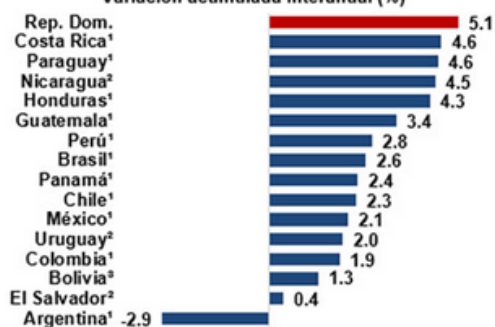


# ARTICLE

## THE BOOMING DOMINICAN ELECTRICITY BUSINESS

The Dominican Republic has maintained the highest economic growth in the region, with an annual average of 5.1% between January and September 2024, according to the Central Bank of the Dominican Republic [1].

**América Latina: Indicador mensual de actividad económica**  
Últimas informaciones disponibles a agosto de 2024  
Variación acumulada interanual (%)



\*Cifras preliminares.  
1/ Cifras correspondientes a variación acumulada interanual a julio 2024.  
2/ Cifras correspondientes a variación acumulada interanual a junio 2024.  
3/ Cifras correspondientes a variación acumulada interanual a marzo 2024.  
Fuente: Bancos Centrales e Institutos de Estadísticas de los países.

Fuente: <https://www.bancentral.gov.do/a/d/6059-economia-dominicana-acumula-crecimiento-promedio-de-51-en-eneroseptiembre-de-2024#:~:text=Econom%C3%ADa%20dominicana%20acumula%20crecimiento%20promedio,en%20enero%20septiembre%20de%202024>

During this period, the energy and water sector reported a growth rate of 4.6%. The International Monetary Fund (IMF) reports that the country's GDP reached \$126 billion, with a GDP per capita of \$11 thousand in 2024 [2].



**Indicador mensual de actividad económica (IMAE)\***  
Tasas de crecimiento 2024 (%)

Actividades económicas	2024
	enero-septiembre
Agropecuario	4.1
Explotación de Minas y Canteras	-6.1
Manufactura Local	4.1
Manufactura Zonas Francas	6.5
Construcción	4.4
Servicios	5.3
Energía y Agua	4.6
Comercio	4.8
Hoteles, Bares y Restaurantes	6.3
Transporte y Almacenamiento	5.9
Comunicaciones	5.1
Servicios Financieros	7.9
Actividades Inmobiliarias y de Alquiler	5.7
Enseñanza	3.3
Salud	4.3
Otras Actividades de Servicios	4.5
Administración Pública	2.2
<b>IMAE</b>	<b>5.1</b>

\*Cifras preliminares.  
Fuente: Banco Central.

Fuente: <https://www.bancentral.gov.do/a/d/6059-economia-dominicana-acumula-crecimiento-promedio-de-51-en-eneroseptiembre-de-2024#:~:text=Econom%C3%ADa%20dominicana%20acumula%20crecimiento%20promedio,en%20enero%20septiembre%20de%202024>

