



Ecuador

GDP: **\$90bn**

Five-year economic growth rate: **8%**

Population: **15.7m**

Total clean energy investments, 2006-2013: **\$534.3m**

Installed power capacity: **5GW**

Renewable share: **8.2%**

Total clean energy generation: **2,102GWh**

Top energy authority:

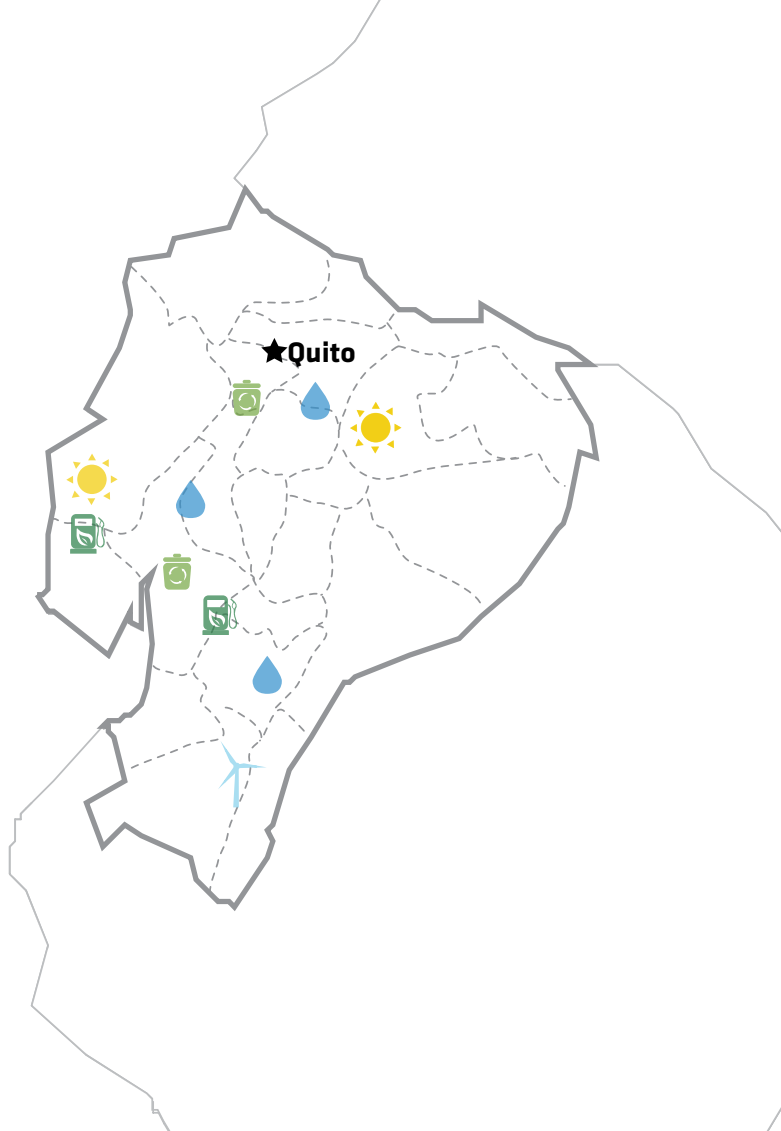
Ministry of Electricity and Renewable Energy

OVERALL RANKING
2014

33

OVERALL SCORE
2014

0.96



PARAMETER	RANKING	SCORE
I. Enabling Framework	34	1.00
II. Clean Energy Investment & Climate Financing	18	0.71
III. Low-Carbon Business & Clean Energy Value Chains	49	0.72
IV. Greenhouse Gas Management Activities	19	1.59

SUMMARY

Ecuador's score of 0.96 placed it 33rd among the 55 nations surveyed for *Climatescope* 2014, and 16th within the 26 Latin American and Caribbean countries. It achieved relatively high scores on Clean Energy Investment Parameter II and GHG Management Activities Parameter IV, and was weakest on Clean Energy Value Chains Parameter III.

Besides its abundant water resources, the country still needs to burn fossil fuels to generate sufficient energy. Clean energy represents 8% of its total 5GW installed capacity, mainly in the form of small hydro (329MW) and biomass and waste-to-energy (101MW).

In 2013, the government re-launched a generous feed-in tariff for renewables, in a bid to promote development of other sources of clean energy. The previous feed-in tariff offered in Ecuador had expired in 2012; however, deployment has remained slow. Most new capacity commissioned in the last eight years has been either large hydro or oil-fired.

Around 92% of Ecuador's 15.7m people are connected to the electricity grid. The increase of energy access has been promoted by the implementation of several phases of the FERUM (Fondo de Electrificación Rural y Urbano Marginal).

