Mission Impossible? Moïse Commits to Round-the-Clock Electricity for Haiti

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by George Rodríguez

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Haiti’s new president, Jovenel Moïse, has set himself a major goal that, at best, seems complicated to accomplish: to give the country round-the-clock electricity. He is not the first Haitian president to set that goal. Michel Martelly (2011-2016) also tried to do so—and failed.

With some 80% of its population of almost 10.6 million surviving on less than US$2 a day, and with a 40% unemployed rate (NotiCen, April 21, 2016, and Jan. 12, 2017), this impoverished Caribbean island nation has an extremely inefficient electric system; it operates for 10 hours a day, and covers less than 30% of the people, including those illegally connected to the grid.

Estimates by the US Agency for International Development (USAID) place the population without access to the service at 75%, with half of the remaining 25% illegally connected to the system run by the state company, Electricité d’Haïti (EDH).

“In place of a national grid, the national power utility, Electricité d’Haïti (EDH), operates one primary grid serving the Port-au-Prince metropolitan area and a small number of isolated power grids for the rest of the country,” USAID reported in a press release, adding that “existing distribution systems are weak and require rehabilitation.”

Even the privileged few with access to power face a problem, because “reliability is inconsistent,” USAID said. “This lack of reliability requires many businesses and households to install costly, inefficient, and environmentally unfriendly diesel generators.”

This, in turn, creates a chain of derived problems, since it “hinders investment, constrains the development of productive businesses, and degrades living standards for residential customers,” USAID said.

A major problem is the theft of electricity in the form of illegal connections to the unreliable grid. The fact that electricity is supplied on a 10-hour-a-day basis provides enough time for Haitians who are unable to afford the service to illegally connect without running the risk of deadly power discharges.

The phenomenon adds to an also deficient tariff collection mechanism. According to USAID, “electricity tariff collections in communes where residents have historically connected illegally to the EDH grid continue to be very low.” As a result, the power company “is not able to cover all costs associated with generation, transmission, and distribution—much less make investments that are necessary for improving and expanding the provision of electricity service.”

Nevertheless, USAID said that “a sustainable electric utility can operate in Haiti.”
A test in Caracol

Consistent with its optimistic vision, the agency is operating a pilot program: a power plant that provide continuous electricity to the Caracol Industrial Park, in northern Haiti, and to nearby residences and businesses (NotiCen, Jan. 19, 2012).

As of October 2014, more than 8,600 households, businesses, and government institutions had been connected to the grid, USAID reported, and more connections are expected.

Located in the coastal town of Caracol, the 246-hectare park is one of the largest and most modern garment production centers in the Caribbean. The number of jobs created by the facility, which is expanding, had risen from 1,200 at its opening in 2012 to 6,200 by April 2015.

The aim of the park’s power plant is “to establish a financially viable electric utility that provides dependable, affordable electricity to customers while implementing a payment structure that results in a high collection rate of electricity bills,” USAID said. “One key goal is to create an environment that will attract private sector interest in taking over the utility’s operations and maintenance responsibilities, resulting in the long-term sustainability of the electric utility.”

The initiative rests on two main pillars, a pilot project to create sustainable distribution of electricity and a plan to improve the collection of fees.

In the first case, USAID funded the building of the 10-megawatt power plant with transmission and distribution facilities to provide “uninterrupted 24/7 electricity to 8,000-metered customers” in the park and its surrounding communities.

On the tariff collection front, the agency reported that it has helped EDH to make “inroads in reducing electricity theft, properly installing connections and improving collection of electricity bills for customers with working meters.”

“For those customers with regularized electricity service—proper connections and meters—the collection rates for electricity bills is above 90%, compared to below 25% for customers in other parts of the country with electricity provided by the national electric utility,” USAID added.

Looking to the future

Five months into his presidency, Jovenel Moïse has now committed himself to fixing the country’s electricity chaos.

Five years ago, at the closing session of an international electricity symposium in Haiti, then-Prime Minister Laurent Lamothe (2012-2014) said that Haitians could no longer wait that “to come out of their energy poverty situation,” noting that there could not be economic growth without electricity.

“Nationwide access to electricity will be a giant step toward reaching that goal,” he told the delegates at the meeting. “New approaches are being explored; innovative solutions are being implemented.” He said the approaches included the participation of private investors in the government’s strategy regarding electric energy. “That’s why we have put this challenge to investors who are willing to seize the opportunities of reconstruction,” he noted.

At the end of the symposium, EDH head Andress Apolon announced an action plan for 2012-2013 and a remedial plan for 2013-2016. Shortly after, the World Bank issued a statement pointing out
that, since 2006, it had “sought to improve the quality of electricity supply and strengthen the financial and operational management of the EDH” through a loss reduction project, the Projet de Réduction des Pertes dans le Secteur Electrique (PREPSEL).

But despite the initiatives, the critical situation has prevailed, and on June 17, during a visit to Miami’s Little Haiti neighborhood, Moïse announced that he was taking on the electricity challenge. “I’ve given myself 18 to 24 months for Haiti to have electricity 24 hours around the clock,” said Moïse, adding that the southwestern town of Les Irois would have full service by the end of July. Les Irois is located in the Grand’Anse, a department that was severely affected by Hurricane Matthew in 2016 (NotiCen, Oct. 20, 2016, and Nov. 10, 2016).

Back in Haiti, at a rally in the northern town of Trou-du-Nord, Moïse reiterated his commitment to full, nationwide electricity coverage within two years.

The idea is to have a high-voltage grid covering the 16 major cities in Haiti’s 10 departments, and a medium-voltage grid for the rest of the territory, he said. He added that the nation’s electricity needs are above 1,000 megawatts (MW), pointing out that the present, insufficient installed capacity delivers 200 MW. Even that figure is higher than unofficial estimates by energy experts, who place it in the 150-180 MW range.

Moïse said his plan is based on seeking a public-private partnership for the construction of infrastructure, a strategic alliance with “companies capable of generating large amounts of electricity” and lowering the price per kilowatt-hour from the present 25 centimes to approximately 16 centimes (less than US$.01). The initiative fits with his message to the Haitian diaspora in Miami, regarding his election: “You all sent me to take care of one thing: putting the state at the service of the people.”

But the news outlet Haïti Libre (Free Haiti) reported that Haiti’s international partners were observing Moïse’s promises “with some caution.” Expert interviewed, Haïti Libre said, suggested that implementation of the president’s plan could take “at least a period of five to seven years.”