

## **Alert** | Energy & Natural Resources



**May 2022**

### **Renewable Energy in Latin America Updates**

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This GT Alert highlights news and updates on renewable energy in Latin America.

#### **Argentina**

On April 11, 2022, the Project for Renewable Energy in Rural Markets (PERMER) from the National Secretariat of Energy received six bids for Public Tender No. 1 /2022, for the supply and installation of photovoltaic equipment and internal installations in public buildings of 19 provinces of Argentina, which will supply 281 institutions.

The eight lots grouped in the call for bids are located in the country's central, northwestern, and southern regions.

Only two companies submitted bids for all the eight sections, one company submitted for seven lots, while two companies submitted for a couple of territories and one bidder submitted a proposal for one segment only. The following companies are among the bidders: (i) Intermepro S.A, (ii) Ecos S.A, (iii) Coradir S.A, (iv) Multiradio, S.A, (v) Datastar Argentina S.A, and (vi) Mega S.R.L.

## Brazil

On April 28, 2022, Brazil's National Electric Energy Agency (ANEEL) authorized the documents for the A-4 2022 new energy auction, with 1894 registered projects approved to participate in the event, totaling around 75 GW of supply (75,250 MW to be exact) including wind, photovoltaic, hydroelectric and biomass thermoelectric plants.

ANEEL also announced the initial and reference prices of the call, as established by the Brazilian Ministry of Mines and Energy.

ANEEL established that the initial price for companies participating with or without concession and without contract for biomass, hydro and thermoelectric sources will be R\$315 per megawatt-hour, while for wind and photovoltaic sources it will be R\$225 per MWh. The reference prices applied to projects with concession and contract will be R\$268.45 / MWh for small hydroelectric power plants (SHPs) and hydroelectric power plants (HPPs), R\$187.69 / MWh for hydroelectric power plants (HPU) and R\$204.65 / MWh for wind farms.

Thus, everything is on track for the auction to take place May 27, although the issuance of technical certificates by the Energy Research Office (EPE) may not take place until May 12.

## Guatemala

On April 27, 2022, Guatemala announced the launch of the Guatemalan Long-Term Open Tender, which will be held during the first half of 2022. For this call, the Terms of Reference prepared by the National Electric Energy Commission (CNEE) propose the contracting of plants that offer the most competitive prices, considering that renewable energy should be prioritized in the award.

The CNEE proposes, through Resolution CNEE-267-2021, that 'the Guaranteed Power to be awarded must be of at least 50% through New Generation plants whose type of generation technology is Renewable Resources, with the ability to contract up to 100% of the total required power, provided that the total cost of purchasing power and energy is minimized.'

Furthermore, companies Distribuidora de Electricidad de Occidente, Distribuidora de Electricidad de Oriente and Empresa Eléctrica de Guatemala will ratify or modify the characteristics of the tender in the final specifications.

While an official launch date has not yet been confirmed, the Association of Generators with Renewable Energy (AGER) believes it could occur during the first half of 2022 given some indications from authorities.

## Chile

As of April 26, 2022, the Environmental Assessment Service (SEA) records show that 13 energy projects obtained the Environmental Qualification Resolution (RCA) in April alone, which will encourage approximately US\$575.8 million in investments.

The venture HyEx, which will produce green hydrogen, stands out for its innovative technology.

The plant, presented by Engie, will have an electrolyzer system with an approximate installed power capacity of 26 MW, located around 25 km from the city of Tocopilla. The electrical supply to feed the

project will come from a connection with the Tamaya substation (110/33 kV), through a trench with underground wiring, while the supply of demineralized water will come from the Tocopilla Thermal Power Plant (CTT).

The RCA also received the ‘Pampa Unión Solar Plant Expansion’ project initiative, which aims to boost the Cerro Dominador plant from 210 to 600 MW.

The plant currently combines 110 MW of Concentrated Solar Power (CSP), a technology also called ‘thermal solar power’, and 100 MW of photovoltaics. This new undertaking, which could start operations in the end of 2024, would add 390 more photovoltaic MW.

On the other hand, an additional six solar plants for 143 MW stand out. Five of them are small means of distributed generation (PMGD) (up to 9 MW of net power), and one, the ‘Don Humberto Solar Photovoltaic Project,’ has 90.5 MW.

The only wind project on the list, PMGD Eólico Chara, will have three 5.5MW wind turbines, that is, 16.5 MW, as reported by the sponsor.

## Colombia

As of April 28, 2022, the operator of the Colombian electricity market, XM, established that more than 2 GW of renewable energies would be incorporated in 2022.

Outstanding projects include the Guajira 1 wind farm, which, despite being inaugurated already, has not yet input energy into the system. The project located in Uribia, La Guajira, has a capacity of 20 MW, made up of 10 wind turbines, capable of generating energy equivalent to the consumption of more than 33,000 homes.

Solar Project Helios I by Northland Power, promoted by the Boyacá Energy Company, is located in La Unión village, department of Meta. This 12 MW project has the capacity to supply the consumption of 215,166 Colombian families, according to the sponsors.

Likewise, Grenergy Renovables is about to start up its Tucanes solar project. With an installed capacity of 12 MW, this venture is located in Santa Rosa de Lima (Bolívar), and could be scaled up to 72 MW. Its production of 140 GWh/year could supply electricity to 40,000 homes.

These ventures make up part of the portfolio that XM believes will commence operations in 2022.

## Ecuador

On April 25, 2022, the first renewable project signing took place, which was awarded in 2021. The Minister of Energy and Mines of Ecuador, Juan Carlos Bermeo Calderón, revealed that around 140 companies expressed interest in investing in Ecuador, 37 of which have already made their corresponding payments to participate in the Public Selection Process (PPS) for a 500 MW Renewable Energy Block. The Minister stated that the process was published in December 2021, and they expect to receive the technical and economic offers from the participating companies by October 2022 to proceed with the selection of the companies most convenient for the country this December.

## Mexico

On April 18, 2022, the National Renewable Energy Laboratory (NREL) highlighted that Mexico has an ideal position to become a clean energy powerhouse, as long as policies encouraging private investment are in place.

According to NREL, Mexico has a ‘national technical potential’ of 24,918 GW of solar energy, 3,669 GW of wind, 2.5 GW of geothermal and 1.2 GW of additional capacity from hydroelectric plants.

With respect to the distributed generation segment, NREL established that by 2024, an additional 2,336 MW will be installed in addition to those operating today, surpassing the 4 GW mark in this type of systems, that could add 22,000 construction jobs and 1,000 O&M jobs. To achieve this, NREL recommends reducing financial barriers to equipment procurement, recalibrating interconnection procedures, establishing virtual net metering and shared solar regulations, extending the 500-kW limit, among other measures.

## Conclusion

Multiple Latin American countries have launched public bids focused on renewable energy projects in 2022. Some of them are currently in the process of building new solar and wind farms, many of which are expected to begin operations in the first half of 2022.

*\* This GT Alert is not applicable to U.S. law.*

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