



Renewable Energy in the Americas



REIA is a hemispheric initiative, offering government officials access to information on renewable energy and energy efficient technologies, and serves as a point of contact for the private sector with the energy sector in the Americas. REIA carries out institutional and technical capacity-building programs and sponsors periodic conferences and workshops on sustainable energy technologies. The Technical Secretariat for REIA is the Unit for Sustainable Development and Environment of the Organization of American States.



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The Government of Guatemala Passes a Groundbreaking Renewable Energy Incentives Law

On October 30, 2003, the Parliament of the Republic of Guatemala approved a law which creates incentives for power generation from renewable energy systems. The law was prepared by the Ministry of Energy and Mines (MEM) and provides economic and fiscal incentives, such as exemption import duty on imports of equipment necessary to build power generation projects using renewable resources, as well as various degrees of tax exemptions for companies and individuals implementing such projects, including a ten-year income tax exemption. This new law is expected to "level the playing field" for renewable energy power projects that are competing with developers of fossil fuel-based projects that receive other financial incentives. The effort to develop and implement this law were initiated over three years ago by the REIA Initiative and the Ministry of Energy and Mines.

Marta Riviera, who is both a private Guatemalan developer of small hydro-power projects, and the President of Fundación Solar, worked extensively on promoting the new law and says "this new law will help reduce key financial barriers to renewable energy that exist in Guatemala, and will allow renewable technologies to become more widely utilized in cases where they can provide more social, environmental, and economic benefits than fossil fuel technologies."

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One year prior to the passage of the law, the Ministry established a center for renewable energy information and promotion. Its purpose is to promote the use of renewable energy and clean technologies through training

and the establishment and maintenance of a database of renewable energy information. The database is available to national and foreign business to aid in feasibility studies for renewable energy project development. The center was made possible through a start-up grant provided by the OAS.

REIA Activities

Eastern Caribbean Geothermal Development Project (Geo-Caraïbes) Recommended for Approval by the GEF Secretariat

The Technical Secretariat of the Global Environment Facility (GEF) has recommended the Eastern Caribbean Geothermal Development Project (Geo-Caraïbes) for approval in its project development stage (PDF-B). The Project, submitted by the Governments of Dominica, St. Kitts and Nevis, and St. Lucia, seeks to overcome the barriers to the development of geothermal power in the Eastern Caribbean and to catalyze the development of one or more geothermal power plants that would supply electricity to several islands of the region, including potential export of electricity to the French Antilles.

The United Nations Environment Programme (UNEP) would be the project-implementing organization, and the OAS would be the regional executing organization. The Agence Francaise de Developpement (AFD) would co-execute, taking the lead in the design and financial engineering of the proposed Drilling Risk Fund, and in

support of the technical studies related to the export of energy.

Project activities designed to overcome barriers to geothermal development will include:

- 1) Capacity Building, Institutional Strengthening, and Policy/Regulatory Reform
- 2) Geothermal Project Technical Studies and Feasibility
- 3) Project Financing Strategy Design and Drilling Risk Fund Preparation

At the conclusion of the PDF-B phase it is expected that a geothermal project opportunity will have been identified and ready for private sector developers to proceed with one or more investments. Early stage development will be supported by the creation of a Drilling Risk Fund. The total project cost during the PDF-B phase is expected to be US\$1.5 million. For more information, please contact the REIA Secretariat.

Small Scale Renewable Energy Services in Rural Guatemala

The REIA Initiative provided technical assistance to Fundación Solar in the design and implementation of rural energy services in several villages within the department of Quiché, Guatemala. This assistance, which was made possible by the U.S. Agency for International Development (USAID), included support in engineering, community organization, project management, and the design of a gender component. The effort was designed to promote the long-term sustainability of the projects, and included funding from several international organizations and the local government. The projects were managed in turn by local organizations established specifically for the administration of energy projects (OLAPEs).

As a result of these efforts, 243 stand-alone photovoltaic systems for households and community services were designed, installed, and were fully operational by May 31st, 2003. The systems offer a variety of services including household energy supply (lighting), a long-distance learning center (telesecundaria), a food refrigeration system, and a vaccine refrigeration system.

