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ENERGY MANAGEMENT IN COLOMBIA: EVOLUTION AND PROSPECTS FOR THE SUSTAINABLE TRANSITION (1993-2023)
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Abstract:
Colombia is seeking to transition to alternative energy and move towards a sustainable future. The purpose of this study was to analyze Colombia's energy management from 1993 to 2023, with the goal of establishing projection scenarios for 2030. To achieve this objective, we reviewed energy data from institutional databases at the Ministry of Mines and Energy, conducted a hemerographic analysis, and applied inferential statistics through linear regression to examine the behavior of the analyzed period. The method used is Case study, Scale and periodicity of analysis 1993-2023. Over the past three decades, comprehensive infrastructure has been developed to increase energy levels and electricity capacity for alternative energy production throughout the country. Our findings suggest that Colombia's energy sector may stabilize by 2030, but environmental pressures such as climate change, deforestation, and other factors could negatively impact the country's energy matrix. The design and implementation of Colombia's energy transition policy have faced obstacles. Ultimately, it is essential to advance towards a sustainable energy transition in Colombia, considering environmental challenges and transforming the energy matrix towards renewable energies.

Keywords: Clean Energy, Climate Change, Energy Transition, Installed Capacity, Prospects for 2030

INTRODUCTION

One of the global challenges at the energy level is the transition to renewable energy generation systems; this is a response to the global environmental crisis. It is necessary to seek alternatives that contribute to improving the planet's energy performance and invest in research and implementation of clean energy technologies (Granit, 2022).

In the case of Latin America, there is still a dependence on fossil fuels. This dependence has not been successfully dismantled, as the economies of the region are dependent on coal (Weng et al., 2020). However, in the Colombian scenario, energy production continues to depend on fossil fuels and has bet significantly on hydropower, with an average representation of 69%; although this type of energy is clean, the country faces a challenge in the energy transition (Estrada Girado et al., 2022).

Based on the foregoing, this research focuses on analyzing the country's energy landscape in the period from 1993 to 2023. This analysis is fundamental because it explores the opportunity of various scenarios and how the problem is associated with a regional context.

This research highlights the challenges of energy generation and the behavior of the energy matrix (EM), where the growth of alternative energies has had a low representation. Likewise, the challenges that the country faces in having to diversify and seek strategies to develop alternative energies, not only being dependent on fossil fuels and water, given that the latter resource supplies the country's dams, which in turn are impacted by climate variations (drought).

Thus, the objective of the research was to analyze energy management between 1993 and 2023 to establish projection scenarios for 2030 that allow an understanding of the energy transition in Colombia.

Background: Energy generation in Colombia is primarily obtained through hydraulic dams that supply the national territory. However, the country's population growth and geography make hydraulic energy imperative within the energy mix (Pérez-Gelves et al., 2023). Currently, Colombia is experiencing growth and development of energy infrastructure to address coverage and transmission problems in remote areas and rural communities (Plazas-Niño et al., 2023). This scenario has led to three key aspects: first, a challenge and opportunity for the country's energy development to establish alternative energy sources (Torres-Morales et al., 2023). Second, there is a focus on the micro-generation of energy in rural contexts to address supply shortages (Martínez-Sierra et al., 2019; Galvís et al., 2023). Third, and finally, there is a need to overcome economic limitations to decarbonize the energy economy and transition to green and inclusive energy sources with communities (Granados et al., 2022).

Considering the above, the energy mix in Colombia faces a significant challenge in consolidating alternative energy sources and adopting new production models that do not harm the environment and achieve separation from fossil fuels (Martínez y Castillo, 2019). Moreover, the country's energy production and installed capacity are heavily dependent on water despite the planet facing a climate crisis and freshwater depletion (Weng et al., 2020). This situation highlights the need to adapt the energy mix to the vulnerability resulting from climate change and transition to a robust model of wind and solar energy, as the country's diverse geography and thermal floors would favor the construction and implementation of such technologies, facilitating better energy performance and a more resilient energy mix (Mulcué-Nieto et al., 2020; Moreno et al., 2022).

From another perspective, Colombia's energy mix has undergone significant development. However, the country still needs to adapt its installed capacity, expand generation, and reduce non-renewable energy consumption through solid policies and the implementation of a regulatory framework that obliges the Colombian State to initiate, implement, and involve communities and companies in the development of alternative energy sources and the reduction of non-renewable energy sources (Castaño y Suárez, 2021; Peña-Torres y Reina-Rozo, 2022; Rodríguez et al., 2023).

