COUNTRY ASSESSMENT REPORT Guatemala

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1.1 Country Assessment Report

Country Name	Guatemala
Introduction	Guatemala is one of the largest economies in Central America, both in population and economic activity. Over the past 20 years, it has sustained an average annual growth rate of 3.5%, supported by sound fiscal and monetary policies and an open market structure. While the fiscal deficit and public debt are expected to increase slightly, they will remain within manageable limits. In 2024 renewable electricity supply reached 60% while the country's electrification rate surpassed 90% (OLADE PANORAMA)

1.2 Electrical Generation and Demand

Generation	**Technology**	**Volume (GWh)**
	Wind Hydro Coal Oil Biofuels Solar Geothermal	343 GWh – 2.4% 4339 GWh – 30.6% 2381 GWh – 16.8% 2497 GWh – 17.6% 4011 GWh – 28.3% 256 GWh – 1.8% 339 GWh – 2.4%
	Total	14,166 GWh
Demand	**Sector**	**Consumption (TJ)**
	Residential Commercial and Public Sector Industrial	15575 TJ - 35.4% 11459 TJ – 26% 16974 TJ – 38.6%
	Total	44008 TJ (IEA, 2023)
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1.3 Electrical Interconnection and Import/Export

Connected country	**Capacity** (MW)	**Annual import from country** (GWh)	**Annual export tocountry** (GWh)
The Regional Electricity Market to the south and Mexico to the north.		1944 (IEA, 2023)	1064 (IEA, 2023)
Additional information	Guatemala is part of the SIEPAC high voltage grid, which is ~1790 km of 230 kV transmission line, which links the power systems of six countries in Central America, including El Salvador, Honduras, Nicaragua, Costa Rica and Panama. The country has a bilateral grid-link with Mexico across norther border, which enables electricity imports and exports back into Mexico when there is surplus generation.		

1.4 Market Structure

The electricity mix in Guatemala is diversified and has a strong emphasis on renewable resources, with the total installed grid capacity of 3435.1 MW. The energy mix reflects that the mix is renewables-dominated. The electricity market is liberalised and unbundled, where generation, transmission and distribution are all managed by different companies.

Under the regulatory framework, large consumers are defined as users with electricity demand exceeding 100 kW. These consumers are permitted to purchase electricity directly from generators or from market intermediaries (locally referred to as *comercializadores*), with prices determined through free negotiation. The terms governing their rights, obligations, and supply arrangements are established through bilateral agreements, and responsibility for ensuring adequate demand coverage rests with the consumers themselves.

All other consumers are supplied under regulated tariffs. For these users, both service quality standards and pricing are set by regulation, with rights and obligations established by law. Electricity supply for these consumers is guaranteed by the distribution companies. For the transmission of electricity, the construction of new lines or substations for the Electric Energy Transportation Service is carried out through public bidding processes (PCC, 2025) .

The retail electricity market is comprised of public and private utilities that supply electricity to consumers. The market is regulated by the National Electric Energy Commission (CNEE) which oversees tariffs and licensing for retail electricity providers. Retail electricity service is provided by distribution companies operating under geographic concessions. The main distributors include the Empresa Eléctrica de Guatemala S.A (EEGSA), Distribuidora de Electricidad de Occidente, S.A. (DEOCSA), and Distribuidora de Electricidad de Oriente, S. A (DEORSA) (6Wreasearch, 2025).

Distribution companies are obligated to maintain contracts with generation firms that ensure full coverage of their power and energy needs for both the current year and the subsequent calendar year. Accordingly, electricity for regulated customers must be procured through competitive open tenders, with the resulting contract prices passed directly through to regulated retail tariffs (CNEE).

For the incorporation of new generation capacity, distributors are required to conduct open tenders to secure supplies that meet their projected power and energy requirements for periods of up to 15 years. These tenders must be initiated at least five years prior to the commencement of the contracted supply, and the tender terms are subject to approval by the regulator. The legal framework also allows transmission infrastructure to be developed through mutual agreements between parties or on the initiative of private companies.

