



# COUNTRY ASSESSMENT REPORT Honduras

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## 1.1 Country Assessment Report Template

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country Name</b> | Honduras                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Introduction</b> | <p>Honduras is located in Central America, bordering the Caribbean Sea and the Gulf of Fonseca. Neighboring countries include Guatemala, El Salvador, and Nicaragua.</p> <p>Honduras has a mixed system that combines emerging private sector freedoms with centralised planning and government regulation. Honduras has a lower-middle-income economy focused on agriculture and manufacturing, with key sectors including coffee, bananas, and textiles, alongside substantial remittance inflows. The GDP growth in Honduras in 2024 was 3.6%. (<a href="#">Bank Of Scotland</a>).</p> |

## 1.2 Electrical Generation and Demand

| Generation | Technology                       | Volume (GWh)                            |
|------------|----------------------------------|-----------------------------------------|
|            | Wind                             | 770 GWh                                 |
|            | Hydro                            | 3208 GWh                                |
|            | Solar                            | 1094 GWh                                |
|            | Geothermal                       | 318 GWh                                 |
|            | Biofuels                         | 797 GWh                                 |
|            | Oil                              | 5638 GWh                                |
|            | Coal                             | 62 GWh                                  |
|            | <b>Total</b>                     | 11889 GWh                               |
| Demand     | Sector                           | Demand (TJ)                             |
|            | Residential                      | 11076 TJ                                |
|            | Commercial/Service/Public Sector | 8008 TJ                                 |
|            | Industrial                       | 9147 TJ                                 |
|            | <b>Total</b>                     | 28231 TJ. ( <a href="#">IEA, 2023</a> ) |

## 1.3 Electrical Interconnection and Import/Export

| Connected country             | Capacity (MW)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Annual import from country (GWh) | Annual export to country (GWh) |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------|
|                               | Imports 148 2023 GWh<br>Exports -8 2023 GWh                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                  |                                |
| <b>Additional information</b> | <p>Honduras is part of the Central American Electrical Interconnection System (SIEPAC), which links the national grids of six countries in the region: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. Honduras is interconnected with the rest of Central America through a regional 230 kV transmission lines that form part of the Central American Electrical Interconnection System (SIEPAC). These lines connect Honduras with Guatemala, El Salvador, and Nicaragua, making it the only country in the region with three cross-border interconnections under the SIEPAC framework.</p> <p>Each interconnection has a nominal capacity of 300 MW, although the effective transfer capacity is lower due to limitations in Honduras' domestic transmission infrastructure. As a result, Honduras is considered one of the Central American countries facing the most severe constraints in the development and modernisation of its national electricity transmission network (<a href="#">United Nations, 2021</a>)</p> |                                  |                                |

## 1.4 Market Structure

Honduras effectively operates a single-buyer market structure, where ENEE contracts generation through long-term PPAs rather than through an open national spot market. The General Electricity Industry Act 2014 aims to liberalise electricity generation and commercialisation by establishing a wholesale electricity market in Honduras. The law also mandates the restructuring and unbundling of the National Electric Energy Company (ENEE) into a new corporate framework consisting of three entities: generation, transmission and system operation, and distribution, all operating under a centralised ENEE holding group.

The legislation also established an independent System Operator (ODS) and created the Electricity Regulatory Commission (CREE) as the regulatory authority for the power sector, granting it both functional and financial autonomy ([United Nations, 2021](#)). This arrangement has allowed private investment to expand generation capacity, but it also limits the development of a competitive wholesale market in which generators can freely trade ([IRENA, 2023](#)).

Electricity generation in Honduras is carried out by both public and private power producers. Private generators supply electricity under long-term Power Purchase Agreements (PPAs) with the Empresa Nacional de Energía Eléctrica (ENEE), the state utility and principal off-taker in the national market. These contracts play a major role in maintaining the capacity of the system.