Sustainable energy management: The category of sustainable energy management has gained significant relevance over the past decade, primarily due to the climate challenges facing the world, as well as globalization and market dynamics (Galvís et al., 2023). The exploitation of energy resources has become a crucial issue, posing both economic and political challenges. It is essential to work towards finding sustainable alternatives that promote stability and balance in energy access (Calvo-Saad et al., 2023). However, the debate surrounding energy is also influenced by different political stances, often linked to economic models that favor carbon and fossil fuel exploitation. This approach raises concerns regarding the transition to cleaner and more sustainable energy sources, particularly considering the challenges posed by climate change. Therefore, according to González-Dumar et al. (2024), energy management should not only seek efficiency and resource optimization but also enable adequate adaptation to environmental changes.

Energy transition: The energy transition has recently emerged as a crucial topic in Colombia's political discourse. This category has become a central element in public debate, transcending both government and public agendas (Ramírez et al., 2022). The need to promote the construction and production of a clean and renewable energy system in the country is emphasized, reducing dependence on coal and increasing productivity based on sustainable energy sources. This transition has become a fundamental component of public and governmental policies, as well as the country's

- Micro-organization of energy in localities.
- Investment and corruption control.
- Incentives for voluntary energy transition.

These elements converge with the policies that have been established in the country to facilitate the transition to cleaner energy.

Information Analysis: Two types of analysis were performed. Qualitative and quantitative. The first consisted of an integral analysis of the information obtained through the hemerographic reviews and the reports from the Ministry of Mines and Energy of Colombia. This interpretive analysis was carried out through three categories:

- Energy challenges in Colombia.
- Energy transition.
- Scenario planning.

This analysis provided a comprehensive understanding of the country's current energy challenges and limitations, as well as the necessary elements for achieving an energy transition.

The second analysis was a descriptive analysis of the energy matrix, using parametric statistics to project energy production. This analysis was complementary to the qualitative analysis, and the information was extracted from the institutional databases of the Unidad de Planeación de Minero Energética (UPME).

RESULT AND DISCUSSION

Colombia's energy matrix has experienced progressive and sustained growth, with minimal variables of growth (Figure 1). The installed energy capacity in the country has undergone significant development, with hydraulic energy being the predominant source in the energy matrix.

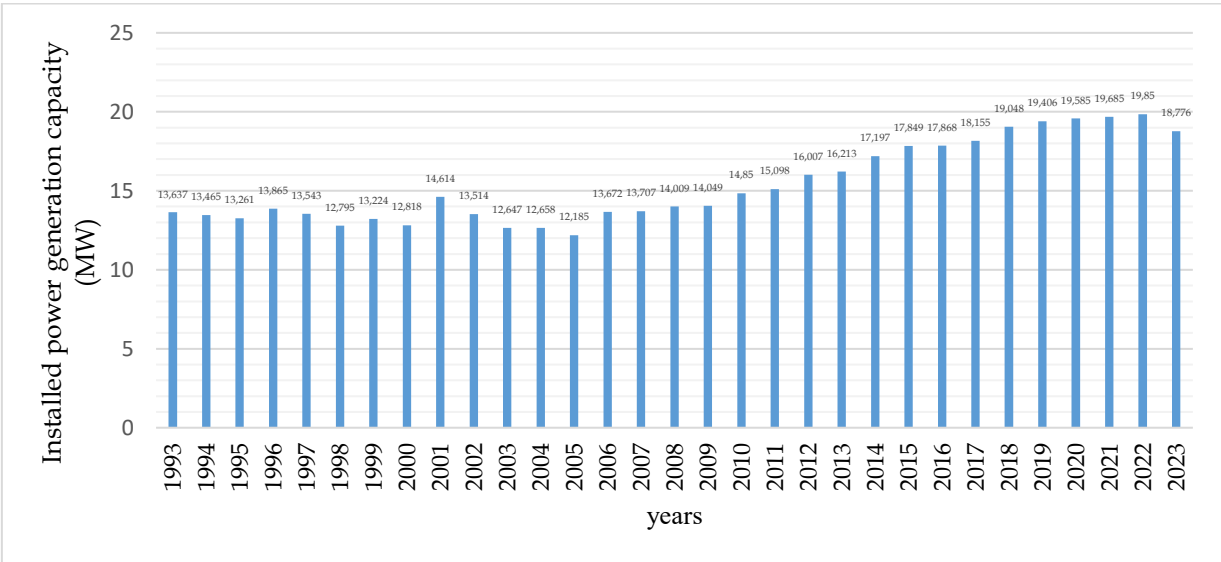


Figure 1. Installed energy generation capacity in (MW) period 1993-2023. Source: own elaboration with ARIAE data, (2022) Datamacro, (2022) and Minminas, (2024) shows the behavior in the analysis period and its fluctuations.

