a landmark achievement for us as this is the first renewable project joint-venture that Tokyo Gas will participate in outside Japan. This has definitely built momentum propelling us closer to reach our corporate target of ‘Vision 2020’”, said Kunio Nohata, member of the Board, Senior Managing Executive Officer, Chief Executive of Global Business Division of Tokyo Gas.

Project Locations



About ENGIE Mexico

ENGIE in Mexico manages several energy businesses, including the generation of electricity, co-generation, transport of natural gas, distribution of natural gas, and energy services for residential, commercial and industrial clients. The current natural gas business includes seven natural gas distribution companies which serve more than 500,000 customers and three transport companies which operate more than 1,300 KM of gas pipelines. In electricity, the Company operates two generation plants with 345 MW of capacity. ENGIE is also becoming a leading company in Mexico's clean energy transition, investing around 1,000 million dollars and aiming to obtain a renewable generation capacity of 2,500 MW by 2021.

About ENGIE

Our group is a global reference in low-carbon energy and services. In response to the urgency of climate change, our ambition is to become the world leader in the zero carbon transition of our customers, in particular businesses and local authorities. We rely on our key businesses (renewable energy, gas, services) to offer competitive turnkey solutions "as a service".

With our 160,000 employees, our customers, partners and stakeholders, we are a community of Imaginative Builders, committed every day to more harmonious progress.

Turnover in 2018: 60.6 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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About Tokyo Gas

Tokyo Gas Co., Ltd. is Japan's largest provider of city gas, serving more than 11 million customers and is also Japan's largest PPS with 1.6GW capacity and 1.1million customers, primarily in the Tokyo metropolitan area and surrounding Kanto region.

Tokyo Gas Group FY2018-2020 management plan "GPS2020" announces to expand our renewable business not only domestically but also globally, setting our renewable energy target of 1,000MW (400MW in Japan, 600MW in foreign countries) by 2020. The group aims continuous growth in overseas renewable energy business.

To learn more <https://www.tokyo-gas.co.jp/en/>