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Trends in Chile

Facts from the *Renewables in Cities 2021 Global Status Report*

Key Takeaways on Renewable Energy in 2020 in Chile

- The solar energy sector dominated due to large number of power plant projects present and being developed in the country. Cities with renewable solar power targets include **Antofagasta, Caldera and Coyhaique**.
- **Santiago** dominated in terms of electric vehicle (EV) targets and policies, with five different targets for EVs in the city and two transport policies, including measures to reduce in the number of polluting vehicles on streets and a pledge to ban fossil fuel vehicles.

Brand new data shows

- 10 cities in Chile with renewable energy targets and policies (from a global total of over 1,300 cities). This covers 8.1 million people, 49% of the urban population in Chile.
- Chilean cities are lagging behind on setting net-zero¹ targets (from a global total of around 800 cities with net-zero targets). One notable exception is **Santiago**
- Only one city (**Hualpén** City Council) had declared a climate emergency; worldwide 1,852 cities have such a declaration.

Quote from Isabel Aguilera, Environmental Director for the city of Santiago (Chile)

“Growing citizen support is a strong motivation and a real mandate for Santiago to take action on climate change. Our residents are demanding that the government take bold action, and Santiago's environmental policies must have a significant and positive impact on the use of fossil fuels for the energy sector, but also for heating, cooling and transportation, major consumptions in major cities.”

2020 Renewable Energy Developments in Chilean Cities

City renewable energy commitments and policies

- 8 cities had renewable energy targets, one of which set a 100% renewable energy target.
- **Recoleta** municipality introduced a feed-in tariff in 2019.
- **Santiago** made a pledge to introduce a vehicle ban.

¹ Net-zero" emissions can be achieved, for example, by using natural sinks, such as reforesting land or adopting agricultural best practices, or through a technological solution, such as carbon capture and storage. Net-zero targets also are referred to commonly as “climate-neutral”, “carbon-neutral” or “zero-emission” targets, although technically these are not the same. Carbon neutrality refers to net-zero emissions of only CO₂, whereas climate neutrality indicates a broader focus on net-zero emissions of all greenhouse gases. There is no agreed-upon definition, and implementation of these targets also varies broadly.

- **Antofagasta** has targets for adoption of solar water heater targets in all new buildings.

Scaling up renewables in buildings and transport

- **Focus on scaling up district heating in Chilean cities**, supported by the Ministry of Energy. Twelve cities have joined the Initiative so far.
 - **Temuco**: the municipal government is developing district heating infrastructure (using biomass) through public-private financing and with the support of the National District Energy Office.
- **Electrification of transport** has been a main trend in Chile, with development of an innovative infrastructure plan valued at more than \$2,000 million pesos (USD 2.76 million), which allows progress in the introduction of electromobility in the regional territory.
 - **Santiago**: added to their existing e-mobility targets in 2019 and 2020. In 2020, the city announced a target to electrify 4,250 of its 6,600 buses by the end of 2021. Santiago is home to the largest electric urban bus fleet outside of China.
 - **Santiago**: started to install their own distributed renewable power capacity or to purchase or contract for new or existing renewable capacity as well as develop renewable-powered charging infrastructure in 2019 and 2020.

Financing renewables in cities

- Chile, along with three other countries, is among the leading countries for RE investment in the region. Brazil (up 74% to USD 6.5 billion), Chile (up 302% to USD 4.9 billion), Mexico (up 17% to USD 4.3 billion) and Argentina (down 18% to USD 2.0 billion).
- PPPs have been used widely in Latin America to finance transport related projects, as well as distributed generation. In 2019, in **Santiago** (Chile) a PPP was established to install 104 EV charging points of 22 kW each (which eventually will use renewable electricity) at a total cost of USD 2.5 million.
- Some innovative instruments have been used to provide finance for smaller-scale projects, especially for solar PV. This includes the use of energy service companies (ESCOs) in Chile. Projects have been executed in several schools and residential buildings in Chilean cities including **Santiago**, **Cachapoal** and **Chañaral**.

Chile's Energy Profile

<https://www.iea.org/countries/chile>

Regional Trends – Latin America

- Trends include the integration of solar PV and solar thermal systems in public buildings; the creation of public-private partnerships to implement larger decarbonisation projects (such as investments in public transit infrastructure); and growing momentum for the electrification of public bus fleets, with e-buses operating in cities in more than 10 countries.
- Many cities in the region already have high shares of renewable electricity in their energy mixes, including **Bogotá** (Colombia), **Curitiba** (Brazil) and **Quito** (Ecuador). This has been facilitated by the large contribution of hydropower to national and regional grids, emerging national-level regulations for integrating distributed power generation, the growing

penetration of wind and solar PV power (incentivised by national policies) and the emergence of renewable energy auctions.

Questions? Please contact press@ren21.net or +33 1 44 37 50 99.

All report materials, figures, case studies and the full data pack can be downloaded here:
<http://ren21.net/rec2021press>