

Investment Plan for Accelerating Coal Transition in Dominican Republic

2025



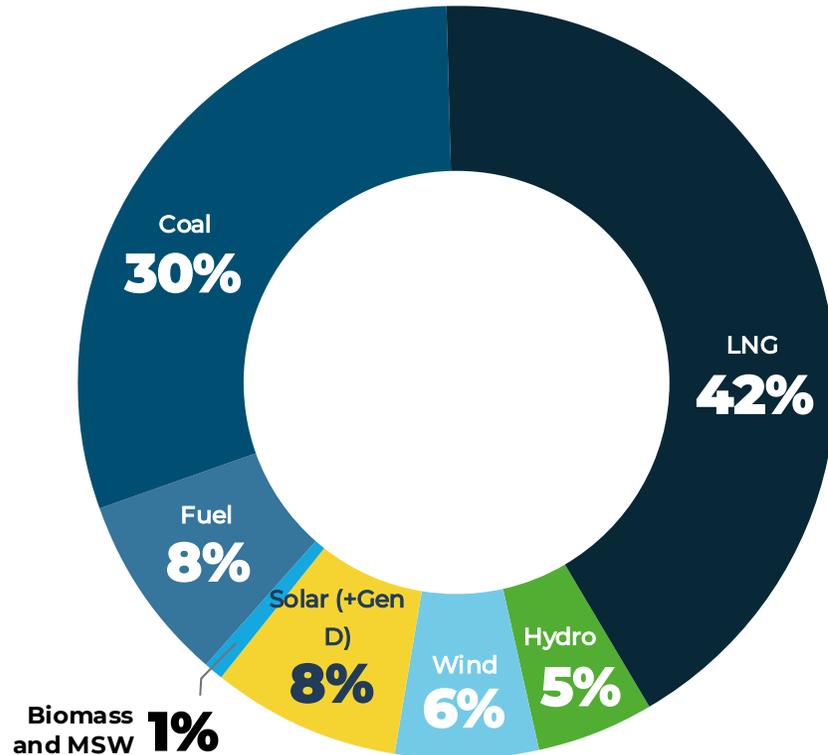
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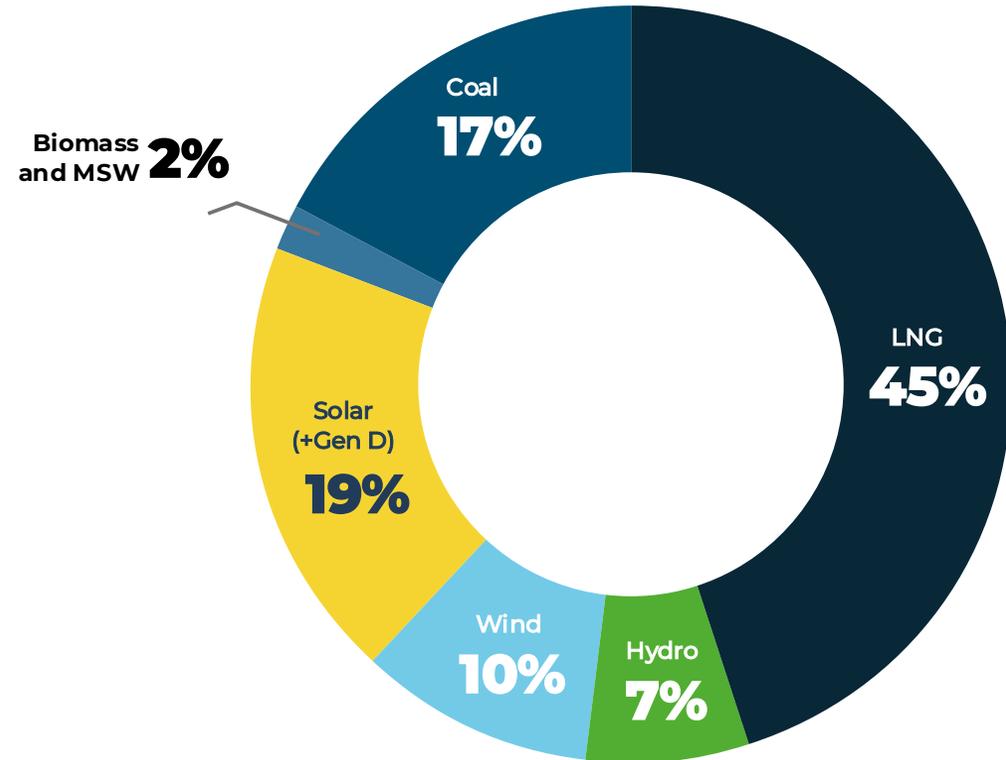
Future Goals & Strategies

