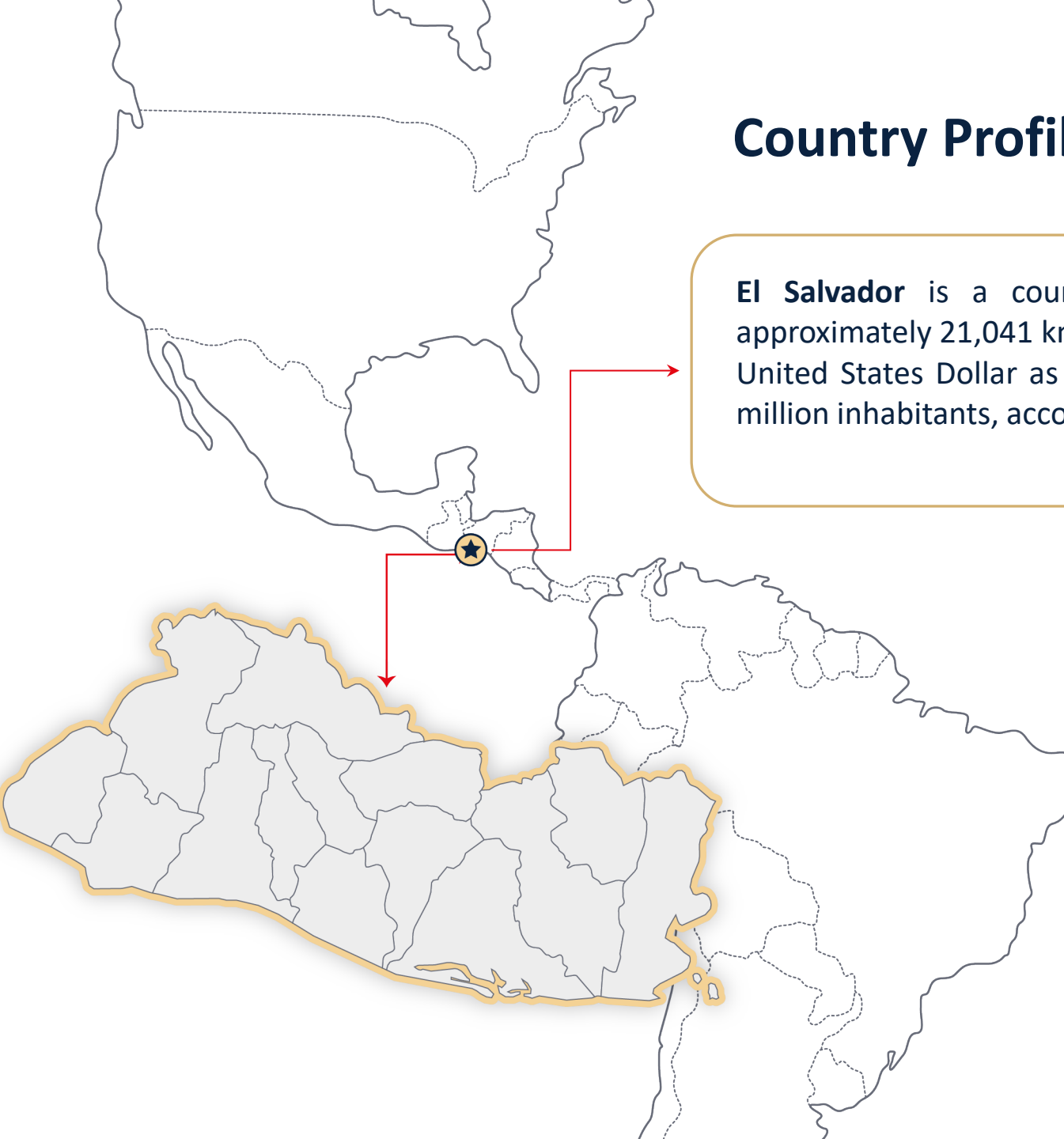




Country Report

EL SALVADOR, 2026





Country Profile & Economic Indicators

El Salvador is a country located in Central America, with a territory of approximately 21,041 km² and San Salvador as its capital city. The country uses the United States Dollar as legal tender and has a population of approximately 6.03 million inhabitants, according to the 2024 Population and Housing Census.

In 2024, El Salvador's GDP reached approximately US\$35.36 billion, with a GDP per capita of US\$5,579.7 and annual GDP growth of 2.6%. Electricity access is high, reaching 98.3% with the implementation of the Energy access program from the Government.

El Salvador has a variety of energy generation combined from hydroelectric, solar, wind, thermal and geothermal thanks to the more than 100 volcanos all over the country from which around 36 of them are still active.

