

# TABLE OF CONTENTS

<b>Foreword</b>	<b>3</b>
<b>Organisation of the Review and Acknowledgements</b>	<b>9</b>
<b>Executive Summary and Key Recommendations</b>	<b>13</b>
<b>1. General Energy Policy</b>	<b>23</b>
<b>2. Security of Energy Supply</b>	<b>51</b>
<b>3. Energy and Environment</b>	<b>71</b>
<b>4. Energy Efficiency</b>	<b>89</b>
<b>5. Fossil Fuels</b>	<b>111</b>
<b>6. Electricity</b>	<b>133</b>
<b>7. Renewables</b>	<b>159</b>
<b>8. Biomass</b>	<b>181</b>
<b>9. Access to Energy in Rural Areas</b>	<b>195</b>
<b>10. Transport</b>	<b>209</b>
<b>11. Energy Research and Development</b>	<b>233</b>

## Annexes

I. Energy Balances and Key Statistical Data	247
II. International Energy Agency "Shared Goals"	251
III. Abbreviations and Units	253
IV. Bibliography	261

## List of Tables

1.1. Chile's Energy Balance, 2007 (Mtoe)	27
2.1. Evolution of Price of Gas Imports from Argentina, 2000-2008	53
2.2. Capacity Currently under Construction, by Fuel Type, April 2009 (MW)	57
3.1. Priority Actions Identified in the PANCC	78
5.1. Coal-Fired Power Plants, end-2007	112



5.2.	Coal-Fired Power Plants under Construction, June 2009	113
5.3.	ENAP Market Share, 2007	116
5.4.	Quarterly Balance of Chile's Fuel Price Stabilisation Fund - FEPC (USD millions)	118
5.5.	Quarterly Balance of Chile's Oil Price Stabilisation Fund - FEPP (USD millions)	119
5.6.	Gas Pipeline Networks, 2005	123
5.7.	Shares of Coal in Electricity Generation in OECD and Latin America	128
6.1.	Installed Capacity by Type of Plant and Energy Source, end-2008 (MW)	136
8.1.	Prices of Wood, Kerosene and LPG, May 2009	188
8.2.	Comparison of Stoves and Boilers	189
9.1.	Current and Planned NCRE Projects under the PER	202
10.1.	Transport Contribution to Total Final Energy Consumption and Greenhouse Gas Emissions	210
10.2.	Evolution of Basic Socioeconomic and Travel Characteristics in Santiago Metropolitan Region	213
10.3.	Chile's Principal Cities, Demographics and Socioeconomics	220
11.1.	List of Energy R&D Projects by Sub-sector and Funding, 2008	238

## **List of Figures**

1.1.	Total Primary Energy Supply, 1973-2007	29
1.2.	Electricity Generation by Source, 1973-2007	31
1.3.	Key Energy Policy Institutions of Chile in the Current Framework	32
1.4.	Proposed Sector Organisation in the Energy Bill	39
3.1.	Projected Capacity Additions in the SIC and SING to 2020, April 2009	73
3.2.	Chile CO <sub>2</sub> Emissions by Sector, 1973-2007	74
3.3.	Chile CO <sub>2</sub> Emissions by Fuel, 1973-2007	75
3.4.	Chile's CDM Projects (Total Pipeline) by Project Type, June 2009	77
4.1.	Total Primary Energy Supply per GDP (PPP) in Selected Countries, 2007	89
4.2.	Chile's Total Final Consumption by Sector, 1973-2007	90
4.3.	Energy Intensity in the Industrial and Mining Sector, 1990-2007	91
4.4.	Energy Intensity in the Transport Sector, 1990-2007	92
4.5.	Energy Intensity in the Residential Sector, 1990-2007	93
4.6.	Energy Demand Projection to 2020 with Energy Efficiency Measures	93
5.1.	Shares of Crude Oil Imports by Country of Origin, 2002 and 2008	115
5.2.	Proportionate Difference between Retail and Import Parity Prices, 2006-2009	120
5.3.	Production and Imports of Natural Gas, 1990-2008 (bcm)	121
5.4.	Consumption of Natural Gas by Sector, 2006-2008 (bcm)	122
5.5.	Prices of Natural Gas and LPG in Santiago for Equivalent Energy Supply (USD)	125
6.1.	Installed Capacity and Peak Demand in the SING, 1997-2008 (MW)	137

6.2.	Generation by Fuel Type in the SING, 1997-2008 (GWh)	138
6.3.	Installed Capacity and Peak Demand in the SIC, 1997-2008 (MW)	139
6.4.	Generation by Fuel/Technology in the SIC, 1997-2008 (GWh)	140
6.5.	Generation by Fuel/Technology, 1973-2007 (TWh)	141
6.6.	Projected Evolution of Installed Capacity in the SIC and SING, 2005 and 2020	141
6.7.	System Marginal Cost in the SIC, 1997-2008 (USD/MWh)	144
6.8.	Restrictions on Argentine Gas Exports, 2004-2008 (% reduction on normal requirements)	145
6.9.	Monomic Node Prices in the SIC and SING, 1982-2009 (USD/MWh)	147
6.10.	Average Residential Tariffs, Excluding Taxes, 2006 (USD/kWh)	152
8.1.	Wood Energy Balance by Region, 2008	184
8.2.	Biomass Demand by Sector, 2007	187
9.1.	Rate of Rural Electrification and Number of Households without Access to Electricity, 1982-2008	196
9.2.	Rate of Rural Electrification in Chile's 15 Regions, 2008	197
9.3.	Government Subsidies for Rural Electrification (FNDR-ER) and Rural Access Rate, 1995-2008	200
10.1.	Transport Final Energy Consumption by Sub-sector, 2007	210
10.2.	Mode Share (Work Day) and Share of Households with No Motor Vehicle in Primary Chilean Cities	219
10.3.	Mode Share for All Trips in Santiago. Variation by Season and Weekday/Weekend, 2004-2006	221
11.1.	Chile's National Innovation System	234
11.2.	Energy R&D Funding by Project Type, 1998-2008	237

## **List of Boxes**

4.1.	The IEA 25 Energy Efficiency Recommendations	102
7.1.	Typical Barriers Faced by NCRE	165
7.2.	Principles for Effective Renewable Energy Policies According to the IEA	178
8.1.	Laws Governing the Use of Forests in Chile	182
8.2.	The National Firewood Certification System (SNCL)	186
10.1.	Public Transport Dynamism in Santiago	213
11.1.	Technology Transfer needs for a Climate Change Policy	242

## **List of Maps**

1	Map of Chile	20
2	Chile's XV Administrative Regions	21
3	Chile's Electricity Grid	22