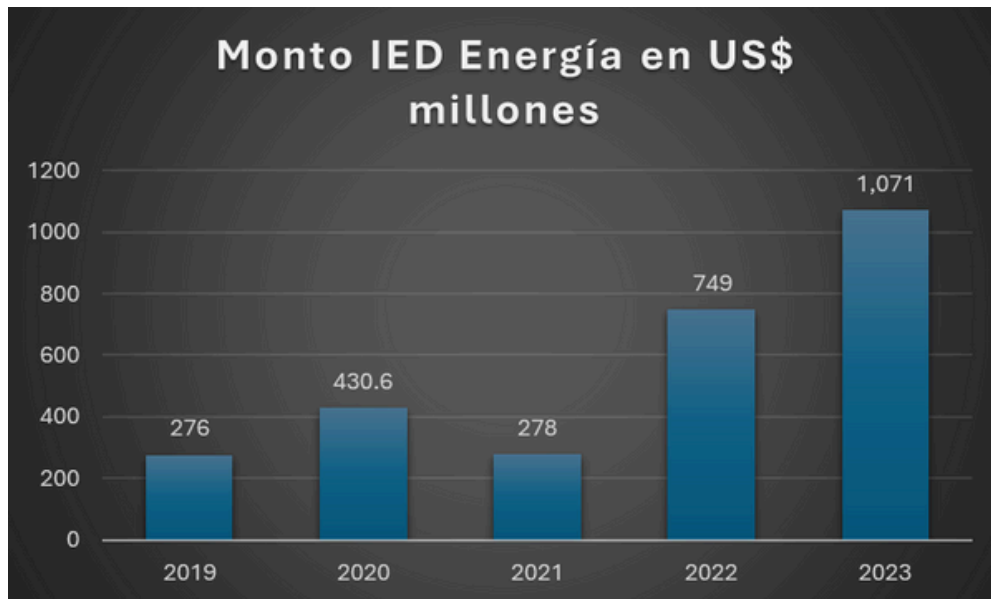
The Performance Report of State-Owned Electric Companies from the Ministry of Energy and Mines shows that, between January and August 2024, 15,203.2 GWh were injected into the National Interconnected Electric System (SENI), an increase of 7.4% compared to the previous year [3].

In addition, the Energy Distribution and Commercialization Bulletin from the Ministry of Energy and Mines reports that energy purchases in August 2022 were 1,593.9 GWh, while in August 2023 they reached 1,767.0 GWh, representing a growth of 10.9%. For the period August 2023-August 2024, energy purchases grew by 10.3%, reaching 1,949.2 GWh in August 2024.

The Inter-American Development Bank (IDB) predicts an annual increase of 2.3% in electricity demand in Latin America and the Caribbean until 2050. In this context, a 10% growth in electricity demand in the Dominican Republic is a positive signal for investments.

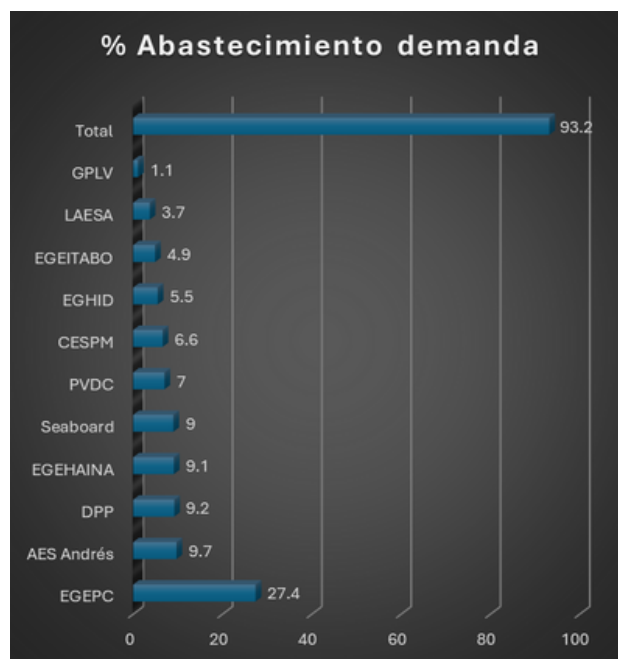


The Dominican electricity sector has shown significant growth in foreign direct investment (FDI), with an increase of 162% in 2022 and 43% in 2023. This growth has been higher than that of other economic sectors such as tourism.



Fuente: Prointeligencia-Prodominicana (<https://prointeligencia.prodominicana.gob.do/dashboard/datamarket/5295a197-d700-4d4e-a660-5760ee8c96d9>)

Statistics indicate a favorable environment for both conventional and renewable energy. Growth in FDI is due to investments in renewable energy and the tendering of 2,000 MW of power purchase agreements between 2020 and 2023. Investments have reflected a change in the generation fuel mix, mitigating the risk associated with international fuel markets. Despite the growth in renewable energy, 93.2% of demand is still met by fossil fuel plants, with 27.4% of energy coming from the state-owned Punta Catalina plant.

