



COUNTRY ASSESSMENT REPORT Dominican Republic

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1.1 Country Assessment Report Template

Country Name	Dominican Republic
Introduction	The Dominican Republic is actively diversifying its energy mix, driven by a need for energy security and reduced reliance on fossil fuel imports. This transition is supported by a strong policy framework, including the <i>National Energy Pact</i> and <i>Electricity Sector Law 125-01</i>, which set a national <i>target of 30% RE generation by 2030</i>. While fossil fuels and natural gas continue to play a significant role within the region's energy mix, market drivers such as; sustained investment through FDI and compliance backing through policy frameworks has driven significant growth in domestic RE capacity and utilisation. (PV, 2025) RE deployment has been led by utility scale wind and solar projects, such as the <i>Los Cocos</i> and <i>Larimar wind farms alongside</i> expanding solar PV installations. The DR's centralised dispatch system supports the traceability of RE generation, creating favorable conditions for EAC issuance. (SFA, 2024) Growing RE supply, combined with increasing demand from corporate electricity consumers seeking to meet ESG and scope 2 emissions commitments, positions the DR well for development of a credible, voluntary EAC market aligned with international standards.

1.2 Electrical Generation and Demand

Generation	Technology	Volume (GWh)
	Wind	4.65% - 1129 GWh
	Hydro	5.93% - 1438 GWh
	Fossil/Thermal	45.48% - 11,036 GWh
	Natural Gas	38.14% - 9254 GWh
	Solar	4.87% - 1129 GWh (IEA, 2023)
	Total	24,263 GWh
Demand	Sector	Demand (TJ)
	Residential	30.7% - 22 930.0
	Commercial/Service/Public Sector	25.0% - 18 666.0
	Transport	0.3% - 257.0
	Industrial	34.0% - 25 377.0
	Agriculture and forestry	6.23% - 4 655.0
	Other	3.77% - 2824.0 (IEA, 2023)
	Total	74,709 TJ

1.3 Electrical Interconnection and Import/Export

Connected country	Capacity (MW)	Annual import from country (GWh)	Annual export to country (GWh)
Additional information	At present, the Dominican Republic is not a significant importer or exporter of electricity, as its national grid operates almost entirely in isolation from neighboring systems (IEA, 2025). However, there are emerging opportunities amid ongoing talks of improving regional interconnectivity with neighboring regions. The most advanced initiative is the "<i>Hostos Project</i>," a private-sector plan by the <i>Caribbean Transmission Development Company (CTDC)</i> to install a 146 km submarine High Voltage Direct Current (HVDC) cable linking the Dominican Republic and Puerto Rico (Energy.gov, 2023). This <i>700 MW</i> bidirectional link is designed to enhance energy security, provide "blackstart" emergency recovery capabilities for the Puerto Rican grid, and facilitate cross-		

island energy trading. The project, which has partnered with Siemens Energy for generation and conversion solutions, is currently undergoing evaluation for a U.S. presidential permit with commercial operations tentatively slated for 2031. ([US. DoE, 2025](#))

Future Possibilities and Regional Projects

The idea of interconnectivity is often considered within a broader Caribbean context, as part of regional initiatives to create a more resilient and cost-effective energy market.

PWRLINKCAR Project: Researchers from the Dominican Republic, the US, and Europe are involved in the *PWRLINKCAR project*, which explores a potential Caribbean energy corridor connecting major islands, including *Hispaniola, Cuba, Jamaica, and Puerto Rico*, via submarine cables. The project aims to improve energy security, stability, and facilitate the integration of renewable energy sources across the region. These bilateral projects are part of a broader, long-term vision within the Caribbean to establish a resilient, interconnected regional grid. ([ICREPO, 2024](#))

1.4 Market Structure

As of early 2026, the market is undergoing significant expansion in renewable capacity to meet a government target of 25% renewable energy by 2026. The market is moderately liberalized; while distribution is dominated by three state-owned companies (EDEste, EDENorte, EDESUR), private investment is highly prevalent in the generation sector. Large-scale users, known as Non-Regulated Users (UNRs), are permitted to purchase energy directly from generators via bilateral contracts.

The country operates a Wholesale Electricity Market (MEM) with two primary segments: a spot market for hourly transactions and a term contract market for bilateral agreements. Superintendencia de Electricidad (SIE) is the principal regulator overseeing technical and commercial compliance with Comisión Nacional de Energía (CNE) focussing on energy planning and policy.

The country utilizes the International Renewable Energy Certificate (I-REC) system to allow generators to track, trade, and claim renewable energy consumption. This is vital for private sector entities (e.g., in tourism and manufacturing) seeking to meet global sustainability targets. As of mid-2025, the government has advanced the design of a Pilot ETS. This system targets the electricity generation and cement sectors, featuring a robust monitoring, reporting, and verification (MRV) framework to reduce emissions by 27% by 2030. In 2024–2025, the country launched its Green Taxonomy (TVRD), a classification system to align investments with environmental objectives.

[Green Taxonomy - Climate Change Laws of the World](#)

[Dominican Republic Advances Design of Pilot Emissions Trading System | UNFCCC](#)

1.5 Responsible Government Department

- Ministry of Energy and Mines (MEM): The supreme executive body responsible for formulating national policies regarding electricity, renewable energy, and mining. The government has recently integrated a Green Taxonomy and advanced an Emissions Trading System (ETS) pilot, with the Ministry of Environment acting as the focal point for emissions monitoring and reporting (MRV) in this context.
- Comisión Nacional de Energía (CNE) - The primary agency for energy planning and policy execution. It defines state energy policy, approves concessions for renewable energy projects, and manages incentives under Law 57-07. The CNE is the official government contact for matters related to renewable energy planning and is a central partner for international agencies like IRENA.
- Superintendencia de Electricidad (SIE) - The sector's regulator, responsible for ensuring compliance with laws

and technical standards. It oversees the commercial and technical operation of the National Interconnected Electric System (SENI) and protects consumer rights through its Protecom offices.

