

# Evaluating critical success factors for implementing renewable energy strategies in the Dominican Republic

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**Abstract:** Global awareness and commitment, in regards to climate change, access to water and renewable energy deployment has risen in the last decade. However, many countries are still locked in unsustainable practices, specifically in regards to energy, this results in damaging consequences not just for the country but the world. Case in point of the Dominican Republic (DR), an island with an immense renewable energy potential, a growing economy and the financial aid of many international entities. Regardless of all this, “the business as usual” decision for the energy strategies is based on fossil fuel. As a result, thousands of people are still without energy, the infrastructure itself is unreliable, and the cost of fossil fuel is 6-8% of the country’s GDP. The country also suffers from blackouts, the expensive tariff and unstable energy grid. Therefore, this paper discusses and critically evaluates critical success factors (CSF) for implementing renewable energy strategies in the DR. For this purpose, an extensive literature review was done, along with 25 interviews with the key actors in the renewable energy market of the DR, that were analysed using content analysis and ISM method. These methods provided insight into 6 CSF. These CFS aid the stakeholder’s in the creation and growth of the RE market in the DR.

**Keywords:** Critical success factors, Sustainable goals, successful implementation of renewable energy projects.

## Acronyms:

DR: Dominican Republic  
CSF: Critical Success Factors  
ISM: Interpretive Structural Modelling  
GDP: Gross Domestic Product  
CO<sub>2</sub>: Carbon Dioxide  
RE: Renewable Energy  
IRENA: International Renewable Energy Agency

USD: United States Dollar  
GWh: Gigawatt Hour  
MW: Megawatt  
GHI: Global Horizontal Irradiance  
KPI: Key Performance Indicators  
PPA: Power Purchase Agreement

## 1. Introduction

Behavioural changes, as well as an increase in renewable energy knowledge and investment, are the key to enhancing the adoption of more sustainable practices worldwide. However, this increase is detained by unsustainable practices, especially in the energy area. As many developing countries (Low-middle economy countries) are still locked in outdated and environmentally unfriendly energy method of fossil fuel for power generation; Case in point of the Dominican Republic (DR), a country with high sustainable goals yet it has locked its energy sector on fossil fuel (Konold *et al* 2015). Despite the fact, that the fossil fuel energy generates several critical issues to the nation: Fossil fuel imports are susceptible to the unstable oil prices, and with around 85% of the energy in the country coming from Fossil fuel, this results in a high cost to the country with approximately 6-8% of the GDP, making the countries trade market

14 unbalanced and contributing to the pollution and global climate change, which of the region the  
15 DR is the greatest CO<sub>2</sub> polluter (Guerrero-Liquet *et al*, 2016). In addition, the energy sector in  
16 the DR suffers from blackouts due to inadequacy of fossil fuel power generating plants and high  
17 cost of the tariff along with technical and non-technical issues that have plague the country for  
18 years. The paradoxical matter is that the DR has a renewable energy potential to not only supply  
19 its energy demand but to aid in supplying energy to neighbouring countries (NREL, 2001; BID,  
20 2013 and IRENA, 2016).

21  
22 DR faces challenges related to three specific areas: Government, Private sector and the end user.  
23 Better coordination between the involved actors would result in a successful implementation of  
24 renewable energy strategies. For this coordination and implementation, is where Critical Success  
25 Factors (CSFs) should be used.

26  
27 CSFs are an x-number of the main areas where an organisation, institution, department, project  
28 and so on, must achieve an efficient performance to realise its mission, vision and goals. CSFs  
29 can be derived from a literature and organisational document review. However, Parker (2010)  
30 defines CSFs as an information analysis to a project's (Organization, Institution and more)  
31 ability to exploit its strengths and weaknesses, therefore implying an interlinking of the CSFs  
32 and the current strengths and the current barriers of the project. Also, CSFs provide a vital  
33 instrument for measuring the performance goals of a project. Also, CSFs can be obtained from  
34 the analysis of interviews with the principal management personnel about their specific position  
35 (business or project related) and the barriers encountered in reaching the goals and objectives of  
36 the specific project, department or organisation that the interviewers belong. It is a combination  
37 of this two methods that this paper is based on. CSFs indirectly affect the renewable energy  
38 strategies, as their effect is on assertion of goals of the project and as a way to enable success of  
39 the project mission. CSFs will also aid in increasing efficiency of generation, transmission, and  
40 distribution of renewable energy (RE) in the power sector of the DR. This transformation to RE  
41 must be an essential priority in the country.