Regulatory Framework and Main Actors

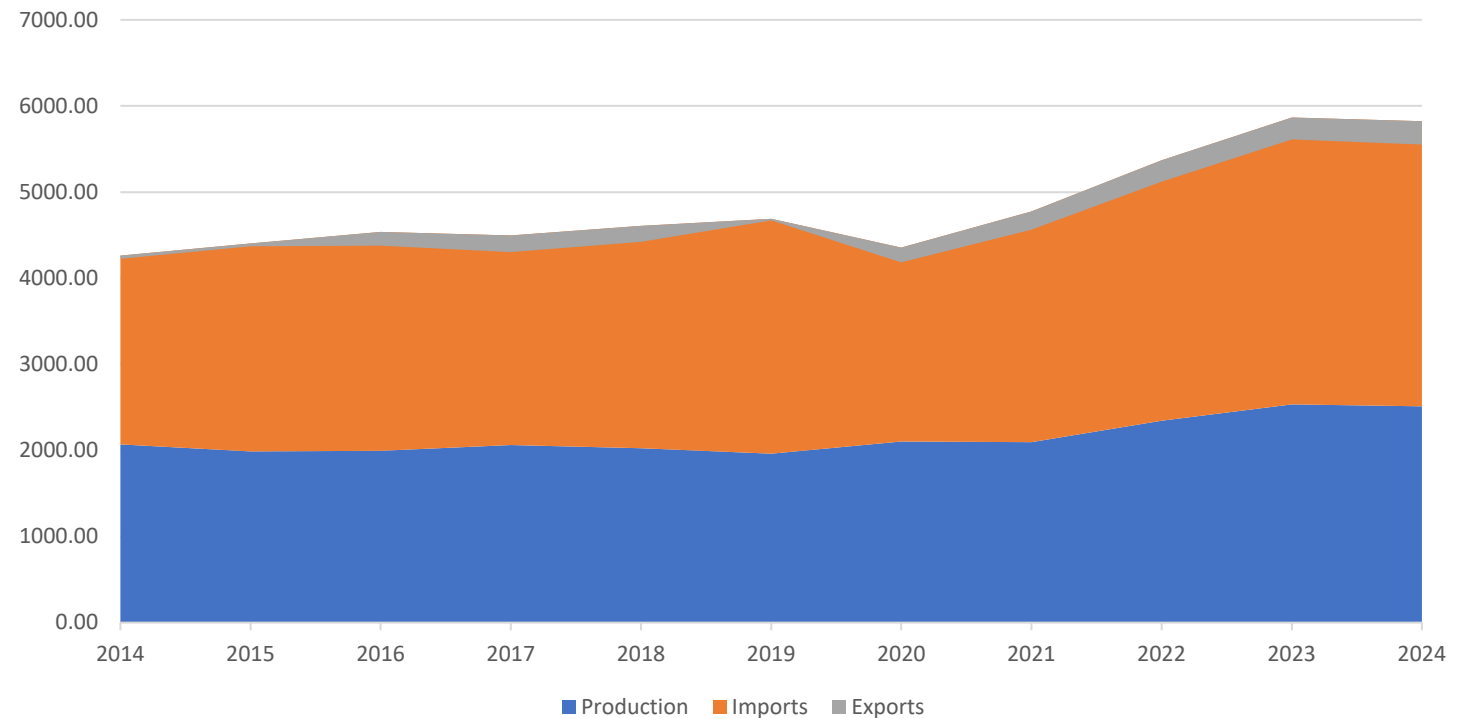
The Salvadoran electricity sector is structured around five main groups of actors:

Actor	Role in the Electricity Sector
General Directorate of Energy, Hydrocarbons and Mines — DGEHM	Acts as the governing authority of the energy sector and leads policy formulation, planning and strategic guidance.
General Superintendence of Electricity and Telecommunications — SIGET	Acts as the regulatory body responsible for supervising and regulating electricity activities.
Transactions Unit — UT	Operates the national electricity system and administers the Salvadoran wholesale electricity market.
Empresa Transmisora de El Salvador — ETESAL	Owns the national electricity transmission network and is responsible for transmission infrastructure.
Market Participants — PM	Include generators, distributors, traders and large consumers participating in the electricity market.

