

NEWSLETTER

EDITORIAL

NEWS

STATISTICAL
DATA

MARCH
2024



NATURAL GAS: THE ENERGY SOURCE OF THE ENERGY TRANSITION IN LATIN AMERICA AND THE CARIBBEAN

In a context where the fight against climate change is becoming increasingly urgent, Latin America and the Caribbean (LAC) is committed to the transition to a low-carbon economy.

This is where the role of natural gas stands out as an important component in this process. As the region strives to meet global commitments and reduce climate vulnerability, energy diversification has been a priority. Renewable energies have played a key role in this transition and natural gas, which today represents 26% of the region's primary energy, also has a relevant role in our matrix.

Natural gas has a strategic role in electricity generation: i) to mitigate the risks associated with oil price volatility, ii) to provide rapid response capabilities and maintain system stability, and iii) to serve as backup installed capacity for hydroelectric plants facing climate change risks.

Latin American and Caribbean countries are active participants in the natural gas value chain. On the one hand, producer countries such as Trinidad and Tobago, Mexico, Argentina, Bolivia, Brazil, Peru and Venezuela currently supply around 5% of the total volume of gas consumed in the world, and on the other hand, 73% of total natural gas imports in LAC come from producer countries in the same region.

Prospects show that natural gas will continue to play an important role in the regional energy matrix. It is expected to represent around 20% by the year 2050. It is important that countries in the region strengthen regulatory and institutional frameworks to guarantee the efficient and sustainable use of gas, and environmental issues related to the use of natural gas, especially CO₂ and methane emissions, need to be addressed.

Technological alternatives must be evaluated to decarbonize this sector and OLADE plays a key role in promoting dialogue and technical cooperation to align decarbonization strategies with the opportunities offered by natural gas in the region's energy transition.

Andrés Rebolledo Smitmans
Olade's Executive Secretary



THE LATIN AMERICAN ENERGY ORGANIZATION (OLADE) AND BYD JOIN FORCES TO DRIVE THE TRANSITION TOWARDS ELECTRIC VEHICLES IN THE REGION

Aiming to accelerate the transition to electric mobility in Latin America and the Caribbean, the Latin American Energy Organization (OLADE) and BYD held their first workshop “Electric mobility: Success stories and challenges of its implementation in public and commercial transport in Latin America”, within the framework of OLADE’s training plan.

Electric mobility is a cornerstone in the transformation of the transportation sector, not only for its contribution to the reduction of greenhouse gas emissions, but also for its benefits for public health and the economy of the countries.

OLADE’s Executive Secretary, Andrés Rebolledo, said that this is the first of a series of workshops on Electric Mobility that will present experiences of countries in the region within the framework of an agreement with BYD, which aims to make this technology visible and share the challenges and advantages with the countries of Latin America and the Caribbean, to achieve the decarbonization of our economies.

Jorge Burbano, Country Manager of BYD Ecuador, highlighted the extensive experience in mobility that they wish to share within the framework of this cooperation with OLADE. The energy transition is a win-win for everyone. From the operational point of view, it allows us to reduce the operating costs of the units, improve the quality of transport service, road safety and reduce dependence on fossil fuels; and for some countries to reduce subsidy costs”.

The Vice Minister of Electricity of Ecuador, Ramiro Díaz, highlighted the importance of promoting actions and working decisively on energy transition and the need for efficient transportation to mitigate climate change. He pointed out that the workshops that are starting today will help lay the foundations for a decisive drive in this direction.

In this workshop, successful cases of electromobility implementation in public transportation in Latin America were presented, such as the case of Chile, presented by Rodrigo Salcedo Campino, President of AVEC; José Silva, President of SAUCINC S.A. (Ecuador) and Marcos Ataya of Transporte Transmilenio of Colombia.

Among the success stories, emphasis was placed on the fact that electromobility is not only a desirable option, but an urgent necessity in the fight against climate change and environmental pollution. It is time for Latin America and the Caribbean to join the vanguard of the electric revolution in public transportation, and thus build a cleaner, safer and more prosperous future for all.

It is critical that concrete steps are taken to promote its adoption in public transport. This includes the drafting of public policies that incentivize the purchase of electric vehicles, the expansion of charging infrastructure, and the implementation of education and awareness programs to encourage a change of mentality towards sustainable mobility.