42  
43 In this evolving environment characterised by increasing electricity demand, the pipeline of new  
44 power generation projects is key for the sustainability of not just the country but of the world.  
45 The foremost objective of the research is to find and fill potential gaps in the existing research  
46 that might result in conclusions that will formulate an efficient CSFs and ultimately a framework  
47 for the successful implementation of renewables. This paper provides a landscape of main energy  
48 resources in the DR. Section four is focussed on the methodology. While section two presents  
49 the description of the case study of DR with its sustainable goals and renewable energy potential.  
50 Furthermore, section four focuses on CSFs in a general manner and the un-unique and unique  
51 CSFs for DR. Finally section five contains the conclusions that have been reached after the  
52 analysis.

53

## 54 **2. Outlook of the energy landscape of the Dominican Republic**

55  
56 DR is one of the largest islands in the Caribbean and possesses one of the most diverse and  
57 fastest growing economies in the region. Also, its energy consumption is increasing rapidly, at an  
58 average of 1% per year. However, the country relies heavily on fossil fuel, which needs to be  
59 imported and accounts for nearly 82% of the energy generated and supplied; at present fossil fuel  
60 represents 6% to 8% of the annual GDP (6,722.22 USD per capita) spent, this is not considering  
61 the 2% that represents the energy subsidies that the government injects into the electricity tariff  
62 to stabilised the rates for consumers (IRENA, 2016). Contradictory, DR also has one of the  
63 highest renewable energy potential in the region (66% of energy capacity approximately 1.44

64 gigawatts just on on-shore wind and hydro power) (Konold *et al*, 2015). However, despite all  
65 the challenges the DR has committed to several sustainable goals, shown in Table 1.

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**Table 1: Sustainable goals of the DR**  
Source: IRENA (2016)

Sl. No	Sustainable Energy Goals of the DR
1.	Reduction of Greenhouse Gas emissions by 25% by 2030
2.	Reduce fossil fuel import dependency
3.	Reduce the local and global impacts of fossil fuel combustion on the environment
4.	Increase renewable energy in the power generation mix by 25% by 2025 (Law 57-072)
5.	Rural Electrification program with off-grid renewable projects
6.	Blackout reduction programme

69

70 In regards, to the first sustainable goal the Dominican Republic has the highest CO2 emissions of  
71 not only the Caribbean region but of several Latin American countries. Such as a 0.79 gigatons  
72 per GWh in 2002 and 0.81 gigatons per GWh in 2011, having a 0.2% increase per unit of  
73 generated electricity, according to the REN21 report in 2018.

74 The energy strategies are key for increasing the share of renewables and achieving all sustainable  
75 goals. The majority of power generation plants in the DR are primarily based on hydrocarbons,  
76 and this fossil fuel plants are very inefficient. On average in DR the efficiency of fuel oil  
77 generation in 26.6% and coal steam is 28% this is extremely low and inefficient. However, the  
78 energy market is still working under the obsolete hydrocarbon law. (Konold *et al*. 2015)

79 In recent years the energy sector in DR has been flourishing in renewable energy projects.  
80 However, very few of these projects are realised. In addition, the sector, and specifically the law  
81 57-072 that rules renewable energy along with the Energy Distribution law, have gone through a  
82 series of reforms to ensure, secure and low cost of electricity supply to consumers. These  
83 reforms have introduced policies such as cut to the tax incentives, which the law 57-072 initially  
84 had, by more than half, along with the feed in tariff energy method established. These new  
85 policies have reduced the investment and interest in renewables (IRENA, 2016).

86 Apart from the legal challenges DR faces technical and non-technical issues, especially with the  
87 grid. Some of the issues are: (a) very high distribution losses at approximately 32% in 2014. (b)  
88 Subsidise electricity prices by the government (1 Billion USD annually), which results in an  
89 inadequate investment of funds, cutting of the investment into grid capacity upgrades. This lack  
90 of grid optimisation leads to hours of long blackouts. Among the non-technical challenges, the  
91 major one is electricity theft as it is not adequately addressed because of the limited regulatory  
92 capacity and implementation. Also the fear of threats from the population illegally connected.  
93 These non-technical issues account for approximately 12% of the DR electricity losses. Other  
94 technical issues are (a) inefficiencies at generation plants and substations, (b) inefficient and  
95 overloaded transmission lines. These technical and non-technical challenges contribute roughly  
96 to a loss of around 100 million USD annually (Konold *et al* 2015) in the electricity sector's  
97 creating a deficit for the country and government.