Investment Plan for Accelerating Coal Transition in Dominican Republic

SENI Energy Mix - 2024



SENI Energy Mix - 2030

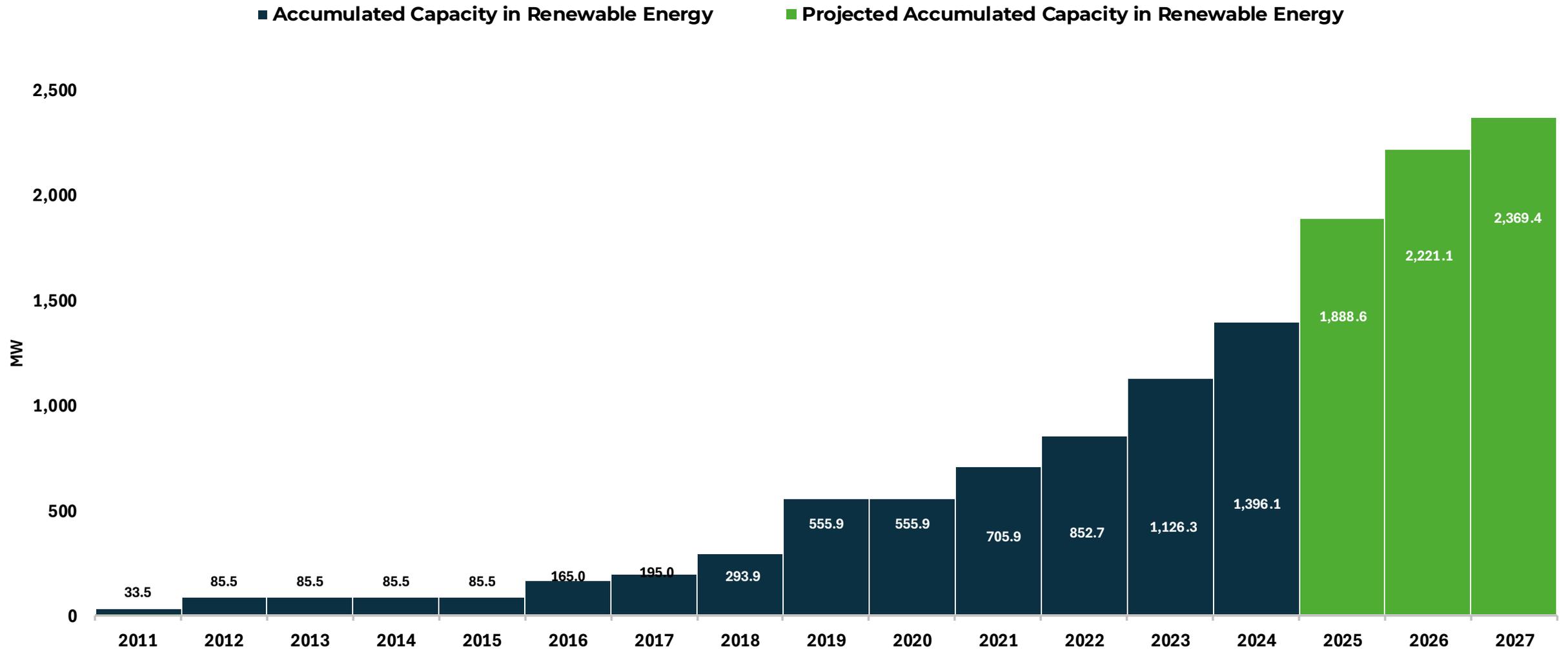


Source: Ministry of Energy and Mines of Dominican Republic (MEM-RD) 2024.

SENI: National Interconnected Electrical System, year 2024 actual data until October, Nov – Dec medium-term program. Year 2025 and 2030: taken from the OC long-term program.

Progress in Renewable Energy Development

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Source: Ministry of Energy and Mines of Dominican Republic (MEM-RD) 2024.

Impact statement

Replacement and/or reconversion of coal-fired generation operations in the retired Itabo 1, Itabo 2 and Barahona Carbón units with renewable energy projects, through a just transition, agreed upon by the relevant actors of the public and private sectors, maintaining energy security in the country, without negative effects on the final cost of electricity supply for the users of the system.

Transformational Change

Investment Plan for Accelerating Coal Transition in Dominican Republic

- 1 — Relevance:** The plan aims to retire 312 MW of coal energy and replace it with renewables and storage. It fosters regulatory improvements, market mechanisms, and stakeholder participation for a just transition.
- 2 — Systemic Change:** A Public-Private Working Group ensures diverse stakeholder collaboration for a holistic transition. It follows Chile’s Decarbonization Roundtable model and includes a Gender and Inclusion Roundtable to promote equality.
- 3 — Speed:** The plan seeks to retire coal plants by 2030-2035, with enabling activities starting in 2025. Components 1 and 2 focus on maintaining energy reliability while creating favorable market conditions for transition.
- 4 — Scale:** It pilots Coal Transition Credits as a new asset class, in the intersection of blended finance and carbon markets. This aims to establish a permanent mechanism to accelerate decarbonization while ensuring a just transition.
- 5 — Adaptive Sustainability:** The plan promotes voluntary participation, ongoing stakeholder dialogue, and long-term consistency with decarbonization goals. Its flexible financial instruments ensure resilience through the 2025-2035 implementation period.

