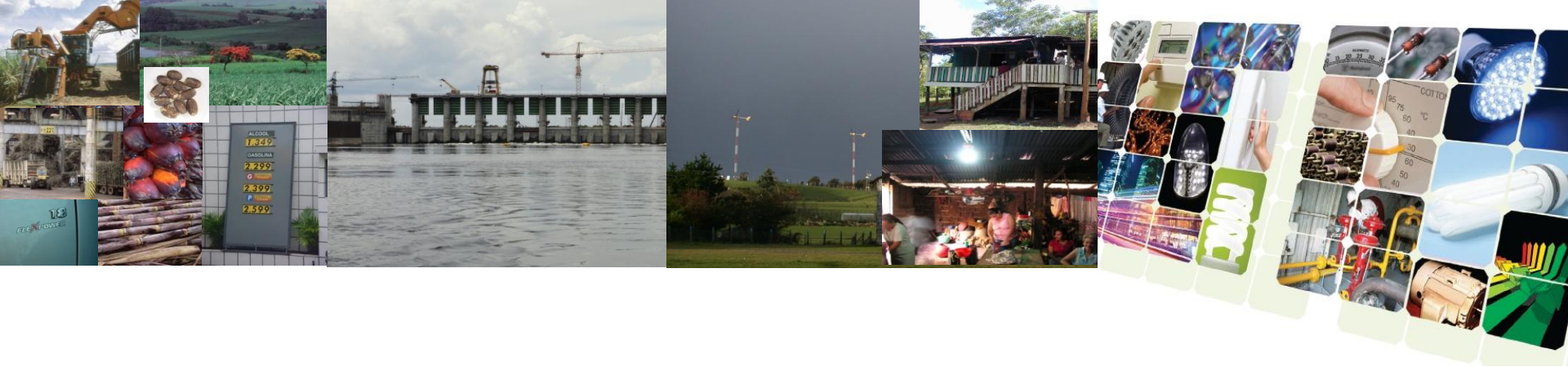




support to EE

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Presentation Outline

- **Available instruments at IDB to support the development of sustainable energy**
- **Examples of supported EE projects, specially in Mexico**