98 The DR possesses a strong RE potential in wind, solar and hydro sources, according to studies by  
99 the National Renewable Energy Laboratory (NREL) (2001) and the World Watch Institute  
100 (2015). This potential has a wide country range and can meet almost completely the current  
101 power demand according to projections by IRENA in 2016. Regarding local wind potential, the  
102 DR possess from 100-10000 MW with approximately 79 potential areas of high winds. In solar  
103 the DR shows incredible solar potential with a GHI that ranges from 5 to 7 kilowatt-hours per  
104 square meter per day (kWh/m<sup>2</sup> /day) throughout most of the country and approaches eight  
105 kWh/m<sup>2</sup> /day in some regions. The hydropower in the DR is almost at maximum capacity, as  
106 already 90% of the water sources have been utilises, meaning that any new hydropower plant  
107 would impact on a minimal scale the energy supply and demands. Also, the hydropower plants in  
108 existence only operate for short hours (4-6) a day because of water regulations that prioritise  
109 water for drinking, agriculture and then electricity. Regardless of this, the government continues  
110 to invest greatly in the area (1.6Billion USD from 2010-2015).

111 The Future Expansion of the electricity capacity in the DR has been planned since 2012 with the  
112 proposed addition of 2,069.5MW of energy by 2018. However of this 2,069.5MW renewable  
113 energy (RE) only represents 219MW around 10.58% of the whole energy expansion (IRENA  
114 2016 and Konold *et al.* 2015). This is an example of unsustainable practices and thinking of the  
115 government; with the current approval and construction of the Punta Catalina Power Central that  
116 shall be coal generated, the government has efficiently locked the energy market in the DR into a  
117 fuel dependency that might probably raise the cost of electricity for consumers thus disregarding  
118 the energy goals that have been set.

119 The country has significant additional renewable energy potential to go beyond the projected  
120 66%. However, for the country to reach 66% and beyond a restructuring of the current strategies  
121 is needed. The first step is to study the projects that have been implemented successfully in the  
122 DR and analyse the CSFs, to guide the country into a more sustainable future.

123

### 124 **3. Critical Success Factors**

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126 As stated CSFs are a limited and defined a number of fields that, if implemented correctly, will  
127 ensure a successful completion of the goals and mission of the organisation or project (Parker,  
128 2010). Many researchers (Baharuddin *et al.*, 2008; Esteves, 2005; and Hsiang-Yung, 2012)  
129 defined these factors as key subjects where measures and tasks must be correctly implemented to  
130 ensure favourable results, this area is essential if the goals of the project are to be achieved.  
131 These particular areas must receive continuous and meticulous attention.

132

133 Hsiang-Yung (2012) focused their research at the renewable industry level and proposed that  
134 CSFs be common across the organisations within the energy sector. This CSFs are non-unique at  
135 an industry-level, this means that these particular factors are relevant for any company in the  
136 renewable energy project. However, Parker (2010) explains that CSFs might differ from project  
137 to project depending on the hierarchy of the CSFs. This would re-established concepts from 1979  
138 of CSFs and would reintroduce the notions of managerial-level CSFs and organisationally unique  
139 CSFs. A thorough discussion of several researchers (Parker, 2010, Esteves, 2008 and Bahariddin  
140 *et al.* 2008) the tiered nature of CSFs, can be divided into four specific levels: industry,  
141 organisational, department, and individual. Now, this classification is based on the industry or  
142 environment analysed. Stainforth and Staunton (1996) restore five different levels of CSFs  
143 based on the different departments or roles in a project and how each contributes to achieving the  
144 mission of the project: (a)the structure of the specific project (industry/project CSFs) (b)

145 competitive approach, project importance, and physical location (strategy/approach CSFs) (c)  
 146 the current social-political-economical-technological-climate change environment  
 147 (environmental CSFs) (d) challenges/barriers to implementing the project (temporal CSFs)  
 148 leadership and knowledge management (management CSFs).

149  
 150 A renewable project CSFs may contain any or all of these types. Analysing and understanding  
 151 the different types of CSF helps the projects professional recognise whether the CSFs are  
 152 common or unique and how they may continue or evolve; no organisation can manage to create  
 153 and implement a strategy that does not provide acceptable care to the primary factors which are  
 154 the cause of success in the project.

155  
 156 As Stainforth and Staunton (1996) described the CSFs for implementing renewable technologies,  
 157 however, the focus of their research, was on simply implementing the technology and did not  
 158 take into account the challenges and drivers needed for the whole project. In this paper, the focus  
 159 has been on the entire project and its key actors in DR specifically, as this country is usually used  
 160 as a testing ground for companies, since it is one of the largest and fastest growing economies,  
 161 investors and organizations will usually set the base of operations in the country or do a trial and  
 162 error of the projects in country. The thought behind this is that if it works in the DR, it will work  
 163 for the rest of the region. In this way, the DR becomes a mirror of the area.