Investment Plan Overview

Investment Plan for Accelerating Coal Transition in Dominican Republic



CIF/ACT requested amount:

\$85 million

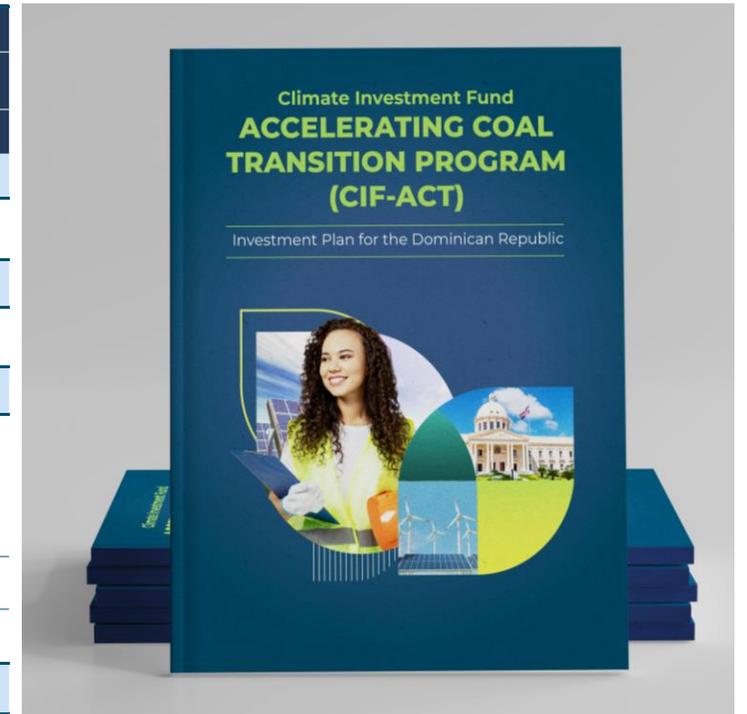


\$1.232 billion

total investment mobilized

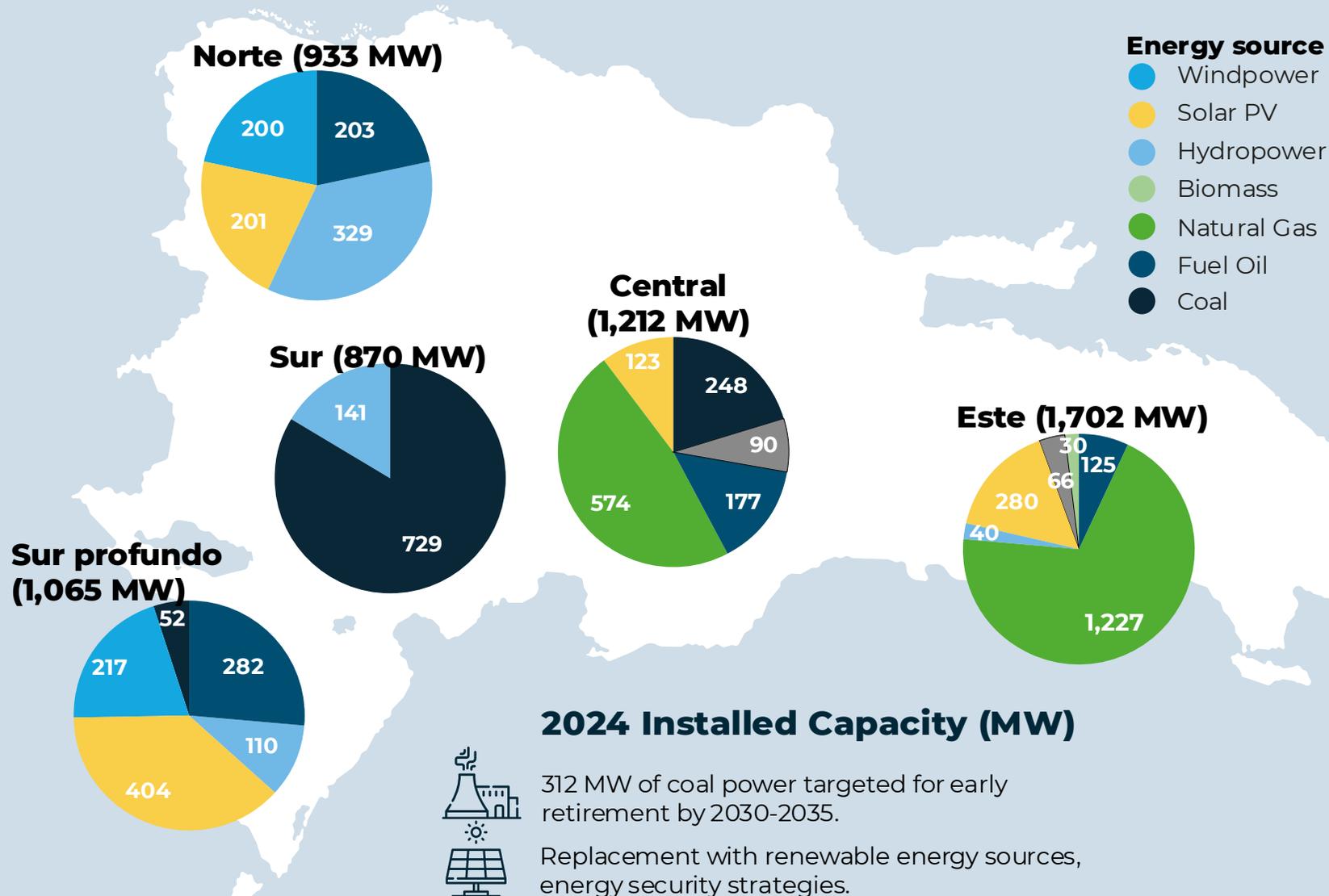
Components / Subcomponents	Financing (MUSD)								
	ACT		Multilateral banking				Private sector	GDR	Total
	R	Non-R	IDB	II	WB	IFC			
Component I: Strengthening the institutional and regulatory framework									
Total Governance	0	4.5							4.5
Component II: Just and inclusive transition for impacted communities and workforce									
Total Just Transition	0	5							5
Component III: Accelerated CPP retirements, asset replacements and seni enhancements									
Subcomponents 3.1 and 3.2- CPP retirements						27.5			
Subcomponent 3.3 - Coal transition credits	75.5	0							714
Subcomponent 3.4 - Replacement projects				85.5		85.5	440		
Subcomponent 3.5 - Transmission enhancements	0	0						508	508
Total infrastructure	75.5	0		85.5		85.5	468	508	1222
Total	75.5	9.5		85.5		85.5	468	508	1232

