



Net-zero by 2050

Road to carbon neutrality in Chile

IN CONTRIBUTION TO THE
NDC
PARTNERSHIP
ACCELERATING CLIMATE
AND DEVELOPMENT ACTION

Supported by:



Federal Ministry
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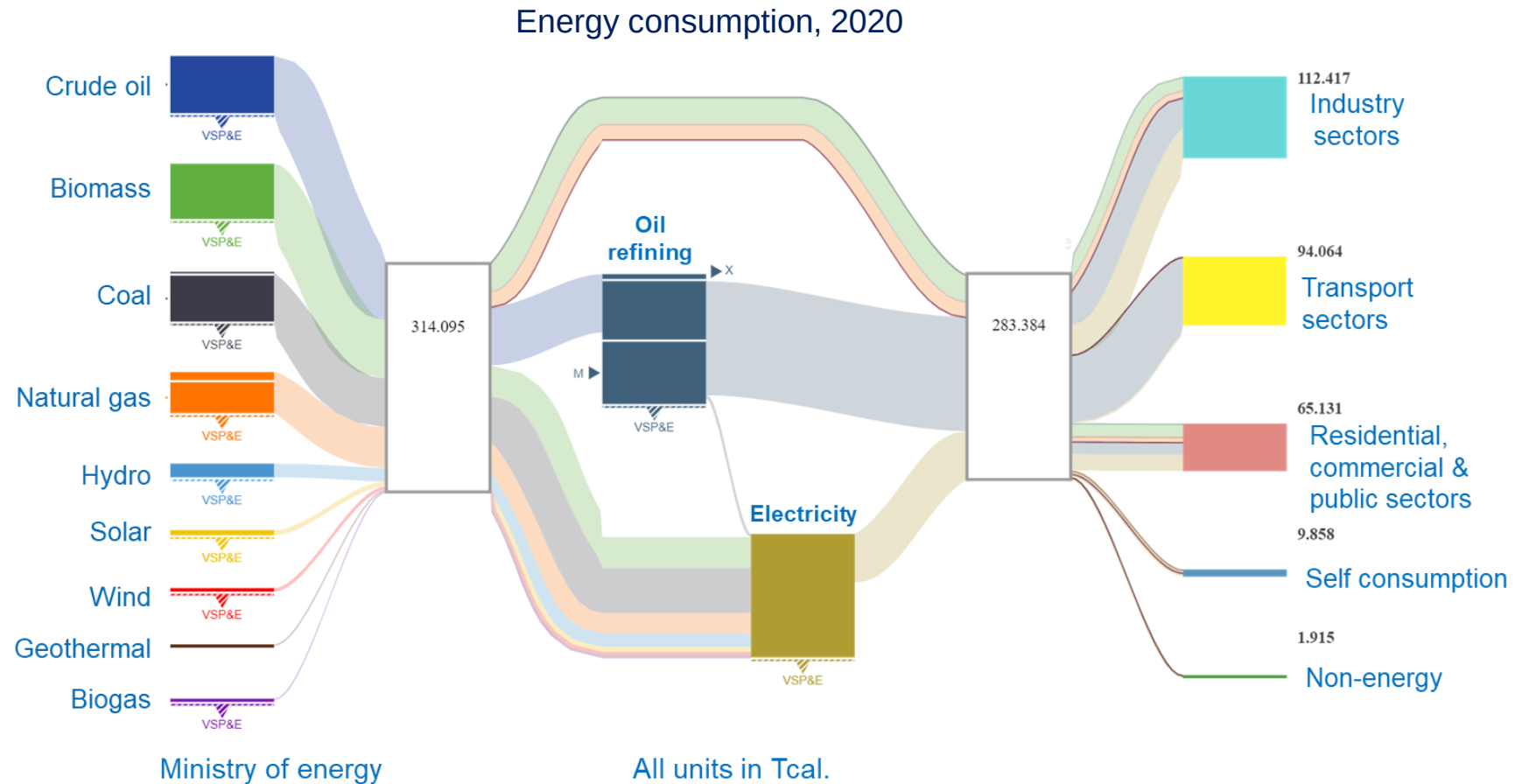


