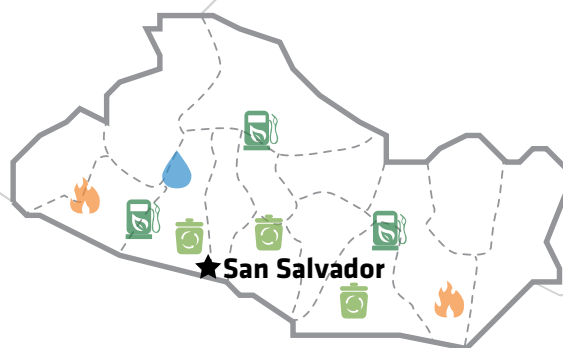




El Salvador

GDP: **\$25.2bn**Five-year economic growth rate: **3.3%**Population: **6.4m**Total clean energy investments, 2009-2014: **\$65.5m**Installed power capacity: **1.6GW**Renewable share: **22.6%**Total clean energy generation: **1.7GWh**Top energy authority: **National Energy Council**
OVERALL RANKING
 2014 2015

27 30
OVERALL SCORE
 2015

1.03

PARAMETER	RANKING	SCORE
I. Enabling Framework	23	1.27
II. Clean Energy Investment & Climate Financing	21	0.64
III. Low-Carbon Business & Clean Energy Value Chains	35	1.22
IV. Greenhouse Gas Management Activities	32	0.98

SCORE SUMMARY

El Salvador's 1.03 overall score in *Climatescope* 2015 placed it 30th among all countries, down from 27th in 2014, when it scored 1.12.

The country's ranking change was driven largely by a decline in the Clean Energy Investments Indicator of Clean Energy Investment and Climate Financing Parameter II. As a result, El Salvador also was penalized by its scoring on Parameter II's Growth Rate of Clean Energy Investments Indicator.

On Enabling Framework Parameter I, El Salvador finished 23rd, down from 14th in 2014. Its Parameter I scores were 1.27 in 2015 and 1.33 in 2014.

On Clean Energy Investment and Climate Financing Parameter II, El Salvador retreated from its fifth-place score of 1.12 in 2014 to 21st in 2015, when it scored 0.64.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, El Salvador improved to 35th place in 2015, with a score of 1.22. In 2014, the country's Parameter III score was 0.84, placing it 46th.

On Greenhouse Gas Management Activities Parameter IV, El Salvador improved four ranks to 32nd, with a score of 0.98. Its 2015 metrics were 36th place with a 0.85 score.

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

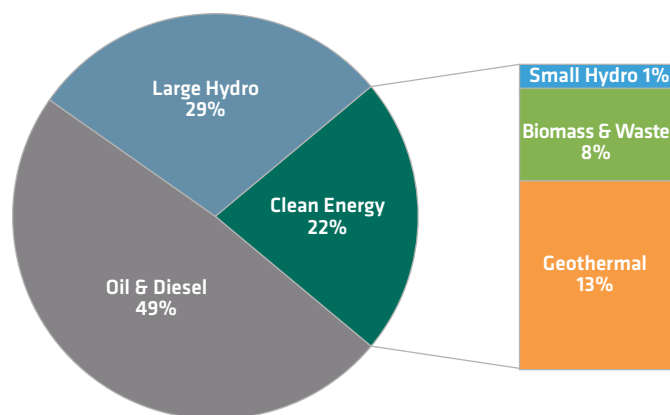
OVERVIEW

El Salvador's National Energy Policy aims to diversify its power matrix and reduce its oil dependency by adding more renewable capacity. The country conducts technology-specific renewable energy tenders and offers income and import tax exemptions to clean energy projects.

With 1.6GW of installed capacity in 2014, oil, hydro and geothermal are El Salvador's main sources of electricity. Out of the 5.8TWh produced that year, 42% came from oil-based generation, 30% from hydro and 25% from geothermal. The remaining power is generated by biomass plants.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

1.6GW total installed capacity



Source: Bloomberg New Energy Finance, Consejo Nacional de Energía

The National Energy Council (Comisión Nacional de Energía, or CNE) oversees the electricity sector in the country, while the Superintendencia General de Electricidad y Telecomunicaciones (SIGET) is the power sector regulator. State-owned Empresa Transmisora de El Salvador (ETESAL) is charged with transmission; Unidad de Transacciones (UT) regulates the wholesale power market and acts as the system operator. El Salvador is also part of the Central American Electrical Inter-connected System (SIEPAC) and is connected to Guatemala and Honduras by 286km of transmission lines.

KEY POLICIES

Tax Incentives	Import duty exemption to clean energy equipment and machinery and income tax exemption to renewable generators.
Auctions	Distribution company Del Sur held the country's first auction and contracted 94MW of solar PV at an average price of \$116.2/MWh.

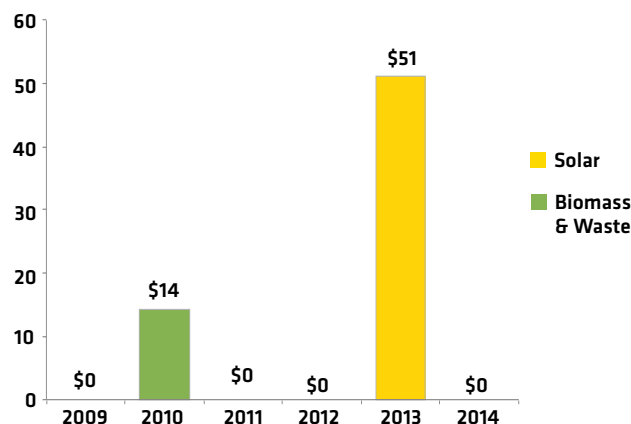
Source: Bloomberg New Energy Finance Policy Library

El Salvador's power market has been unbundled and generation is open to private operators. Around 13 independent power producers (IPPs) are active. One of the largest generators in the country is LaGeo, which initially was a joint-venture between Enel Green Power and El Salvador's state-owned Inversiones Energeticas (INE). After a long litigation process, El Salvador will acquire Enel Green's stake in the project (36.2%) and will become the single owner of LaGeo.

In the country, electricity is contracted between generators and distributors. Tenders have been introduced to replace expiring bilateral power agreements and encourage renewable energy contracts. The first auction for renewable capacity happened in 2014, and contracted 94MW of solar PV capacity that is expected to come online in 2016. Capacity was contracted at a \$116.2/MWh average price under 20-year power purchase agreements.

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

\$218.8m total cumulative investment



Source: Bloomberg New Energy Finance

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