In addition to the solar PV systems, the project supported the final phase of development for a 156 kW micro-hydro plant in the community of Chel. Power will be distributed to three communities including Chel, Las Folres, and Xesaí, for a total of 450 residents. For additional information, please contact Fundación Solar at: fun solar@intelnet.net.gt



Global Energy Village Partnership (GVEP) Regional Conference

REIA served as the coordinator of the Global Village Energy Partnership - Latin America and Caribbean Regional Conference in Santa Cruz, Bolivia on July 23-25, 2003. This activity was sponsored by the World Bank, which currently serves as the Secretariat for GVEP globally. GVEP is a World Summit for Sustainable Development (WSSD) partnership designed to expand the delivery of modern energy services to rural and other underserved populations around the world.

The GVEP-LAC Regional Conference was attended by more than 260 participants from 21 countries, including representatives from developing and industrialized country governments, public and private organizations, multilateral institutions, consumers, and other non-government organizations, to share lessons learned and best practices in modern energy service delivery. Multisectorial workgroups were created which examined the linkages between energy, the UN's Millennium Development

Goals, and different sectors such as health, agriculture, education, infrastructure (telecommunications, water, and transportation), and productive uses.

The Conference met its main objectives by allowing participants to gain a global understanding through the exchange of information on successful projects and on diverse experiences on the effective delivery of energy and its integration with other sectors to improve communal services and productive uses. It also served as a working forum for official delegations of countries allied to GVEP, facilitating the initial preparation of National Plans of Action. Nine countries of the region - Bolivia, Brazil, Peru, Ecuador, Guatemala, Honduras, Mexico, and the Dominican Republic - are currently working with the GVEP coordinating team to finalize these action plans. For more information please see: www.gvep.org.

The Renewable Energy and Energy Efficiency Partnership (REEEP) Promotes REIA/OAS as Regional Node for Latin America

The Renewable Energy and Energy Efficiency Partnership (REEEP) is an initiative that seeks to lower market barriers to the deployment of Renewable Energy and Energy Efficiency Systems; improve access to financing for sustainable energy technologies; and raise awareness and build capacity across all stakeholder groups. It emerged from the World Summit of Sustainable Development (WSSD), held in Johannesburg, South Africa (September 2002).

At the recent REEEP Latin America and Caribbean Regional Meeting, held in Campos do Jordão, Brazil on August 12-13, 2003, stakeholders representing several countries of the hemisphere, identified various solutions for overcoming barriers to the deployment of energy efficiency and renewable energy systems (RE/EE) throughout the region. Over 50 energy representatives from LAC governments, international organizations, NGOs, private companies, and universities met to scope out a work program for partnership in the region, which describes the critical interventions required to expand the use of RE/EE.

The LAC regional partners proposed that, as a first step, the REEEP Secretariat support the establishment of a REEEP - LAC Regional Node. This Node (Secretariat)

would launch/coordinate the Regional Technical Working Groups, while managing the REEEP in Latin America and the Caribbean.

The node will function as an alliance for the exchange of information and as a catalyst for reform of policies, regulations, and increased access to financing. This Secretariat would also serve as the liaison with the global REEEP Secretariat, and would ultimately assist the LAC country partners to identify priorities and translate them into interventions by the Partnership.

Participants at the REEEP - LAC Meeting in Brazil, identified the Organization of American States, specifically the Renewable Energy in the Americas Initiative, as the most appropriate institution to serve as the manager of this Regional Secretariat for Latin America in the near-term, given the OAS's strong presence throughout the hemisphere, its convening ability, and its role as the technical secretariat for the REIA Initiative. The CARICOM Secretariat, executing agency for the Caribbean Renewable Energy Development Project (CREDP), is being proposed as the Regional Secretariat for the Caribbean. For more information, contact the REIA Technical Secretariat.

Renewable Energy Activities

Second Meeting of the PSC of the CREDP Project

The REIA Initiative participated as a member in the second meeting of the Project Steering Committee (PSC) of the Caribbean Renewable Energy Development Project (CREDP—October 13-15 in Bridgetown, Barbados). The PSC was convened to finalize the CREDP Proposal for submission to the GEF. The global environment and development objective of the Project is to remove barriers to the increased use of renewable energies and reduce implementation costs, thus reducing the Caribbean region's dependence on fossil fuels and contributing to the reduction of GHG emissions. Through specific actions to overcome policy, finance, capacity, and awareness barriers, it is estimated that the contribution of renewable energy sources to the region's energy balance will be significantly increased. Currently, renewable energy provides less than 2% of the region's commercial electricity. With the planned barrier removal activities, the share of renewable energy could reach an estimated 5% by 2015. This increased use of renewable energy would imply annual reductions of CO₂ emissions by some 680,000 tons per annum. Part of the GEF funding will be used through non-grant instruments to remove incremental risks related to RE investments, thus improving the cost-effectiveness

of the GEF resource use.

