



EVEN AS ELECTRICITY DEMAND in Latin America and the Caribbean doubles over the next decade, more than 31 million citizens across the Western Hemisphere still lack affordable, clean, and reliable energy services. Addressing this challenge, the United States and Colombia launched the Connecting the Americas 2022 (Connect 2022) initiative at the 2012 Summit of the Americas with the goal of universal access to reliable, clean, and affordable electricity in one decade, so that families and businesses have the energy they need at prices they can afford. Connect 2022 seeks to increase investment in low carbon electricity by connecting power grids and facilitating cross-border electricity trade from Canada to Chile. Interconnection allows for greater integration of cleaner energy resources and expands the size of power markets. Creating larger economies of scale will attract private investment, lower capital costs, and reduce electricity costs for consumers, making businesses more competitive and creating jobs.

Progress Under Connect 2022 - Advancing the Vision

The United States, Central American countries, Colombia, and Mexico are working to advance the Connect 2022 vision in a number of ways. In 2013, permanent rules for the Central American Regional Market (MER) went into effect, leading to significant growth in electricity trade, making it easier to replace expensive, dirty oil-fired generation with cleaner, cheaper energy sources. Cross border electrical trade has nearly tripled, from 506 GWh in 2013 to 1446 GWh in 2014. The Central American Electrical Interconnection System (SIEPAC) is helping countries facing drought-induced power supply shortages, avoid blackouts and keep schools and businesses open. The completion of the SIEPAC in 2014 also facilitated increasing trade and reliability, connecting 37 million consumers in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

Support for Connect 2022 - Broad-based, Continuing

The U.S. government continues working closely with the Inter-American Development Bank (IDB), the World Bank, the Organization of American States, donors, and private companies, to achieve the full potential of a regional power market. In 2014, with Guatemala and the IDB, we helped bring Central American policymakers and regulators together with the private sector to identify a clear path forward on energy market integration at the Connect 2022 Investors' Summit. Through U.S.-funded technical support, we also work with Central American regulators and grid operators to tackle technical, regulatory, and commercial challenges to expanding trade. Efforts to support the Andean region on electrical interconnection are also ongoing.

