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IJInvestor Awards 2024 – Market Impact of the Year, Latin America

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Mexico Infrastructure Partners' (MIP) acquisition of 13 power plants in Mexico took home the Market Impact of the Year Award in Latin America, with judges impressed by the shear scale of the transaction and the renationalisation of energy assets in the country.

The $6.2 billion deal was the largest ever done in Mexico's energy sector and included 12 combined-cycle and co-generation power plants and a 103MW wind farm, for a total capacity of 8,539MW.

One judge said: "It was a complex transaction by its size, the stated timetable being compressed, and the nature of the assets being acquired."

Another member of the judging panel hailed the deal and "the achievement of this being the largest transaction in the history of the energy sector in Mexico since its privatization and the work involved in working though the regulatory environment to facilitate the desired commercial outcome."

MIP financed the transaction with funds from public institutions. About 40% of the total will be funded through equity from Fonadin, Mexico's national infrastructure fund, which will receive MX$45 billion ($2.5bn) from the Ministry of Finance. Further debt was provided by development and commercial banks.

The submission said: "This transaction was instrumental to implement the Mexican government energy policy and was made in the midst of a number of changes in the energy regulation sector that were being contested by various players in the Mexican market. The consummation of this transaction allowed for the energy sector to be reactivated in Mexico."

The assets are located across the states of Tamaulipas, Nuevo León, Durango, San Luis Potosí, Baja California, Sinaloa and Oaxaca.

Assets included in the transaction are:

- Monterrey I and II
- Monterrey III and IV
- Altamira III and IV
- Altamira V
- Escobedo
- La Laguna
- Tamazunchale I
- Tamazunchale II
- Baja California

- Topolobampo II
- Topolobampo III
- Enertek
- La Venta III (wind)

Advisers to MIP include:

- Barclays – financial
- Creel García-Cuellar, Aiza y Enriquez – legal

Advisers to Iberdrola include:

- JP Morgan – financial
- BBVA – financial
- Citigroup – financial
- Santander Corporate and Investment Banking – financial
- Baker McKenzie – legal

Advisers to the commercial lenders include:

- Milbank – international legal
- Galicia Abogados – local legal

Advisers to the Mexican development banks include:

- Deloitte – financial and tax
- Milbank – international legal to Nafin and Bancomext
- White & Case – international legal to Banobras
- Galicia Abogados – local legal to Bancomext and Nafin