

Action Plan for the consolidation of the SIEPAC/MER

The member countries of SIEPAC (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panamá) have agreed to advance, in the framework of the Roadmap of SIEPAC/MER, the following actions to advance toward the consolidation of the Mesoamerican Electricity Market:

Infrastructure and Investments

1. Finalization of SIEPAC's physical infrastructure by the end of 2014.
2. Conduct the investments necessary for each country to adapt the commercial metering capacity of the Regional Transmission System (RTS) in order to give more certainty, precision, and transparency to commercial electricity transactions in the region.
3. Prioritize investments in reinforcement of national transmission infrastructure, agreed to by countries as part of SIEPAC, in order to guaranty the capacity of regional transmission and make possible the robust exchange of electricity in the region in a continuous and uninterrupted form.

Regulatory and Institutional Aspects

1. Oversee the strict compliance of regulatory standards and operation of the regional market implemented by CRIE, effective June 1, 2013.
2. Strengthen the governance and functionality of the MER through the establishment of a Market Oversight Group (*Grupo de Vigilancia del Mercado*), the implementation of conflict resolution mechanisms for the market, and the provision of technical reinforcement to the regional regulating entity.
3. Formulate and apply a tariff mechanism that guaranties adequate remuneration for the RTS.

4. Promote, by December 2014, the implementation of the regulatory framework that permits transactions through Fixed Contracts and a Transmission Rights scheme that gives confidence to countries with long-term fixed contracts and allows for medium and long-term transactions.

Strengthening and Expanding Regional Mesoamerican Integration

1. Implement formal mechanisms for expansion planning of regional generation and transmission that is consistent with the national plans, with the objective of streamlining electricity transactions, the development of renewable energy, and integration to the grid.
2. Establishing an Annual Investor Forum to foster a dialogue with the private sector on policy, regulatory, operational, and market issues fundamental for the development of the Mesoamerican power sector.
3. Continue the efforts to rely on regulation for the integration of extra-regional interconnections, such as Mexico, Colombia, and Belize, which enable a harmonious operation with the MER regulation and which is conducive to energy exchanges to the benefit of Mesoamerica.