

The week beginning 7 April 1999

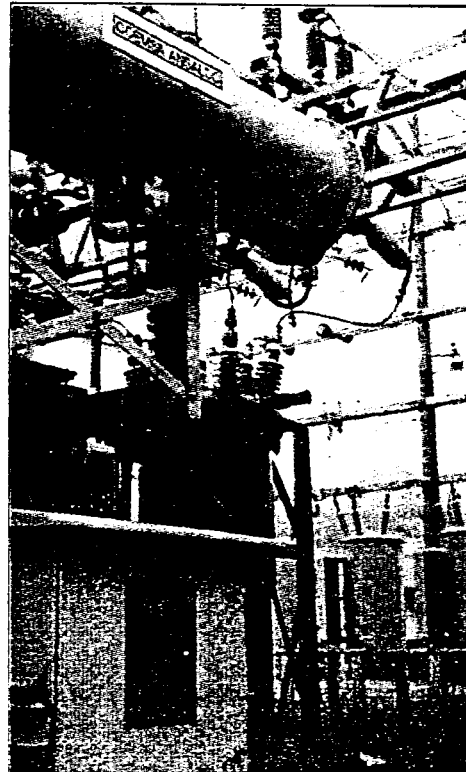
# The Final Connection

— Central American Power Grid Defined —

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On Wednesday 31 March, Salvadoran and Honduran government authorities signed the final agreement for the interconnection of the two countries' electrical power grids. Manuel Arriaga, Manager of Honduras' National Electrical Energy Company (ENEE) stated that Honduras will build 54 km of transmission line to the border with El Salvador, and El Salvador will have to build a line of 93 km to complete the connection. The US\$30.1mm 230 kVa line will be financed by the Inter-American Development Bank (IDB).

The connection will complete the first phase of the Central American Power Grid, providing a complex but interconnected grid covering the 1,800 km from near the Guatemalan-Mexican border in the north and Panama's Darián province in the south. Sponsored and in part financed by the Government of Spain and IDB, the final phase of the project envisions a 500 kVa backbone running the length of the system and a Central American Power Authority managing a regional retail and wholesale operation feeding Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panamá. ENEE's Arriaga stated that the final configuration will entice more investment in electrical generation, particularly renewable sources such as geothermal and hydraulic, with distributors selling throughout the system.



**Important Hook-up**—Although there are many details remaining to be ironed out, the connecting of Honduras' and El Salvador's national electrical grids is an important step toward the establishment of the Central American Power Authority.