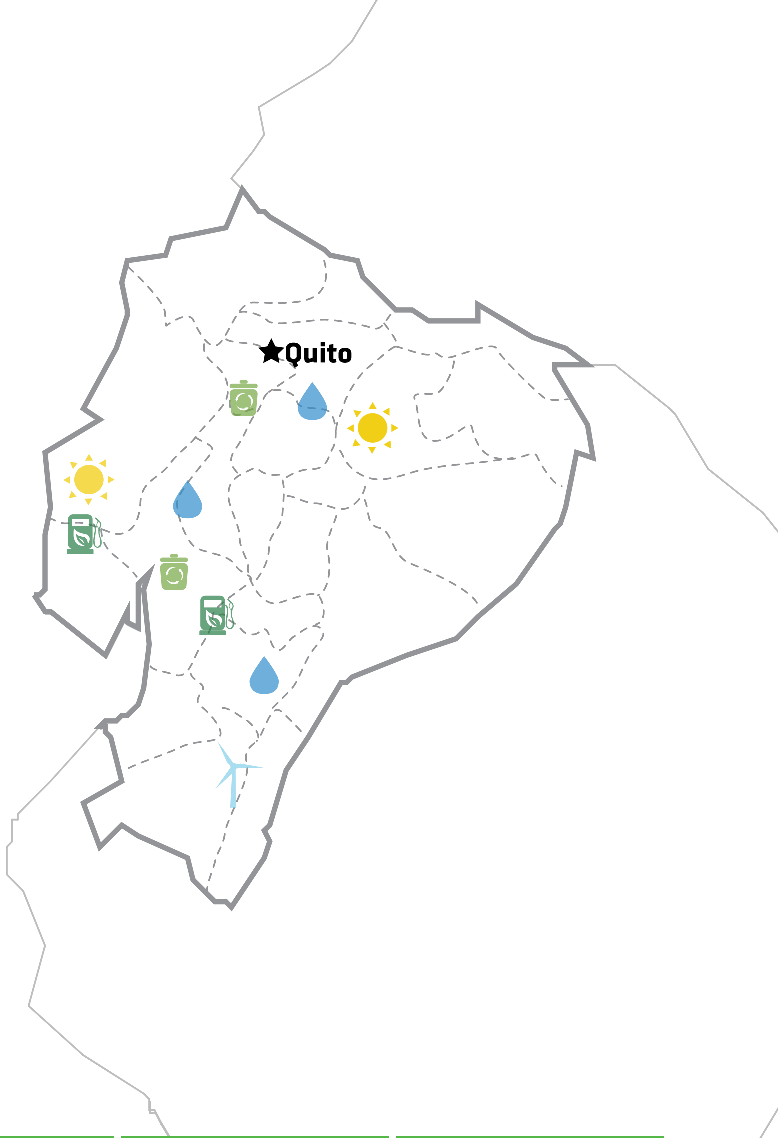
SOUTH AMERICA

Ecuador



GDP: **$100.5bn**

Five-year economic growth rate: **7.6%**

Population: **16m**

Total clean energy investments, 2009-2014: **$331.2m**

Installed power capacity: **5.4GW**

Renewable share: **10.7%**

Total clean energy generation: **2.5TWh**

Top energy authority:

Ministry of Electricity and Renewable Energy

OVERALL RANKING 2014	OVERALL RANKING 2015	OVERALL SCORE 2015
33	31	1.03

PARAMETER	RANKING	SCORE
I. Enabling Framework	**25**	**1.24**
II. Clean Energy Investment & Climate Financing	**30**	**0.46**
III. Low-Carbon Business & Clean Energy Value Chains	**39**	**1.04**
IV. Greenhouse Gas Management Activities	**19**	**1.59**

SCORE SUMMARY

Ecuador's 1.03 overall 2015 score in *Climatescope* placed it 31st among all countries and was a two-position improvement from 2014. Ecuador's 2014 overall score was 0.96.

Ecuador's year-over-year improvement was based ona notable performance on the Clean Energy Rural Electrification and Growth Rate of Power Demand indicators of Parameter I. It also registered improvement in the Parameter III indicators of Financial Institutions in Clean Energy and Value Chains by Clean Energy Sectors.

On Enabling Framework Parameter I, Ecuador finished 25th in 2015, with a score of 1.24. It was 34th in 2014 on that parameter, with a 1.00.

