

Renewable energy law in Colombia: analysis and perspectives

B. J. Ruiz^{*1}; L. S. Hoyos¹

¹Universidad Nacional de Colombia - Sede Manizales

Facultad de Ingeniería y Arquitectura

Departamento de Ingeniería Eléctrica, Electrónica y Computación

Grupo de Investigación en Potencia, Energía y Mercados - GIPEM

Kilómetro 7 vía al aeropuerto, Campus La Nubia, Edificio Q, Salón 201, Manizales, Caldas, Colombia

Abstract

The objective of this work is to show the main elements of the Law 1715/2014 that promote the non-conventional energy sources in the energy sector in Colombia; particularly, in the whole electricity market, the non-interconnected areas and the other energy uses. Two regions constitute the Colombia power sector. One of them covers around 50 % of the national territory where there is an interconnected power system named national interconnected System, and the another characterized by lacking power networks named non-interconnected areas. The promotion of non-conventional energy sources in whole electricity market involves the interconnected national system, the distributed generation using non-conventional energy sources involves the non-interconnected areas, and thermal uses entail other purposes. The authors emphasize on chapter three of the Law that deals with incentives. In the Colombian case, all the mechanisms are related to taxes as VAT exemption, import duty exemption, income tax exemption, and accelerated depreciation. Attention falls to this chapter because the authors compared the sort of mechanisms of this Law with another that showed successful results and found some weaknesses. International experiences let to classify the incentive in four categories: subsidies, exemptions of taxes, regulatory schemes, and promotion of free market. However, of all them, there are two kinds of mechanisms that have caught the academic discussions; the regulatory and free market schemes. Among the first group are feed-in tariffs, tradable renewable certificates, feed-in premium, and

* Corresponding author: Belizza Janet Ruiz Mendoza, tel.: (+57) (6) 887 9300 Ext.: 55712, e-mail: bjruizm@unal.edu.co.

renewable portfolio standard. Green and renewable certificate market and direct selling in the whole electricity market would be among the second one. After analyzing and comparing international experiences, the authors identify pros and cons of the incentives of the Law 1715/2014 and conclude that it is convenient to diversify the instruments to promote the renewable energies including some regulatory schemes.