

SPECIAL REPORT

COLOMBIAN ELECTRICITY AND NATURAL GAS REPORT

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INTRODUCTION

1. ELECTRICITY SECTOR

2. NATURAL GAS SECTOR

BIBLIOGRAPHY

INTRODUCTION

This study presents an overview of the Electricity and Natural Gas Sectors in Colombia. The information contained herein that serves as the basis for graphs, charts and analysis comes from the following government agencies, trade organizations, or companies: Ministerio de Minas y Energía ("Ministry of Mining and Energy"; Minminas), Unidad de Planeación Minero Energética ("Unit of Mined Energy Planning"; UPME), Comisión de Regulación de Energía y Gas ("Regulatory Commission for Energy and Gas"; CREG), Superintendencia de Servicios Públicos Domiciliarios ("Superintendent of Public Utilities"; SSPD), Asociación Nacional de Empresas de Servicios Públicos Domiciliarios y Actividades Complementarias e Inherentes ("National Association of Public Service Company domiciliary and ancillary activities and inherent"; ANDESCO), Agencia Nacional de Hidrocarburos ("National Agency of Hydrocarbons"; ANH), Interconexión Eléctrica (ISA), XM, Naturgas, Promigas, Ecopetrol, and British Petroleum.

In accordance with the expressed needs of the Japan Bank for International Cooperation (JBIC), this study contains two main chapters: 1) a detailed re-

view of the electricity sector and 2) an analysis of the current state of natural gas sector.

The first chapter begins with a review of the previous 10-year history as well as the projections for variables such as: available electricity production capacity, energy generated, demand and prices. The following section analyzes the pricing structure, which is followed by a section that reviews the main players, focusing on ISAGEN and EMGESA's market position. It continues by describing and explaining the regulatory structure of the sector, reviews new projects under construction and its perspectives, and updates the status of the privatization processes of the regional electric companies. Finally this chapter concludes with an overview of Colombian energy exports.

The second chapter is devoted to natural gas. As such, it begins by reviewing the last decade and providing projections for: production level, proven reserves, demand of natural gas and its price. It also analyzes gas transportation infrastructure, pricing mechanisms and regulatory environment. Finally, it lists the major players in different segments of the gas sector.