("R": reimbursable funds, "Non-R": non-reimbursable funds, "II": IDB Invest, "WB": World Bank, "GDR": Government)



Renewable Energy Transition Strategy

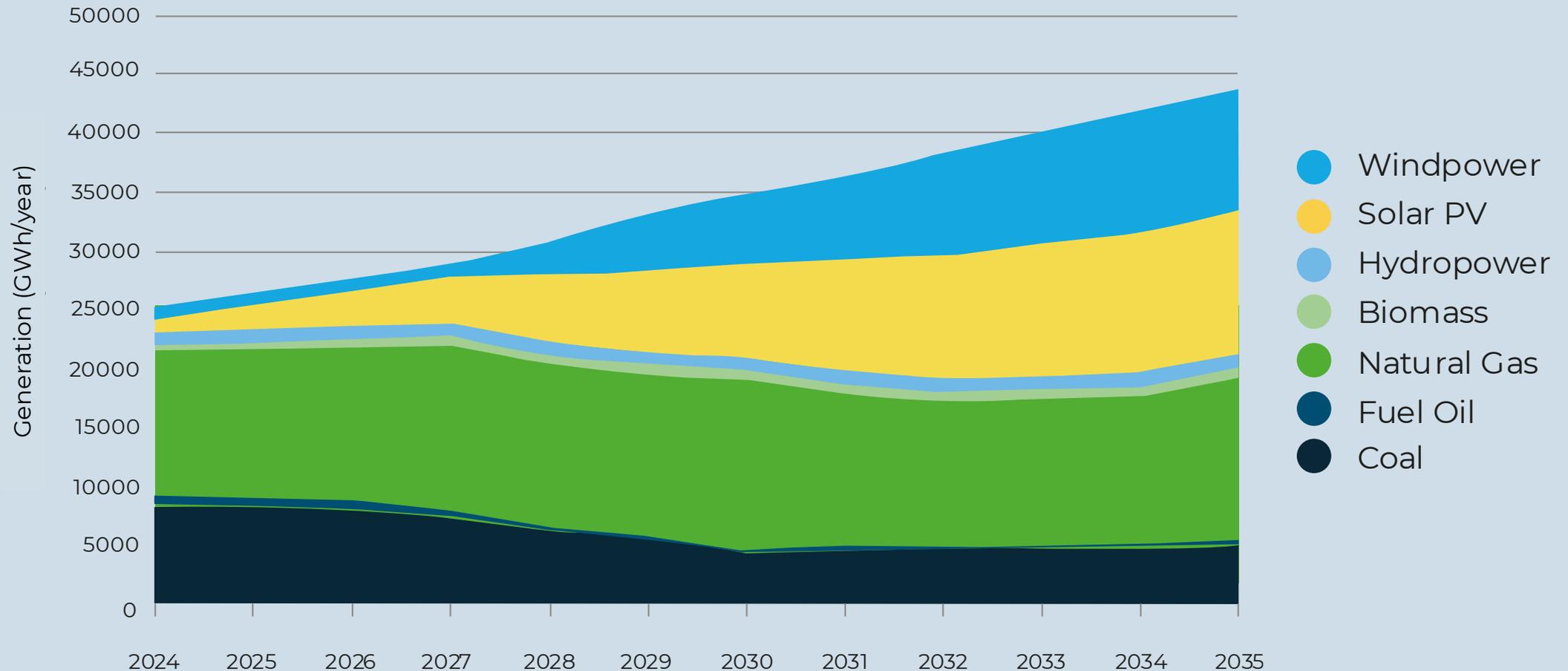
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Infrastructure & Modernization

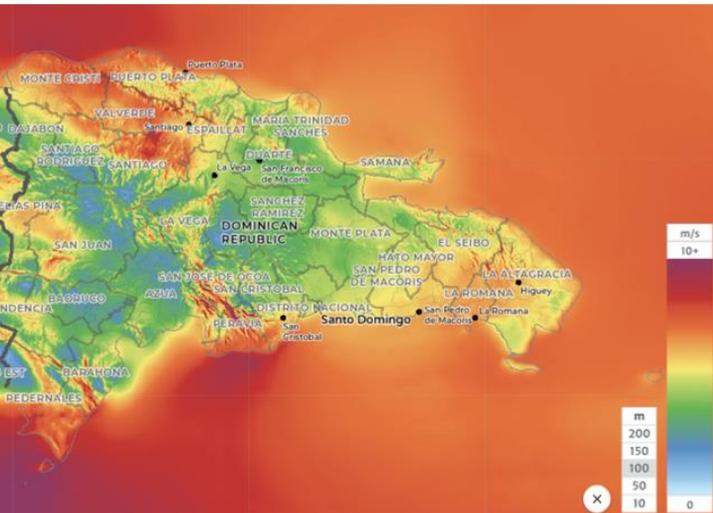
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SENI expansion modeling (2025-2035)