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Chilean energy sector

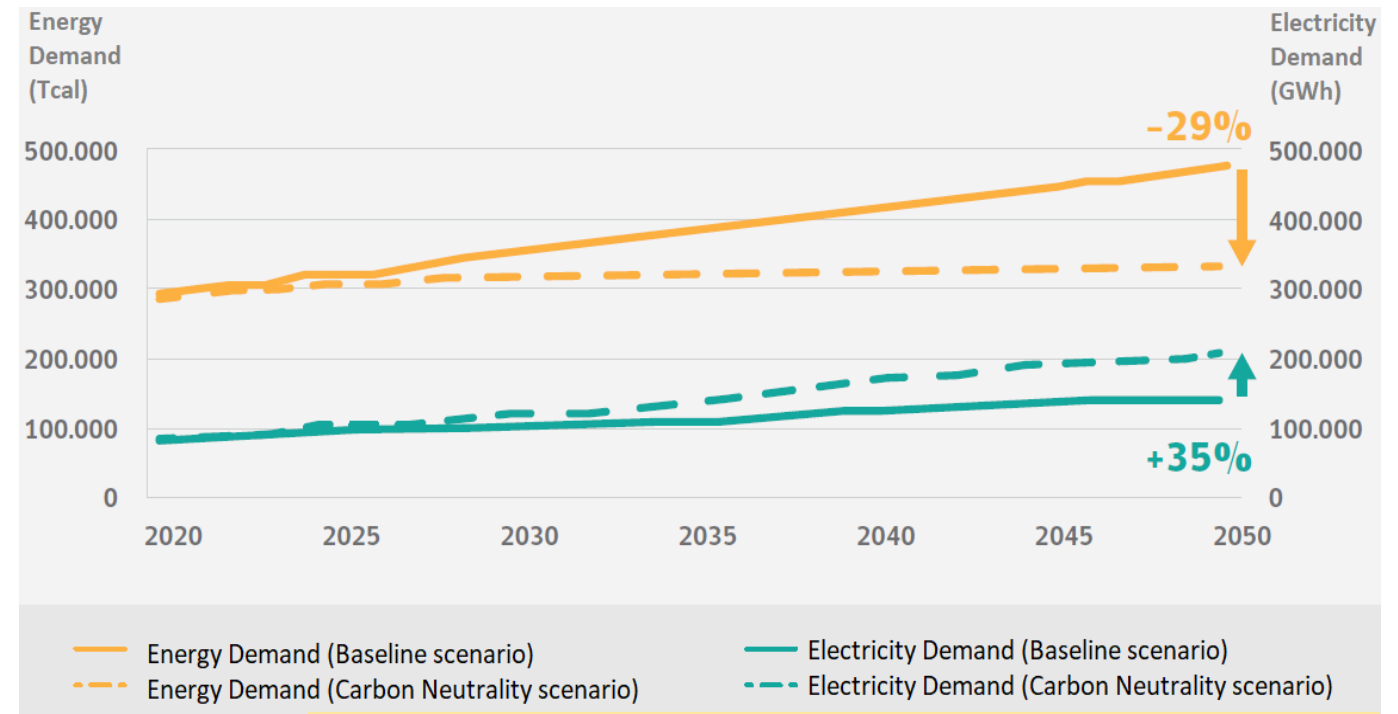
- Main GHG national emitter (78% in 2016).
- Industry sectors are the highest energy consumers.
- Transport heavily dependent on fossil fuels.
- Decline on rainfall and droughts.
- High solar radiation levels.
- Adequate wind speeds for electricity generation.
- Renewable resources allow green hydrogen production.



Carbon neutrality

In 2019 the Chilean government announced a list of 27 measures that would allow the country to be carbon neutral by 2050.

- Electrification of industry & mining processes.
- Electromobility.
- Energy efficiency.
- Green hydrogen.
- Coal phase-out (2040).



Energy & electricity demand in Baseline and Carbon Neutrality scenarios

Long-term energy planning



Every 4 years the Chilean Ministry of Energy projects long-term energy scenarios, considering the expected energy demand and supply.

3 scenarios:

- Slow COVID recovery.
- Carbon neutrality.
- Sped up transition.

Carbon neutrality scenario:

- Most realistic outcome.
- 39 mitigation measures (still working in the electricity generation measures).
- Under assessment using the I&FF Climate Finance Tool.

Investment & financial flows (I&FF) Climate Finance Tool:

- Identify the origin of the flows.
- Identify additional financial requirements.
- Help define policies to promote mitigation measures.
- **Synergies between the work of the Ministry of Energy and the Finance Tool Methodology.**

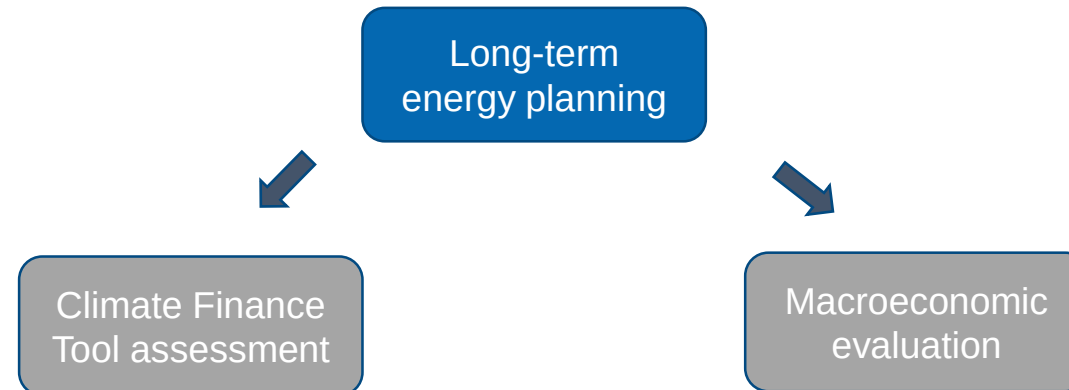
Expected results

Climate Finance Tool results:

- Yearly costs of each measure.
- Identification of the origin of the flows.
- Integration of the Climate Finance Tool to the long-term energy planning update.

Synergies between the Finance tool and the assessment of macroeconomic impacts:

- The Ministry of energy acquired a Computable General Equilibrium (CGE) model to assess the economic effects of different mitigation policies and measures.
- Similarity between the work done while using the Climate Finance Tool and the work needed to assess the macroeconomic impacts.





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