



## U.S. TRADE AND DEVELOPMENT AGENCY

**FOR IMMEDIATE RELEASE**

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### **USTDA PROMOTES ELECTRIC POWER GENERATION IN COSTA RICA**



ICE Executive President Pedro Pablo Quirós Cortés (center) signs the USTDA grant agreements which will fund studies of the geotechnical and financial components of the proposed El Diquís hydroelectric power project. ICE Projects Management Process Director Sergio Mata (left) and Senior Commercial Officer at the U.S. Embassy in San José James McCarthy (right) were present at the signing.

WASHINGTON, D.C. – (September 5, 2007) USTDA is pleased to support the development of Costa Rica's electric power infrastructure through the award of two grants as part of the agency's overall DR-CAFTA Trade Integration Initiative. The grants to the Costa Rican Institute of Electricity (ICE), the state-owned electricity and telecommunications company, will fund the geotechnical and financial components of a larger study of the proposed El Diquís hydroelectric power project. The other components of the study are being funded by the Inter-American Development Bank and the Central American Bank for Economic Integration, along with in-kind contributions from ICE.

Like its Central American neighbors, Costa Rica faces increasing electricity demand and limited supply. Given the country's substantial untapped hydroelectric potential, the El Diquís hydropower project presents an attractive opportunity to develop a natural resource that serves as a clean, reliable and relatively inexpensive long-term energy source.

The project seeks to increase the energy supply in Costa Rica and the Central American region, while creating a more diversified energy sector that is sustainable, efficient, and competitive. After meeting Costa Rica's national electricity demands, ICE will contribute excess power generation to the regional electricity market via the Central American Electric Interconnection System (SIEPAC) transmission line, which is currently under construction.

The grants were signed by USTDA Acting Director Leocadia I. Zak and ICE Executive President Pedro Pablo Quirós Cortés on behalf of the U.S. Government and ICE, respectively. The first grant, in the amount of \$300,000, will be used to perform geotechnical investigations at specific portions of the project site in order to refine the existing geological and geotechnical model along the tunnel axis and in the powerhouse area. The second grant, valued at \$200,000, will fund the development of a recommended financial structure for the project.

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The grants are the first to be awarded under the energy umbrella of the agency's DR-CAFTA Trade Integration Initiative. USTDA launched the Initiative in 2005 to support priority projects in the Dominican Republic and Central America that further the benefits of increased trade, regional connectivity and economic growth under DR-CAFTA. To date, USTDA has invested over \$7.0 million under the Initiative and in support of the region's National Trade Capacity Building Strategies.

The opportunities to conduct the studies for ICE under the USTDA grants will be competed on the Federal Business Opportunities website at [www.fbo.gov](http://www.fbo.gov). Interested U.S. firms should submit proposals according to the instructions contained in the Federal Business Opportunities announcements. ICE will select the U.S. firms that will provide the assistance associated with each grant.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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