Past Energy Demand and Supply

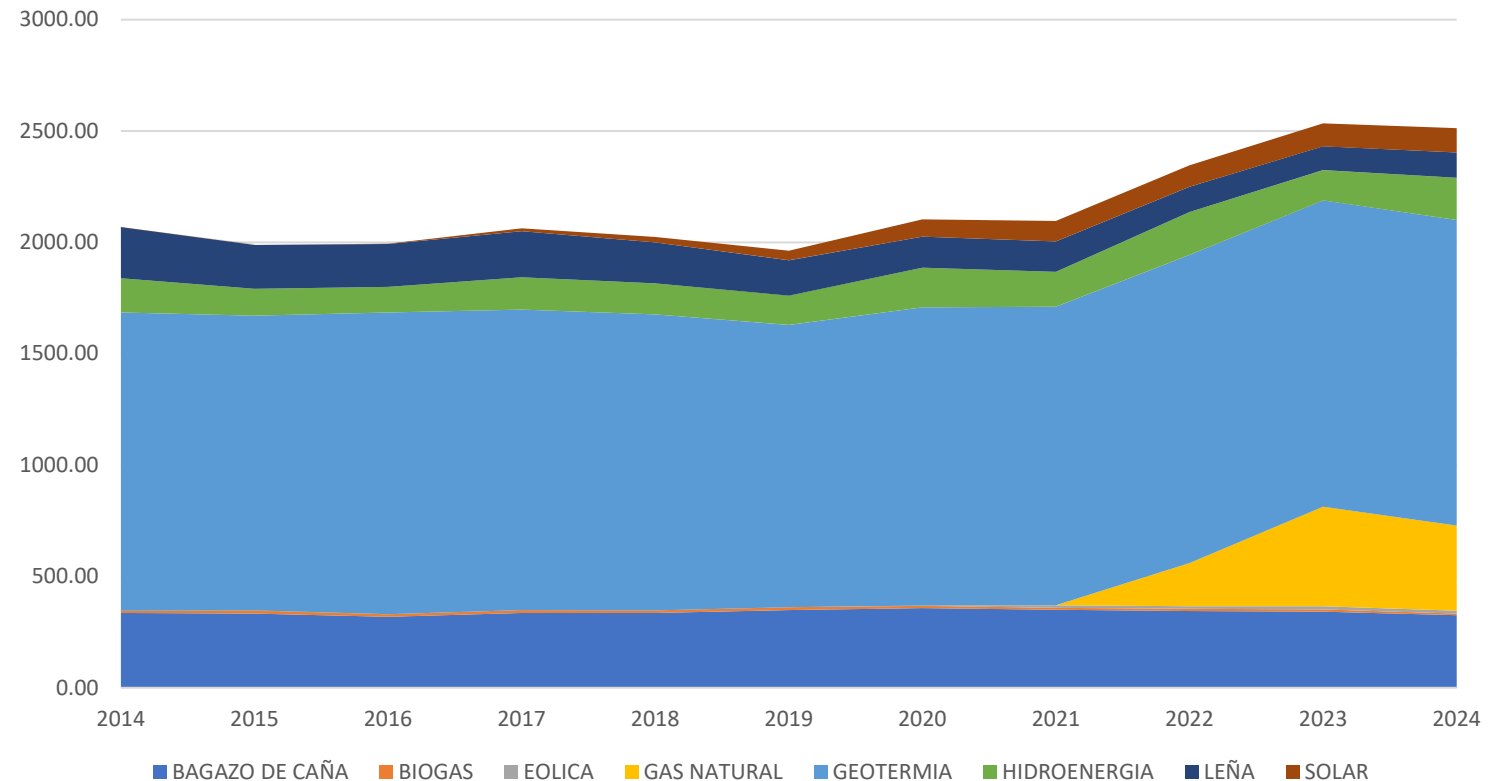
Primary Energy Supply by Source

- Domestic production increased moderately: **2,068 ktoe → 2,513 ktoe.**
- Imports increased significantly: **2,196 ktoe → 3,309 ktoe.**
- The energy balance remains highly influenced by imported energy, mainly fossil fuels.



Primary Energy Supply by Energy Source

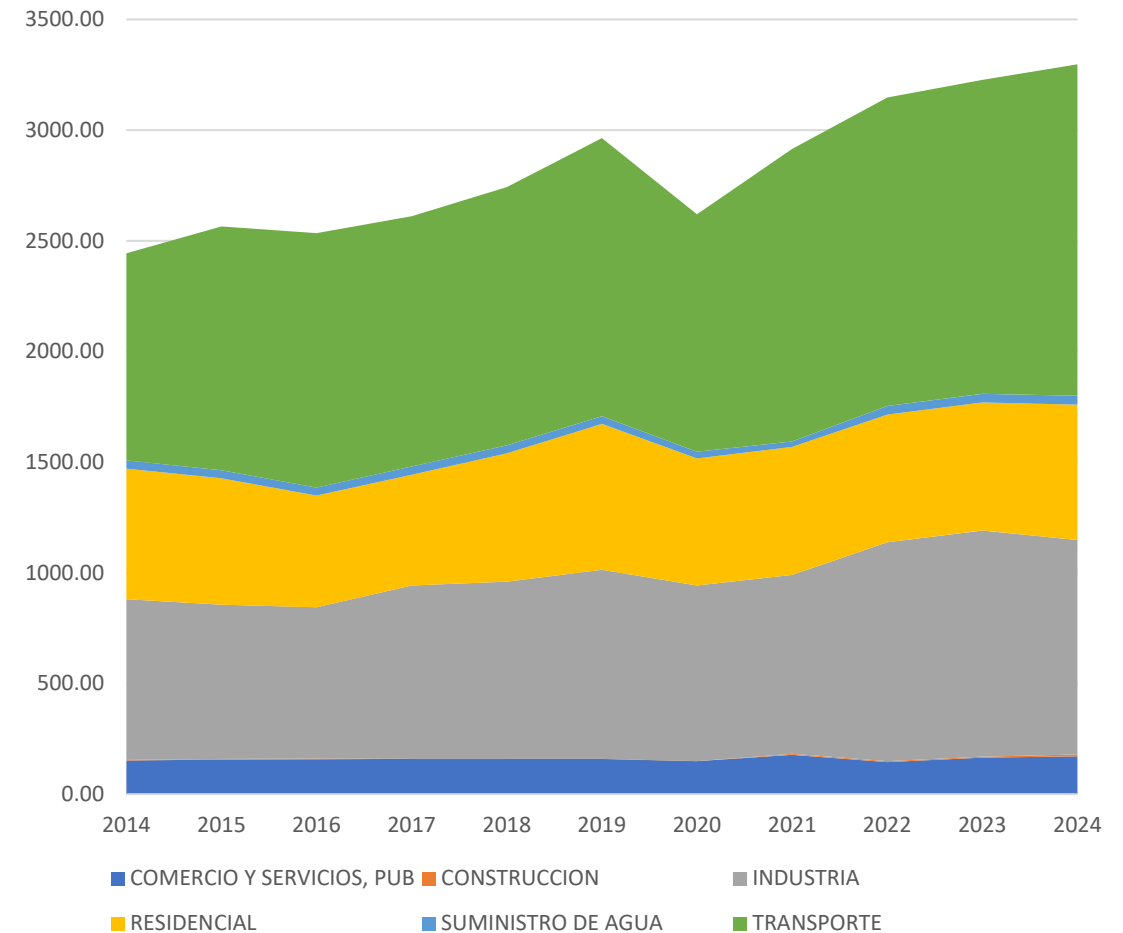
- **Geothermal** remains the main domestic energy source.
- **Solar PV** shows rapid growth during the last decade.
- **Natural gas** became relevant after 2021 as part of the electricity generation mix.
- **Hydropower** remains relevant but exposed to climate and hydrological variability.
- **Firewood** decreased significantly, reflecting a shift away from traditional biomass.