164  
 165 In the case of the DR, after conducting the interview's and analysing the data the key CSFs were  
 166 determined as can be seen in Table 2.

167

168 **Table 2:** CSFs for implementing RE business strategies in the DR

Code	CSFs	Percentage of interviewees Cited (N=25)	Possible Measures
F4	Creation of financial tools for renewable energy projects	84%	Reports on: RE loans, Incentives, Cooperatives, Interest rates
F3	Coordination between the different stakeholders	80%	Knowledge management reports and logs
F5	Knowledge creation and exploitation related to RE business	75%	RE education and training, RE higher education curriculum
F2	Implementation of the legal Framework	72%	Implementation committee, Surveys, incentives tracker, disclosure of incentives reports
F1	Update and provide access to the grid	64%	Reports on rate of change of energy line connections and private connection forms
F6	Transparency in the legal and financial tools available	60%	Reports and logs of open source publications of documentations, public auctions of agreements

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#### 4. Research Methodology

Given the complexity of renewable energy (RE) issues and the scarcity of comparable research in the area in the Dominican Republic (12 documents exist of renewable energy in the Dominican Republic, 11 of which are reports from local and international agencies and one journal) a qualitative research methodology has been adopted. As Willis (2008) explains the qualitative research will aid in understanding the underlying drivers, challenges and knowledge of renewables in the DR. The data utilised in this study is based on current scientific literature review, project documentation, and interviews with the principal actors of the renewable energy in the DR. A CSFs analysis has been conducted; with the purpose, to identify the key areas unique and un-unique to successfully implement a renewable energy project in the DR. In order to obtain a profound understanding of the current situation and challenges in the DR. Esteves (2005), Ali *et al.* (2008), Parker (2010) and Hsiang-Yung (2012), have described CSFs analysis can be carried out based solely on literature and documentation review or on interviews; as CSFs are a number(s) of key areas that define the performance and success of a project. It is imperative to understand the characteristics of CSFs; some of the key features are: CSF hierarchy, types, uniqueness, and stability over time. For this research, a focus on the kinds and uniqueness has been done.

The fact that the decisions for the energy infrastructure need to be decisive for a country to developed RE as this involves difficult trade-offs, it was critical to gather the most current and high-quality data. As Winchester and Salji (2016) explain the use of the literature review is an essential tool for the summarising of the current knowledge by also including the analysis and synthesis of empirical cases studies. For that purpose and in-depth literature review of current research in the area has been done on DR along with the successful implementation of renewable energy projects in the country, as to survey, synthesises and critically analyses the information. This method of collection will ensure that the scope of research will add, and not duplicate any previous research in different areas of DR renewable energy sector and the Caribbean region. These documents were used as relevant references for the research and provided vital information about various areas of the RE situation in DR; however, a comprehensive overview of the different stakeholders, business perspective and PESTLE (Political-Economic-Social-Technological-Legal-Environmental) analysis regarding the energy strategies in the country was lacking.

Primary data was collected through Semi-structured interviews, and purposive sampling technique was used to select interviewees. This technique was chosen as the quantity of knowledgeable personnel in the area of renewable in the DR is very limited, for this very reason the identities of the interviewees have been coded as Energy interview # (EI#), to comply with the anonymity that was agreed upon, as can be seen in Table 3, along with a summarised profile shown in Table 4.

**Table 3:** Classification of Interviewees for CSFs for the implementation of RE projects in DR.

Participants	No. of interviewees
CEO's	7
Directors	11
Managers	7
<b>Total</b>	<b>25</b>