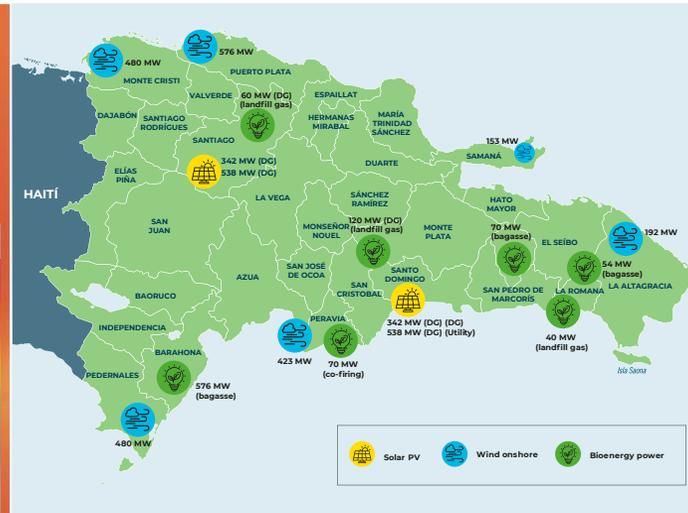


Transition Context

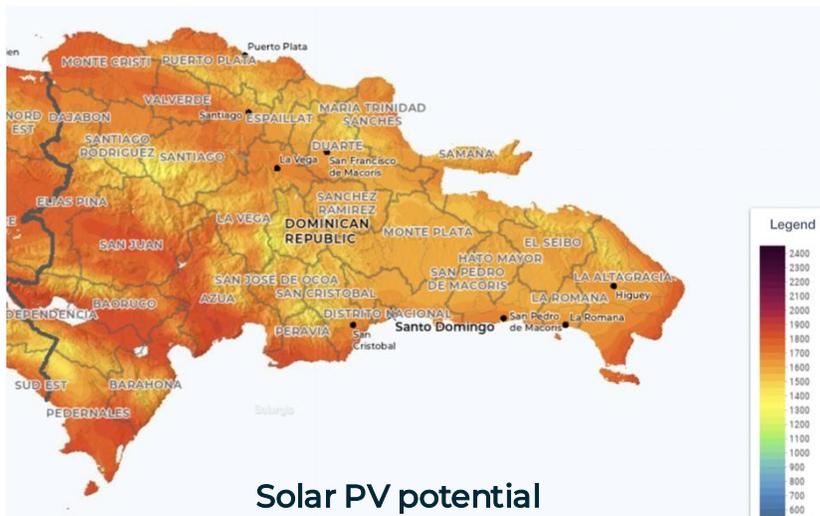
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Windpower potential

