



Scaling-Up Renewable Energy Program (SREP)

MEETING OF SREP PILOTS COUNTRIES

Honduras Experiences

Nairobi, Kenya March 5, 2012

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Outline



- IP Preparation Process
- Program Description
 - Component 1: Strengthening RE Policy Framework
 - Component 2: Grid-connected RE Development Support
 - Component 3: Sustainable Rural Energization
- Financing Plan
- Timeline SREP
- Status of Honduras Investment Plan



Formulation of the Honduras Investment Plan

- Establishment of the National Board for SREP
- Alignment under GoH national and regional energy policies
 - *Plan de Nación*
 - Poverty Reduction Strategy
 - Central American Sustainable Energy Strategy 2020
- Identification of challenges facing the development of renewable energy in Honduras
- Preliminary draft presented to stakeholders in consultative sessions
- Updated version posted on SEFIN website for public comments
- Comments from external independent review considered for final version

IP Preparation Process



Consultative sessions with key stakeholders



- Over 80 key stakeholder including representatives from:

- Government
- International Cooperation Agencies
- Private Sector
- Multilateral / Bilateral Agencies
- Civil Society / NGOs



- Thematic discussions on issues and possible solutions for :

- Barriers for RE development
- Firewood dependency
- Rural energization for remote areas
- Gender

Program Description



Expected Program Co-Benefits

- Reduction of the impacts of fuel imports on Honduras's economy
- Reduction of the exposure to fuel price volatility risks for the electricity system
- Reduction of the emission of local pollutants in fossil fuel-fired power plants
- Creation of direct (RE industry) and indirect jobs due to the more labor-intensive nature of RE technologies
- Creation of SMEs and new productive activities due to the access to new business opportunities
- Better life conditions from better lighting and communication services
- Forest, soil and water conservation

Program Description



Component 1: Strengthening the RE Policy and Regulatory Framework (FOMPIER).

Expected direct results:

- Long-term energy policy
- Low Carbon Plan
- Incentives and regulations adequate to each non traditional RE technology
- Standards and specifications for each RE technology

Component 2: Grid-Connected RE Development Support (ADERC).

Expected direct results:

- Installation of 60 MW of RE generation.
- Enhanced transmission infrastructure (7 existing substations to be expanded, 4 new substations, and 207 km of new transmission lines)
- Reduction of GHG emissions 152,424 Tons CO₂e / year

Program Description



Component 2: Grid-Connected RE Development Support (ADERC)

Transformative and catalytic effects:

- Enhanced capacity to develop and finance RE projects
- Increased rate of new investment in RE capacity (from \$20M to \$50M per year)
- Expanded access to RE generation potential (208MW)
- Improved energy security

Component 3: Sustainable Rural Energization (ERUS)

Expected direct results:

- Double the number of people in rural remote areas with access to electricity generated by RE (from 100,000 to 200,000).
- 50,000 additional households with access to efficient cook stoves. (estimated 60% reduction firewood consumption and related emissions).



Component 3: Sustainable Rural Energization (ERUS)