Final Energy Consumption

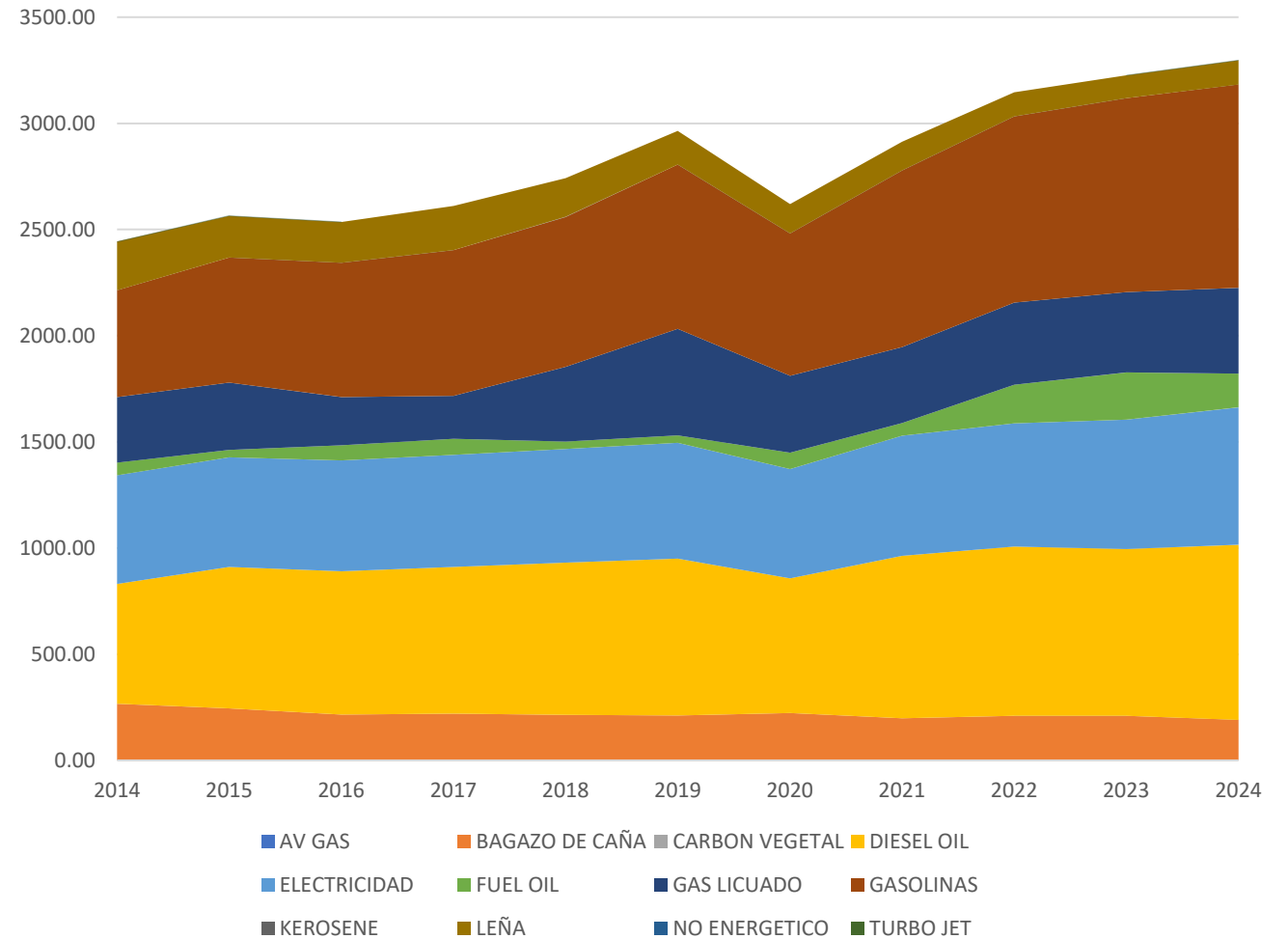
BY SECTOR 2014 – 2024

- Final energy consumption increased by approximately 35% between 2014 and 2024.
- Transport is the main energy-consuming sector and a key priority for future decarbonization and fuel diversification.
- Industry shows sustained growth, highlighting the importance of energy efficiency for competitiveness.
- Residential demand remains relevant for energy affordability, access and efficient consumption.
- The overall trend reflects a growing economy with increasing energy needs and opportunities for low-carbon planning.