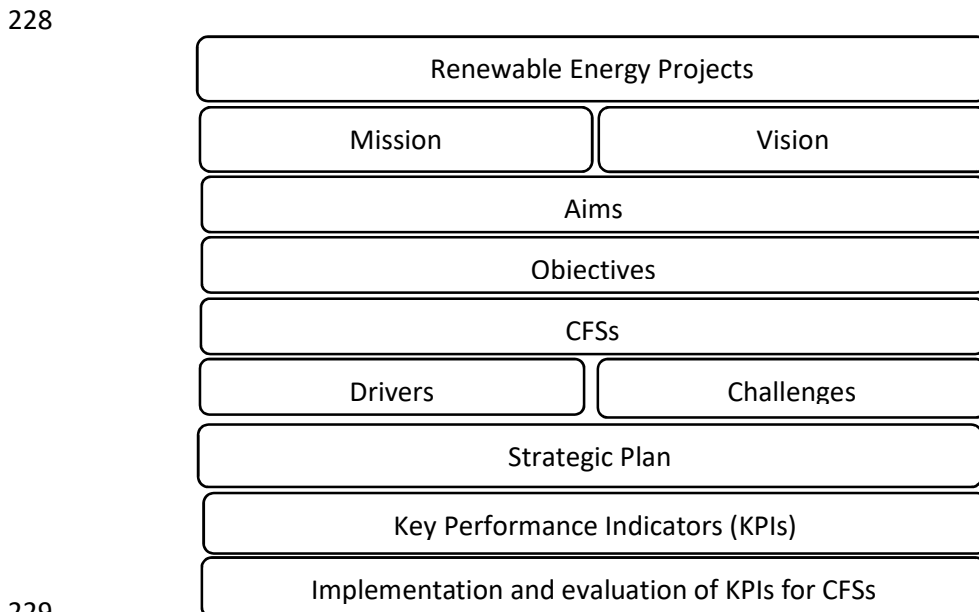
211 The interviews were conducted in a face-to-face format lasting on average 35 minutes. A total of  
 212 25 professionals were interviewed from the private, public and government areas of the  
 213 renewable energy sector in the DR. All the interviews were transcribed verbatim.

**Table 4:** Description of critical criteria of interviewees.

Interviews	Detail Desired Criteria
Senior Experts Representatives	<ul style="list-style-type: none"> <li>● Experience in the RE area (Technological, generation, Legal, financial, public and private sector)</li> <li>● Knowledge in RE subjects</li> <li>● At least five years of experience in RE area</li> </ul>

214  
 215 For this research to make feasible proposals for assertive actions, it was imperative to understand  
 216 the drivers, challenges and CSFs of all stakeholders governmental and nongovernmental that are  
 217 critical in transforming the energy sector to RE as a reality. The semi-structured questions were  
 218 created, to provide the interviewer with time to explain or explore particular areas, to procure in-  
 219 depth information of the CSF from the main actors. The interviews were recorded, transcribed  
 220 and supplemented with field notes as appropriate. The unit of analysis adopted for this study was  
 221 the energy industry, and the embedded unit of assessment was the ‘individual employee’.

222  
 223 Once the data was collected analysis of such data was carried out. Of all the possible CSFs  
 224 obtaining from the primary and secondary data, the essential CSF’s where identified. Once the  
 225 CSFs where identity, the need to introduce them into the project hierarchy, shown in Figure. 1.  
 226 The purpose of CSFs is not just to be identified but to introduce into the project and methods on  
 227 how to measure the key performance indicators (KPIs) during the life cycle of the RE project.



229  
 Figure 1: Renewable Energy Project Process.

Source: Parmenter (2008), Esteves (2005) and Parker (2010).

230  
 231 The RE potential benefits, in a financial, environmental and social aspects for the DR provoke  
 232 the question of why sustainable practices, especially RE, have not become the business as usual  
 233 for the country.

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237 **5. ISM analysis**

238 Interpretive Structural Modelling (ISM) is a tested and proven methodology to understand and  
 239 design the structure of a complex problem. It is a tool which is used to establish relationship  
 240 between the variables affecting an issue or a problem. Identification of the factors acting as a  
 241 obstacles through literature review and expert opinion, development of contextual relationship  
 242 between the variables, development of structural self-interaction matrix (SSIM) then formation  
 243 of reachability matrix, partition of reachability matrix into different levels, graphical  
 244 representation of relationship developed among the factors explained in reachability matrix,  
 245 check for inconsistencies and subsequent modification are the main steps which that are followed  
 246 in ISM (Sushil, 2012).

247  
 248 **5.1. SSIM Matrix**

249 Experts from the industry and academia are consulted in identifying the nature of contextual  
 250 relationship among the factors. The following four symbols are used to denote the direction of  
 251 relationship between two factors (i and j): (a) V if factor i will influence factor j (b) A if factor j  
 252 will influence factor i (c) X if factors i and j will influence each other (d) O if factors i and j are  
 253 unrelated. However, only half the table is filled as the other half is a mirror of the filled half and  
 254 it is not filled as to be able to create the reachability matrix. Table 5 shows the list of CSFs'  
 255 while Table 6 shows the SSIM matrix developed for factors influence.

