



# INTERNATIONAL TRADE INDUSTRY SNAPSHOT

## RENEWABLE ENERGY IN CHILE

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### OVERVIEW

Chile's renewable energy output is expected to grow significantly over the coming years. Chile has outstanding resources, including wind, hydro, solar, biomass and geothermal, for renewable energy generation. Accordingly, the Chilean government is actively promoting renewable energy by supporting private initiatives as well as enacting legislation that requires renewable energy to account for at least 10% of the energy supplied by Chile's electric utilities by 2024.

### MARKET POTENTIAL

Chile's electricity capacity is made up for 41% hydro, 58% fossil fuel, and 1% other renewable energy. Over the past 20 years, demand has grown by 6.7% and Chile's electricity requirements indicate that by 2020, the economy will need a significant increase of installed capacity. All forms of renewable energy have grown rapidly in the past few years as conditions for their development have improved significantly and demand has increased.

Due to its mountainous geography and continuous coastline, Chile is rich in water resources making hydro energy generation a promising source with significant potential. By-products of industrial sawmills and the logging industry in central and southern Chile are estimated to have a high growth potential for energy generation in biomass. In the case of biogas, the generation potential could be substantial. Solar energy, in particular, due to the Atacama Desert in northern Chile provides a rich, natural resource for solar energy production. Radiation levels are among the highest worldwide (4,800 kcal/m<sup>2</sup>/day) and a surface of more than 4,000 km<sup>2</sup> is applicable for photovoltaic use. Natural conditions for wind generation are specific to northern Chile and in coastal areas. Today there are over 50 projects in development and 130 under construction. Over the coming years more wind farm projects will be incorporated into the country's electrical system. Among the various types of renewable energy, Chile is considered one of the top geothermal regions in the world. Geothermal resources are abundant principally due to the geothermal activity associated with active volcanoes.

### KEY CONTACTS

- [www.investchile.com](http://www.investchile.com)
- [www.acera.cl](http://www.acera.cl)

Georgia's Chile office can provide Georgia companies with quick market assessment, identify potential business partners in the market, and facilitate business to business connections. For more information contact Brian Wilson, Managing Director, **Georgia Department of Economic Development** trade office in Santiago, Chile, at [BWilson@georgia.org](mailto:BWilson@georgia.org) and +56 (2) 335.2910.