The wholesale market administered by Administrador del Mercado Mayorista (AMM) trades two main products, power and energy, across multiple market segments. These include the spot market, which is the day-ahead market and functions as the shortage and surplus market, and the contract market, which consists of bilateral agreements between market participants for the sale of power and/or energy. In addition, the power deviation market addresses imbalances arising from surpluses or shortfalls in contracted power capacity among wholesale market participants.

Guatemala also participates in cross-border electricity trading through the Central American Regional Electricity Market, which effectively operates as an additional market segment enabling energy exchanges among member countries. Furthermore, electricity trading with Mexico has been governed by a dedicated market framework that came into operation in January 2016, following regulatory reforms affecting bilateral transactions between Guatemala and Mexico (PCC, 2025)

1.5 Responsible Government Department

In Guatemala the following entities hold primary authority in the electricity market

The Ministry of Energy and Mines (**MEM**) acts as the primary governing body that defines national energy policies, such as the *Energy Policy 2013–2027* and the long-term *Energy Policy 2019–2050*, which aims for 80% renewable generation by 2027. MEM is also responsible for developing and supervising expansion plans for power generation (PEG) and transmission (PET).

The National Electric Energy Commission (**CNEE**) is an independent technical body under the MEM that serves as the sector's regulator. Its roles include calculating and approving tariffs for electricity transmission and distribution, issuing technical standards, ensuring compliance with the General Electricity Law, and resolving disputes between market agents. CNEE is also responsible for approving regulations to integrate intermittent renewable sources (solar and wind) and storage systems into the grid.

The Wholesale Market Administrator (**AMM**) is the private, non-profit entity responsible for the physical and commercial operation of the National Interconnected System. Its roles include managing the real-time dispatch of energy and ensuring grid security, handling the settlement of all electricity transactions in the wholesale market and determining the "Efficient Firm Supply" needed from generators to cover annual firm demand.

The Regional Electrical Interconnection Commission (**CRIE**) is the body that regulates the Regional Electrical Market (MER), overseeing cross-border electricity transactions between Guatemala and other Central American nations.

1.6 Existing/Planned Legislation

In Guatemala, the legislative landscape for EACs, such as I-REC(E), is characterised by broad institutional support for renewable energy but lacks specific, detailed regulations for the private trade of EACs. There is no specific decree that defines the ownership or transferability of EACs distinct from physical power in private contracts. While the Wholesale Market Administrator (AMM) regulates the physical market, the EAC market remains largely voluntary and self-regulated by international standards.

There is no specific Feed-in Tariff's (FiT) for renewable energy but instead utilize a competitive market-driven approach centered on long-term power auctions, net metering for small-scale users, and significant tax incentives.

1.7 Environmental and Renewable Electricity Legislation

At the national planning level, the Government is updating its long-term energy policy prioritizing renewable expansion, modernizing the transmission infrastructure, and universal energy access - alongside institutional reforms to support energy governance.

Other climate-related policies

- The Framework Law on Climate Change (Decree 7-2013) is the primary legal instrument for mitigation. It establishes a national emissions reduction regime and mandates the National Council on Climate Change (NCCC) to oversee mitigation strategies across the energy, industry, and land-use sectors.
- The Renewable Energy Incentive Law (Decree 52-2003) provides a 10-year exemptions from income tax, VAT, and import duties for renewable energy projects.
- The General Electricity Law (1996) decentralized the market, allowing private competition in generation and requiring utilities to procure power through open auctions.

1.8 Existing/Planned Certificate or Support Systems

Guatemala does not operate a mandatory national renewable energy certificate (REC) or GO scheme embedded in its electricity regulation. Instead, environmental attribute trading is primarily conducted through a voluntary market.

1.9 Extent of Engagement with Government

N/A

1.10 Expected Response from Government

N/A

1.11 Proposed Restrictions

GCC continue with standard checks on 1) availability of attributes and 2) governmental support

1.12 Any Other Relevant Information

N/A

1.13 Author

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DATE	16	01	2026