

Mesoamerican energy integration, current status and perspectives

Victor Hugo Ventura*

The Mesoamerican region consists of 10 countries located in the northern region of Latin America (Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Dominican Republic), has an area of 3,65 million km², a population of around 212 million inhabitants and a Gross domestic product (GDP) of US \$ 1.406,0 estimated regional billion (2010). With a privileged geographic location and historical ties of long standing, is in the new millennium when countries – as a single region- have begun initiatives to promote cooperation and integrated development. However, in energy issues, cooperation initiatives date back to the last decades of the last century (eg Mexico's oil cooperation with Venezuela and Central American and Caribbean countries or at subregional level, the efforts of the Central American electric interconnection).

The energy situation in the Mesoamerican countries and the main figures (fossil fuels and power industry) are analyzed. The differences in size and characteristics of the economies, level of development and resource endowments determine the basis for complementarity and energy cooperation in the countries of the Mesoamerican region.

The situation of energy integration initiatives is presented. The advances in electrical interconnection are discussed in greater detail: the process of setting up a regional electricity market in Central and the interaction with two large-scale electrical systems (those of Mexico and Colombia). On the electrical integration perspective we examine the regulatory harmonization efforts, the formation of energy supranational bodies and the trend of investments derived from this initiative.

Regarding renewable sources, we discuss current concerns to reduce the use of hydrocarbons (related to reduction of greenhouse gases and impacts of oil shocks). Other issues presented are related to energy security and the possibilities of cooperation and complementarity in hydrocarbons (oil products, coal and natural gas).

This allows us to formulate thoughts and reflections on the feasibility, potential and suitability of the Mesoamerican region as an integrated energy development space.

* Chief, Energy and Natural Resources Unit, Economic Commission for Latin America and the Caribbean (ECLAC), Mexico subregional headquarters.