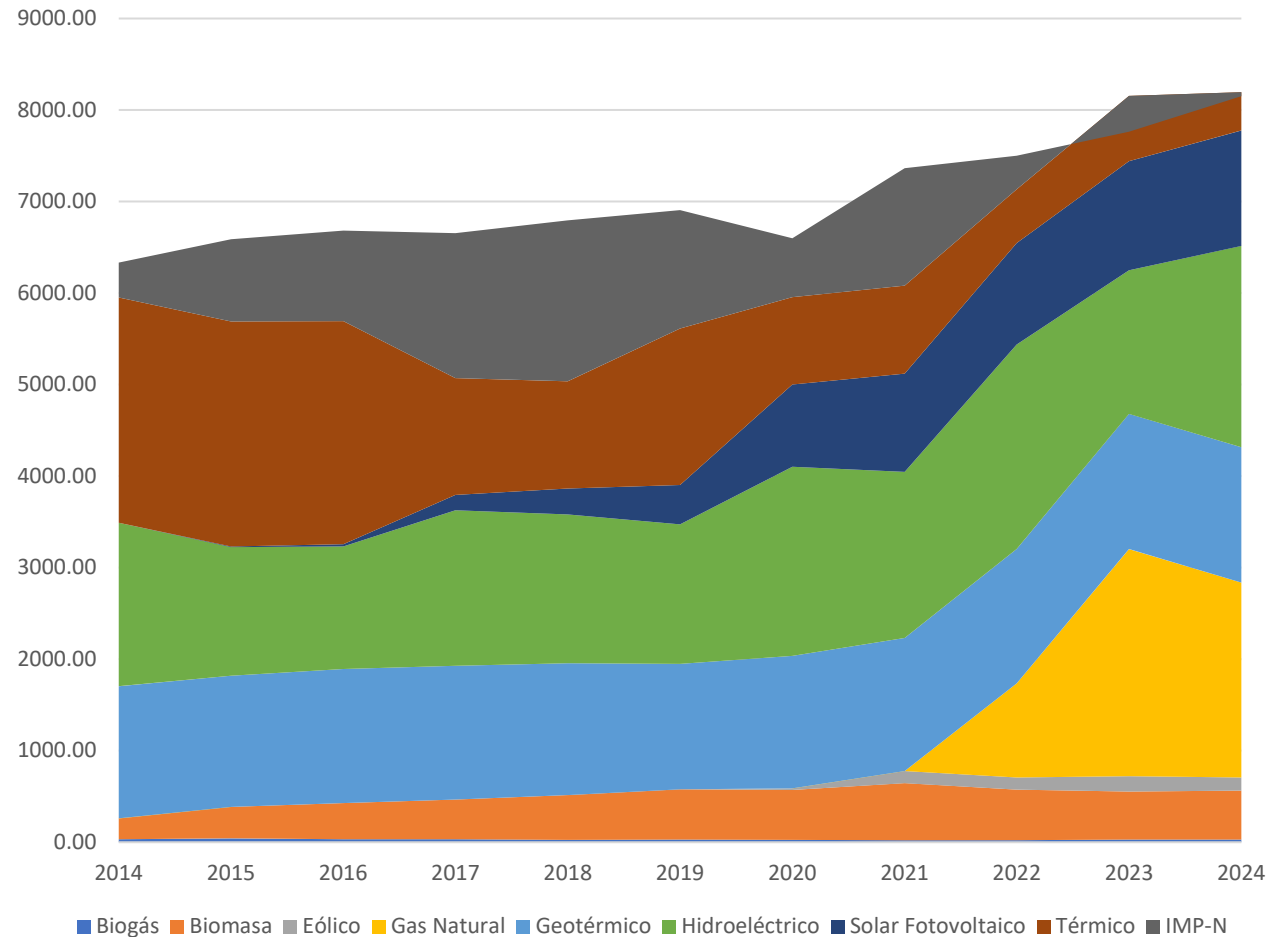
Final Energy Consumption BY ENERGY SOURCE

- Final energy consumption is mainly driven by gasoline, diesel oil, electricity and liquefied gas.
- Gasoline increased from 502.30 ktoe in 2014 to 957.91 ktoe in 2024.
- Diesel oil increased from 564.38 ktoe in 2014 to 824.65 ktoe in 2024.
- Electricity increased from 511.63 ktoe in 2014 to 647.12 ktoe in 2024.
- Liquefied gas remains important for households, commerce and services.
- Firewood decreased significantly, indicating a gradual shift toward modern energy sources.