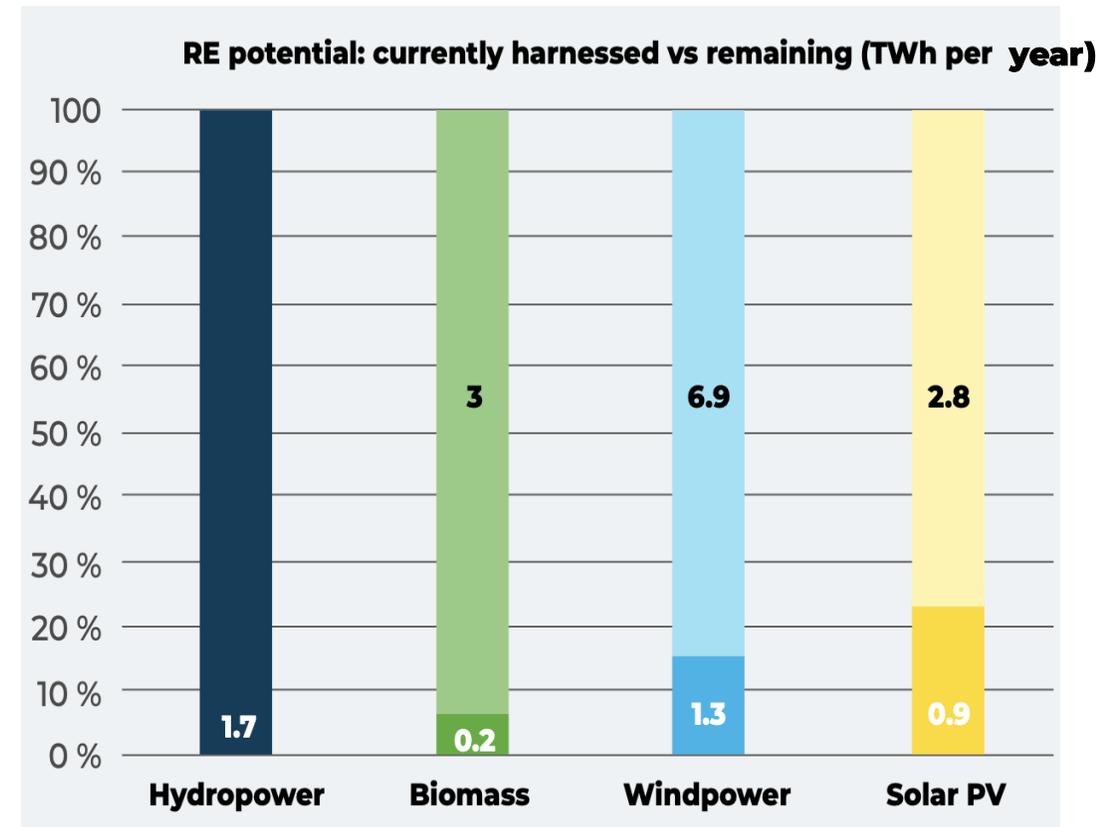


Summary of hydro & biomass potential



Solar PV potential

Remaining RE potential



Component III. Accelerated CPP Retirements & Energy Expansion

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COAL-FIRED POWER PLANTS (CPP)	COD	DATE AND TYPE OF LATEST REINVESTMENTS	RATED CAPACITY (MW) NET YEARLY ENERGY (GWH)	SELECTED FOR EARLY RETIREMENT UNDER CIF-ACT (YES/NO)
Punta Catalina - Unit 1	2019	N/A	376 MW 2,340 GWh (2020-2023 average)	X
Punta Catalina - Unit 2	2020	N/A	376 MW / 2340 GWh (2020-2023 average)	X
Empresa Generadora de Electricidad de Haina, S. A. - Barahona Carbón	2001	2018 New turbine + generator (\$30M)	51.9 353 GWh (Average 2013-2023)	✓
Empresa Generadora de Electricidad de Haina, S. A. - Barahona Carbón	1984	2020 New generator	128 MW 896 GWh (Average 2013-2023)	✓
Empresa Generadora de Electricidad Itabo, S. A. Itabo 2	1988	2011: New rotor 2020: New generator	132 MW 924 GWh (Average 2013-2023)	✓

Source: System Coordinator (OC), 2024

Component III. Accelerated CPP Retirements & Energy Expansion

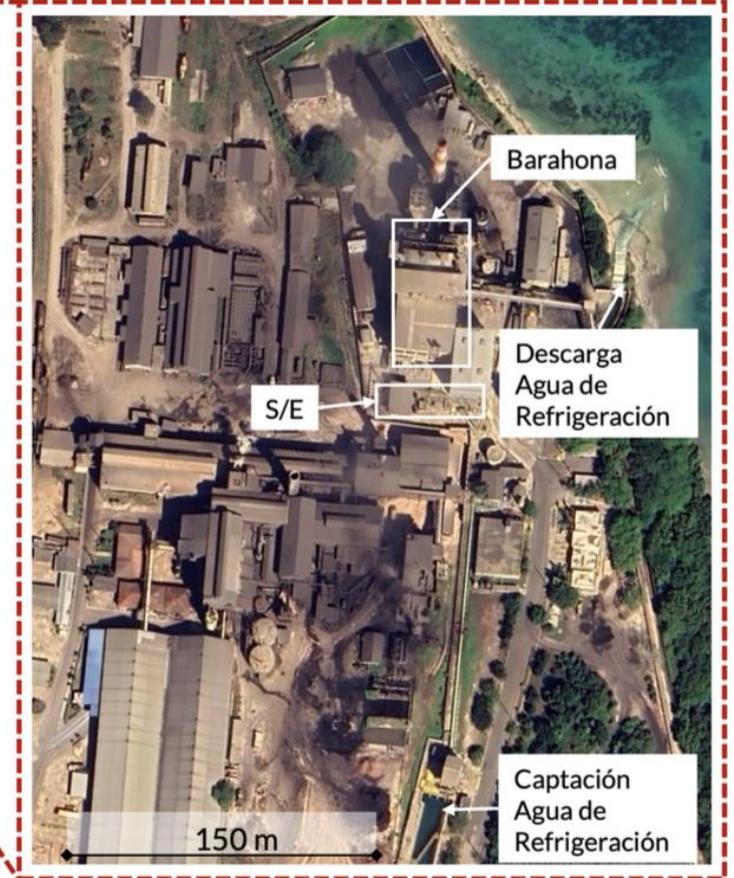
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View of the Barahona Carbón plant



Barahona Carbón industrial site layout



Component III. Accelerated CPP Retirements & Energy Expansion

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View of the Itabo 1 + 2 units



Itabo 1 + 2 power plant industrial site layout

Component III. Accelerated CPP Retirements & Energy Expansion

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COMPONENTS / SUBCOMPONENTS	ACT (MUSD)				CO-FINANCING (MUSD)						PILLARS			
	Reimbursable		Non reimbursable		Multilateral Banking				Private sector	GDR	TOTAL	Governance	People and Communities	Infrastructure
	IDB	IFC	IDB	WB	IDB	IDB Invest	WB	IFC						
COMPONENT III: ACCELERATED CPP RETIREMENTS, ASSET REPLACEMENTS AND SENI ENHANCEMENTS														
SUBCOMPONENT 3.1: Retirement of CPP Itabo 1+2 plants	37.75	37.75				0		0	22.2	0	714		✓	✓
SUBCOMPONENT 3.2: Retirement of CPP Barahona Coal						0		0	5.6	0			✓	✓
SUBCOMPONENT 3.3: Transitional Credit Support Mechanism						0		0	0	0		✓		✓
SUBCOMPONENT 3.4: Replacement Projects (RE + BESS)						85.5		85.5	440	0			✓	✓
SUBCOMPONENT 3.5: Transmission System enhancements	0	0				0		0	0	508	508			✓
SUBTOTAL COMPONENT III	37.75	37.75				85.5		85.5	468	508	1222.3			
TOTALS	37.8	37.8	4.75	4.75	0	85.5	0	86	468	508	1231.8			
	85.0				1146.8						1231.8			

Source: Own elaboration (CIF-ACT format)



Retirement of Coal Power Plants Itabo 1+2 and Barahona Carbón.