During the analysis of the period between 1993 and 2023, a sustained growth in Colombia's energy generation matrix was evident (Figure 2). In 2012, energy production reached 16,000 MW,



and by 2022, it increased to 19,850 megawatts. This growth is attributed to the constant search for strategies to modernize the country's energy system despite its dependence on non-renewable sources such as coal and oil.

The bet on the development of alternative energies has opened up new niches, with research on the rise in terms of efficiency, effectiveness, and territorial and regional relevance. As the energy matrix has grown during this period, a profound reflection has also emerged. Colombia has been increasing its installed capacity to meet energy needs and adapt its matrix to the challenges of climate change.

However, on this path towards self-sufficiency, droughts have presented themselves as a determining external factor in energy generation, given that a large part of the country's energy demand is supplied through hydraulic energy. Approximately 70% of the energy comes from hydraulic sources, making the infrastructure of dams and reservoirs play a significant role in the generation and distribution of the energy system.

It is undeniable that there is a strong relationship between the climatic factors associated with the Colombian territory and energy production within its energy matrix. While it is recognized that more infrastructure is required to expand coverage and promote the development of alternative energies, the efforts and achievements obtained so far demonstrate that the country is moving towards greater independence in the management and generation of its energy despite the challenges it faces.

Despite these vicissitudes, the growth rate of the energy matrix has been volatile. We observe that in 2014, it reached a remarkable 6.04% growth, while in 2018, it reached a solid 4.9%. These figures are significant in terms of the progress and development of the country's energy capacity. However, it is still expected that the transition to more sustainable and renewable sources will consolidate at some point in the national energy process.

Moreover, it is worth mentioning that the average growth rate during the period from 2012 to 2022 was 2.54%, reflecting the evolution in the development of the energy matrix. Although various challenges have been faced, these numbers demonstrate constant progress in the country's ability to meet its energy demand. However, it is important to continue promoting the adoption of cleaner and more sustainable energies to ensure a more resilient and environmentally friendly energy future.

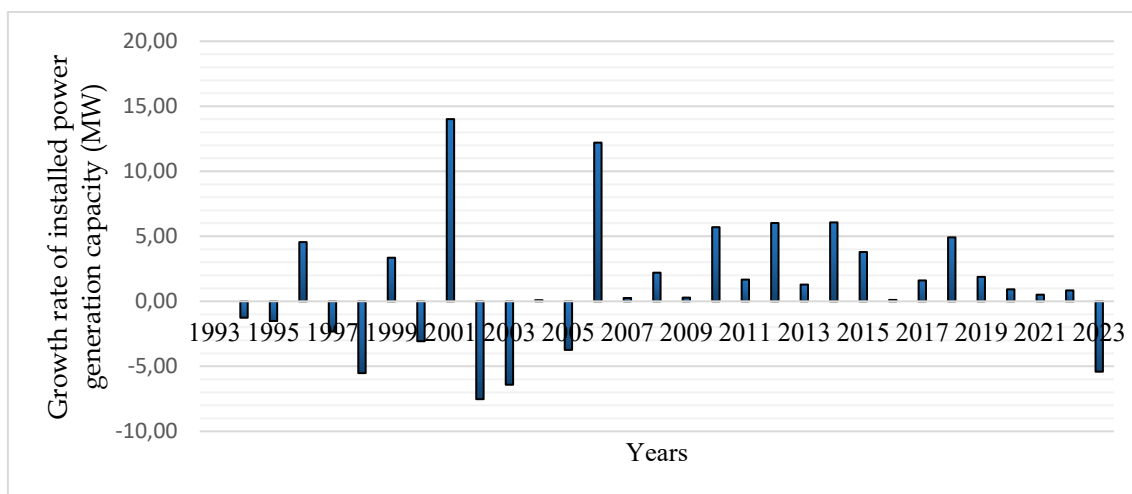


Figure 2. Growth rates of energy generation 1993-2023. Source: own elaboration with data from ARIAE (2022), Datamacro (2022) and Minminas (2024). It describes how energy growth has behaved over time and the positive and negative variations in energy production.

