

Report on the III South American Meeting in Preparation for the II ECPA Ministerial Meeting

Objective: To carry on with the preparatory process started in May 2014 in Mexico at the International Forum on Renewable Energy, geared toward setting the political and technical conditions required for the adoption of a Plan of Action for the Energy and Climate Partnership of the Americas (ECPA).

Specific Objectives:

1. Revise the mission and vision of ECPA.
2. Define a new, dynamic leadership process to facilitate the participation of all countries in topics of their interest.
3. Relaunch activities under the thematic areas of ECPA by means of a new structure based on emblematic projects.
4. Adopt a new process to strengthen ECPA through regular ministerial meetings.

Introduction: The delegates of Brazil, Chile, Colombia, Mexico, Paraguay, Peru, and Uruguay as well as the representatives of the Organization of American States (OAS), the Information Center on Renewable Energy (CINER), and the Avina Foundation attended this pre-ministerial subregional meeting, held in Uruguay on October 27, 2014, on the fringes of the regional technical workshop: Policies for Promoting a Sustainable Energy Sector.

The Government of Uruguay invited the National Focal Points of ECPA to take stock of ECPA's achievements and challenges in order to strengthen the efforts the region was making to carry out work on its seven pillars. Changes in the energy matrix and social inclusion were two of the subjects at the forefront of the participants' deliberations and even in the remarks of the Minister of Energy of Uruguay, Roberto Kreimerman, who inaugurated the preparatory meeting. During his statement, Mr. Kreimerman said that climate change mitigation should be mandatory and that transformation of the energy matrix was essential to moving toward a lower-carbon economy. He also shared his view that, to meet that commitment, efforts must be made to design and implement strategies that integrated social and productive development. Energy could not be considered separately from economic or human development since it had an impact on the quality of life of citizens.

Mr. Kreimerman added that while it was understood that moving forward on energy-related matters was fundamental, humankind's grasp of the importance of such concepts as access, prices, sovereignty, and use was still slow and inadequate. He indicated that the Government of Uruguay

considered progress in energy matters to be vital, and he mentioned as specific lines of action supply and demand, social inclusion, and institution building. Last of all, he urged the countries present to design and concentrate on long-term actions and plans since it was impossible, notwithstanding immediate measures, to discuss energy development without reference to future goals.

Mentioned as priority issues were energy supply and cost as well as the use of energy resources, greenhouse-gas emissions, and the effects of climate change, for which mitigation is essential as are efforts at adaptation. Reference was made to integrated economic and social development and energy development strategies since they must be linked if the quality of life of the nations of the Hemisphere is to be improved. These goals are unachievable without a specific action plan. Emphasis was placed on the importance of establishing long-term government policies to generate security among public and private investors in the energy sector. The exchange of successful experiences was underscored as an ideal practice making it possible to replicate effective energy models in other national contexts.

ECPA was deemed to be a relevant mechanism for cooperation and dialogue on crucial matters on the international energy and climate agenda. Moreover, it was considered an appropriate mechanism for addressing the technical and political aspects of energy since it facilitated access to invaluable tools for mutual learning and the use of regional power systems as leverage for social and economic development.

Conclusions and agreements to submit at the II Preparatory Meeting of ECPA:

Pillar 1: Energy Efficiency

Several matters must be considered to further energy efficiency in the region, including: amendment of legal frameworks, mechanisms and tools for providing information to users aimed at bringing about cultural change, and the establishment of a consumer incentive and penalty system.

It was suggested that the notion of efficiency be considered more literally, so that it can incorporate basic concepts like energy regularization and access. The sectors requiring most attention are transportation, which poses the greatest challenges for a large majority of countries in the region, together with the industrial, public, and residential sectors.

- Interinstitutional coordination of the diverse agencies and entities involved in the transportation sector was deemed advisable, in order to avoid duplication of efforts and generate more efficient synergies. Essential components identified to meet the challenges posed by this sector were the introduction of alternative sources of energy, new technologies, and more efficient operations.

- Dissemination of the programs currently implemented under the initiative, especially in the subregion.
- Mexico offered to share its experience in solar heaters.
- Mexico asked for advice on reducing losses in distribution lines.
- Procedures for fuel wood management.
- Uruguay asked for advice on sustainable building and efficient transportation.
- Uruguay suggested coordinating with the subregion's energy certification laboratories.
- Support for and dissemination of the work being done by ECPA's energy efficiency group in the areas of education, labeling, and capacity building.

Pillar 2: Renewable Energy

In addition to reducing carbon emissions, one of the main objectives of incorporating renewable energy into the conventional energy matrix is to bring about complementarity among the different sources and their operations and maintenance, which will result in lower power-generation costs. This is being tried out increasingly in the region. The ECPA Facilitation Mechanism urged the countries present to identify mechanisms to begin to show that cost reductions are possible, thus enabling renewable energy to become a "trending topic" during the ministerial meeting, as it is one of the topics most difficult for the energy ministers of the Americas to come to terms with.

Moreover, the countries were urged to take a different approach to renewable energy to enable these resources to make a genuine socioeconomic contribution, thanks to the region's inherent potential.