On Clean Energy Investment and Climate Financing Parameter II, Dominican Republic ranked 30th, down 12 positions from the previous year. Its Parameter II scores were 0.46 in 2015 and 0.71 in 2014.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, Ecuador's 39th-place finish in 2015 was a 10-place improvement from its 2014 rank. The country's 2015 and 2014 Parameter III scores were 1.04 and 0.72, respectively.

On Greenhouse Gas Management Activities Parameter IV, Ecuador's 2015 and 2014 *Climatescope* ratings were identical: 19th place at 1.59.

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

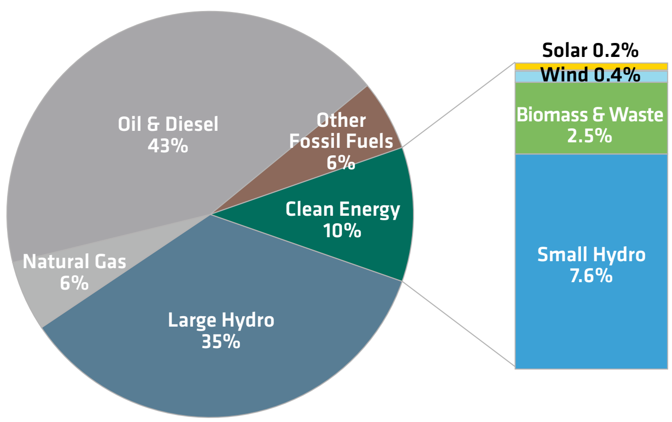
OVERVIEW

Ecuador is one of the few countries in Latin America with a feed-in tariff (FiT) scheme in place, although project development has remained slow. A predecessor Ecuadorian FiT, which expired in 2012, featured high rates and mostly benefited solar photovoltaic projects. The country now offers a non-solar FiT scheme, which is open for applications until 2016.

In Ecuador, the Ministry of Electricity and Renewable Energy (MEER) oversees renewable energy policy and planning. In 2015, the Act Establishing the Public Electric Power Service (LOSPEE) was published, overseeing regulation and structure of the power sector. Under this law, the National Electricity Board (CONELEC) becomes the Agency for Regulation and Control of Electricity (ARCONEL).

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

5.4GW total installed capacity



Source: Bloomberg New Energy Finance, Consejo Nacional de Electricidad

While generation is open to private players in Ecuador, transmission is under the responsibility of state-owned utility Corporación Eléctrica del Ecuador (CELEC EP Transelectric). Distribution is divided between 11 majority-public companies, where MEER is the majority shareholder.

In 2014, Ecuador had a total of 5.4GW of installed capacity, with 43% coming from thermal power, and just over one third from large hydropower. Clean energy encompassing small hydro, biomass, wind and solar plants, amounted to less than 11% of total capacity.

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.

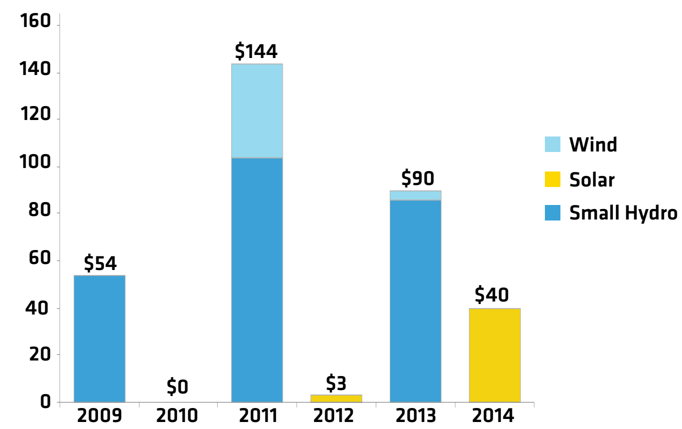
Source: Bloomberg New Energy Finance Policy Library

In 2011, the government published regulation 004/11, which created Ecuador's first FiT scheme for 15-year contracts. Biomass, geothermal, solar photovoltaic and thermal, wave and tidal and wind plants were included. PV plants received the highest tariffs, at $400/MWh. For projects in the Galapagos Islands, a premium was added. The program expired at the end of 2012 and contracted a total of 645MW from 111 projects from biomass, small hydro, solar and wind sources. In spite of the incentives, project development has been quite slow and only a few projects have been commissioned so far.

In 2013, the second edition of the FiT program was launched through regulation 001/13. This time, solar PV was not included, but other technologies may apply. Project applications will be received until December 2016.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 ($m)

$331.2m total cumulative investment



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