On the other hand, the variability in the growth rate may be related to various factors, such as the country's economic situation, changes in energy policies, investment in infrastructure, and climatic conditions, among others. The historical dependence on non-renewable sources such as coal and oil may also influence this fluctuation, as these resources can be affected by changes in international prices and global demand. Regarding energy management in Colombia, it is possible to observe certain advances, especially in years of higher growth. The energy generation capacity has been increasing, indicating greater infrastructure and capacity to meet the country's energy needs.

Between 1993 and 2023, hydraulic energy has been predominant in the energy generation process in Colombia. The installed capacity of hydraulic energy has maintained an average of 60%, which poses challenges for the conservation and sustainability of water bodies in the country. While hydraulic energy is a clean option, its exploitation involves limitations and changes in the water bodies where this energy is extracted. However, despite these challenges, the use of alternative technologies to meet energy demand in Colombia has lagged behind hydraulic energy and even non-renewable fuels. The Colombian energy matrix still largely depends on oil and coal, making it a highly carbonized economy. Although efforts are being made to decarbonize the economy, this also poses a challenge in terms of public policy and government management of energy.

It is necessary to promote the development of new energy technologies that can be implemented in strategic regions to increase the presence of alternative energies in the country's energy matrix. It would allow for meeting territorial needs in terms of consumption and coverage. This approach will require careful planning and the promotion of viable projects that foster sustainable energy in Colombia and reduce dependence on fossil fuels. In conclusion, although hydraulic energy has been essential in energy generation in Colombia, it is crucial to advance towards greater diversification and development of alternative technologies to address the country's environmental and energy challenges. The promotion of public policies and investment in new technologies will be key to achieving a more sustainable and balanced energy matrix in the future.

Modeling of Information. The linear regression analysis model showed a positive and significant relationship between the variable's "years" (independent variable) and "installed capacity of energy generation in MW" (dependent variable), with a regression coefficient of 0.41, a t-value of 15.616, and a significance level of 0.000. The coefficient of determination would be approximately 0.969, suggesting that changes over time directly affect energy production in megawatts, with a growth trend. It means that, in general, the analyzed information suggests a strong relationship between the increasing amount of energy in megawatts in Colombia during the examined years, which could be due to an increase in population demanding more energy, greater efficiency in generation, or a combination of both factors. According to statistics, the relationship between time and production is positive, meaning that the number of megawatts will increase as time passes, which could also be due to the country's industrialization.

1) Linear regression. The linear regression showed a significant and positive relationship between the dependent variable "installed capacity in MW" and the independent variable "year," suggesting that as time advances, there is a greater demand for energy, and it is necessary to improve the installed capacity of electric power generation. The Pearson correlation between the variables is

0.88 (Table 1), indicating a substantial relationship between both variables, with a bilateral significance of 0.00, suggesting that the correlation is statistically significant at the 1% level.

The explanatory model of linear regression has a coefficient of determination R-squared of 0.188, indicating that 78.8% of the variability of MW is explained by external agents that occur in a year and the passage of time.

The ANOVA showed an F-value of 107.602 (Table 2), sufficient to demonstrate that the "year" variable has a significant impact on the installed capacity of megawatts of energy. As for the beta coefficient, it was 0.88, indicating that there is an 88.8% possibility that the year and its implications can generate variations in the installed capacity of energy (Table 3).

Table 1. Correlations of the installed energy capacity variables in MW/year

Variable	Tests	Year	Megawatts
Year	Pearson correlation	1	,888
	Sig. (bilateral)		,000
	N	31	31
Megawatts	Pearson correlation	,888	1
	Sig. (bilateral)	,000	
	N	31	31

Source: own elaboration

Table 2. ANNOVA

Model	Sum of squares	gl	Quadratic means	F	Sig.
1 Regression	153,919	1	153,919	107,602	,000
Residual	41,483	29	1,430		
Total	195,403	30			

Source: own elaboration

Table 3. Correlation Coefficient

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Typical error	Beta		
1 Constante	-484,852	48,226		-10,054	,000
Year	,249	,024	,888	10,373	,000

Source: own elaboration

Table 4. Model settings

Model	Number of predictors	Model fit statistics	Ljung-Box Q(18)			Number of outliers
		Stationary R-squared	Statistics	GL	Sig.	
MegaWattios-Modelo_1	0	,527	12,636	17	,760	0

Source: own elaboration

2) Projection model to 20230. The predictive model, which started from the analysis period between 1993 and 2023, projected to 2030, showed a seasonality of 0.527, indicating a good fit, and an R-squared of 0.929. It allows us to assert that approximately 52.7% of the variability of the



dependent variable is explained by the seasonal variability and 92.9% of the total variability (Tables 4 and 5).