Transformative and catalytic effects

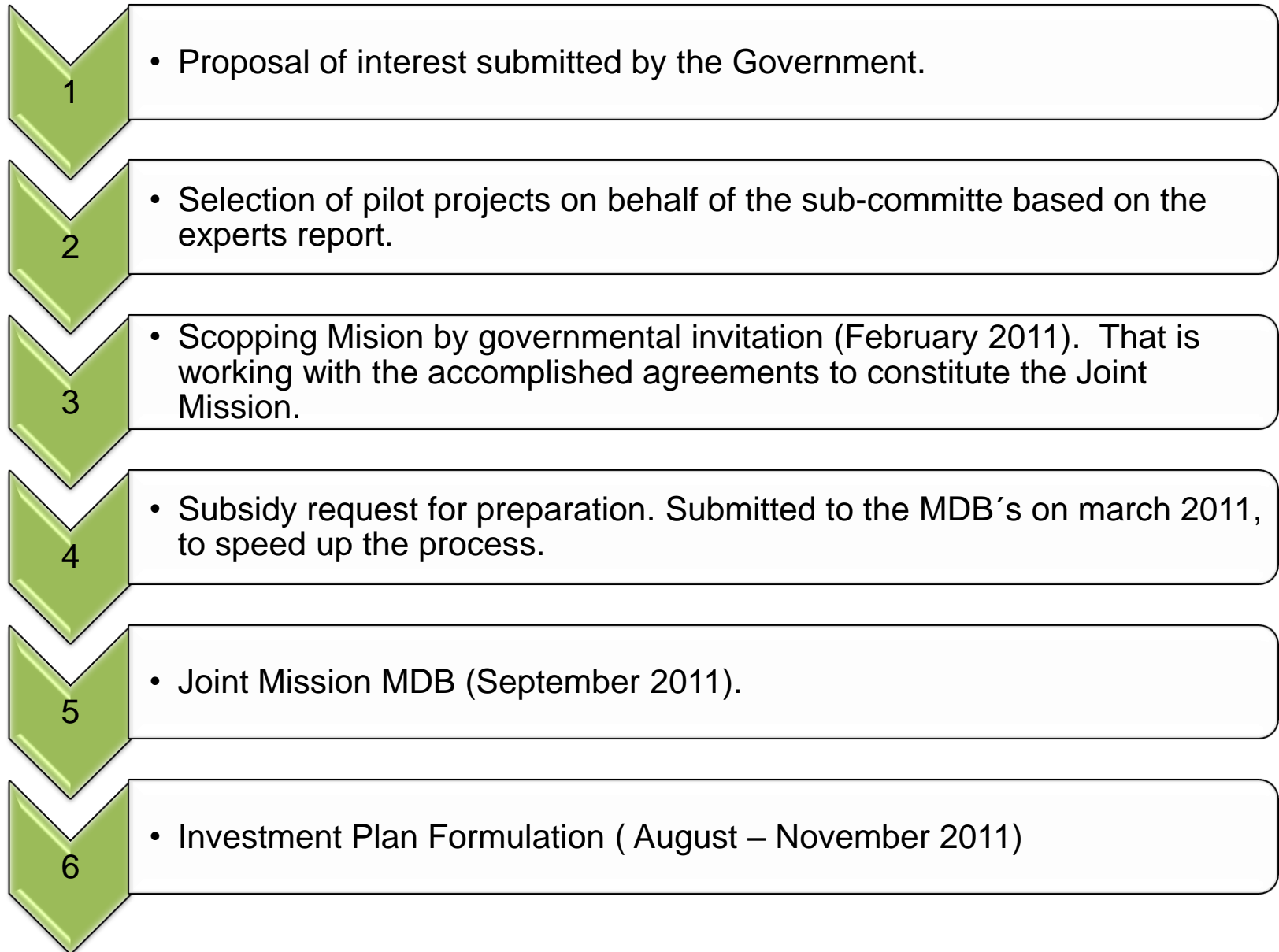
- Demonstration effect of the design and implementation of sustainable energization models.
- Benefits for women by reducing time dedicated to collect firewood.
- Reduced deforestation pressure.
- Improved health of families depending on wood.



