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Electricity Crisis Spells Dark Days for Country

Home to one of the world's most extensive oil and natural-gas reserves, energy-rich Venezuela is nevertheless experiencing serious power problems at the moment, grappling with an acute electricity crisis that has resulted in rationing, rolling blackouts, and periodic protests. The government blames Mother Nature. In recent months, a prolonged drought has parched the country, causing severe water shortages. A side effect has been decreased water flow (and thus reduced capacity) to the massive Guri Dam, a 10,200-megawatt behemoth that supplies more than 70% of the country's electricity. Located along Bolivar State's Rio Caroni, the 1,300-meter-long dam officially called the Central Hidroelectrica Simon Bolivar is the world's third largest after the Three Gorges Dam (18,300 MW) in China and the Itaipu complex (14,000 MW) along the Brazil-Paraguay border. Analysts say the crisis has more behind it than just weather, citing long-term planning and greater investment as measures the government which nationalized the electricity sector in 2007 should have taken to avoid such an "all-eggs-in-one-basket" scenario. Critics of Venezuelan President Hugo Chavez say electricity price subsidies are also to blame, fueling an ongoing consumption spike that saw demand jump 25% between 2004 and 2009, according to the state-run Corporacion Electrica Nacional (CORPOELEC). Demand rose 7% last year alone. Warning of electricity "collapse" Whatever the cause, both the government and its opponents agree the energy crisis is severe.

The country suffered several widespread blackouts last year, and, in certain zones, localized power cuts have become routine, say residents. In a report published Christmas day, CORPOELEC warned of an impending "national electricity collapse" if measures are not taken immediately to reduce consumption and increase production. Among other things, the state utility called for rationing, price hikes for large commercial users, and the widespread use of energy-saving light bulbs. The government moved quickly to implement many of the recommendations, reducing the supply of electricity to shopping centers, warning large businesses and residential buildings to cut consumption by 20% or risk fines, distributing tens of thousands of efficient light bulbs, cutting work hours in many government offices, and, most controversially, imposing periodic, several-hour-long blackouts throughout the country. In televised statements, President Chavez told Venezuelans to follow his own example and take brief, water- and energy-saving showers. "There are people who sing in the bathroom. [They spend] a half hour in the bathroom," he said. "No, folks, three minutes is more than enough. Three minutes is what I take, and I guarantee you I don't end up smelling bad." On another occasion, Chavez said, "It hasn't rained. Neither Chavez nor the government is to blame. It just hasn't rained. I'm calling on everybody to accept [the electricity cuts]. They are necessary, just like when you're fat and you've got to go on a diet and exercise." For many Venezuelans, however, the electricity crisis is hardly a laughing matter. Caracas resident Aixa Lopez was treating her asthmatic two-year-old daughter with an electric respiration device when the power went down during a 2008 blackout. Soon after, she and others upset about the power cuts formed the *Comite de Afectados por Apagones en Venezuela*, which last October organized several protests throughout the country. "The electricity problem is serious, because it's not just that we're left in the dark," Lopez, *Comite* president, told *NotiSur*. "There are serious implications in health, education, commerce, and recreation." "The government says the problem has to do with the El Nino weather phenomenon," she added. "But after studying this issue for a year and a half, I'm convinced the problem is really about investment, a lack of planning, and poor maintenance."

There is also widespread concern that the electricity shortage, expected to continue at least until May (the normal start of the rainy season), is compounding Venezuela's already significant economic problems. After years of sustained growth, the economy took a major hit last year, contracting by nearly 3%. Inflation shot up more than 25%, the highest rate in Latin America, leading the government last month to devalue the Venezuelan Bolivar for the first time since 2005. With malls, factories, and government offices now working reduced hours, there's little optimism that the struggling economy will rebound, at least until the rains return. Energy problems add to political problems Venezuela's energy woes are also turning into a political headache for Chavez, an ex-soldier who took office in 1999, survived a brief 2002 coup (see NotiSur, 2002-04-19), and has since scrapped term limits to be able to remain in power indefinitely (see NotiSur, 2009-03-06). Last month, the president's then electricity minister Angel Rodriguez told Venezuelans to prepare for rolling blackouts, which the government began implementing Jan. 13 throughout the country. In Caracas, however, the move proved chaotic and ultimately embarrassing for the Chavez government. "It provoked a huge social upheaval," said Lopez. "Traffic lights were down. Huge lines of cars clogged the streets. Health centers were without power...It was badly implemented." Chavez, somewhat surprisingly, agreed. Immediately ending the Caracas rationing, the president sacked Rodriguez and said the government "recognizes that there have been technical mistakes and poorly made decisions."

A week later Chavez announced a US\$1 billion plan to boost the country's generating capacity, promising to build nearly 60 new power plants and provide much needed maintenance to the existing electricity infrastructure. Nevertheless, opposition to the president appears to be mounting, as critics frustrated not only about the electricity and water shortages but also about high inflation and the government's recent decision to pull the plug on several television stations have taken to the streets in recent weeks. In the final week of January, two protestors died and several police were injured, according to news reports. Chavez responded to the unrest by promising to "speed up" the structural changes he has carried out in Venezuela during the past decade. "The electricity crisis is particularly serious. It's not something Chavez can easily blame on his predecessors. I think talking about a drought is not quite convincing to most Venezuelans," said Michael Shifter of the Washington, DC-based think tank Inter-American Dialogue. "He's now beginning his 12th year in office and, after 11 years, it's just not credible to attribute problems like electricity shortages and rationing to the governments that preceded him."

A huge test awaits Venezuela's long-serving leader in September, when voters go to the polls to choose members of the country's unicameral Asamblea Nacional (AN). The country's divided opposition boycotted the last parliamentary election, in December 2005, leaving the AN firmly in Chavez's control (see NotiSur, 2005-12-16). The president's absolute majority has since ebbed, however, with about a dozen legislators shifting party allegiances in recent years. Prior to Chavez's ascent to power, Venezuela's legislature had a Senate and Chamber of Deputies. Upon taking office in early 1999, Chavez organized a Constituent Assembly to draft a new Constitution (see NotiSur, 1999-02-12). The new charter, approved later that year in a popular referendum (see NotiSur, 1999-12-24), scrapped the old legislature, replacing it with the AN, which was officially convened in August 2000 (see NotiSur, 2000-08-18). Chavez backers have controlled the legislative body from the outset. "There's a possibility of real change if all of these pockets of discontent and opposition can coalesce and the opposition can capitalize on these

vulnerabilities," said Shifter. "But just like it's a mistake to underestimate Chavez, it's a mistake to overestimate the opposition. That's what we've learned over the years. There's a possibility there but the opposition still has a long way to go."