



CASE STUDY

LATIN AMERICA

Renewable Energy

Industrial Renewable Energy Analysis: PGIM Real Estate, TERRAFINA, PIIMA, AMPIP, WRI and GIZ

Several years ago, the Mexican government began a comprehensive energy reform process that created a marketplace for independent generation, transmission, distribution and commercialization companies. PGIM Real Estate sought renewable energy opportunities within this new regulatory and commercial framework.

THE PROJECT

In 2019, PGIM Real Estate was chosen by the Mexican Association for Industrial Parks (AMPIP), the German Agency for International Cooperation (GIZ) and the World Resources Institute (WRI) to participate in a solar renewable energy study specific to the industrial real estate sector to identify opportunities and feasible business models to increase renewable energy consumption and diminish its carbon footprint. AMPIP, GIZ, and the WRI selected and evaluated five potential PGIM Real Estate properties:

- **Intermex:** ITESA, HCP and Cessna (Chihuahua)
- **Amistad:** Wolverine (Coahuila)
- **American Industries:** Apodaca (Nuevo León)

RESULTS

The analysis determined that the most attractive (and easiest to implement) model for PGIM Real Estate's industrial properties was distributed generation (< 0.5 MW), which was selected for Wolverine and Cessna.



UNCOVERED OPPORTUNITY

During development of new industrial parks we can enable the reselling of solar energy to tenants without the necessity of energy commercialization permits through the reconfiguration of internal electric grids. Solar panels in the Mexican market are now available with more capacity, averaging from 300 to 500 kWp, which diminishes the range of return on investment to 3.5 to 5 years. PGIM Real Estate will review the business model to present it to the tenants and evaluate its implementation.

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