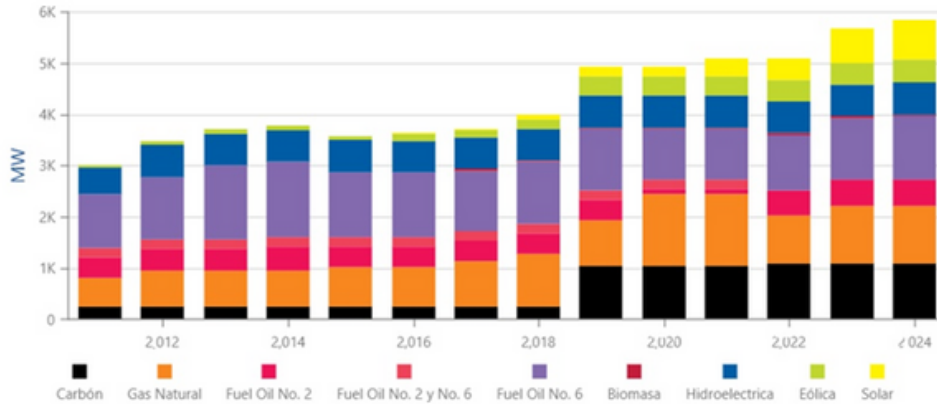


Source: Coordinating Body of the Interconnected Electrical System, November 15, 2024. (<https://www.oc.do/Servicios/Reporte/Demanda>)

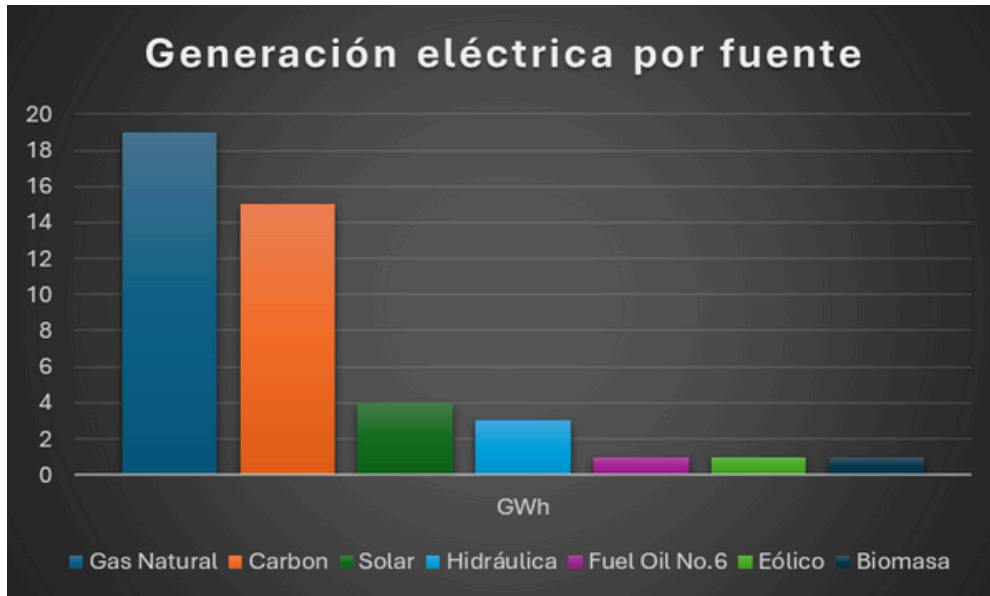
In recent years, the diversity of generation sources has increased, with solar energy and coal standing out, coinciding with the operation of the Punta Catalina thermoelectric plant and the increase in concessions for renewable energy projects.

### Capacidad Instalada [MW]

[ 11/19/2024 ]



Source: Coordinating Body of the Interconnected Electrical System. November 19, 2024. [https://www.oc.do/Servicios/Reporte/CapacidadInstalada]

