

Table of Contents

- a) Under the PPA terms with ENEE, the Company had to build, at its own cost, the high voltage section of the electrical substation on behalf of ENEE. Because the Company has to transfer ownership of such section to ENEE, the corresponding construction costs were considered as a right to be able to operate the wind project and therefore recognized as an intangible asset. The increase in 2014 is also related to the high voltage section of the substation built for the Project Expansion.
- b) Correspond to certain costs incurred in relation to wind projects in the development phase, for which the Company believes that it has achieved both technological feasibility and has committed funding for completion.

9. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Major spare parts	Furniture and equipment	Vehicles	Construction in progress	Total
Cost:								
As of December 31, 2012	\$ 1,344,304	\$ 20,566,574	\$ 178,483,088	\$ 3,383,199	\$ 197,850	\$ 3,834,735	\$ 288,096	\$ 208,137,196
Additions	68,361	451,365	(80,517)	—	148,783	48,000	8,178,251	8,832,243
Retirements	—	—	(526)	—	(15,838)	—	—	(16,364)
Reclassifications	—	807,036	—	—	118,252	—	(725,288)	—
As of December 31, 2013	1,412,665	21,653,975	178,422,045	3,383,199	448,847	3,882,735	7,740,849	218,963,075
Additions and reclassifications	170,979	5,437,002	45,216,252	1,046,836	219,062	67,707	(7,711,228)	44,415,810
Retirements	—	—	(183)	—	(8,589)	(19,000)	—	(23,732)
As of December 31, 2014	<u>\$ 1,583,644</u>	<u>\$ 27,090,977</u>	<u>\$ 223,638,134</u>	<u>\$ 4,399,195</u>	<u>\$ 663,340</u>	<u>\$ 3,931,442</u>	<u>\$ 38,421</u>	<u>\$ 261,345,153</u>
Accumulated depreciation:								
As of December 31, 2012	\$ —	\$ 1,292,305	\$ 10,773,792	\$ —	\$ 58,117	\$ 235,915	\$ —	\$ 12,360,219
Depreciation	—	1,036,923	8,686,589	—	34,240	285,245	—	10,041,967
Retirements	—	—	(209)	—	(10,341)	—	—	(10,550)
As of December 31, 2013	—	2,328,318	10,480,172	—	82,016	521,160	—	22,301,656
Depreciation	—	1,106,145	9,993,891	—	98,472	292,679	—	10,460,187
Retirements	—	—	(164)	—	(2,141)	(17,405)	—	(19,710)
As of December 31, 2014	<u>\$ —</u>	<u>\$ 3,433,463</u>	<u>\$ 28,463,899</u>	<u>\$ —</u>	<u>\$ 138,347</u>	<u>\$ 796,434</u>	<u>\$ —</u>	<u>\$ 32,832,143</u>
Carrying amounts:								
As of December 31, 2012	\$ 1,344,304	\$ 19,303,179	\$ 167,709,296	\$ 3,383,199	\$ 139,733	\$ 3,598,820	\$ 288,096	\$ 195,776,977
As of December 31, 2013	\$ 1,412,665	\$ 19,325,657	\$ 158,961,873	\$ 3,383,199	\$ 366,831	\$ 3,361,575	\$ 7,740,849	\$ 194,561,409
As of December 31, 2014	<u>\$ 1,583,644</u>	<u>\$ 23,657,514</u>	<u>\$ 195,174,235</u>	<u>\$ 4,399,195</u>	<u>\$ 524,993</u>	<u>\$ 3,135,008</u>	<u>\$ 38,421</u>	<u>\$ 228,513,010</u>

The Company's property, plant and equipment is pledged as fiduciary guarantee under the third-party borrowing arrangements (Note 10).

Construction in progress is mainly comprised of advances to subcontractors (mainly Gamesa and Iberdrola) for the construction of the Project Expansion (Note 1).

Finance costs of US\$756,928 were capitalized in 2014 (2013: US\$0) with respect to the Project Expansion (Note 1) based on an average effective interest rate of 7.47% (2013: 0%) of the corresponding loans obtained to finance such expansion.

F-461