Inter-American Development Bank - IDB

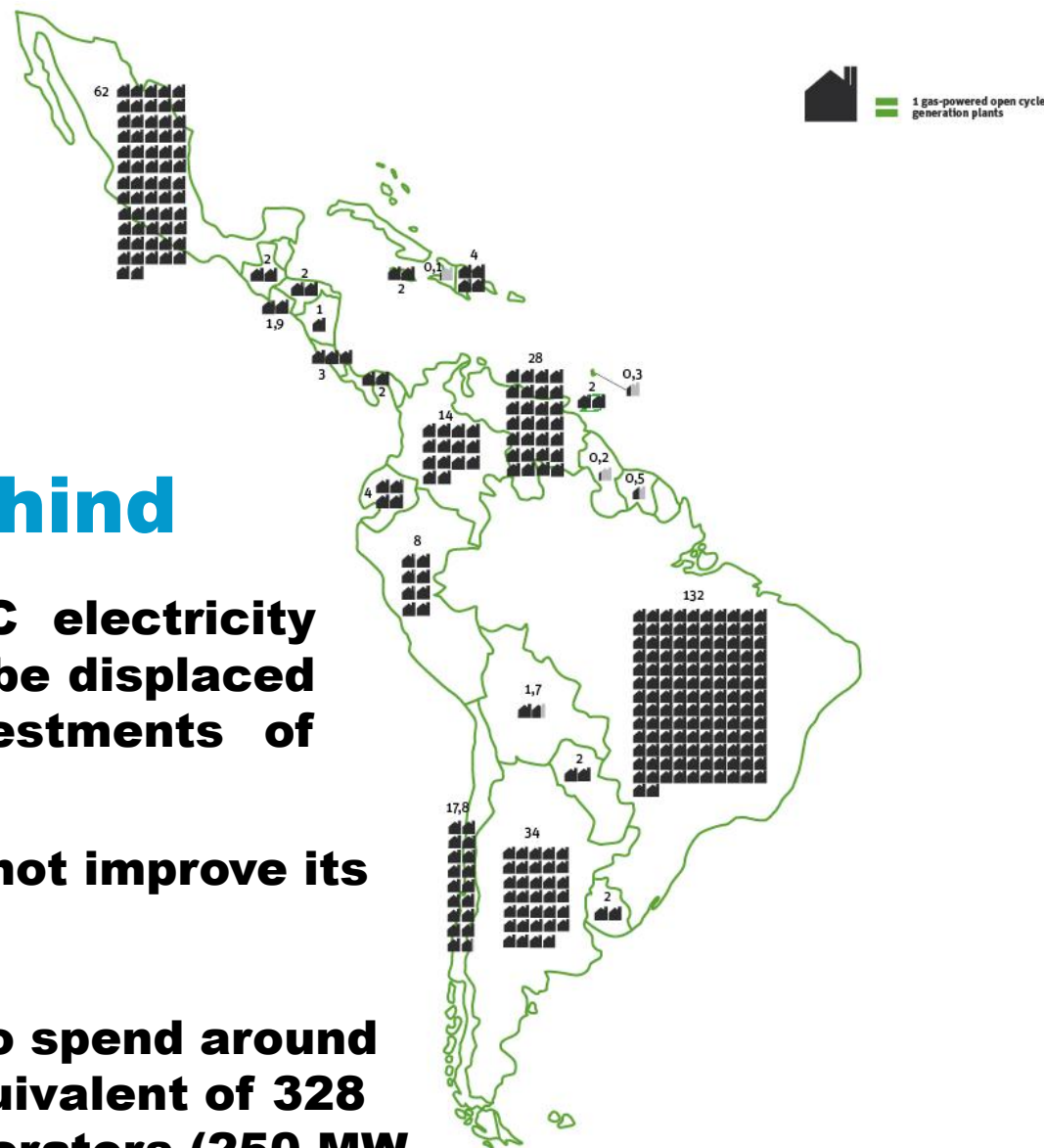
- **Oldest regional development bank (1959):** 48 member countries - 26 borrowers (with >50% votes in the Board); offices in all borrowing countries; finances both private and public sector projects, with or without sovereign guarantees. The IDB Group encompasses 3 institutions: the Inter-American Development Bank, the Inter-American Investment Corporation – IIC and the Multilateral Investment Fund - MIF.
- **Main source for LAC* regional financing**
 - ✓ Approved loans/guarantees since its creation: US\$ 197 billion (1961-2010)
 - ✓ Overall leveraged investments (project costs): US\$ 420 billion
 - ✓ Non-reimbursable technical cooperations (grants): US\$ 4.1 billion
- **Loans/guarantees to Energy Sector:** US\$ 27 billion (1961-2010)
 - ✓ Main item in Bank's pipeline with 14% of total Bank loans/guarantees
 - ✓ 40% for hydroelectric powerplants; 20% for transmission systems; 20% for rural electrification; 20% other (EE, Biofuels, O&G, etc.)



Available support instruments at IDB

- **Loans and guarantees:**
(US\$ 12.5 billion in 2010, for all sectors; US\$ 1.13 billion for energy)
- **Non-reimbursable technical cooperation (TCs):**
(US\$ 830 million in 2010, for all sectors)
 - Trust funds established by donors and managed by the Bank (HSET/DOE, JSF/JPO Japan, EC, Spain, UK, Netherlands, France, Austria, Switzerland, etc), including operations from the Multi-lateral Investment Fund (MIF), Infrafund and from the Global Environment Facility – GEF
- **More than a Bank:** seeking sustainable economical development of LAC countries; General Capital Increase (GCI-9) requires increase of loan volume to climate change and sustainable energy projects to 25% of total volume





