



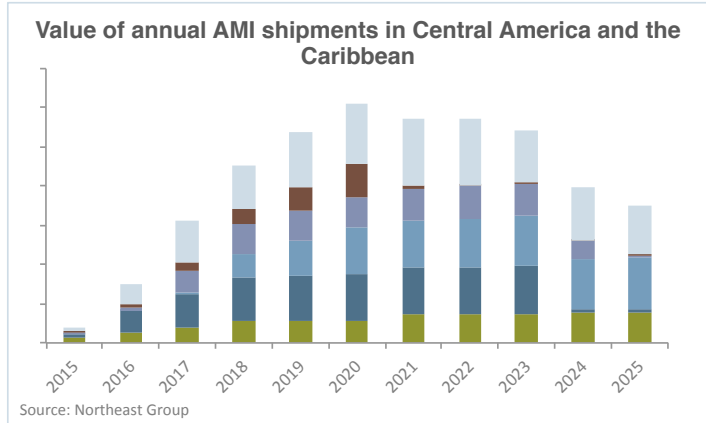
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Central America & Caribbean Smart Grid: Market Forecast (2015 – 2025)

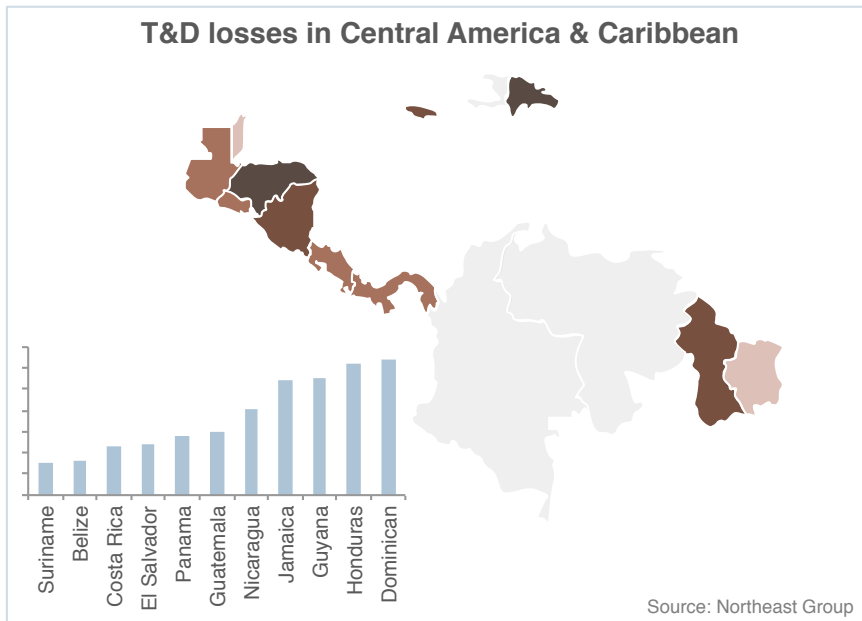
February 2015 | www.northeast-group.com

Central America & Caribbean Smart Grid: Market Forecast (2015 – 2025)

The Central America and Caribbean region offers unique near-term opportunities for smart grid investment. The region has several strong positive market drivers. Most notably, Central America and the Caribbean averages nearly 20% total T&D losses, primarily due to electricity theft. This has created challenging financial conditions for utilities and is spurring a number of smart metering efforts, many of which are already underway. At the same time, overall high crime rates – particularly violent crime - make it difficult for utilities to secure permanent loss reductions and make deployments more challenging. Non-technical loss reduction efforts are still expected to drive near-term AMI deployments. In many Central American countries, AMI penetration rates will approach 90% by the end of the forecast period. But this is partly the result of small market sizes as the average market is just over one million customers. This reduces the overall market opportunity for vendors.



In addition to loss reduction, Central American and Caribbean countries will deploy smart grid infrastructure to incorporate renewable energy and employ demand response programs. These will help reduce electricity prices that average over 19 cents/kWh, in part due to expensive oil-based peaking plants. At the same time, countries in the region on average consume just over 1,000 kWh per person per year, which is less than half the emerging market average. This



diminishes the overall savings potential of smart grid and demand response programs.

On balance, the case for smart grid infrastructure in the region is strong. With non-technical losses continuing to rise while smart grid costs decline, many utilities will see the clear benefits of large-scale deployments in the near-to-medium term. With strong

economic and geographic ties to the US market, Central America’s smart grid market is poised to accelerate over the course of the next decade.

Key questions answered in this study:

- How large will five smart grid market segments be for 11 countries in 2025?
- What are utility loss-reduction spending plans for the near-to-medium term?
- Which Central American and Caribbean countries have plans for full AMI rollouts?
- Who are the leading vendors in the region?

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