



ENERGY FACT SHEET

January 2016

BACKGROUND

Haiti is facing two energy challenges: a broken electricity sector and dependency on charcoal. Even before the 2010 earthquake, the power sector in Haiti was among the most challenged in the region. Only about one-quarter of the population had access to electricity. Of these consumers, half were connected to the electrical grid illegally. In place of a national grid, the national power utility, Electricité d’Haïti (EDH), operates one primary grid serving the Port-au-Prince metropolitan area and a small number of isolated power grids for the rest of the country. Existing distribution systems are weak and require rehabilitation.

Even for those with access to electricity, reliability is inconsistent. Users in Port-au-Prince, for example, have an average of 10 hours of service per day. This lack of reliability requires many businesses and households to install costly, inefficient, and environmentally unfriendly diesel generators. Although residential tariffs in Haiti are relatively low compared with other fossil-fuel-dependent countries in the region, commercial and industrial tariffs are amongst the highest. This lack of access to affordable and reliable power hinders investment, constrains the development of productive businesses, and degrades living standards for residential customers.

KEY CHALLENGES

Lack of Government Capacity: Overall governance of the power sector is in need of reform. The national utility, EDH, faces considerable technical and managerial difficulties that result in persistent commercial losses. It is estimated that the EDH requires an annual Government of Haiti (GOH) subsidy of more than \$200 million a year – equivalent to 12 percent of the national budget – to maintain its operations.

Billings and Collection: Electricity tariff collections in communes where residents have historically connected illegally to the EDH grid continue to be very low. As such, the national utility is not able to cover all costs associated with generation, transmission, and distribution – much less make investments that are necessary for improving/expanding the provision of electricity service.

USAID STRATEGY & ACTIVITIES

The U.S. Agency for International Development (USAID) is focusing its efforts on demonstrating that a sustainable electric utility can operate in Haiti. A pilot program is in place in the north with a power plant providing continuous, reliable electricity to the tenants of the Caracol Industrial Park (CIP) as well as residences and businesses in four surrounding communities. The objective of USAID’s program is to establish a financially viable electric utility that provides dependable, affordable electricity to customers while implementing a payment structure that results in a high collection rate of electricity bills. One key

goal is to create an environment that will attract private sector interest in taking over the utility's operations and maintenance responsibilities, resulting in the long-term sustainability of the electric utility. Key activities to support this program include:

Caracol Industrial Park (CIP) Power Plant: USAID funded the construction of a 10 megawatt (MW) power plant with transmission and distribution facilities to serve the CIP tenants as well as commercial and residential customers in the surrounding villages.

Pilot Project for the Sustainable Electricity Distribution (PPSELD): Until a public private partnership arrangement for operation and maintenance is put in place, USAID is funding a U.S. firm to manage the plant, put in place operating systems (meter installation, billing practices, line repair and maintenance) and collection procedures for the tenants in the CIP and to customers within the surrounding communities of Caracol (including Village la Difference housing development), Trou-du-Nord, Sainte Suzanne, Terrier Rouge, and Limonade.

KEY ACCOMPLISHMENTS

Launched new power grid in the North: The utility in the north has made in-roads in reducing electricity theft, properly installing connections and improving collection of electricity bills for customers with working meters. USAID's support is providing reliable, continuous electricity service to all of the tenants in the CIP and more than 8,000 households and businesses in adjacent communities, some of which are being connected to the grid for the first time ever. For those customers with regularized electricity service (proper connections and meters), the collection rates for electricity bills is above 90 percent, compared to below 25 percent for those customers without regularized service.

Generated new demand for alternative energy: More than 90 percent of Haitian energy needs are met through the use of firewood and charcoal. To help address this issue and spur growth in the clean energy sector, USAID has facilitated significant progress toward helping Haiti make the switch from charcoal to cleaner, more efficient cookstoves. Since 2011, USAID's Improved Cooking Technology Project (2011-2015) helped more than 100,000 households convert from charcoal to more efficient cookstoves. With seed money from USAID, today Haiti has a thriving private market for affordable, clean-energy cookstoves.

Improved electricity supply for urban customers: In Port-au-Prince, USAID's upgrades to five electrical sub-stations have improved service for 72,000 customers following the earthquake.