EE: LAC lags behind

10% (143,000 GWh) of LAC electricity consumption by 2018 could be displaced by EE measures with investments of max. US\$17 billion

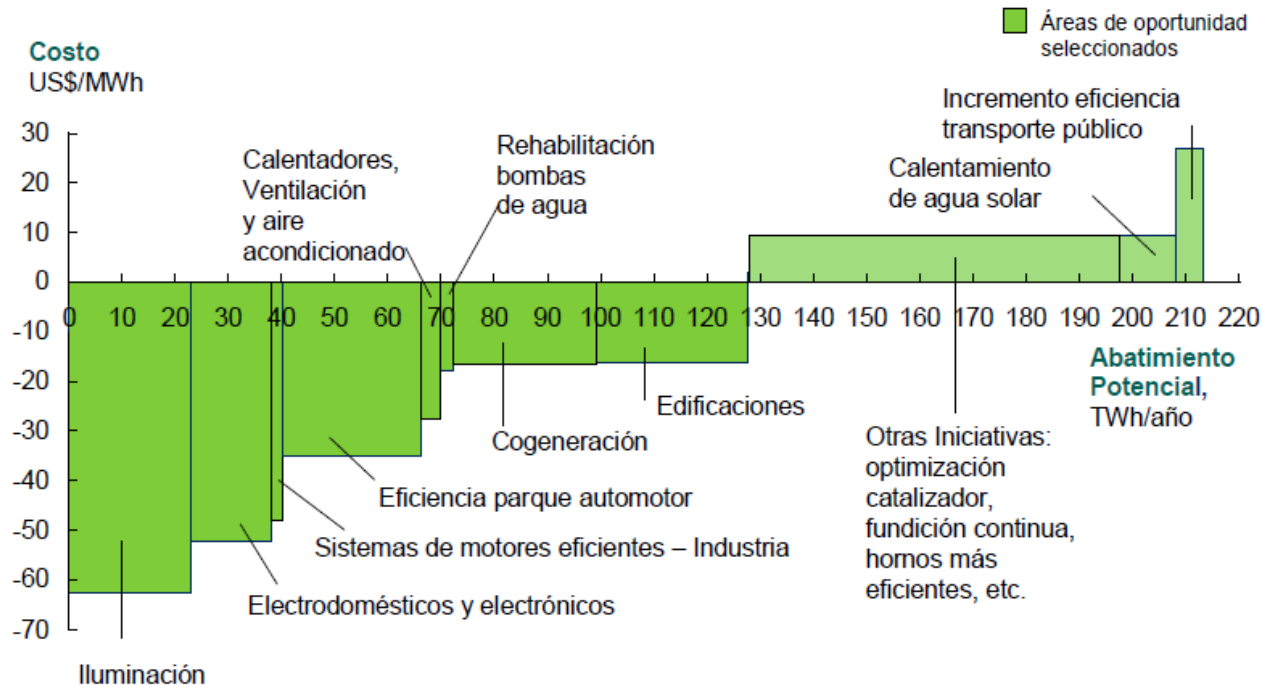
And what if the region does not improve its energy efficiency?

In that case, LAC will need to spend around US\$53 billion to build the equivalent of 328 gas-powered open cycle generators (250 MW each) necessary to produce the same 143,000 GWh of power

National Program for the Sustainable Use of Energy - (PRONASE)

A US\$750k Technical Cooperation to prepare PRONASE (the National EE Program), approved by President Calderón and published on November 27, 2009

