

## SolarTech Power Solutions

# Solar power prices in Panama



## Overview

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It is estimated that in 2025 an average 1 MW ground mounted solar energy system will have an average cost of 73 cents per watt, 36% less than the current cost. What is the electricity market like in Panama?

Panama is an electricity market which has grown significantly with a current installed capacity of 3.35GW. Electricity generation relies mainly on hydro production and historically on oil products. Therefore, the market is exposed to years with lower hydro generation that can affect market electricity prices.

How much does electricity cost in Panama?

The electricity cost in Panama varies depending on the user type and region. Here's an in-depth look at the costs as of 2023: Residential Cost: Approximately \$0.170 per kWh. Commercial Cost: Around \$0.185 per kWh.

How does electricity work in Panama?

Panama's electricity market relies on a mix of sources, including hydropower, natural gas, solar, wind, and oil. The Electric Transmission Company manages electricity transmission while distribution is handled by three main companies. The cost of electricity in Panama varies depending on user type and government subsidies.

What are the main sources of electricity in Panama?

Thanks to its numerous rivers and water bodies, Panama capitalizes on renewable hydropower. Natural Gas: Contributing about 13.2%, natural gas is the second largest source of electricity generation. Solar Power: With increasing investments in renewable energy, solar power now constitutes approximately 4.8% of the total electricity mix.

Is Panama a good place to buy electricity?

Panama is a market with a significant electricity and peak demand growth, in line with strong GDP growth. We expect current high electricity market prices

will attract a growing renewable capacity. Panama is a net exporter to Costa Rica, its only interconnection to date.

How does hydro generation affect electricity prices in Panama?

Electricity generation relies mainly on hydro production and historically on oil products. Therefore, the market is exposed to years with lower hydro generation that can affect market electricity prices. However, in recent years new technologies developed such as CCGT, coal and renewable plants have been present in Panama.

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