

SOUTH AMERICA



Paraguay

GDP: **\$31.0bn**
 Five-year economic growth rate: **9.1%**
 Population: **6.9m**
 Total clean energy investments, 2009-2014: **\$28.2m**
 Installed power capacity: **8.8GW**
 Renewable share: **0.0%**
 Total clean energy generation: **0.0GWh**
 Top energy authority: **Vice Ministry of Mines and Energy**



OVERALL RANKING	OVERALL SCORE
2014	2015
50	0.49
52	

PARAMETER	RANKING	SCORE
I. Enabling Framework	51	0.49
II. Clean Energy Investment & Climate Financing	43	0.26
III. Low-Carbon Business & Clean Energy Value Chains	53	0.20
IV. Greenhouse Gas Management Activities	25	1.26

SCORE SUMMARY

Paraguay's 0.49 overall score in *Climatescope* 2015 placed it 52nd among all countries, up from 50th position in 2014, when it scored 0.59.

The country lost ground on all parameters except Greenhouse Gas Management Activities Parameter IV, where it held even. Its biggest retreat was four places on Enabling Framework Parameter I, where its performance on the Clean Energy Policies Indicator weakened.

On Enabling Framework Parameter I, Paraguay finished 51st, with a 0.49 score. Its 2014 data was 47th place, with a 0.67 score.

On Clean Energy Investment and Climate Financing Parameter II, Paraguay scored 0.26 in 2015, down from 0.35 in 2014. Its Parameter II ranking was 43rd in 2015 versus 40th in 2014.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, Paraguay's 53rd-place finish in 2015 was one place below its 2014 position. The country's 2015 and 2014 Parameter III scores both were 0.20.

On Greenhouse Gas Management Activities Parameter IV, Paraguay in 2015 matched its 2014 performance with a ranking of 25th and a score of 1.26.

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

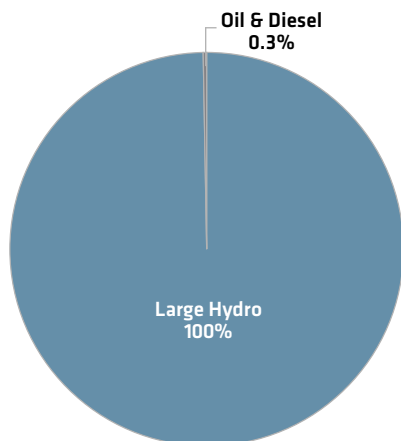
OVERVIEW

With most of its electricity demand met by three large hydro plants totalling 8.8GW, Paraguay has had little incentive to develop a policy framework for other renewable energy sources. In fact, the country is a net exporter of electricity in South America. The only clean energy policy incentive in Paraguay is a biofuel blending mandate for gasoline and diesel.

Paraguay's electricity market is overseen by the Department of Mines and Energy, which is under the Ministry of Public Works and Communications (Ministerio de Obras Públicas y Comunicaciones) and controlled by state-owned vertically integrated utility Administración Nacional de Electricidad (ANDE). ANDE allows the participation of independent power producers (IPPs) according to Law 3009. However, as of 2014, there were no independent power producers registered in the country.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

8.8GW total installed capacity



Source: Bloomberg New Energy Finance, Departamento de Estudios Estadísticos (DP/DES) - Administración Nacional de Electricidad (ANDE)

KEY POLICIES

Biofuels

Mandated 24% ethanol-gasoline blend, and 5% biodiesel blend.

Source: Bloomberg New Energy Finance Policy Library

Paraguay exports power from its large hydro plants to Brazil and Argentina. Besides large hydro, Paraguay has a small group of generators totaling 200MW that use diesel for fuel. In 2014, the country generated a total of 55TWh, more than its much larger South American neighbors like Peru which has a population four times the size of Paraguay's .

The abundant availability of low-cost electricity has a direct impact on retail power prices, which are significantly low – consumers pay on average \$0.07/kWh to purchase electricity from ANDE.

Paraguay mandates that all diesel sold commercially in the country must contain 5% biodiesel and gasoline must contain 18% to 24% of ethanol, depending on octane requirements. In June of 2015, the Paraguayan Congress approved a law to support the consumption of biofuels in the country, requesting on-site pumps for ethanol.