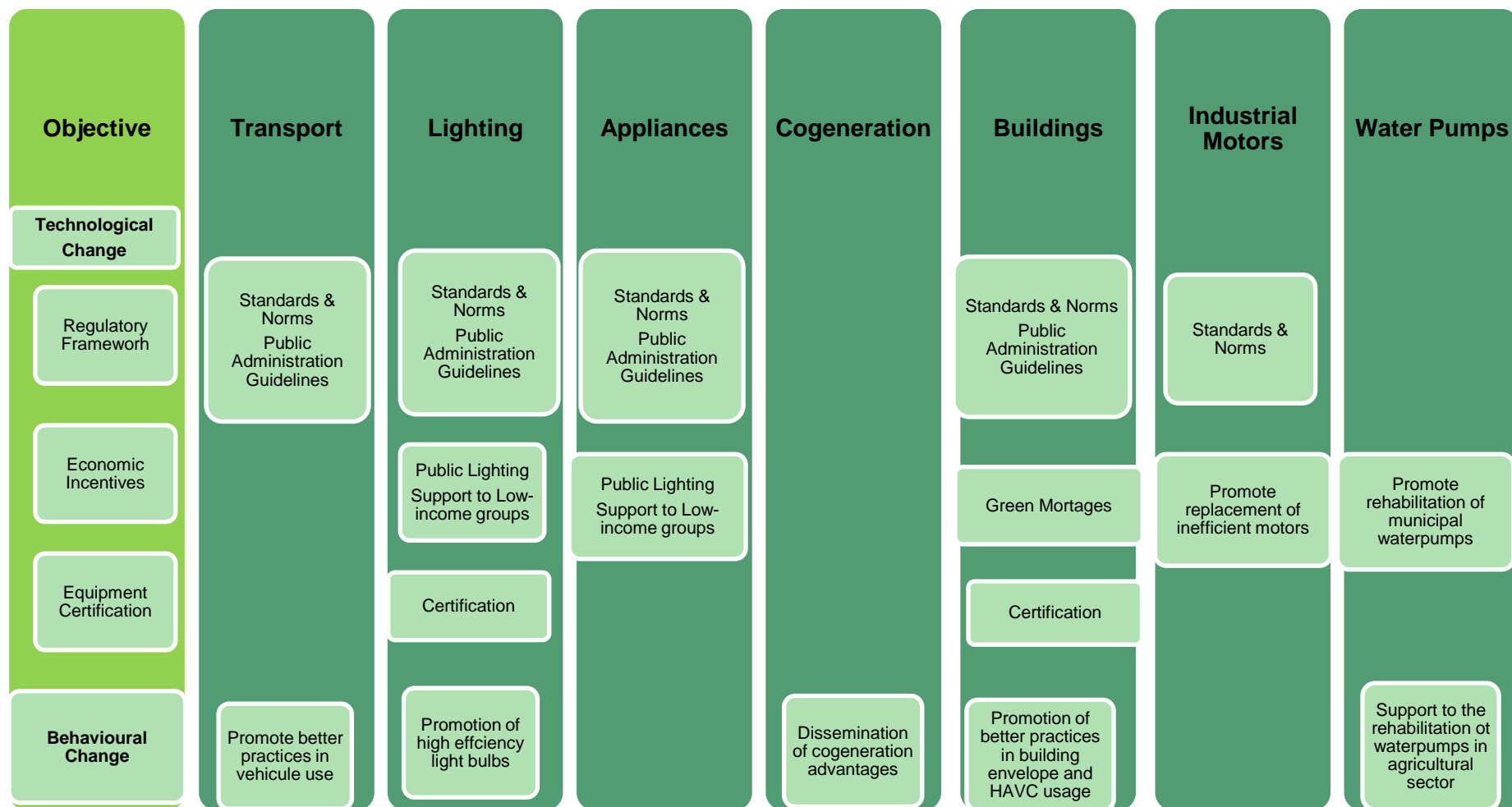
Áreas de oportunidad enfocadas en usos finales de energía