Regarding the time series of projections up to 2030, a slight, imperceptible increase was observed, which tends to stabilize between 2024 and 2030. According to statistics, the installed capacity of energy generation in MW will stabilize between 2024 and 2030 since the forecast line does not present any pronounced inclination, neither positive nor negative (Figure 3)

Table 5. Statistical model

Fit statistic	Media	ET	Minimum	Maximum	Percentile						
					5	10	25	50	75	90	95
Stationary R-squared	,527	.	,527	,527	,527	,527	,527	,527	,527	,527	,527
R-squared	,929	.	,929	,929	,929	,929	,929	,929	,929	,929	,929
RMSE	,682	.	,682	,682	,682	,682	,682	,682	,682	,682	,682
MAPE	3,354	.	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354
MaxAPE	12,593	.	12,593	12,593	12,593	12,593	12,593	12,593	12,593	12,593	12,593
MAE	,499	.	,499	,499	,499	,499	,499	,499	,499	,499	,499
MaxAE	1,840	.	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840
BIC normalized	-,655	.	-,655	-,655	-,655	-,655	-,655	-,655	-,655	-,655	-,655

Source: own elaboration

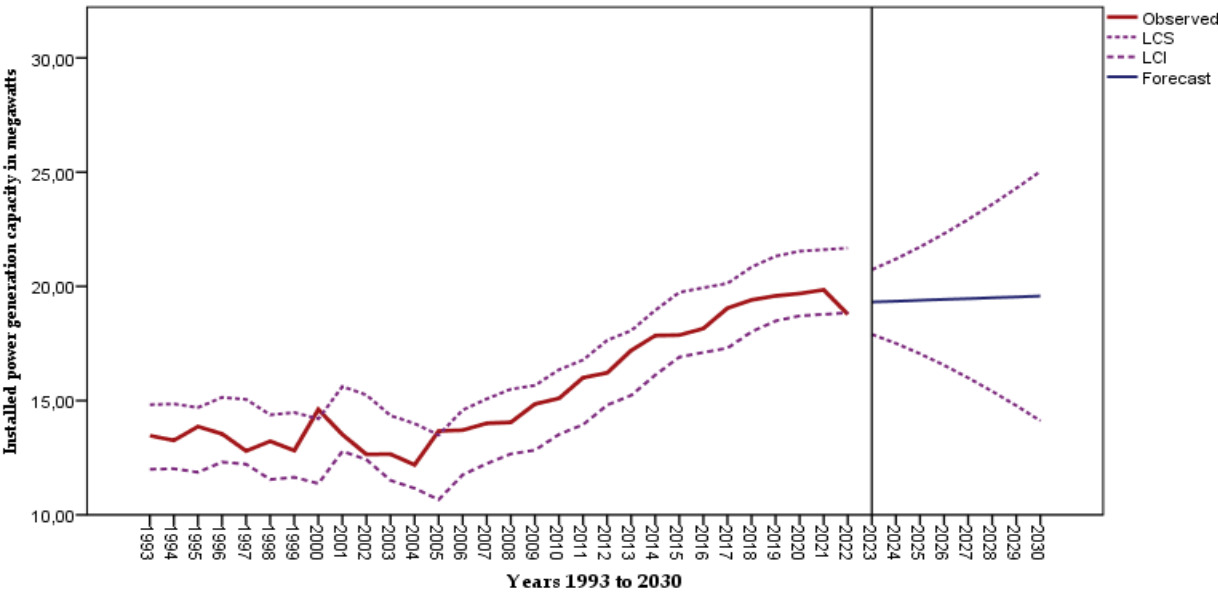


Figure 3. Historical behavior of the variables installed energy generation capacity started in 1993 and with a projection to 2030. Source: own elaboration. The image shows how the supply line is tending toward stabilization, although it shows imperceptible growth.

The results of the regression model and the projection for 2030 allow us to conclude that each year has external factors, usually of environmental origin, that can affect the variations in the installed capacity of energy in Colombia. Although alternative energy in the country is under development, improvements and adaptations are still required in the infrastructure. The country's energy matrix mainly depends on hydraulic energy, which is generated through water bodies.



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