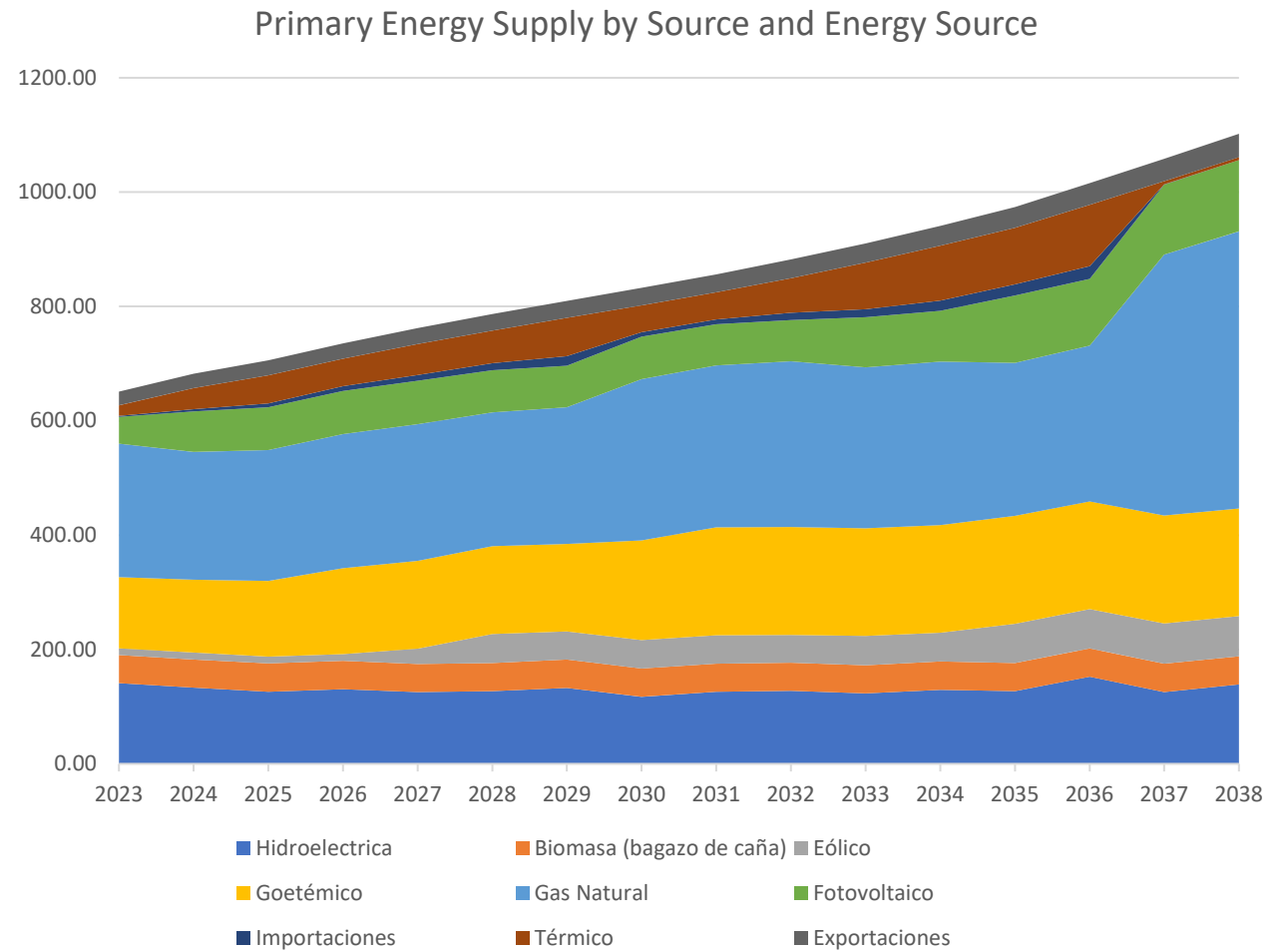
Electricity Generation BY SOURCE

- El Salvador has developed a diversified electricity generation mix with strong renewable participation.
- Hydropower remains a strategic renewable source, reaching 2,199.35 GWh in 2024.
- Geothermal energy provides stable firm renewable generation, reaching 1,481.07 GWh in 2024.
- Solar PV increased rapidly from 0 GWh in 2014 to 1,259.96 GWh in 2024.
- Natural gas contributes to flexibility and system reliability, reaching 2,126.70 GWh in 2024.
- Conventional thermal generation decreased from 2,462.21 GWh in 2014 to 418.96 GWh in 2024.



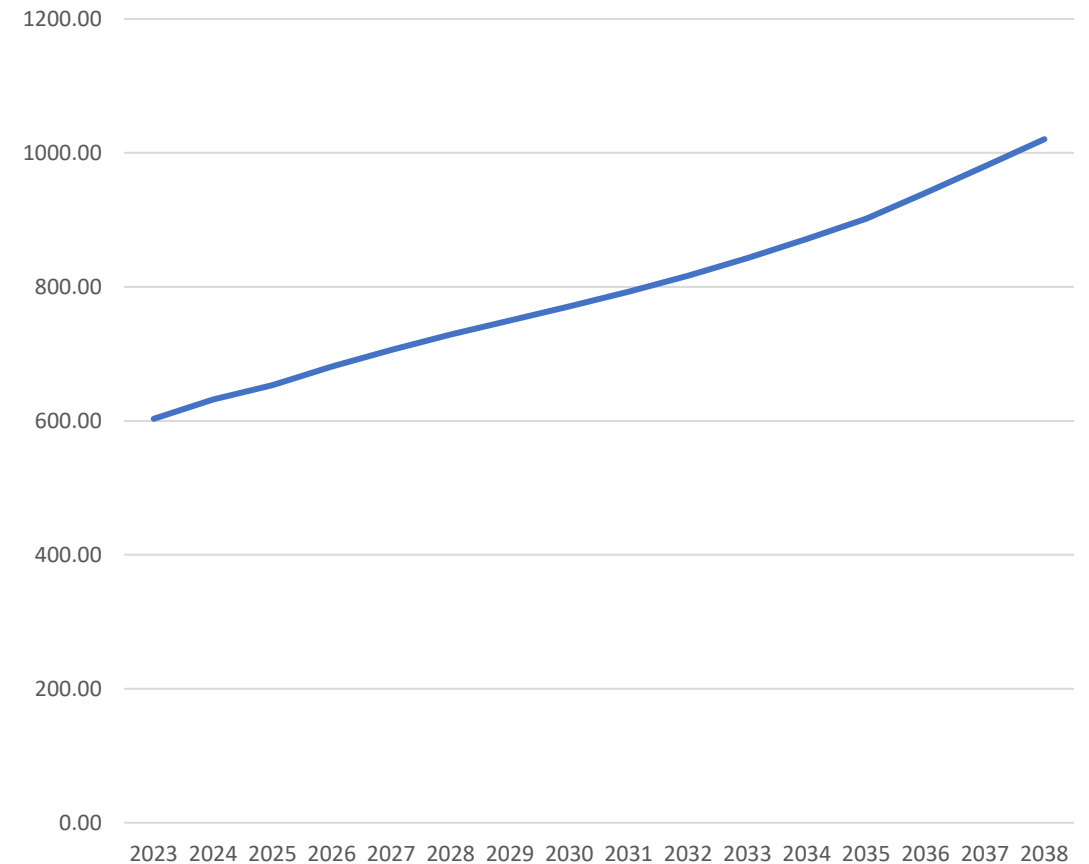
Primary Energy SUPPLY OUTLOOK

- The projected primary energy supply shows a transition toward a more diversified energy matrix.
- Geothermal energy increases from 124.65 ktoe in 2023 to 188.47 ktoe in 2038, strengthening its role as firm renewable energy.
- Solar photovoltaic grows from 46.74 ktoe in 2023 to 124.82 ktoe in 2038, supporting renewable expansion.
- Wind energy increases from 11.70 ktoe in 2023 to 70.41 ktoe in 2038, contributing to diversification.
- Natural gas increases as a flexible resource to support system reliability.
- Thermal generation and imports decline toward the end of the period, reflecting a pathway toward greater energy security.



