#MoreRenewables

Policy Asks to Accelerate the Energy Transition in Latin America

CLGCHILE
LÍDERES EMPRESARIALES POR LA ACCIÓN CLIMÁTICA

Executive Summary

Latin America and the Caribbean (LAC) have consolidated themselves as one of the regions with the highest share of renewable energy worldwide. Chile, in particular, arrives at COP30 in an undisputed leadership position in renewable electricity generation, surpassing 77% by the end of 2024. However, this progress contrasts with the country's total energy matrix, where only 22% comes from renewable sources.

The multisectoral dialogues held by CLG Chile under the #MoreRenewables campaign—which gathered insights from the private sector, academia, the public sector, and civil society—agree that achieving the goal of tripling renewable energy by 2030 does not depend solely on increasing generation capacity, but on overcoming structural barriers that limit integration and electrification of demand.

For Chile and Latin America to meet their goals, a change of focus is needed: moving from merely promoting renewable energy to enabling its fair integration and the electrification of demand. This document presents strategic recommendations based on multisectoral consensus to ensure a just and legitimate energy transition.

Context

CLG Chile and its partners' analysis shows that while the country is a global reference in decarbonizing electricity supply, clean energy has yet to displace fossil fuels in major consumption sectors such as transport, industry, mining, and residential use.

In fact, the transport sector has already surpassed power generation as Chile's main source of greenhouse gas (GHG) emissions. The main obstacle to electrifying these sectors is the high cost of electricity for end users and the lack of infrastructure.

Therefore, the upcoming challenge is twofold:

- **Efficiently integrate the energy already generated** by resolving technical bottlenecks.
- **Stimulate and electrify demand** in high-consumption sectors, ensuring that the benefits of clean energy reach citizens.

Identified Barriers

Consultations with the private sector, academia, the public sector, and civil society have identified the following critical barriers:

- **Infrastructure and storage**: One of the most urgent challenges is the insufficient transmission network and limited storage capacity. This results in renewable energy curtailment equivalent to a full month of Chile's electricity consumption. The variability of non-conventional renewable energies (NCREs) cannot be managed without massive investment in storage technologies (e.g., BESS), which are also crucial for system resilience to extreme climate events and the intrinsic variability of renewables.

- **Governance and regulation**: There is broad consensus that permitting processes are excessively slow and that regulation lags behind technological innovation and market needs. This regulatory uncertainty and lack of state agility discourage long-term private investment and delay strategic projects.

- **Territorial planning and social legitimacy**: Civil society has been emphatic—and the private sector concurs—that poor territorial planning is the main cause of socio-environmental conflict. Projects compete for agricultural land, affect biodiversity, and are implemented without territorial vision. This is compounded by citizen participation mechanisms that are merely consultative and non-binding. As a result, communities do not perceive the benefits of the transition (employment, health, clean air), generating negative perceptions that hinder project development. The lack of a coordinating role by the State and insufficient funding for a just transition deepen this legitimacy crisis.

Public Policy Asks for COP30

Demand Electrification Policy

- Implement sectoral roadmaps (transport, mining, industry) with clear incentives for the conversion of fossil fuel consumption to renewable electricity.
- Review cost structures to lower the price of electricity for end users, making it competitive with fossil fuels and firewood.
- Optimize instruments such as carbon pricing and emission compensation systems to discourage pollution and finance the transition.

Promoting Energy Security

- Ensure energy security and supply resilience for both consumers and generators by guaranteeing a reliable and stable electricity system in the face of renewable variability and extreme climate events. The challenge is to provide certainty and strengthen grid flexibility through the large-scale integration of storage systems and smart grids.

National Strategy for Storage and Smart Grids

- Declare storage (BESS) as critical enabling infrastructure and prioritize its regulatory and financial development to manage intermittency and reduce renewable curtailment to zero.
- Drive an accelerated modernization of transmission networks, advancing toward smart grids that allow for active demand-side participation.

Regulatory Modernization and Streamlined Permitting with Socio-environmental Criteria

- Redesign the permitting system to shorten approval timelines, while conditioning such streamlining on the implementation of binding early participation standards and alignment with strategic territorial planning.
- Strengthen the State’s technical capacity so that regulation can keep pace with technological innovation.

Implementation of a Just and Binding Territorial Transition

- Implement and fund the National Strategy for a Just Socioecological Transition, which must move beyond declarations of intent. It should include an allocated budget for workforce reconversion and remediation of environmental liabilities in areas affected by industrial activity.
- Transform citizen participation from consultative to binding. Adopt early dialogue and culturally relevant participation models as mandatory standards for project approval.
- Promote distributed generation and self-consumption by removing regulatory and financial barriers, democratizing access to energy, and ensuring direct local benefits.

Latin American Cooperation and Integration

- Lead at COP30 a regional agreement for energy market integration. This would optimize the use of complementary resources, improve supply security, and facilitate access to large-scale climate finance, such as that available under Article 6 of the Paris Agreement.

Health and Electrification

- Promote electrification as a pathway to reduce local emissions, highlighting its health co-benefits both indoors and outdoors.

Conclusion

Latin America has the conditions to lead the global energy transition. Chile and Brazil, in particular, have demonstrated their capacity for renewable generation. The message that CLG Chile, representing its members and in consensus with academia and civil society, proposes to bring to COP30 is that success will depend not only on technology but also on social and institutional progress.

To triple renewables, Chile and Latin America need a new roadmap based on public-private-civil collaboration that prioritizes storage infrastructure, accelerates regulation under a new binding standard of social legitimacy, and focuses all efforts on electrifying demand, incorporating its health co-benefits.

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Convened by:

Corporate Leaders Network

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