



FUNDACIÓN
BARILOCHE

DESDE 1963

Technical expert group on EST indicator for SDG 17.7.1 Second consultation meeting

“Introducing EST in power sector: LAC
countries and specific reference to
Argentina”

Daniel Hugo Bouille

March, 2018

AUCTIONS IN LAC REGION

- Auctions is the dominant instrument in the Latin American region.
- Good results in terms of penetration and low prices, valid for some technologies (Wind and PV). Flexibility as a key point.
- Foreign direct investment as the major percentage of installed capacity.
- *Specific relevance of enabling conditions for the development of the instrument (institutional, financing, regulation, capacity, infrastructure,...).*
- Performance *partially* depends on other incentives implemented by the Government: subsidies; soft loans; tax benefits; guarantees, etc.
- Relevant if used as an instrument for different co-benefits: promote employment, industrial development, technical development, innovation, etc.
- Too fast implementation could play a negative impact on national sustainable development

- Support to create enabling conditions
- Institutional and Regulatory framework and capacity development and reinforcing
- Identification of different options to promote and push on the penetration of renewables.
- The *amount* of international financial flows were not the key issue in the success of the process.
- In receiving funds, difference among countries was significant. In less developing countries the international cooperation was more important.
- To develop NCD creates the need of identification of options in the energy system.
- Was the support is related with ODS7 or 17?

AUCTIONS IN LAC: KEY ISSUES

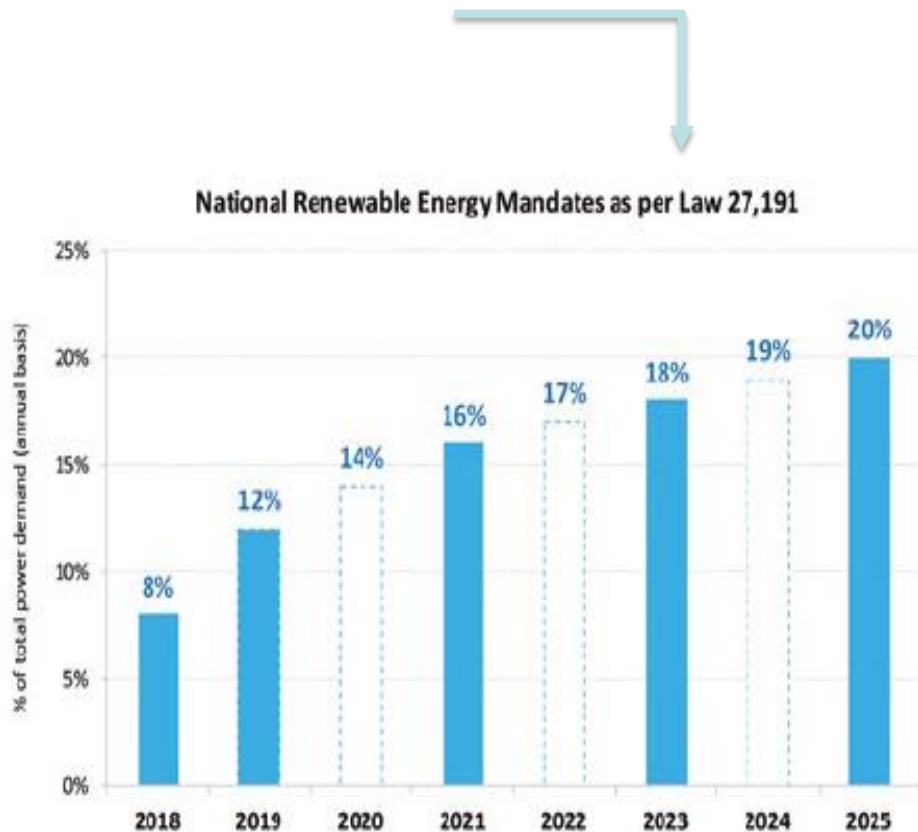
- Clear objectives
- “Non stop and go” actions (frequency).
- Institutional responsibilities clearly defined.
- Information on the scope and characteristics of the auction.
- Guarantee of the necessary funds for the implementation.
- Technology Specific or open? Specific location or open? Size?
- Broader information and transparency.
- Selection criteria?
- Prices: Pay as bid.
- Guarantee (financial)
- Clear Penalties or fines.
- Local components

- **Energy security**
 - **Access to energy**
 - **Availability of resources**
 - **Climate Change**
- 

Last but not least: which is the reason behind?

THE ARGENTINE CASE: RENOVAR PROGRAM

- Previously: law 26,190 for renewable electricity: Target 8% (2018).
- Auctions GENREN. Significant capacity offered, high prices contracted (compared to other countries). Limited implementation of projects
- Changes in enabling conditions
- New law, 27,191. Target: 2018 8%; 2025: 20%.
- Creation of a fund for the Development of Renewablele Energies (FODER)
- New squeme of auctions RenovAr



- Rounds developed: 1, 1.5 and 2 (Round 3 is projected for 2018)
 - 147 projects
 - Technologies: Wind; PV; Biomass; Biogas; Small Hydro; Solid Waste
 - 4,466 MW (Current total installed capacity ~34,000MW)
 - Prices going down from 61.33 US\$/MWH to 37.00 US\$/MWH
 - Significant interest on private investors (More than 11,000 MM involved)
 - Role of the WB guarantee (480 MM USD)
 - 20/25% of local content – Definition of local context

There is no lack of capital at global level, there is a look for confidence in areas to invest

THANK YOU!!

dbouille@fundacionbariloche.org.ar