Coal Transition Credit Support Mechanism.



Renewable energy replacement projects, to include solar, wind and BESS at a system level.



Transmission system enhancements.

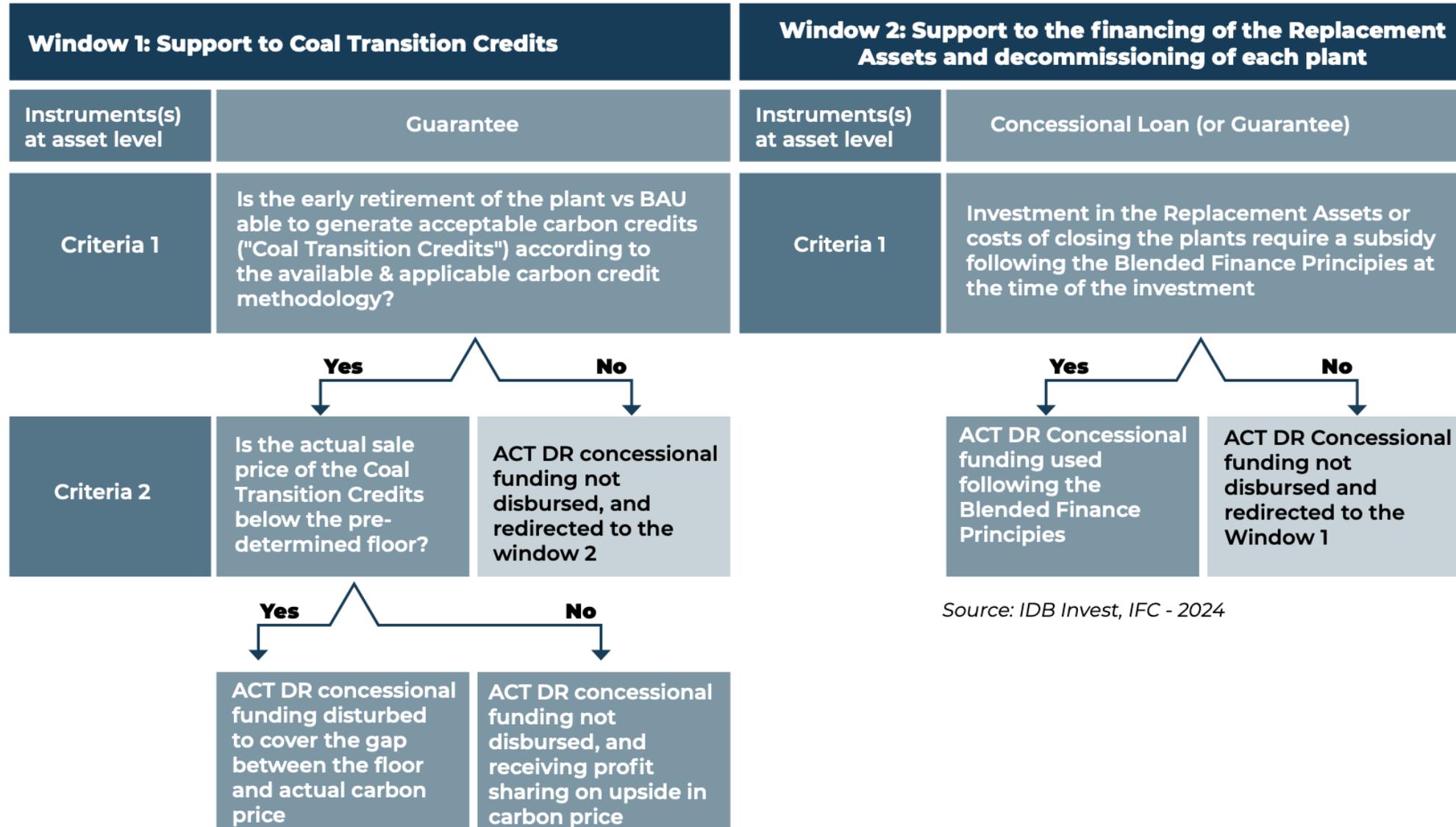
Carbon Markets in the Framework of the Energy Transition Workshop

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Component III. Financing Windows

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Component III. Results Indicators & Targets

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Direct: 9.9 MtCO_{2eq} cumulated over the 2025-2040 period

GHG emissions reduced or avoided (MtCO_{2eq}) – direct/indirect



Total 1,147 MUSD

Volume of co-finance leveraged (USD)



312 MW

Capacity of existing coal power generation assets accelerated for retirement (MW)



>450 MW (if wind power) 2035 or >650 MW (if solar PV)

Repowering Installed capacity of renewable energy (MW)



Up to 300 MW / 1.2 GWh

Energy storage capacity installed (GW/ GWh)

