



CENTRAL AMERICAN ENERGY &  
COMPETITIVENESS  
CONFERENCE

OVERVIEW OF ENERGY  
SECTOR

MAY 24, 2007

# DISCUSSANTS

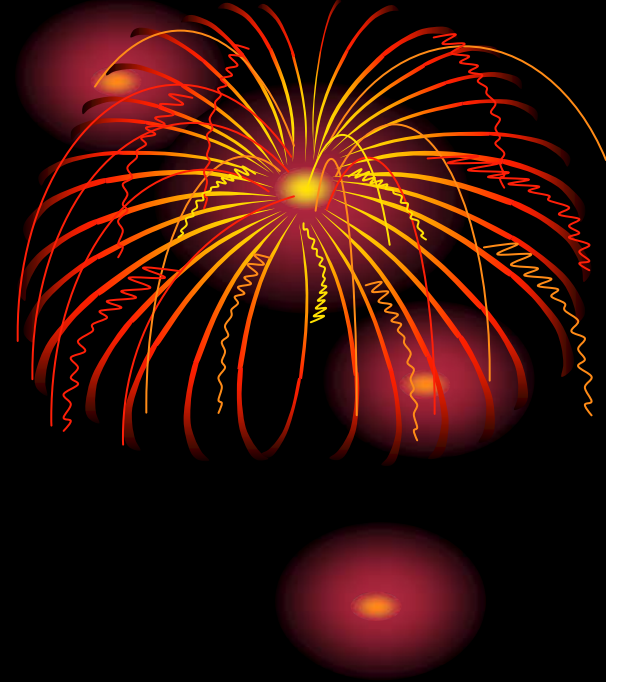


- REPRESENTATIVE US TDA
- CONSULTANT – IGNACIO RODRIGUEZ – PA CONSULTING
- CABEI – WALDO MONCADO
- MINISTRY OF ECONOMY – JORGE ROVIRA – DIRECTOR OF ENERGY EL SALVADOR
- US AID – RANDALL PETERSON
- EDWIN RODAS – DUKE ENERGY

MODERATOR – TEOFILO DE LA TORRE

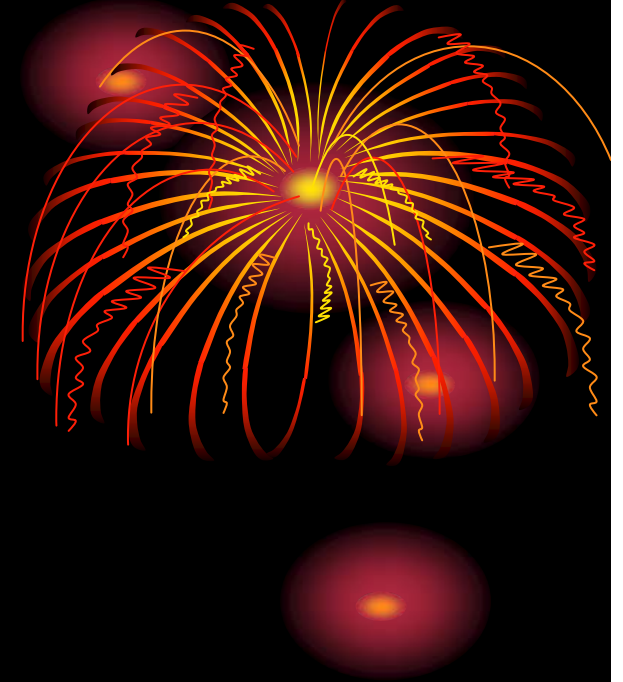
# SUMMARY

- REGION FACTS
- REGIONAL MARKET
- HISTORY
- TODAY
- TOMORROW



# REGION FACTS

- CA 10000 MW CAPACITY
- MEXICO 50000 MW
- COLOMBIA 20000 MW
- 45 % HYDRO – 45 % THERMAL
- 4 COUNTRIES WITH MARKET
- 2 COUNTRIES WITH IPPS
- 6 MILLION CUSTOMERS
- 25% GOES TO INDUSTRY



# REGIONAL MARKET



- SIEPAC SINCE 1996
- REGIONAL MARKET OPERATOR
- REGIONAL REGULATOR
- DETAILED RULES APPROVED
- TREATY AMENDMENTS UNDER WAY
- TRANSMISSION LINE UNDER CONSTRUCTION

# HISTORY



- GOVT OPERATION UP TO 80s
- BLACKOUTS AND LOW TARIFFS
- EARLY 90s IPPs FRESH MONEY
- LATE 90s COMPETITIVE MARKETS – ADDITIONAL PRIVATE INVESTMENT

# TODAY

- IN SOME COUNTRIES MARKET RULES DO NOT GIVE SUFFICIENT INCENTIVES FOR SUSTAINABLE INVESTMENTS
- CONCERN OF LACK OF OBJECTIVE DECISION MAKING ON BEHALF OF REGULATORS
- POWER PRICES ARE ESCALATING
- RISK OF SHORTAGES IN SOME COUNTRIES

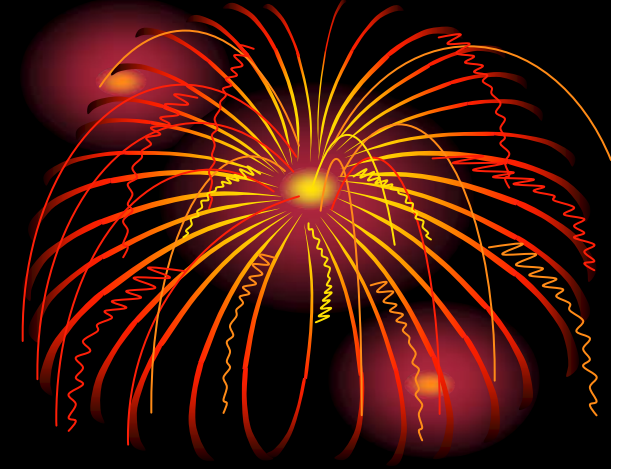


# TOMORROW

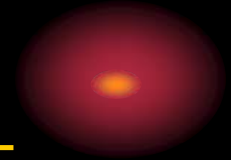
- IMPROVE NATIONAL MARKET RULES
- CREATE MARKETS
- DIVERSIFY SOURCES OF POWER, LIKE GAS, COAL, RENEWABLES
- CONSOLIDATE SIEPAC REGIONAL MARKET
- STRENGTHEN LEGAL STATUTE
- HARMONIZE NATIONAL AND REGIONAL MARKETS
- PROMOTE LARGER POWER PLANTS FOR LOWER COSTS



# SUMMARIZING



REGIONAL SCALE WILL  
ASSURE MORE INVESTMENT  
OPPORTUNITIES AND  
THEREFORE INCREASED  
COMPETITIVENESS FOR THE  
WHOLE REGION



# RULES

- EACH PANELIST WILL HAVE UP TO 10 MINUTES PARTICIPATION
- PRESENTATION, COMMENTS, HIS POINT OF VIEW
- MODERATOR WILL THEN MAKE A SHORT SUMMARY AND OPEN TO QUESTIONS FROM AUDIENCE