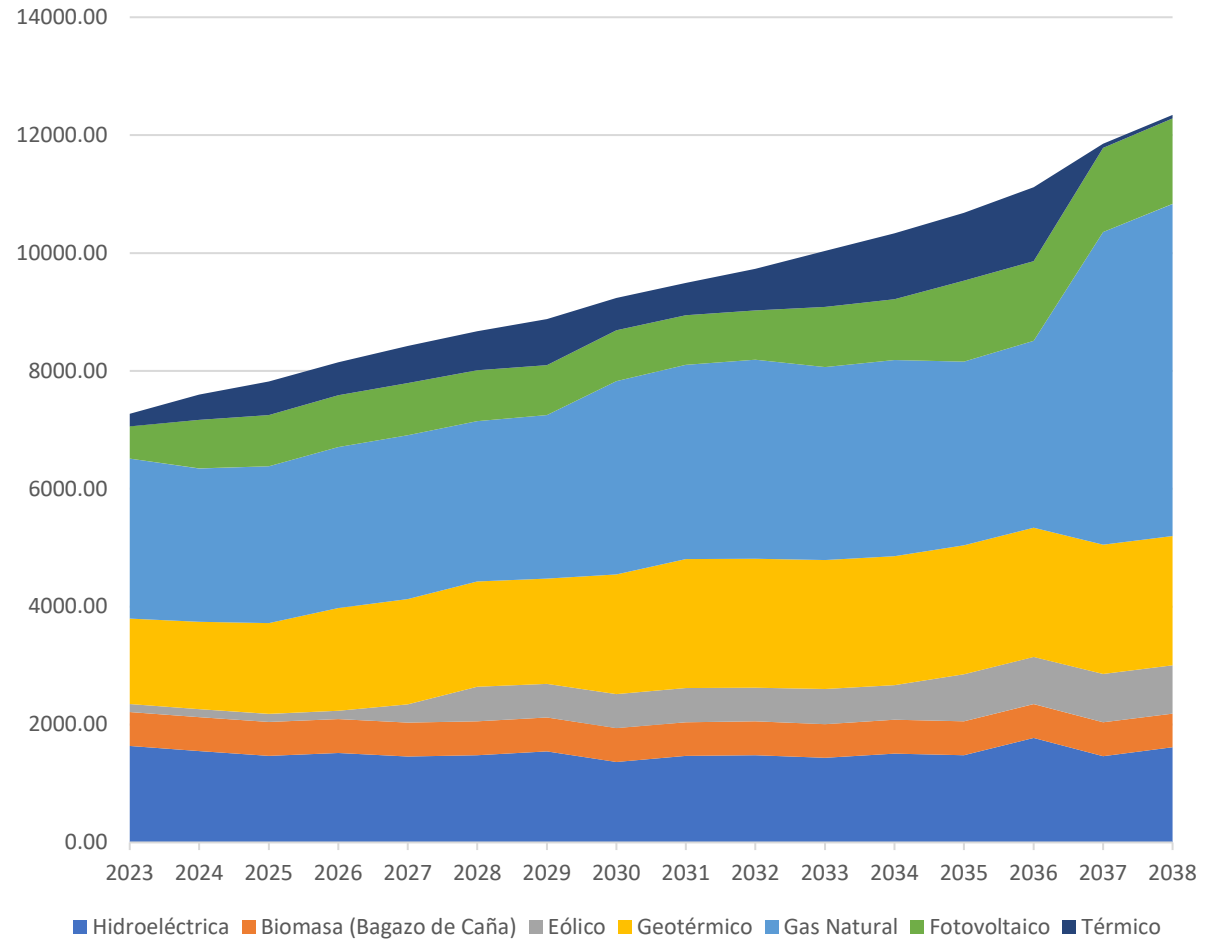
Final Energy CONSUMPTION OUTLOOK

- Final energy demand is projected to increase from 603.08 ktoe in 2023 to 1,020.46 ktoe in 2038.
- By 2030, projected demand reaches 771.04 ktoe.
- The projected growth reflects increasing energy needs from transport, industry, commerce, services and households.
- This trend creates an opportunity to guide future demand through energy efficiency, electrification, cleaner fuels and demand-side management.
- Long-term planning will be essential to ensure that demand growth remains compatible with energy security and low-carbon development.