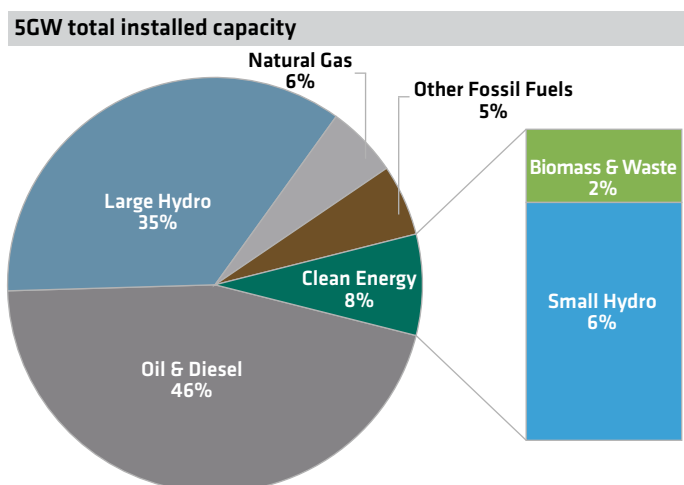
For further information, access www.global-climatescope.org/ecuador

PARAMETERS AT A GLANCE

Large hydro together with oil and diesel plants comprise around 4.4GW of Ecuador's total 5GW installed capacity. In 2013, state-owned utility Corporación Eléctrica del Ecuador (CELEC-EP) generated 61% of all power produced, with the rest coming from private companies. CELEC-EP is responsible for transmission but not distribution, which is handled by 11 utilities.

On Enabling Framework, Parameter I, the country ranked 34th. It was awarded good marks for its clean energy policy framework, as it offers very attractive feed-in tariffs for clean energy sources, and openness to private generators, but was penalized for its below-average electricity prices (\$0.08/kWh, compared with an average of \$0.18/kWh for Latin America and the Caribbean), which can make it difficult for renewable energy sources to compete. There is an active spot market, but only surplus from the regulated market can be sold.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)



Source: Bloomberg New Energy Finance, Consejo Nacional de Electricidad
Note: Some values cannot be graphically represented due to scale, please see source data for the complete numbers.

Ecuador ranked 18th on Clean Energy Investment Parameter II thanks to a spurt in investment in 2013. It attracted \$81.5m for small hydro and \$4.5m for wind projects a 17.5% increase compared to 2012, giving a cumulative total of \$534m since 2006. In the area of green microfinance, a total of \$19m has been disbursed since 2006, at an average interest rate of 17.5%, which is considerably higher than the national rate of 10%.

KEY POLICIES

Feed-in Tariff	FiT program guaranteed power prices above average market rate to 645MW of 111 projects from biomass, solar, small hydro and wind sources. The program ended in 2012.
Biofuels Blending	5% biodiesel blend with conventional diesel
Tax Incentives	Import tax exemption to clean energy equipment and income tax exemption to renewable generators.

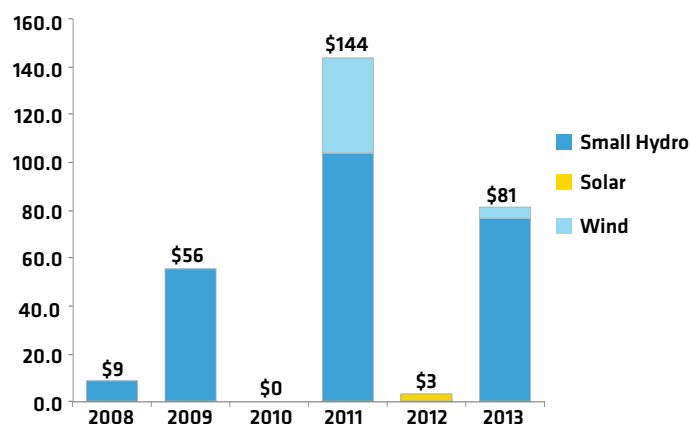
Source: Bloomberg New Energy Finance Policy Library

Ecuador ranked a very poor 49th on Clean Energy Value Chains Parameter III as there are very few financial institutions active in the area and the network of clean energy service providers is limited. However, developers are active across every clean energy sub-sector.

On GHG Management Activities Parameter IV, Ecuador took 19th place globally thanks to the 31 GHG emission offsetting projects, 27 of which are in power generation, and the actions of two companies that voluntarily report their greenhouse gas emissions, showing that the country is on the path to improving corporate awareness.

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

\$534.3m total cumulative investment



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