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Trends in Latin America and the Caribbean

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

Key Renewable Energy Takeaways in 2020 from LAC

- 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 LAC countries.
- The liberalisation of electricity markets in Argentina, Brazil, Colombia, Mexico and Peru has made it possible for municipal governments and other large energy consumers in these countries to procure renewable electricity directly from local or nearby projects.

Brand new data shows

- 50 cities in LAC had renewable energy targets and/or policies, covering 109 million people
- Latin America and the Caribbean region has the second-highest number of cities with net-zero targets (after Europe), with a total of 210 passed or proposed targets, of which 193 were under development by Argentinian cities.
- Only three cities in LAC have declared a climate emergency: **Bogotá** (Colombia), **Hualpén** (Chile) and **Recife** (Brazil)

Renewable Energy Developments in LAC Cities

City renewable energy commitments and policies

- At least 3 LAC cities have already achieved their 100% renewables targets, including **Cáceres Prefecture** (Brazil) which had a target for 100% renewables in municipal operations by 2020; **San José** (Argentina), **Curitiba** and **Recife** (both Brazil) and **Peñalolén** (Chile) also had targets for 100% renewables.
- 20 LAC cities had policies supporting the decarbonisation of power and/or heating and cooling
- At least 6 LAC cities – **Buenos Aires** (Argentina), **Rio de Janeiro** (Brazil), **Santiago** (Chile), **Medellín** (Colombia), **Quito** (Ecuador) and **Mexico City** – had targets aimed at decarbonising transport, mostly focusing on e-mobility; 14 cities had policies supporting the uptake of renewables in transport.

Scaling up renewables in buildings and transport

- **Many LAC cities already have high shares of renewable electricity in their energy mixes**, including **Bogotá** (Colombia), **Curitiba** (Brazil) and **Quito** (Ecuador), due to 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. Similarly, many urban transport systems in the region also benefit from high shares of renewables due to existing national-level biofuel blending mandates.

- **Falling solar PV system costs have propelled significant investments in several cities:** In Brazil, **Uberlândia** nearly tripled its solar PV capacity between mid-2019 and mid-2020, to nearly 50 MW, making it the nation's top city for solar PV. In 2019, as part of its Solar City initiative, **Mexico City** allocated funding to provide grants to businesses and residential buildings to install solar thermal heating. During the programme period (until 2024), the grants will provide businesses with up to MXP 80 million (USD 4 million; with the target of supporting 400 businesses annually) and will provide residential buildings with MXP 170 million (USD 8.5 million; with the target of supporting around 135,000 systems).
- **Private consumers in the region also have embraced solar PV:**
 - Walmart deployed systems on its Mexican stores in **Aguascalientes, León, Puebla** and **Salamanca**.
 - In Colombia in 2020, Bancolombia installed nearly 2,000 solar panels at its headquarters in **Medellín**, and in **Bogotá** the Diverplaza mall inaugurated a solar PV system with nearly 700 panels.
- Some of Latin America's most populous cities – including **Bogotá** (Colombia) and **São Paulo** (Brazil) – have started **to electrify their bus fleets to address local air quality concerns:**
 - By late 2020, some 1,229 electric buses were in operation in 10 countries (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru and Uruguay).
 - **Santiago** (Chile), with 452 electric buses, reportedly had the largest electric urban bus fleet outside of China.

Financing renewables in cities and citizen participation

- Investment in renewable energy capacity across Latin America has grown markedly, up 43% in 2019 to a record USD 18.5 billion. Four countries dominated this investment: 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).
- **Mexico City** leads on climate action and deployment of renewables within the country; it issued Latin America's first municipal green bond in 2016 with a focus on mobility, energy efficiency, water infrastructure and management projects.

Citizen engagement to achieve energy and climate goals

- **Some community-owned solar systems have emerged in Brazilian cities**, one of which has helped to provide electricity access for citizens living in precarious conditions in informal settlements in **Rio de Janeiro** (Brazil).
- **Porto Alegre** (Brazil) **was the birthplace of participatory budgeting**. As the rest of the world continues to praise this Brazilian invention, the practice has fallen away in its birthplace. Porto Alegre recently suspended its participatory budgeting program¹.

¹ <https://www.wri.org/blog/2018/06/what-if-citizens-set-city-budgets-experiment-captivated-world-participatory-budgeting>

- **PPPs, PPAs and development finance have also been used in the LAC to help deploy renewable energy projects:** In 2019, **Mexico City** used the PPP model to attract USD 2.1 billion for 15 solar PV projects, and 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.

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All report materials, figures, case studies and the full data pack can be downloaded here:
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