



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.



Inside this issue:

Sustainable Energy Approaches for Small Island Developing States

While Small Island Developing States (SIDS) produce only a tiny fraction of global greenhouse gas emissions, they are among the most vulnerable to the effects of climate change such as sea level rise and extreme weather conditions. Most island nations are 100% dependent on fossil fuels and a significant number of people don't have access to electricity. However, SIDS are especially suited to use combinations of modern renewable energy (RE) technologies and energy efficiency because of the high cost of imported fossil fuels, the islands small size, their isolated location, and the availability of RE resources.

The Global Sustainable Energy Islands Initiative (GSEII) was launched at the Global Climate Change Conference (COP6) meeting in The Hague in November 2000. At COP6, Prime Minister the Hon. Kenny Anthony of Saint Lucia presented the progress made by Saint Lucia towards becoming the first Sustainable Energy Demonstration Country and challenged other nations to follow. (See REIA E-news, Volume 1, Issue 2.) In order to replicate the Saint Lucian model among other small island states, a consortium of four international non-profit organizations -- the Climate Institute, Counterpart International, the Forum

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for Energy and Development (FED), and Winrock International -- and the Organization of American States (OAS) was formed.

GSEII has recently begun to work with the governments of Dominica and Grenada, both of which expressed a commitment to become Sustainable Energy Islands.

Both of these islands show tremendous promise for the integration of renewable energy systems, particularly wind and geothermal, into their electricity grids. Further, the opportunities for energy efficiency measures, and growing use of solar hot water heaters are significant. The GSEII will work with each of these countries as well as other SIDS to establish frameworks for the widespread incorporation of RE and EE systems.

REIA Activities

Working Together for Village Power

In December 2000, the World Bank hosted the Village Power 2000 Conference, bringing together more than 600 leaders in fields of rural energy and development from over 60 countries. The goal of Village Power 2000 was to "engage key stakeholders groups in a partnership to help sort out workable ways for advancing rural transformation, by improving access to modern and clean energy services for income generation, meeting essential community needs in health and education, and for home use." (See REIA E-News, Volume 1, Issue 2.) REIA is currently executing World Bank-ESMAP-funded "Village Power Partnership for Latin America and the Caribbean" (VPP-LAC), building on the base of Village Power 2000 and working towards the goals in the Village Power Communiqué. Its purpose is to assist the LAC countries in preparing sustainable strategies that would enable them to scale up the delivery of modern energy systems in rural communities. Throughout its implementation, VPP-LAC builds on the foundation laid at Village Power 2000 and the ongoing efforts of the Village Power Secretariat. The activity intensifies these efforts by combining region-wide discussions and knowledge sharing with the development of specific rural energy action plans in several countries of the region. VPP-LAC draws on the REIA work program and extensive stakeholder base and the rural energy activities in the LAC Region of the World Bank. VPP-LAC will consist of (a) a hemispheric rural energy workshop and (b) initiation of the preparation of National Rural Energy Action Plans by three to five countries in the region.

The hemispheric rural energy workshop will explore the challenges, progress, and opportunities in the region to rapidly increase the number of people benefiting from modern electricity services. This knowledge-sharing workshop is proposed to be held in Bolivia, during the first quarter of 2003, and will attract 100-150 participants

from the LAC region, Europe, the U.S., and the international development and financial community. Workshop sessions will include national and regional presentations on the status of rural development, discussions of user needs, and an overview of technology options and sustainable service delivery mechanisms. The sessions will specifically focus on energy links to rural consumption, social needs, and productive applications. Prior to the workshop, a special effort will be made to analyze and summarize existing experience with various rural energy programs and strategies in the region in order to capitalize on existing knowledge. Results of this activity will serve as a basis of discussions at the workshop. Throughout the workshop, there will be extensive opportunities for the transfer of information and experiences among all major stakeholders active in the region (governments, donors, private sector, NGOs, etc.).

Prior to and during the VPP-LAC workshop, the VPP-LAC Team will work with key governmental stakeholders in the region to identify at least three countries that will make commitments to become sustainable Village Power Partners, based on host country willingness/commitment, rural electrification need, the viability of rural energy service delivery alternatives, a favorable policy environment, favorable investment climate, and private sector support. The VPP-LAC team will work with these countries in an effort to secure early commitments/statements to be presented at the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa, in September 2002. The VPP-LAC team will conduct follow-up activities designed to accelerate the planning process toward the goal of establishing National Rural Energy Action Plans in each of the countries making commitments via the VPP-LAC initiative. This will include the establishment of dialogues with local

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stakeholders, information dissemination regarding rural energy alternatives, and starting down the road to the preparation of National Energy Action Plan. The actual preparation of the Action Plan falls beyond the scope of the project and will be funded separately. Once Village

Power Partners are identified, corresponding funding will be sought for development of each Action Plan.