- Organismo Coordinador (OC): A technical entity that coordinates the physical dispatch of energy and performs the commercial settlements of the wholesale market.

1.6 Existing/Planned Legislation

While current laws do not explicitly mandate the use of EACs, they create a robust framework that supports their market integration and validity. There is a lack of explicit legislative recognition for EACs as a mechanism for green claims. Currently, I-REC(E) functions as a voluntary market tool utilized by the private sector to meet international standards (like RE100), rather than a government-mandated compliance instrument.

Existing laws

- Law 57-07 ([Renewable Energy Incentives Law](#)): This is the core regulatory framework for clean energy. It mandates a goal of 25% renewable energy by 2025 (recently reaffirmed for 2025/2026) and provides significant tax exemptions for renewable equipment. While the law focuses on fiscal incentives, its goal-setting may provide the issuance and demand signal for tracking tools like I-RECs to prove compliance.
- [General Electricity Law 125-01](#) This law establishes preferential dispatch rights for renewable energy, ensuring it is fed into the grid before fossil sources. This priority supports the physical generation necessary to issue environmental certificates.
- Decree 65-23: Modernizes the integration of renewables by requiring generators to provide detailed operational data to the Organismo Coordinador (OC). This data transparency is critical for verifying the generation data used in I-REC issuance.

Upcoming Legislation and Policy Developments

- Green Taxonomy (TVRD): Launched in 2024–2025, this classification system defines which economic activities qualify as "green". It may impact EACs by providing a formal state-backed definition of sustainable energy, likely increasing the demand for certified I-RECs among financial institutions and large corporations.
- Proposed Climate Change Law: The Presidency is currently drafting a comprehensive Law on Climate Change. This legislation is expected to formalize carbon pricing mechanisms and potentially integrate a national Emissions Trading System (ETS), which could either use or run parallel to existing certificate systems.
- Law 37-25 (Hydrocarbons): Enacted in July 2025, this law aims to diversify the energy sector further and may impact the relative value of environmental attributes as the country seeks to balance oil exploration with its 2030 climate goals.

Recent data from 2025 shows that despite preferential dispatch laws, some renewable energy is being curtailed due to grid limitations. This can create ambiguity in the total volume of certificates available for issuance.

1.7 Environmental and Renewable Electricity Legislation

In addition to the specific policies mentioned in 1.6, the Dominican Republic's strategy is focussed on fiscal incentives, modernized regulations, and mandatory technology integration.

- Financial Incentives on all renewable generation. For example, self-producers receive a 40% income tax credit for equipment costs.
- Modernized Permitting- streamlines bureaucracy and enhances transparency in renewable energy contracting to attract more foreign investment.
- Mandatory Battery Storage (BESS) - to ensure grid stability, new renewable projects exceeding 20 MWac must

integrate battery storage equivalent to 50% of their capacity for at least four hours.

- Decarbonization Partnerships - through the Accelerating Coal Transition (ACT) program, the government is utilizing \$85 million in concessional funding to retire 312 MW of coal generation and replace it with renewables and storage by 2030–2035.
- Competitive Auctions - The government uses public tenders, such as a recent 600 MW call for solar and wind, to integrate large-scale capacity with mandated grid-support features.

1.8 Existing/Planned Certificate or Support Systems

The use of I-REC for electricity is permitted, but subject to evolving national regulations. While the Dominican Republic does not currently have a mandatory national registry that prohibits I-REC use, the ongoing development of the national Monitoring, Reporting, and Verification system for the ETS could change requirements or otherwise require I-REC participants to coordinate with the Ministry of Environment to ensure attributes are not accidentally double counted.

1.9 Extent of Engagement with Government

This report was created by GCC, the current Issuer, who has not had any engagement with the government

1.10 Expected Response from Government

N/A

1.11 Proposed Restrictions

None at this time, continued monitoring of ETS development prudent and strategic engagement with decision makers.

1.12 Any Other Relevant Information

I-REC Market Performance and Potential:

At present, the total registered capacity within the DR for I-REC is *418 MW* with a total of *441,996 issuance (2024)*. Penetration rate for issuance/ generated stands at 10% with max issuance in 2024 (maximum capacity that could be issued) representing *1,899,526*. Unutilised capacity 2024 (issued – Max issuance) is 77%. Showcasing additional potential for market capture.

The issuance growth trend between 2022-2024 was 0.4% with redemption volume of vintage certificates being calculated at *240,000* in 2024. Redemption volume growth from 2022-2024 saw a positive increase of 118%, complimented by a 64% redemption rate in 2024.

According to the I-Track Foundation, the Dominican Republic has shown strong market growth since its first issuance in 2020, where we saw over 450% growth in issuance between (2020 – 2024). Reflecting positive market growth and a continuation of market demand and supply within the region for EAC's and RE capacities. [\(I-Track Foundation, 2024\)](#)

Continued Growth in RE Capacity: Installed renewable energy capacity in the country more than doubled from 555.5 MW in 2020 to 1,126.25 MW by the end of 2023, largely due to a surge in solar photovoltaic projects. Reflecting a 103% increase in RE capacity from 2020-2023. [\(REI, 2024\)](#)

1.13 Author			
Organization Name		The Green Certificate Company (GCC)	
Signature 			
Name Mary Jones		ISABELLE BOLGER, THEO PLATTS-DUNN	
DATE	05	03	2026