Participating countries in the CREDP are Antigua and Barbuda, the Bahamas, Barbados, Belize, British Virgin Islands, Cuba, Dominica, Grenada, Guyana, Jamaica, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos. The full project is being implemented by the United Nations Development Programme (UNDP) and executed by the CARICOM Secretariat. The total cost of the full project is estimated at US\$22.377 Million (GEF: US\$4.466 million and Co-financing: US\$17.911 million). During the Project execution, it is estimated that a mixed investment of US\$418.2 million in RE projects for electricity generation would result in the avoidance of more than 786,164 tons/annum CO₂ in total, including more than 117,230 tons/annum of CO₂ from wind farm projects and 75,6000 tons/annum from solar water heater projects.



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Center for Business Intelligence (CBI)'s Renewable Energy in Latin America Conference

Renewables are the "bright spot" in the power sector right now. In addition to tapping into previously under exploited, potentially cheaper sources of energy, many countries need to meet their Kyoto Protocol requirements and are looking at renewable energy development as a strategy for curtailing their carbon emissions. As a result, many Latin American & Caribbean countries have implemented or are considering incentives to encourage renewable development.

CBI's Renewable Energy in Latin America Conference took place September 18-19, 2003 in Miami, Florida. Government representatives, industry leaders, and energy experts from several international organizations

were in attendance. The REIA Initiative's Mark Lambides gave a presentation on exploring opportunities for developing renewable energy projects in Latin America. Other subjects that were explored included the examination of energy policies in place and their significance to renewable development in Latin America, incentive programs for renewables being developed by various Latin American countries, international incentive programs including carbon credits and the Clean Development Mechanism, sources of funding for renewable projects, and previous experiences in renewable energy project development. For further information on CBI events, please see: <http://www.cbinet.com/>.

RE and EE Resources

Upcoming Events

CLAA 27th Annual Miami Conference on the Caribbean Basin: Strengthening the Third Border (CBI)

The 27th Annual CLAA Conference will take place December 8 - 10, 2003 in Miami Beach, Florida, and will address the key challenges faced by the small economies of the Caribbean Basin in confronting worsening poverty and increased global competition. The conference will bring together the key private and public sector decision-makers to define the action steps needed to accelerate the process of change currently underway in the region, and will include a roundtable examining the development of alternative energy sources as a potential competitive advantage strategy. *For more information, visit the website at: http://www.claa.org/03conf_schd.html*

COP 9

The ninth session of the UN Framework Convention on Climate Change's Conference of the Parties (COP 9) will open on Monday, 1 December, 2003 and close on Friday, 12 December, 2003 in Milan, Italy. COP9 will discuss, among other climate change-related issues, technology transfer, implementation of the clean development mechanism, and development of National Action Plans. *For more information, visit the COP website at: <http://unfccc.int/cop9/index.htm>*

International Conference for Renewable Energies 2004

From June 1 to 4, 2004, Bonn, Germany, will host the International Conference for Renewable Energies. Conference participants are expected to address financing (instruments) and market development; formation of enabling political framework conditions; and capacity building (education, research, networks, cooperation, etc.). *For more information, visit the website at: <http://www.renewables2004.de/>*

POWER-GEN Renewable Energy Conference

The POWER-GEN Renewable Energy Conference will take place March 1-3, 2004, in Las Vegas, Nevada, and will bring together the renewable energy, renewable fuels, and emerging energy sectors of the energy industry to discuss the key technical, regulatory, structural, economic and market issues impacting their commercial future. *For more information, visit the website at: <http://pgre04.events.pennnet.com/>*

World Renewable Energy Congress VIII and Expo

The Eight World Renewable Energy Congress and Expo will be held in Denver, Colorado, USA, August 28th through September 3rd, 2004. Congress topics and sessions will cover a broad range of renewable energy areas, including renewable energy policies and impacts, rural energy applications and deployments, and solar, wind, geothermal, and biomass energy technologies. *For more information, visit the website at: <http://www.nrel.gov/wrec/>*

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