256  
 257 **Table 5. ISM coding of CFS**  
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Coding	Critical Success Factors
<b>F1</b>	Access to the Grid
<b>F2</b>	Implementation of the legal framework for RE
<b>F3</b>	Coordination and communication
<b>F4</b>	Financial tools for RE projects
<b>F5</b>	Knowledge Creation and Exploitation
<b>F6</b>	Transparency

259  
 260 **Table 6. SSIM Matrix**

i/j	F1	F2	F3	F4	F5	F6
F1	-	A	A	X	V	A
F2	-	-	X	X	X	X
F3	-	-	-	V	X	V
F4	-	-	-	-	X	A
F5	-	-	-	-	-	A
F6	-	-	-	-	-	-

261  
 262 **5.2. Reachability matrix**



263 The reachability matrix is created from the SSIM. Symbols V, A, X or O of the SSIM are  
 264 replaced by 1s or 0s to create reachability matrix. Following rules are followed: (a) If the (i, j)  
 265 position of SSIM is V, then the (i, j) position of the reachability matrix becomes 1 and the (j, i)  
 266 position becomes 0. (b) If the (i, j) position of the SSIM is A, then the (i, j) position of the  
 267 reachability matrix becomes 0 and the (j, i) position becomes 1. (c) If the (i, j) position of SSIM  
 268 is X, then the (i, j) position of the reachability matrix becomes 1 and the (j, i) position becomes  
 269 1. (d) If the (i, j) position of the SSIM is O, then the (i, j) position of the reachability matrix  
 270 becomes 0 and the (j, i) position becomes 0. For example: cell F1-F2 of the SSIM matrix (F1  
 271 denoting the row and F2 denoting the Column) has the letter A therefore the number denoted in  
 272 the reachability matrix is 0 at the same time because of the same letter A in position F1-F2 of the  
 273 SSIM matrix the reverse position F2-F1 is filled with the number 1. However, the positions F1-  
 274 F1, F2-F2 and so forward are always filled with the number 1 (Attri, Dev, and Sharma. 2013 and  
 275 Sushil. 2012) Table 7 shows the reachability matrix obtained from SSIM.

276  
277

**Table 7. Reachability Matrix**

i/j	F1	F2	F3	F4	F5	F6
F1	1	0	0	1	1	0
F2	1	1	1	1	1	1
F3	1	1	1	1	1	1
F4	1	1	0	1	1	0
F5	0	1	1	1	1	0
F6	1	1	0	1	1	1

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### 5.3. Final Reachability Matrix

280 The final reachability matrix (see Table 8) was computed by incorporating the transitivity in  
 281 Table 7. Transitivity means the contextual relation in which if variable A is related to B and B is  
 282 related to C, then A will be necessarily related to C. The transitivity measurement was computed  
 283 by conducting a power iteration analysis. Since there was no transitivity effect in the context of  
 284 this research, transitivity entry does not exist in matrix.

**Table 8. Final Reachability Matrix**

i/j	F1	F2	F3	F4	F5	F6
F1	1	0	0	1	1	0
F2	1	1	1	1	1	1
F3	1	1	1	1	1	1
F4	1	1	0	1	1	0
F5	0	1	1	1	1	0
F6	1	1	0	1	1	1

286

### 5.4. Level partitions

288 With the help of the reachability matrix the reachability set, and antecedent sets are generated for  
 289 each factor. The reachability sets are the factors that on the row for the selected factor possess  
 290 the number 1 in the reachability matrix; example: on row F1 the only factors with a value of 1  
 291 are factors F1, F4 and F5, this become the reachability set for F1 as 1,4 and5. For the antecedents  
 292 sets the same is true as the reachability, however, the values are taken from the column instead of  
 293 the row. For example, for column F1 the cells that have a value of 1 are F1, F2, F3, F4 and F6,

294 therefore the antecedents of factor F1 are 1,2,3,4 and 6. The reachability set contain the factor  
 295 itself and the factors which influence it, whereas the antecedent set contain the factor itself and  
 296 the other factors which impact it. The intersection set for each factor contain the common factors  
 297 between the reachability set and antecedent set. A factor is put on the top level if reachability and  
 298 intersection sets are the same, meaning level 1, there after depending on the number of factors in  
 299 common between the reachability set and the intersection set the different levels are created  
 300 (Attri, Dev and Sharma, 2013 and Sushil, 2012). Table 9 shows reachability set, antecedent set,  
 301 intersection set and level.