FUENTE: McKinsey GHG abatement cost curve V 2.0, análisis CONUEE



PRONASE Action Lines

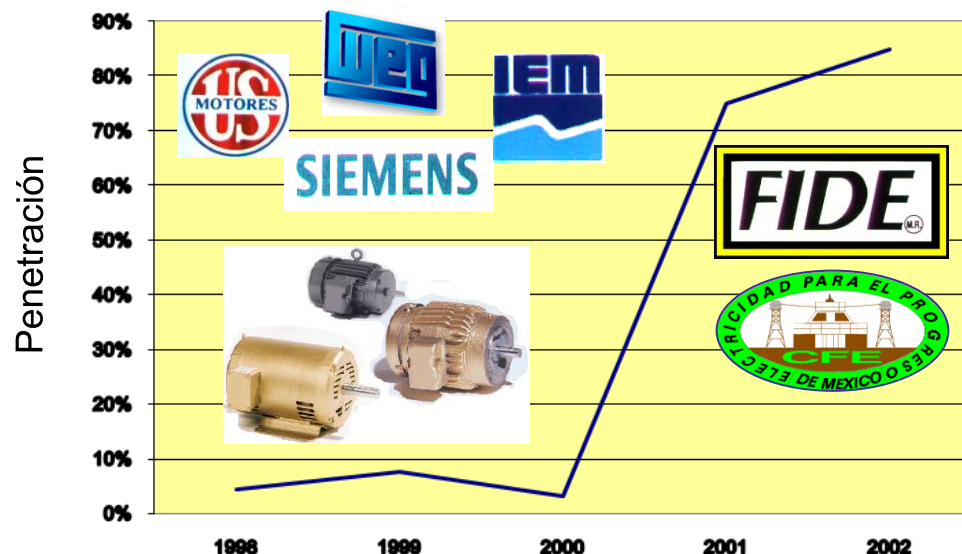


Source: CONUEE

Example of an EE project in Mexico: FIDE-CFE-NAFIN

A US\$ 47 million Loan Program* to finance several EE measures in the industry and commerce:

- **Rebates for efficient electric motors, compressors and lighting systems**
- **ESCOs development and certification; MDL methodology preparation**
- **Cumulative savings as result of the project until its completion: 5.274 GWh and 270 MW, plus 3.8 million ton CO2 reduction**
- **Design of a EE guarantee fund**



Project Objective and Description

Title: “Residential Applications of Energy Efficiency (EE) and Renewable Energy (RE) in Baja California”

- *Comisión Nacional para el Uso Eficiente Energía (CONUEE)*
- *Comisión Estatal de Energía de Baja California (CEE)*
- Objective: Support the Mexican Government, through CEE in the promotion of EE/RE through pilot projects **in existing low-income homes in Baja California.**
- Grant Funding: *JAPANESE TRUST FUND FOR CONSULTANCY SERVICES (JCF)*; US\$749.000
- Executors: BID/CEE – Padeco
- Time schedule: Nov 2010 - August 2012