OLADE PROMOTES A GENDER PERSPECTIVE IN THE ENERGY SECTOR IN LATIN AMERICA AND THE CARIBBEAN UNTIL 2024

The Latin American Energy Organization (OLADE), as part of the commemoration of International Women's Day, wishes to highlight the important steps taken to promote gender equality and the empowerment of women in the energy sector in Latin America and the Caribbean (LAC). In light of this commitment, a campaign called "Women who make history in energy" has been developed to highlight outstanding women in the sector at the regional level.

The messages included the participation of women from different OLADE member countries, including the message of Rosilena Lindo, National Energy Secretary of Panama, who emphasized: "As women, working in the energy sector represents an opportunity for us to occupy jobs with greater responsibilities, which sometimes the fear of making mistakes, of not being excellent 100% of the time, does not allow us to take advantage of and grow. I invite you to be brave, to take a chance and bet on your abilities."

For her part, Elisa Facio, Minister of Industry, Energy and Mining of Uruguay, emphasized that "For women in leadership roles, today is a day to renew our commitment to the creation and management of policies that improve the position of women in the workplace, to accompany and guide those who come after us and contribute to equal opportunities."

Ecuador, through its Minister of Energy and Mines, Andrea Arrobo, emphasized that "it is not enough only to have access to education, but also to reach decision-making and leadership positions for a sector that has traditionally been male."

For this 2024, OLADE within the legislative component of the LAC energy landscape, will place special emphasis on the distribution of legal documents that directly address gender equality issues related to the energy sector. This will allow the dissemination of knowledge and best practices that have been successful in this area in other countries in the region.

Through these initiatives, OLADE reaffirms its commitment to gender equality and lays the foundation for a more inclusive and equitable energy sector in Latin America and the Caribbean.

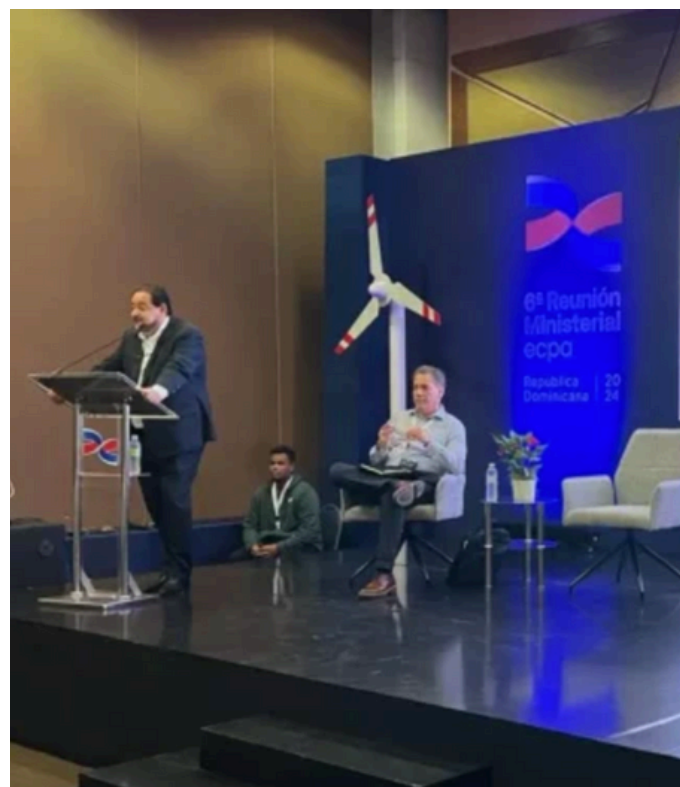
Latin America and the Caribbean are committed to accelerating the energy transition

(ECPA), held on March 14-15, 2024 in Punta Cana, Dominican Republic, the Economic Commission for Latin America and the Caribbean (ECLAC), ECPA and the Latin American Energy Organization (OLADE) have joined forces to promote public policies aimed at accelerating fair, inclusive and sustainable energy transitions in the region.

Despite the high proportion of renewable electricity generation in the region, the energy matrix is still mostly fossil fuels, especially in the transport and industrial sectors, underscoring the need for a renewed energy transition. The importance of developing value chains associated with renewable energies to transform production processes and the development model in the countries of the region is also emphasized.

To accelerate these strategies, four main areas of public policy are proposed: strengthening governance and public-private cooperation, increasing investment in infrastructure and technology, coordinating energy and productive development policies, and improving long-term energy planning.