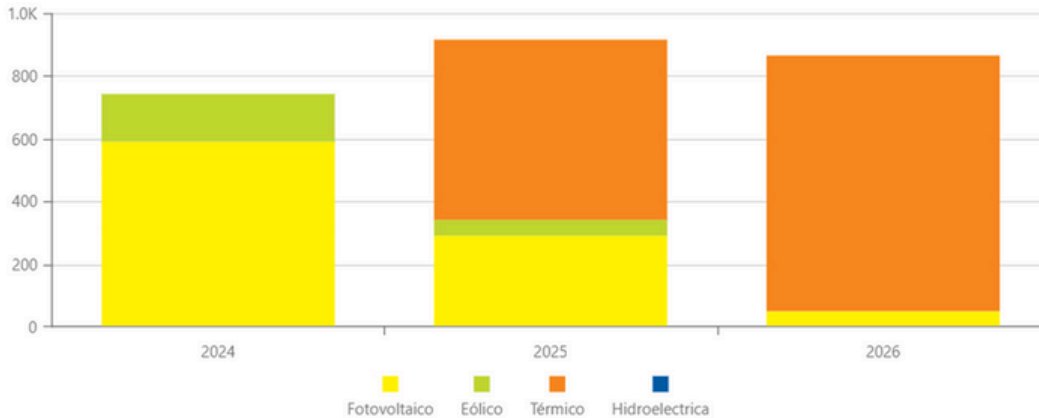


Source: Application of the Coordinating Body of the Interconnected Electrical System November 18, 2024 5:00 PM.

The country's electricity generation growth horizon, reported by the Coordinating Body, is observed in the information on the projects in the interconnection process per year, thus for 2025 it reports 292.6 MW of photovoltaic energy, 50 MW of wind energy, and 72 MW of thermal energy. For 2026, 812 MW of thermal energy and 50 MW of wind energy are reported. It is important to remember that capacity has a differentiated effect on the energy generated by type of technology.

## Proyectos en Interconexión Anual [MW]

[ 11/19/2024 ]



Source: Coordinating Body of the Interconnected Electrical System.  
<https://www.oc.do/Servicios/Reporte/ProyectosInterconexion>

The Ministry of Energy and Mines' Performance Report for August 2024 indicates that Distribution Companies' revenues amounted to 1,340 million dollars, of which 1,311 million correspond to energy sales. Accumulated expenses were 2,327 million dollars, with 2,014 million destined for the purchase of energy, resulting in a negative balance in energy purchases of 703 million dollars. The financial deficit of the sector, originating in the distribution companies EDENORTE, EDESUR and EDEESTE, is absorbed by the government, which contributed 976 million dollars in subsidies.

The IMF, in its 2024 Article IV Consultation, recommends continuing to implement the Electricity Pact signed in 2021 to make the electric service more efficient and sustainable. The government plans to tender renewable energy and operation and maintenance contracts for the Punta Catalina Thermoelectric Plant, in addition to managing electricity distributors under the Public-Private Partnership model [4].

Business opportunities will continue to flourish, as the Dominican government has announced its intention that the Electricity Distribution Companies EDENORTE, EDESUR and EDEESTE hold tenders for the purchase of renewable energy in order to meet the growing demand, which would be structured under the rules established by the Superintendency of Electricity.

The Dominican government has also indicated its intention to tender an O&M contract for the Punta Catalina Thermoelectric Plant. It has also indicated its intention to tender, under the Public Private Partnership model, the management contracts for EDENORTE, EDESUR and EDEESTE, the first step of which would be to improve the financial deficit of these companies.

The electric power business in the Dominican Republic is evolving with economic growth, and although it faces financial and technical challenges, as long as the government's financial support is maintained, the sector will remain stable and the investment climate will be attractive.

## References:

<https://www.bancentral.gov.do/a/d/6059-economia-dominicana-acumula-crecimiento-promedio-de-51--en-eneroseptiembre-de-2024#:~:text=Econom%C3%ADa%20dominicana%20acumula%20crecimiento%20promedio,en%20enero%2Dseptiembre%20de%202024>

1. <https://www.bancentral.gov.do/a/d/6059-economia-dominicana-acumula-crecimiento-promedio-de-51--en-eneroseptiembre-de-2024#:~:text=Econom%C3%ADa%20dominicana%20acumula%20crecimiento%20promedio,en%20enero%2Dseptiembre%20de%202024>
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3. <https://www.imf.org/es/News/Articles/2024/09/10/pr24323-dominican-republic-imf-exec-board-concludes-2024-aiv-consult>

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