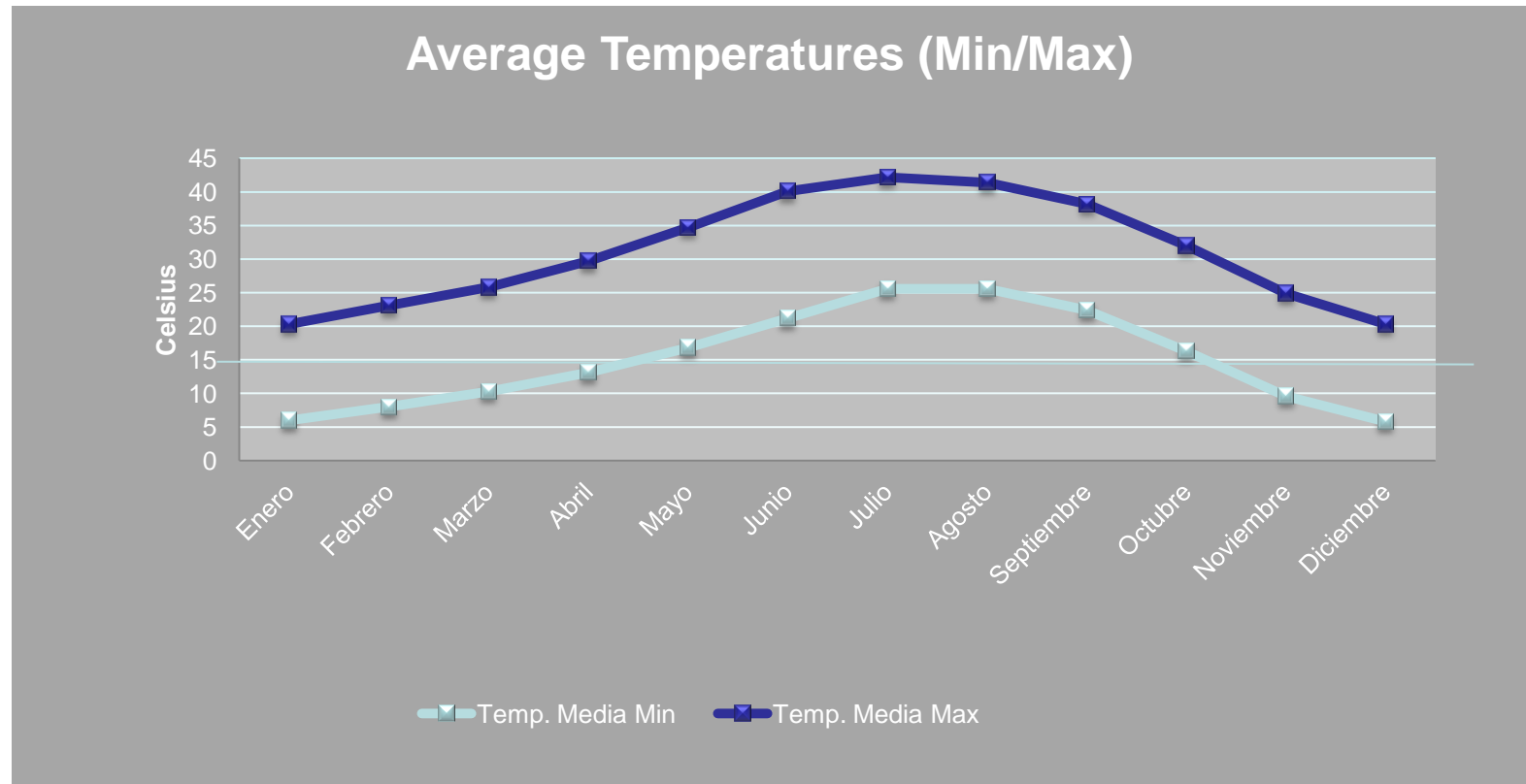
Present Situation of existing low-income homes in Mexicali

- Low-efficiency household equipment
 - HVAC, refrigerators, lighting, etc
- No proper thermal insulation
- Poor solar radiation protection (windows/shades)
- Comfort issues in Summer
 - Indoor temperatures more than 25C (77F) despite high energy consumption
 - In order to reach better comfort level, a 40% increase in energy consumption would be required



Project Characteristics

- Extreme Temperatures of Mexicali



EE improvements being installed in pilot projects

- New thermal insulation in roofs and walls
- Change of lighting systems
- Substitution of HVAC and refrigerators
- Other improvements