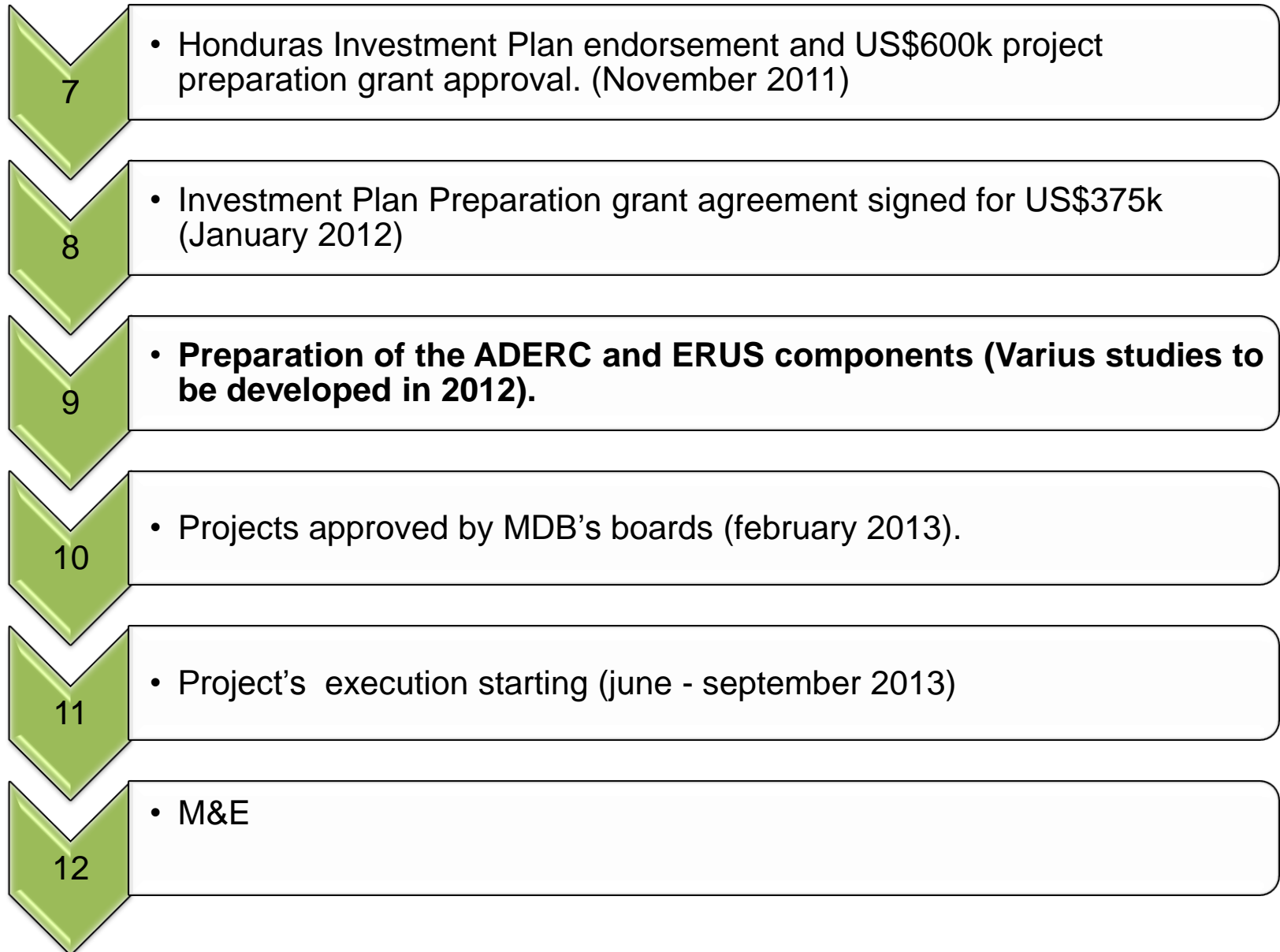
Financing Plan

Component	SREP (USD)	Others (USD)	Total (USD)
Component 1: Strengthening the RE Policy and Regulatory Framework (FOMPIER)	1.70	0.70	2.40
Component 2: Grid-Connected RE Development Support (ADERC)	16.70	217.40	234.10
Component 3: Sustainable Rural Energization (ERUS)	10.20	24.60	34.80
General preparation and operation expenses	1.40	0.20	1.60
Total USD	30.00	242.90	272.90

Timeline SREP – Honduras IP



Timeline SREP – Honduras IP





Status of Honduras Investment Plan

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- Preparation of the ADERC and ERUS components (Various studies to be developed in 2012).

Activities for the ADERC Component:

Name of the Study	Estimated Budget
Financial Market Study	US\$55,000
Pipeline Study	US\$150,000
Feasibility Study and ADERC Recommendation	US\$55,000
Environmental, Social Study	US\$40,000
Workshops/seminars	US\$15,000

Status of Honduras Investment Plan

Activities for the ERUS Component:

Name of the Study	Estimated Budget
Study on national and international experience in improved cookstoves (ICS) deployment, to help design sustainable delivery models to be promoted and supported.	US\$85,000
Study on national and international experience in off-grid rural electrification, to help design sustainable delivery models to be promoted and supported.	US\$40,000
Master Plan for rural electrification	US\$150,000
Study on enabling regulatory conditions (and related adjustments) needed to promote off-grid electrification.	US\$25,000
Consutation and discussion of experiences and lessons learned in rural off-grid electrification (Study above will be an input) and desing program for Honduras.	US\$45,000
Consutation and discussion of lessons learned in deployment of efficient cookstoves (Study above will be and input) and desing delivery model for Honduras.	US\$45,000



.....Muchas Gracias!!!



APPENDIX

Financial Plan

Component	Private/ local investors	SREP Grants	Other SREP-con-cessional finance	MDBs	Bank loans	NGOs	ICAs	GoH	Total (MUSD)
General preparation and operation expenses									
IP Preparation Grant		0.375							0.375
Operation expenses for in-vestment preparation (5yrs)		1.025						0.2	1.225
Component 1: Strengthening the RE Policy and Regulatory Framework (FOMPIER)									
<i>Sub-total</i>		1.7					0.4	0.3	2.4
Component 2: Grid-Connected RE Development Support (ADERC)									
Component Preparation		(0.3)							0.3
<i>Sub-total</i>	20.0	6.7	10.0	120.0	60.0		0.3	17.1	234.6
Component 3: Sustainable Rural Energization (ERUS)									
Component preparation		(0.3)							0.3
<i>Sub-total</i>	8.0	10.2		6.0		1.0	7.0	2.6	34.8
Total (SREP Stage 1)	28.0	20.0	10.0	126.0	60.0	1.0	7.7	20.2	272.9

High SREP funding leverage factor of 1:9