

CARIBBEAN

Dominican Republic

GDP: **\$60.6bn**

Five-year economic growth rate: **5%**

Population: **10.4m**

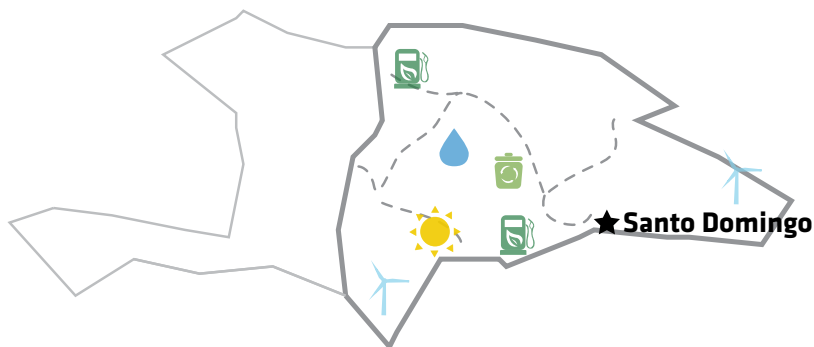
Total clean energy investments, 2006-2013: **\$232.3m**

Installed power capacity: **3GW**

Renewable share: **9%**

Total clean energy generation: **1,160GWh**

Top energy authority: **National Energy Commission**



OVERALL RANKING
2014

24

OVERALL SCORE
2014

1.16

PARAMETER	RANKING	SCORE
I. Enabling Framework	05	1.54
II. Clean Energy Investment & Climate Financing	43	0.31
III. Low-Carbon Business & Clean Energy Value Chains	43	0.89
IV. Greenhouse Gas Management Activities	12	2.12

SUMMARY

The Dominican Republic scored 1.16 to finish 24th among the 55 *Climatescope* 2014 nations. Compared to 26 Latin American and Caribbean countries, the Dominican Republic ranked 10th. The island nation performed very well on Enabling Framework, Parameter I, in recognition of its range of renewable energy policies and incentives. It was somewhat weaker on Clean Energy Investment, Parameter II, and Clean Energy Value Chains, Parameter III, reflecting the low level of renewable energy investment in 2013 and its limited network of clean energy service providers.

The island nation's electricity grid has a mix of power sources, with 91% of its 3GW total made up of natural gas (690MW), large hydro (380MW), coal (314MW) and oil and diesel (1.7GW). Clean energy accounts for the remaining 9% in the form of wind (85MW) and small hydro (223MW). The government has set an ambitious target to get 10% of electricity generation from renewable sources by 2015, raising it to 25% by 2020. In addition, it set a target to reduce GHG emissions by 50% below 2010 levels by 2050. Looking ahead, more will have to be accomplished to achieve the country's ambitious targets.

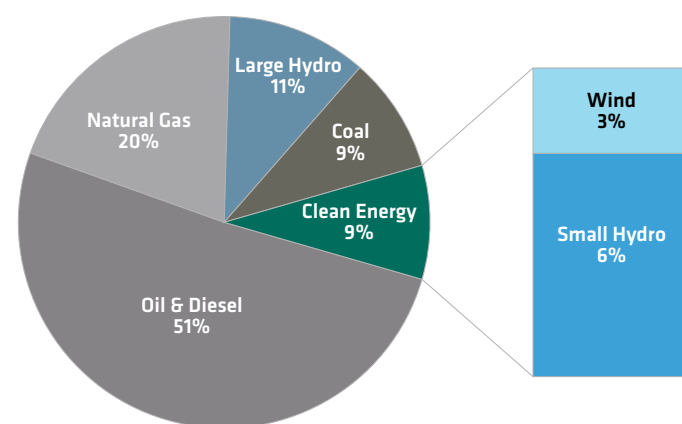
For further information, access www.global-climatescope.org/dominicanrepublic

PARAMETERS AT A GLANCE

In 2013, the Dominican Republic generated a total of 14.2TWh, of which 1.2TWh came from renewable sources, namely wind and small hydro. It is the only Caribbean country that has an active spot market, where generators, distributors and end-users can negotiate energy deficits and surpluses. There is also a special tariff scheme for each clean energy technology derived from the wholesale electricity price plus a premium payment. In 2013, wholesale electricity cost averaged \$186/MWh.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

3GW total installed capacity



Source: Bloomberg New Energy Finance, Superintendencia de Electricidad de la Republica Dominicana

The Caribbean island ranked fifth globally on Enabling Framework, Parameter I, and was behind only Brazil among the 26 Latin American and Caribbean countries surveyed. It stood out due to its clean energy policies, which include net metering, feed-in tariffs and tax incentives. Renewables generators are also offered dispatch priority and have open access to transmission and distribution.

KEY POLICIES

Energy Target	10% electricity generation from renewable sources by 2015 and 25% by 2020.
Feed-in Tariff	FiT legislation approved in 2007, but has not been implemented
Debt/Equity Incentives	Clean energy fund created from tax revenue from fossil fuel consumption. It aims to promote investments in renewable energy and energy efficient projects.
Tax Incentives	Clean energy investment tax credit, corporate, income, ITBIS, and import tax exemption, external financing tax reduction.
Utility Regulation	Renewable generators dispatch priority and open access to transmission and distribution.
Net Metering	Net Metering program with 59 customers connecting renewable facilities to the grid.

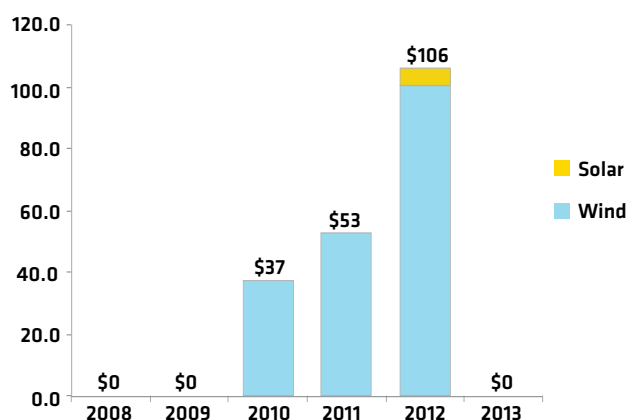
Source: Bloomberg New Energy Finance Policy Library

Despite these incentives, the Dominican Republic did not draw significant investment in 2013 and, as a result, achieved a relatively poor 43rd on Clean Energy Investment Parameter II. Cumulatively, \$1.2m in green micro-loans were disbursed to 196 borrowers in 2013.

The country also scored poorly on Low-Carbon Business and Clean Energy Value Chains, Parameter III. It again took 43rd place, chiefly reflecting the lack of clean energy service providers. On the plus side, the island does have companies active in clean energy, for instance there are financial institutions, biofuel producers and wind, small hydro and solar project developers.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2008-2013 (\$m)

\$232.2m total cumulative investment



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

On GHG Management Activities Parameter IV, it took 12th place globally. Such a high rating reflects the country's target to reduce GHG emissions 50% below 2010 levels by 2050. It also reflects its 14 CDM-registered GHG offsetting projects, and one biomass and waste-to-energy NAMA project that has reached the implementation stage. On the negative side, Dominican companies did not disclose any corporate awareness of clean energy and energy efficiency activities.