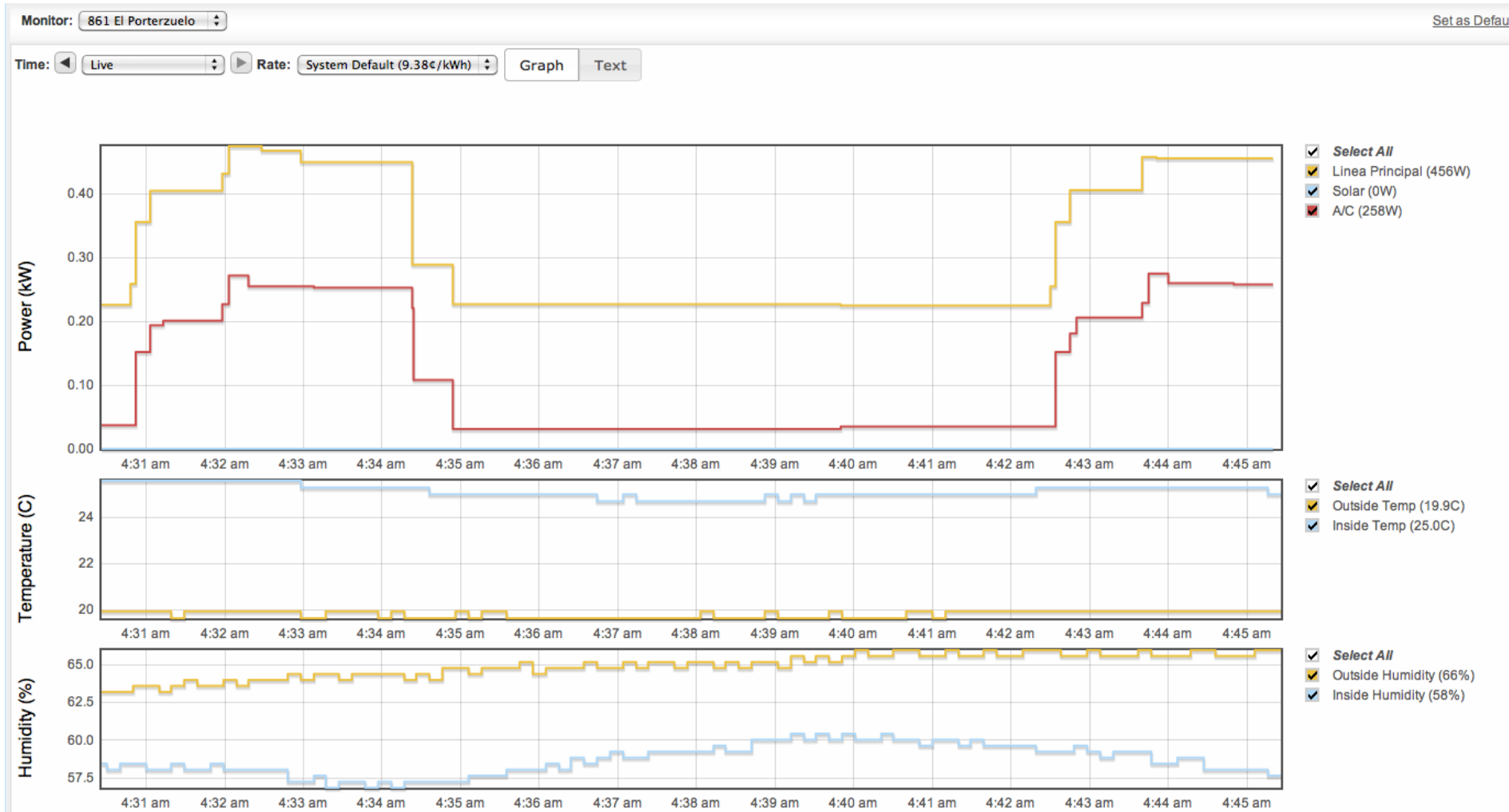


Before and After





Data Monitoring (Oct 21, 2011)



IDEAS Contest

Provide non reimbursable resources to develop ideas and innovative concepts on sustainable energy (access/rural electrification, energy efficiency, renewable energy, biofuels), replicable in LAC and possible of scaling-up.

- First round (2009): 1094 proposals; 850 eligible
- 264 finalists.
- 26 winners (<US\$200k each)
- Event with partners and winners Cartagena Nov.2010



IDEAS 2011:

The 2nd contest in 2011 received more focused 300 proposals. New sponsors will support continuation of works started by 2009 winners.

What's your bright idea?



IDEAS

Energy Innovation Contest

Up to \$200,000
(USD) per project!



THANK YOU

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