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**Table 9. Level of Partitions**

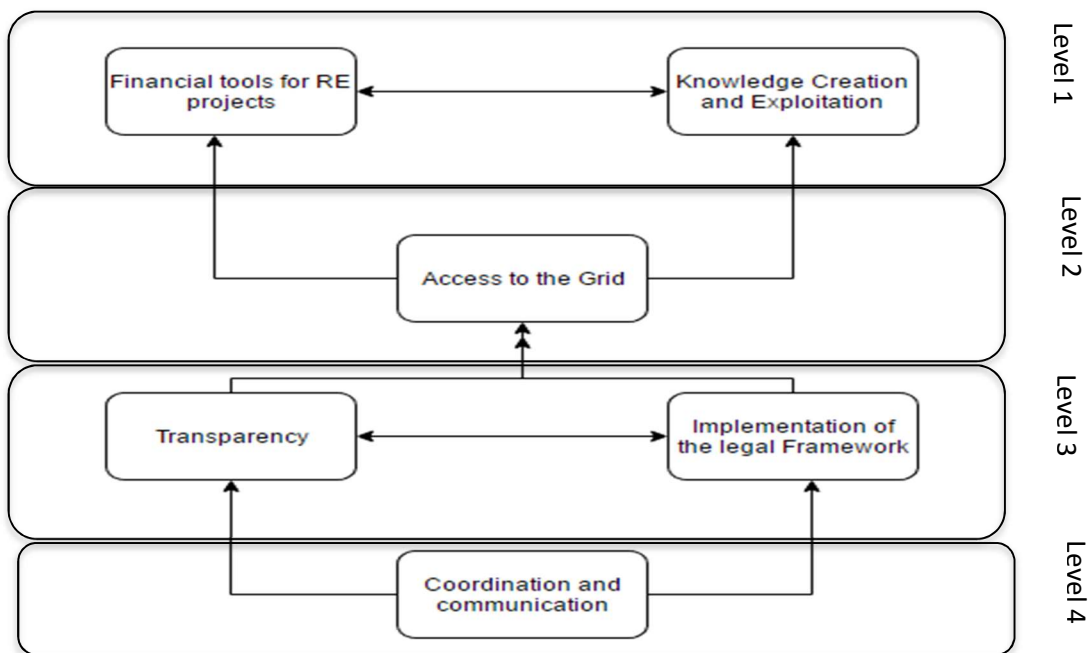
	Reachability set	Antecedent sets	Intersection set	Level
F1	1,4,5	1,2,3,4,6	1,4	2
F2	1,2,3,4,5,6	2,3,4,5,6	2,3,4,5,6	3
F3	1,2,3,4,5,6	2,3,5	2,3,5	4
F4	1,2,4,5	1,2,3,4,5,6	1,2,4,5	1
F5	2,3,4,5	1,2,3,4,5,6	2,3,4,5	1
F6	1,2,4,5,6	2,3,6	2,6	3

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### 5.5. ISM based Model

306 ISM model is developed with the help of level partition table and digraph. A digraph is the  
 307 graphical representation of the factors and their interdependence in the form of nodes and edges  
 308 and it is drawn with the help of level partition table. Finally, digraph is changed to ISM model by  
 309 substituting nodes of the factors with statements (Attri, Dev and Sharma, 2013 and Sushil, 2012).  
 310 Figure 2 shows the ISM based model. The model is read from the lower level (in this case level 4  
 311 transparency) to the highest level. In an ISM model the lower level is the most important as this  
 312 is the level that creates the environment for the other factors to appear.

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**Figure2. ISM model of CFS for DR.**

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## 334 **6. Discussion**

335 The critical success factors for renewable energy projects represent a gap for the  
336 Dominican Republic's literature as the reports and journal focus on challenges and drivers yet  
337 have no mention of the CSF. In contrast, the interviews highlighted 6 CSF for the DR's  
338 renewable energy projects, organized on Table 5. However, these six CSF: (1) Access to the  
339 grid, (2) Implementation of the legal framework, (3) Coordination and Communication (4)  
340 financial tools for RE projects, (5) Knowledge creation and exploitation and (6) transparency; in  
341 order to understand the manner in which this factor interact an ISM analysis was performed with  
342 a group of experts in the area of renewables for the Dominican Republic. This analysis took into  
343 consideration how the factors interacted and affected each other or not. Table 6 shows that all the  
344 factors interacted with each other in different manners, for example: The row for F1, the first cell  
345 is denoted by a dash (-) as the factor does not interact with itself, the second and third cell  
346 possess an A as factors F2 (implementation of the legal framework) and F3 (coordination and  
347 communication) will affect, modify or impact F1 (access to the grid), while F1 will not affect  
348 either one. Once the impacts that the different factors have on each other Table 7 is created  
349 following the steps of the reachability matrix. The importance of Table 7 is the ability to create  
350 Table 8- Levels of partition, as this table will demonstrate which factor or factors are the most  
351 important based on their interaction with one another. In ISM the lowest level is the most  
352 important as it shows the most influential factor or factors. As a result of this analysis Table 9  
353 shows that the most important factor is coordination and communication, as this factor will affect  
354 the environment and the transparency of the nation, government or company. This impact on  
355 transparency will affect the access to the grid and the implementation of the legal framework and  
356 finally this repercussion will show on the financial tools and knowledge creation and  
357 exploitation.