Component II. Just & Inclusive Transition

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COMPONENTS / SUBCOMPONENTS	ACT (MUSD)				CO-FINANCING (MUSD)							PILLARS		
	Reimbursable		Non reimbursable		Multilateral Banking				Private sector	GDR	TOTAL	Governance	People and Communities	Infra-structure
	IDB	IFC	IDB	WB	IDB	IDB Invest	WB	IFC						
COMPONENT II: JUST AND INCLUSIVE TRANSITION FOR IMPACTED COMMUNITIES AND WORKFORCE														
SUBCOMPONENT 2.1: Socioeconomic mitigation measures for the CPP workers and contractors, considering aspects of gender and diversity.	0	0	1.25	1.25							2.5	✓		
SUBCOMPONENT 2.2: Socioeconomic mitigation measures for the communities and indirect workforce impacted by the transition, considering the aspects of gender and diversity.	0	0	0.5	0.5							1	✓		
SUBCOMPONENT 2.3: Mitigation projects in adjacent municipalities for the social welfare of vulnerable communities impacted by the transition, with a gender approach.	0	0	0.75	0.75							1.5	✓		
SUBTOTAL COMPONENT II	0	0	2.5	2.5							5			



Socioeconomic mitigation for coal plant workers and contractors.



Support programs for impacted communities, indirect workforce and adjacent municipalities.



Gender and inclusion mechanisms for a fair transition.

Gender & Social Inclusion

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Conduct studies on the link between a just energy transition, gender equality, and social inclusion, focusing on women's needs and contributions in the Dominican Republic.



Develop energy policies with a gender perspective, advocating for women's leadership and participation through south-south and triangular cooperation.



Organize training for decision-makers on the role of gender equality in creating inclusive energy policies for women and marginalized groups.



Establish Gender and Inclusion Roundtables to bring stakeholders together and ensure a shared commitment to a fair, women-inclusive energy transition.



Design social inclusion plans to integrate women and other workers, focusing on gender equality and social justice.



Support initiatives in nearby municipalities to address the needs of affected communities, with a gender-responsive approach that empowers women.



Gender & Social Inclusion Consultations

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Broad Participation: Over 70 representatives from energy companies, government agencies, academia, civil society, and business associations.



Intersectional Approach: Engaged historically underrepresented groups, including women with disabilities, the LGBTQI+ community, labor unions, and grassroots organizations.



High-Level Engagement.

Key Takeaways:

- ✓ Analyzed barriers and solutions for a just energy transition.
- ✓ Discussed the Investment Plan to Accelerate the Coal Transition (ACT) from the Climate Investment Fund (CIF).
- ✓ Drafted the preliminary version a Gender and Social Inclusion Action Plan.

Component I. Strengthening Institutional & Regulatory Framework

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COMPONENTS / SUBCOMPONENTS	ACT (MUSD)				CO-FINANCING (MUSD)							PILLARS		
	Reimbursable		Non reimbursable		Multilateral Banking				Private sector	GDR	TOTAL	Governance	People and Communities	Infra-structure
	IDB	IFC	IDB	WB	IDB	IDB Invest	WB	IFC						
COMPONENT I: STRENGTHENING THE INSTITUTIONAL AND REGULATORY FRAMEWORK														
SUBCOMPONENT 1.1: Creation of regulations and norms that facilitate a just and inclusive transition towards the gradual elimination of coal and the insertion of renewable energy sources.	0	0	0.75	0.75							1.5	✓		✓
SUBCOMPONENT 1.2: Support to the Government of the Dominican Republic in the development of transition plans, development of a regulatory framework for participation in the carbon markets, strengthening governance and institutional capacity	0	0	0.75	0.75							1.5	✓		✓
SUBCOMPONENT 1.3: Public-Private Roundtable for the early retirement of CPP, with civil society participation. Gender and Inclusion Roundtable (implementing a M&E mechanism)		0	0.75	0.75							1.5	✓	✓	✓
SUBTOTAL COMPONENT I	0	0	2.25	2.25							4.5			



Creation of regulations and norms for just and inclusive transition.

Development of Transition plans.



Development of a regulatory framework for carbon markets.

Strengthen governance and institutional capacity.



Public-Private Roundtable for coal phase-out.

Implementation Timeline

Investment Plan for Accelerating Coal Transition in Dominican Republic



Regulatory Framework
Preparation

2025 - 2028

Just Transition
Preparation

2026 - 2029

Transmission
Enhancement*

2028 - 2035

Renewables for
Replacement

2028 - 2035

Coal Phase Out

2030 - 2035

Private Sector & International Partnerships

Investment Plan for Accelerating Coal Transition in Dominican Republic



Multi-institutional support from IDB, World Bank, IFC, and other international actors.

Collaboration for policy implementation, technical assistance, financing options.

Discussions with private coal plant owners.





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ANNEXES



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Monitoring & Evaluation

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✓ **ACT M&R System:** Performance indicators & tracking mechanisms.

- Theory of Change in Annex 1
- IRF in Annex 2

✓ **Stakeholder Reports:** Annual updates & transparency policies.

ACT Investment Plan Impact:

*“Early retirement of the coal-fired **Itabo and Barahona Carbón** power plants:*

- *substituted by **renewable energy** and **BESS** projects,*
- *through a **just and inclusive transition**, agreed upon by the relevant stakeholders of the **public and private sectors**,*
- *maintaining **energy security** in the country,*
- *without negative effects on the **final cost of electricity supply.**”*