ENEE manages the high-voltage transmission network primarily, and the National Dispatch Centre (Centro Nacional de Despacho - CND) conducts system dispatch. Electricity distribution is conducted by ENEE and private concessionaires operating under regulated agreements. In practice, distribution services in certain regions are managed by private operators, such as Empresa Energía Honduras (EEH), alongside ENEE.

ENEE supplies the majority of regulated retail customers under tariff frameworks established by the Comisión Reguladora de Energía Eléctrica (CREE), the sector regulator that oversees tariffs, licenses, technical standards, and market participation. Private entities may also participate in commercialisation activities, but ENEE remains the dominant retail supplier for most of the market ([CREE](#) and [IRENA, 2023](#)). At present, a domestic REC market in Honduras has not been established.

## 1.5 Responsible Government Department

In Honduras, authority over the electricity sector and renewable energy policy is divided.

The Secretary of Energy (**SEN**) is the governing body for the national energy sector. It is responsible for formulating national energy policy, strategic planning, and overseeing the energy transition to meet targets, such as achieving an 80% renewable share by 2038.

The Electric Energy Regulatory Commission (**CREE**) is the independent body that regulates the electricity market. Its duties include approving tariffs, supervising bidding processes for new capacity, and granting study permits for renewable energy projects.

The National Electric Energy Company (**ENEE**) is the state-owned utility that leads the generation, transmission, and distribution of electricity and the National Dispatch Center (**CND**) is responsible for the technical operation of the national grid and the system's dispatch.

The Secretary of Natural Resources and Environment (**SERNA**) manages the broader environmental policies.

## 1.6 Existing/Planned Legislation

In Honduras, legislation and policy through 2026 reflect a move toward state control and expanded renewable capacity, though specific regulations for environmental certificates like I-REC(E) remain largely driven by international standards rather than national law. There is no national REC scheme in Honduras. I-REC implementation is currently operating in a voluntary basis.

National climate and renewable mandates establish high-level ambition for the market which may lead to further implementation mechanisms. For example,

- The Honduras Plan (2026 Target) sets an ambitious goal to reach a 70% renewable share in the national electricity generation mix by 2026.
- The energy roadmap (2050) establishes a long-term target of 80% renewable energy by 2038.
- Honduras has committed to reducing greenhouse gas emissions by 16% by 2030 in its NDC

## 1.7 Environmental and Renewable Electricity Legislation

### Primary Climate Mitigation Framework

- The Law on Climate Change (Decree 297-2013) establishes the principles for planning and responding to climate change impacts. It mandates the Secretary of Natural Resources and Environment (SERNA) to manage national mitigation and adaptation measures.
- The countries Nationally Determined Contributions (NDC) sets a target of 16% net emission reduction by 2030.
- National Energy Policy Roadmap 2050 presents a long-term strategy designed to align with the Paris Agreement, aiming for a net-zero emissions path by 2050.

### Renewable Energy Development Laws

- Special Energy Law (Decree 46-2022) marks a shift toward state control, declaring electricity a "public good of national security". It mandates the renegotiation of existing renewable energy contracts to lower tariffs and allows the state to take over assets if negotiations fail.
- Renewable Energy Promotion Law (Decree 70-2007) is the foundational law for incentives, providing 15-year price premiums and tax exemptions for clean energy projects. It explicitly guarantees priority dispatch for electricity from renewable sources.
- The General Law of the Electrical Industry (Decree 404-2013) replaces earlier frameworks to establish technology-specific auctions for renewable energy, overseen by the Regulatory Commission of Electric Power (CREE).

## 1.8 Existing/Planned Certificate or Support Systems

N/A

## 1.9 Extent of Engagement with Government

N/A

## 1.10 Expected Response from Government

N/A

### 1.11 Proposed Restrictions

GCC to carry out standard checks.

### 1.12 Any Other Relevant Information

N/A

### 1.13 Author

**Organization Name** GCC

Signature



Name Mary Jones

DATE

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2026