358 The results from the ISM (Table 8 and Figure 2) and the interviews (Table 2) contradict  
359 each other as the interviews placed more value on the creation of financial tools (84% of  
360 interviewees). However, the coordination and communication (80% of interviewees) of the  
361 renewable energy environment in DR was a close second in the interviews. Also, the ISM shows  
362 (see Table 8 and Figure2) that coordination and communication is actually the most important  
363 factor as it will create, modify and affect all the other factors.

## 364 **7. Conclusions and Recommendations**

365  
366 It can be deduced from the research each CSFs augments the possibilities of success. However,  
367 this is not a 100% guarantee that the project will, in fact, succeed there are cases where the  
368 project have failed, and on the contrary, others have succeeded. The important pieces of any  
369 project that must be taken into account, is the identification of the CSFs, and measures for them  
370 that have been correctly implemented properly to achieve a higher possibility of success.

371  
372 CSFs reveal areas that must be monitored over time. In the case of the DR these areas are:

- 373 ● Correct implementation of the legal Framework, as 72% of the key actors highlighted the  
374 country has sufficient laws. However, it is in the implementation of the renewable and  
375 energy legislation that the actors find insufficient. For this purpose, a re-check of the  
376 laws and how and who implements them is needed by the government in cooperation  
377 with the private sector (most affected by this CSFs)
- 378 ● Creation of financial tools for renewable energy projects. An 84% of the actors explain  
379 that the tools or funds for large renewable energy projects do not exist in the DR; 90% of

- 380 the successful projects in the country have been self-financed or internationally finance  
381 (International aid organisations)
- 382 ● Coordination between the different actors. The discombobulation of the system to obtain  
383 a project and then the communication between all the players involved leaves many gaps  
384 that have been unfulfilled, and that creates a state of confusion and generate a perceived  
385 risk for a renewable energy project that deters many investors and organisations to invest  
386 in renewables in the country.
  - 387 ● Transparency in the legal and financial tools available. The interviews reveal that the  
388 lack of proper transparency in the financial instruments (banks) and on the legal aspects  
389 (PPA) creates, a perceived risk, that does not actually exist, but the uncertainty of the  
390 process for obtaining the project and the funds diminishes the importance and need of  
391 renewables in the country.
  - 392 ● Another of the general CSFs is to update and provide access to the grid. This particular  
393 CSFs is the cost of more than 20% of a project additional or expensive cost of any  
394 project in the DR, as the lines as not suitable for renewable injection on a large scale, the  
395 owners of project most see fit to suit them and this presents a sure method to fail if not  
396 taken into account. This establishes that with the right legal and financial framework and  
397 technical solutions, the DR can be a key country in the region for attracting significant  
398 investment in renewable energy.

399  
400 Interview analysis along with literature and document review lead to uncovering the potential  
401 success areas for future renewable energy projects for which an organisation can measure and  
402 monitor to ensure success. This CSFs, although they produce tangible results, also provide  
403 processes that help a project, institution and hopefully the country establish strong ways of  
404 thinking, communicating, and making decisions in regards to renewable energy.

405  
406 The CSFs and KPIs will aid stakeholders, specially decision makers, to make the best decision to  
407 develop RE in the DR at the same time, will promote developers and investors into increasing  
408 the RE projects and economy in the country. This help will showcase to the government and the  
409 public that it is in the country's best interest to invest in RE.

410  
411 The areas that should be further research are the diversification of the electricity generation  
412 portfolio, wind and solar are especially feasible and should be fundamental in the country's  
413 energy mix. This diversification could be essential to reduce the country dependence on fuel  
414 imports and improve the energy supply security considering the fast-growing energy demand.  
415 The decentralisation of the grid, as currently 80-88% of the country is connected to one grid, yet  
416 the unreliability and instability of the grid still cause several blackouts and grey-outs in the  
417 country.

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