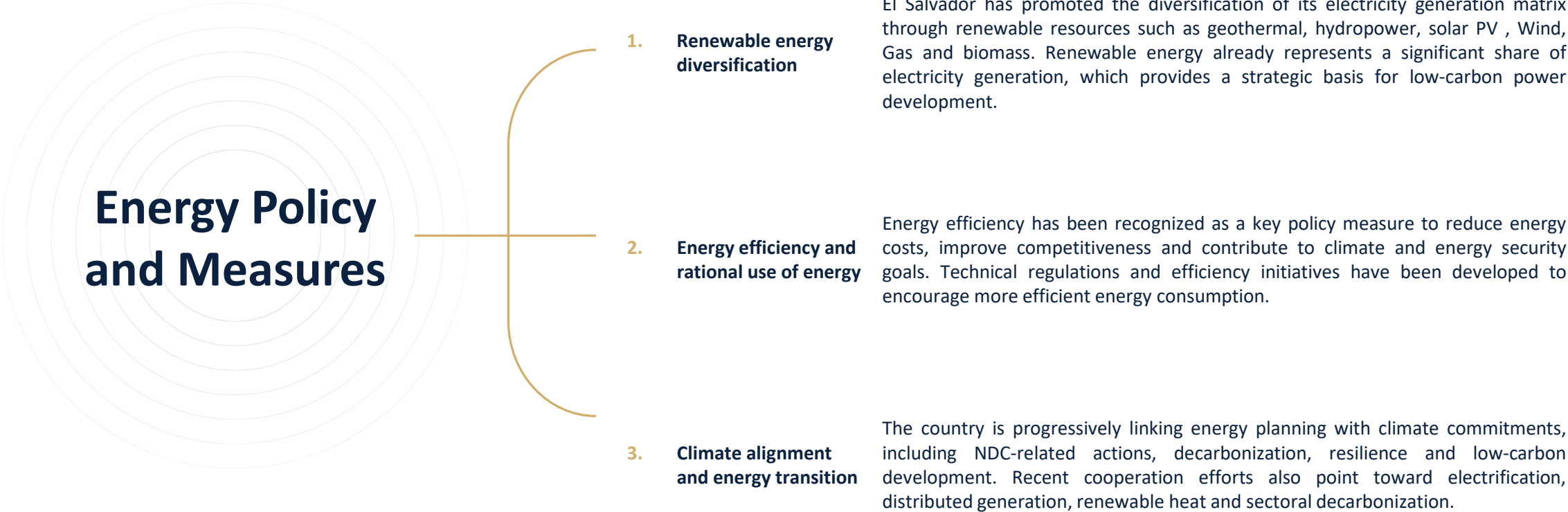


Primary Energy CONSUMPTION OUTLOOK

- Electricity generation is projected to grow under a more diversified power mix.
- Geothermal energy strengthens its role as firm renewable generation, reaching 2,191.96 GWh by 2038.
- Solar PV increases from 543.60 GWh in 2023 to 1,451.61 GWh in 2038.
- Wind energy grows from 136.12 GWh in 2023 to 818.87 GWh in 2038, supporting diversification.
- Hydropower and biomass continue contributing to the renewable base of the system.
- Natural gas supports flexibility and reliability during the transition.
- Conventional thermal generation decreases significantly, reaching only 59.93 GWh in 2038.



El Salvador’s current energy policy direction is focused on strengthening energy security, expanding renewable energy, promoting efficiency, and aligning the energy sector with low-carbon development objectives



Major Difficulties and Bottlenecks / Measures Being Taken

1. Fossil fuel dependence and external price volatility

El Salvador's transport sector and other end-use sectors remain highly dependent on fossil fuels, making the country vulnerable to international price volatility and external disruptions, such as risks associated with strategic oil transit routes like the Strait of Hormuz.

Measures being taken:

Generation dispatch planning to reduce electricity supply risks and fuel price reference mechanisms to avoid very short-term price changes, allowing households and businesses to plan their expenses.

2. Guidance for long-term energy planning tools

The country requires stronger technical guidance to develop a resilient hybrid energy model capable of balancing renewable energy, firm capacity, storage, dispatch flexibility and backup resources under different scenarios.

Measures being taken:

Diversification of the energy matrix, including geothermal, hydropower, solar PV, biomass, storage options and the evaluation of new technologies, including nuclear energy as a possible firm low-carbon source.

3. Careful design of the energy transition

The energy transition requires gradual and technically sound planning to ensure reliability, affordability, regulatory readiness and social acceptance.

Measures being taken:

Strategic cooperation with specialized entities such as IRENA, and memorandums of understanding with countries that already have experience and legislation for advanced technologies such as nuclear energy, green hydrogen and other low-carbon solutions.

What I would like to learn from this Program



1. **Long-term energy planning under uncertainty.** Japan's experience in designing energy policy under geopolitical risks, fossil fuel price volatility, climate change impacts and energy security concerns.
2. **Renewable energy integration and system resilience.** Planning tools for grid flexibility, storage, dispatch optimization, demand-side management and reliable integration of renewable energy.
3. **Policy frameworks for emerging low-carbon technologies.** Regulatory and institutional approaches for nuclear energy, hydrogen, storage, electrification, energy efficiency and other decarbonization technologies.

Appendix

1. Fossil Fuel Prices

<https://estadisticas.dgehm.gob.sv/combustibles/precios-referencia/>

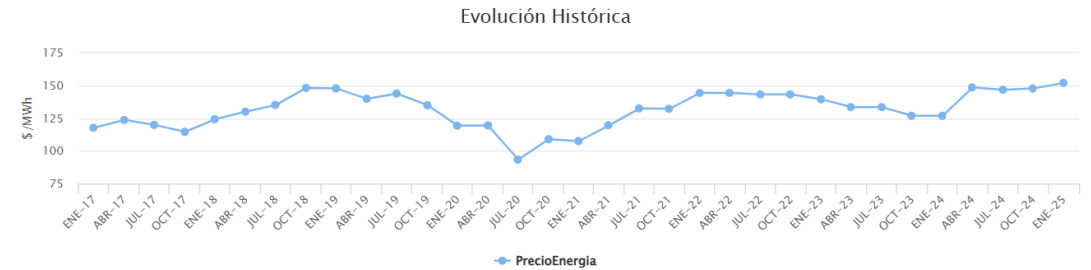
2. El Salvador Statistics

<https://estadisticas.dgehm.gob.sv/>
<https://estadisticas.dgehm.gob.sv/mercado-electrico/>

3. Energy Planification

https://www.cel.gob.sv/wp-content/uploads/2025/05/Memoria_Labores_Junio_2023-Mayo_2024.pdf

Precio de la Energía (PETT \$/MWh)



Precio de Referencia 2020 – 2026