- Preparation of a report to the ministers on successful results in lowering power-generation costs through the incorporation of renewable energy, citing exemplary cases and demonstrating the reliability of those sources, in addition to the significant impact on local development (capacity building, RDI, and economic and social development).
- Creation of a database of research, technological, and training centers in the region related to renewable energy, in order to establish networks and complementarities.
- Survey of new sources: CSP
- Mapping of renewable resources in the region: include ministerial declaration. Mexico proposed establishing synergy to facilitate mapping of the potential of clean energy, which can make it possible to establish a value chain and eliminate regulatory barriers, as this country has been able to do through its energy reform.

- Evaluation of social and environmental factors related to renewable energy development. The development and deployment of renewable energy will also produce additional sources of income owing to the skilled labor the new technologies require, thus creating a new market for installation and maintenance.
- Quantification of externalities. Chile, for example, commented on the pressure that national industrial sectors like mining exert on intermittency, which is a weak aspect of renewable energy according to some people.

Pillar 3: More Efficient Use of Fossil Fuels

Issues regarding the use and value of natural gas and its environmental and social implications are diverse and sensitive. Development of this resource involves large infrastructure investments and proper management of related technologies, so as to avoid large-scale emissions. Given this situation, the ECPA Facilitation Mechanism encouraged the countries present to express their opinions with a view to initiating a more transparent approach to the matter during the ministerial meeting. All representatives present agreed that the process of energy transition should be more participatory, environmentally friendly, and socially responsible. A discussion was therefore needed to show the advantages and disadvantages of this resource, thus helping the ministers take more informed decisions and establish regulatory frameworks governing appropriate management of its use.

- Creation of a platform for sharing technologies, best practices, regulatory frameworks, social and environmental impacts, and alternative land use with regard to the exploitation of nonconventional fossil resources (fracking).
- Organization of a technical workshop on the most appropriate technologies for each resource.

Pillar 4: Energy Infrastructure

Discussion on this pillar focused primarily on consideration of a context that would favor the integration and deployment of renewable energy and would control variability and contribute to diversification of the matrix, creating a generating system as a valuable part of the infrastructure. It is therefore essential to reconsider energy infrastructure with a maximum focus on renewables, with retransmission capacity and high storage percentages, to generate complementarity among sources in an increasingly vast and diverse system.

- Ask the ministers to promote SINEA, given there is already a technical agreement in place in that regard, aware that the benefits of this interconnection for all parties must be described explicitly and that regulatory systems do not have to be changed but only harmonized.

- Examine the possibility of implementing a program similar to “Connecting the Americas 2022.”
- Uruguay offered to share its experience in managing systems with a high renewable-energy component.
- Uruguay asked to share its know-how and experience on pump/turbine energy storage.

Pillar 5: Energy Poverty

It was suggested that this be kept as a separate pillar owing to the complexity and multidimensional nature of the subject matter and to the impact it has on human development. Likewise, it was suggested that the mission of the pillar be broadened and reinforced, since energy poverty is directly related to universal access, sustainability, security, and efforts to combat vulnerability and poverty, among other global goals. Accordingly, the representatives focused once again on the importance of the use of efficient technologies and the incorporation of renewable alternatives. Renewable energy can make up for energy poverty in cases where users lack connections or regular access because their economic situation deprives them of regular and sustainable access to the service. This is very common in urban areas.

Given the complexity of energy poverty, coordination and comprehensive solutions involving various national departments were suggested to ensure that regular access to electrical power was maintained. Likewise, it was proposed that efforts be made to work closely with technicians in order to find optimal solutions and technologies to strengthen and promote more sustainable access to energy by integrating it in the matrix.

- Promote South-South cooperation in the exchange of experiences on access to public energy utilities and appropriate technologies in order to make access sustainable, underscoring advances made in the gender perspective.
- It was suggested that Uruguay’s experience be disseminated, both with the Energy Services Basket and the involved management model.

Pillar 6: Sustainable Land and Forest Use

Although pillars 6 and 7 were discussed together as a single pillar, it was suggested during the meeting that they be kept as separate issues, in light of the widespread agricultural activity in the region, which has repercussions on energy consumption, climate change management, and land use in relation to chemicals.

There is also the challenge of deforestation and conservation of biodiversity, which makes this a multifaceted and crosscutting pillar since it involves and concerns various portfolios, for example, environment and agriculture.

Mention was made of the need to strengthen governance on this topic and to improve information systems for decision making on such matters as climate and metrology, which were strategic for efficient planning of the agricultural sector and for conserving biodiversity.

- Generate platforms for information exchange on:
 - Best practices in forestry and fuel wood use reduction.
 - Energy production management/business/technologies in the rural environment.

Pillar 7: Adaptation to Climate Change

As far as climate change is concerned, a comprehensive approach is essential since it is through development policies that the vulnerabilities of climate change have to be addressed and decisions have to be made about whether they should be dealt with through mitigation or adaptation measures. The outlook is therefore optimistic if planned and coordinated action is taken.

- Diversification of the matrix is important for adaptation since it increases the number of suppliers, thus expanding the service's regularity and efficiency.
- Include inputs from the COP in Lima for the ministerial meeting.
- Incorporate in the pillar the resilience of populations most vulnerable to climate change.