Renewable Energy Initiatives in the Dominican Republic



The energy sector in the Dominican Republic has experienced serious challenges over the past several decades. Problems with generation reliability, transmission and distribution inefficiencies, and a significant number of unserved rural customers have plagued this system for many years. However, recent advances brought about by the capitalization of the sector in 1999, renewed efforts by the Comisión Dominicana de Electricidad (CDE) to improve efficiency, and the political commitment led by President Mejía, have resulted in significant progress throughout the sector. In an effort to diversify the electricity generation portfolio, while protecting the environment, the government has launched several renewable energy initiatives.

- In the Hydrocarbon Law, Congress approved a provision which ensures that 2% of the petroleum income profits be set aside in a fund to finance renewable energy and energy efficiency projects.
- The Mejía Administration re-established the Unit for Non-Conventional Energy within the CDE.
- Following the completion of a comprehensive national

wind analysis, by the National Renewable Energy Laboratory (NREL) of the USA, the CDE is exploring the possibility of up to 300MW in wind farm development with multiple private power developers.

- The government has demonstrated a renewed commitment to develop solar energy based rural electrification projects, including projects in design or execution by the Secretaría de Industria y Comercio, the Dirección General de Desarrollo Fronterizo (DGDF), and the CDE.
- The President recently signed a micro-hydro decree (1277-00), and the Congress is considering a Renewable Energy Incentives Law.

REIA has begun collaboration with the Secretaría de Industria y Comercio, and the DGDF, in an effort to deliver additional technical assistance services and external financing in the area rural electrification. These efforts are expected to focus on the needs of isolated rural communities in the border region, but may also include other regions of the country.

Renewable Energy Activities

Clean Development Mechanism Fast-Track Process for Small-Scale Project Activities in Latin America and the Caribbean

By Allison Schumacher, Senior International Policy Associate, Business Council for Sustainable Energy

Project developers and energy businesses are eager for the rules of the Clean Development Mechanism (CDM) fast-track process for small-scale CDM projects to be finalized later this year. Latin American and Caribbean countries have great potential for attracting investment in CDM projects that could help meet growing demand for power in the region, increase the use of distributed generation for village power and other applications, improve existing facilities through energy efficiency measures and fuel switching, and foster other sustainable development projects. Three types of small-scale CDM projects are being identified as particularly suitable for inclusion under CDM:

- Renewable energy project activities with a maximum output capacity equivalent of up to 15 megawatts;
- Energy efficiency improvement project activities that

reduce energy consumption, on the supply and/or demand side, by up to the equivalent of 15 gigawatt hours per year; and

- Other project activities that both reduce anthropogenic emissions by sources and directly emit less than 15 kilotonnes of carbon dioxide equivalent annually.

The CDM Executive Board, chaired by Ambassador John Ashe of Antigua and Barbuda, is working to finish recommendations on rules for small-scale projects in time for the Eighth Conference of the Parties (COP-8) to the United Nations Framework Convention on Climate Change (UNFCCC) in New Delhi in October.

Following on its previous work on small-scale CDM projects, the Business Council for Sustainable Energy continues to develop industry recommendations for the executive board to ensure that clean-energy-technology-based

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project approval is as transparent and efficient as possible. Of particular relevance to CDM projects in Latin America and the Caribbean are the subdivision of large clean energy projects, such as geothermal sites with capacity greater than the 15 MW cap set for small-scale renewable projects, and the subdivision of large wind projects in cases where projects have multiple power pur-

chasers and financial partners. The Council has developed private sector recommendations on these issues along with guidelines for clean energy project bundling for regional and village power projects that employ a single financing scheme or nearly identical energy systems. For more information on the Council's work on CDM issues, please contact the BCSE International Department at (202) 785-0507.

All Eyes on Johannesburg: The World Summit on Sustainable Development

From August 26 to September 3, 2002, all eyes will be on Johannesburg, South Africa, as tens of thousands of people converge to take part in the World Summit on Sustainable Development (WSSD). Participants will include heads of state and government, national delegates and leaders from non-governmental organizations (NGOs), businesses, and other major groups. WSSD will address key issues re-



lated to food, water, shelter, sanitation, energy, health services, and economic security. WSSD is a prime opportunity to highlight the economic, social, and environmental benefits of sustainable energy practices and village power. For more information on WSSD, refer to <http://www.johannesburgsummit.org/>.

RE and EE Resources

Upcoming Events

PV in the Americas (May 20, 2002, New Orleans, Louisiana, U.S.A.). A forum for suppliers, installers and researchers to discuss technical needs related to commercial PV applications in Latin America and the Caribbean. For more information, contact pvsac@sandia.gov.

29th IEEE Photovoltaic Specialists Conference (May 20-24, 2002, New Orleans, Louisiana, U.S.A.). A premier scientific meeting exploring the physics, materials science, and engineering of photovoltaic devices, modules, and solar electric power systems and applications. For more information, visit <http://ewh.ieee.org/soc/pvsc/>.

Rural Electrification in the Americas: Strengths and Weaknesses of Renewable Energy in Rural Electrification – Case Studies (May 28 and 29, Valparaíso, Chile). A meeting for public and private sector experts, professionals, technicians, non-governmental organization, and energy users to present and exchange experiences and opinions on renewables-based rural electrification. For more information, visit <http://www.cne.cl/seminario/index.html>.

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