Also, 16 countries in the region committed to reach a 70% share of renewable energies in their energy matrix by 2030, adhering to the Renewables in Latin America and the Caribbean (RELAC) initiative, which has shown remarkable leadership in the adoption of renewable energies.



OLADE and the UTE University sign an agreement to strengthen the energy sector

The energy sector, vital for Ecuador's development and sustainability, stands as a strategic pillar. Aware of the importance of this area, the UTE University, through its Social and Mining Energy Innovation Laboratory, has signed a historic inter-institutional cooperation agreement with the Latin American Energy Organization (OLADE).

The agreement, signed on March 18, 2024, establishes a solid basis for collaboration in the exchange of information and knowledge, as well as the carrying out of academic and research activities focused on the energy field.

This agreement not only promotes the academic-research impulse, but also positions Ecuador as a key player in the search for sustainable energy solutions at the regional level. The alliance between UTE University and OLADE promises to open new doors towards a more efficient, responsible and prosperous energy future for all Ecuadorians.





THE LATIN AMERICAN ENERGY ORGANIZATION (OLADE) ANNOUNCES THE CREATION OF THE LATIN AMERICAN AND CARIBBEAN METHANE EMISSIONS OBSERVATORY (OEMLAC)

The Latin American Energy Organization (OLADE) presented the first results of the Latin American and Caribbean Methane Emission Observatory (OEMLAC), which has ambitious goals, such as:

1. **Standardize methodological consistency in national methane inventories**
2. **Establish an aggregated emissions database, and**
3. **Develop regional capacities to manage these emissions sustainably.**

OEMLAC, established during the LII Meeting of Ministers, aims to support the countries of the region in identifying technical needs for the collection, monitoring and supervision of information on methane emissions in support of their methane emission reduction commitments.

OLADE's Executive Secretary, Andrés Rebolledo indicated that with this Observatory, "we will be able to trace the path towards the development of a Low Emissions Natural Gas industry, which will imply the elimination of methane throughout the value chain, together with the decarbonization of its production and the capture of CO₂ resulting from its use as a fuel."

Rebolledo stressed at the launch that "incorporating technologies and policies to mitigate methane gas is an opportunity that has a double dimension. On the one hand, environmental, for what it means as an opportunity for accelerated mitigation, and on the other hand, from a medium and long-term perspective, it is a great economic opportunity, since recently foreign investment is increasingly based on the decarbonization of the energy matrix of our countries. A cleaner matrix is an attribute of competitiveness of our region."

For his part, the coordinator of the Project, Carlos de Regules, pointed out that "Methane is responsible for around 30% of the increase in global temperature. A reduction in their emissions translates into a drop in temperature rise in the near term, and 75% of annual methane emissions can be avoided by 2030 using existing technologies, at no net cost."

With 20 countries, representing more than 95% of the production and more than 90% of the methane emissions associated with hydrocarbons, participating in this initiative, OEMLAC will be a regional reference in the management and reduction of methane emissions in the oil and gas sector in Latin America and the Caribbean.

PERSPECTIVES ON FINAL ENERGY CONSUMPTION IN THE INDUSTRIAL SECTOR BY SOURCE IN LATIN AMERICA AND THE CARIBBEAN

In LAC, the industrial sector contributed 27% to the total final energy consumption in 2022, being the second sector with the highest participation in the final consumption matrix after the transport sector and characterized by the predominance of biomass with a 26% share followed by electricity with 24% and natural gas with 23%; as for petroleum derivatives consumption, its share has gradually decreased from 23% in 2000 to 16% in 2022 due to increased electricity and gas consumption in this sector.

On the other hand, in the latest prospective exercise developed by OLADE, it is obtained that final consumption in the industrial sector will continue to maintain its growth trend, reaching 227 million tons of oil equivalent (Mtoe) by 2050, representing a 35% increase compared to 2021 (base year). Electricity consumption, with a 108% increase in this sector compared to 2021, will be predominant in 2050, with a 38% share. As for natural gas, its utilization shows a decrease, going from a 22% share in 2021 to 9% in 2050; while biomass consumption increases by 73%, due to the greater use of modern biofuels. Petroleum derivatives consumption undergoes a 31% decrease during the projection period (See Figure 1).

Figure 1: Projection of final energy consumption in the industrial sector by source, LAC (Mtoe)

