



# Colombia

GDP: **\$377.7bn**Five-year economic growth rate: **5.6%**Population: **48.9m**Total clean energy investments, 2009-2014: **\$401.4m**Installed power capacity: **15.5GW**Renewable share: **4.5%**Total clean energy generation: **3.1TWh**Top energy authority: **Ministry of Energy and Mines**OVERALL RANKING  
2014 2015

16

19

OVERALL SCORE  
2015

1.39



PARAMETER	RANKING	SCORE
I. Enabling Framework	26	1.23
II. Clean Energy Investment & Climate Financing	28	0.48
III. Low-Carbon Business & Clean Energy Value Chains	22	2.05
IV. Greenhouse Gas Management Activities	05	2.97

## SCORE SUMMARY

Colombia's overall rank in *Climatescope* 2015 was 19<sup>th</sup>, compared with its 16<sup>th</sup>-place 2014 position. Its quantitative ratings were little changed: 1.39 in 2015 versus 1.33 in 2014.

Colombia's regression occurred despite a notable improvement in the Growth Rate of Installed Capacity Indicator of Parameter I. Colombia also recorded a positive Growth Rate of Power Demand Indicator in Parameter I in 2015.

On Enabling Framework Parameter I, Colombia in 2015 registered a 12-place improvement to 26<sup>th</sup> place. Its 2015 Parameter I score of 1.23 compares with a 2014 score of 0.98.

On Clean Energy Investment and Climate Financing Parameter II, Colombia surrendered seven positions to 28<sup>th</sup>. Its Parameter II scores were 0.48 in 2015 and 0.66 in 2014.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, Colombia in 2015 bettered its 2014 ratings by climbing two positions in 2015 to 22<sup>nd</sup> place at 2.05 from 1.99.

Colombia stayed even with its fifth-place finish on Greenhouse Gas Management Activities Parameter IV. Its 2015 score of 2.97 was not significantly changed from 2014's 2.95.

For further information, access [www.global-climatescope.org/en/country/colombia](http://www.global-climatescope.org/en/country/colombia)

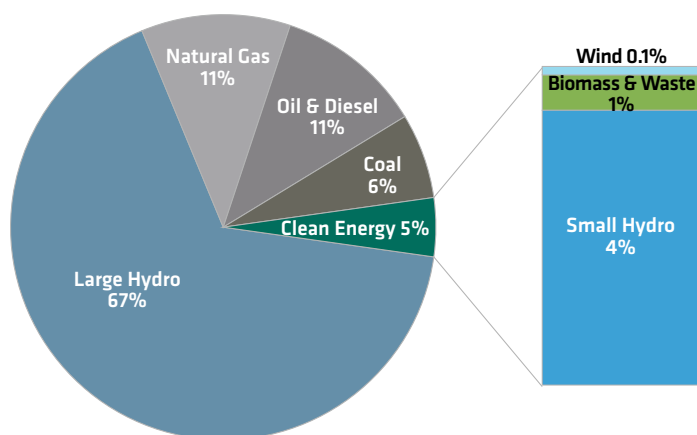
## OVERVIEW

Given its heavy reliance on large, hydroelectric power generating plants, Colombia to date has offered relatively weak policy support to other forms of low or zero-carbon energy. The introduction of a renewable energy and energy efficiency law in 2014 may mark a turning point, as the industry awaits further regulation and incentives.

Previously, the country set a target of 6.5% on-grid and 30% off-grid non large hydro renewable power consumption by 2020. In addition, Colombia enforces blending mandates of 10% biodiesel with conventional diesel and 10% ethanol with conventional gasoline.

### INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

15.5GW total installed capacity



Source: Bloomberg New Energy Finance, XM Compañía de Expertos en Mercados

As of 2014, Colombia had a total installed capacity of 15.5GW. In that year, large hydro represented 65% of the 64TWh generated, with natural gas as the second most important source, with 29% of generation. Clean energy accounted for 6% of generation, mostly coming from small hydro, and to a lesser degree from biomass and wind.

### KEY POLICIES

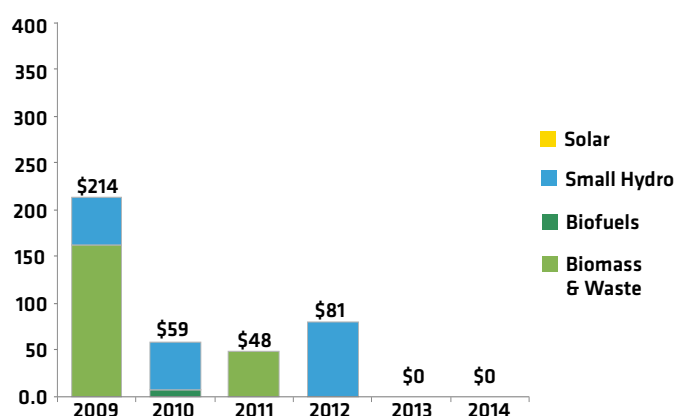
Energy Target	3.5% of on-grid and 20% off-grid generation from renewable sources by 2015.
Biofuels	10% biodiesel blend with conventional diesel and 10% ethanol blend with conventional gasoline.
Tax Incentives	Income tax exemption for wind and biomass generators and import duties exemption on equipment for activities that generate carbon credits.

Source: Bloomberg New Energy Finance Policy Library

Published in October 2001, Law 697 established Colombia's clean energy mandate, with distinct targets for on-grid and off-grid generation. The interim for 2015 was set at 3.5% on-grid and 20% off-grid renewable generation and both were surpassed by 2012. The longer-term 2020 goals also look to be easily achieved. Law 1715 approved in 2014 marks a new direction for the country and future regulation should open up new possibilities for renewable generation in Colombia.

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

\$401.4m total cumulative investment



Source: Bloomberg New Energy Finance

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

Under a December 2002 law, biomass and wind energy generators with projects registered under the UN's Clean Development Mechanism (CDM) may receive income tax and import duties exemption. Meanwhile, a May 2014 law regulates the integration of clean energy technologies on-grid and off-grid and set tax incentives for clean energy generation. It also created a fund for clean energy and energy efficiency to finance programs.

On transportation, since 2010, Colombia has set a 10% biodiesel and ethanol blending mandate with conventional diesel and gasoline, respectively.