



NEWSLETTER OLADE

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EDITORIAL

TOWARDS GREENER SKIES: THE TRANSITION TO SUSTAINABLE AVIATION FUELS

Decarbonizing transportation is the primary challenge of the second phase of energy transitions in Latin America and the Caribbean. In this regard, the aviation industry plays a fundamental role, and we must advance in adopting sustainable aviation fuels (SAF) as part of a global strategy to reduce carbon emissions and mitigate the impact of climate change.

As air traffic continues to expand, the implementation of clean technologies and sustainable practices is vital to ensure an ecologically and economically viable future.

Aviation contributes approximately 2% of global CO₂ emissions, a figure that may seem modest but is amplified when considering other pollutants, such as nitrogen oxides and fine particles.

Air traffic could double in the next two decades, putting more pressure on the industry to reduce its carbon footprint than ever before. Without effective measures, continuous growth in air activity could exacerbate the problem of climate change.

The transition to alternative fuels such as biofuels and advanced technologies, such as synthetic paraffinic kerosene and alcohol-to-jet kerosene, offers a promising solution. These innovations not only have the potential to significantly reduce carbon emissions but can also boost economic and social development through job creation and strengthening the agricultural sector.

However, the adoption of sustainable fuels is not a challenge that any one actor can face alone. Global cooperation is required, with the active participation of governments, airlines, aircraft manufacturers, and international organizations.

For the transition to sustainable fuels to be successful, international integration and cooperation are essential. Collaboration allows countries to share resources, knowledge, and experiences, accelerating the development and implementation of sustainable solutions. The Latin American Energy Organization (OLADE), along with organizations such as ICAO and IICA, are key players in promoting the decarbonization of the aviation sector.

International cooperation with a collaborative approach will help establish coherent and convergent regulatory frameworks in the region to create an environment conducive to the investments necessary to develop SAF technologies at scale, thereby creating an aviation industry that is economically and environmentally sustainable and ensuring it remains a driver of the global economy, in harmony with the imperatives of environmental sustainability.

Andrés Rebolledo Smitmans
Olade's Executive Secretary

OLADE PARTICIPATED IN WEBINAR “STRATEGIES FOR TERRITORIAL DEVELOPMENT”



The Director of Studies, Projects, and Information of the Latin American Energy Organization (OLADE), Fitzgerald Cantero, participated in the webinar “Strategies for Territorial Development,” organized by the Territorial Development Commission of the Outreach Network. This event shared local perspectives on the Green Hydrogen industry, with the common goal of achieving zero emissions by 2050.



Fitzgerald Cantero highlighted the potential and opportunities for Latin America and the Caribbean to integrate into this new economy and explained the importance of analyzing factors that allow for cost reduction and competitiveness. He also emphasized that countries should include aspects such as environmental, territorial permits, and social license in their energy agendas.

“It is a great opportunity for #LatinAmerica to be part of this new industry. Being a long-term project, it requires state policies, solid regulation, and integrated ecosystems,” Cantero noted. Furthermore, this event emphasized the importance of green hydrogen and the need to have a medium- and long-term perspective that allows countries to look towards the future and provide the tools to sustain it over time, regardless of the current governments.

Executive Secretary of OLADE participated in the event “Global Energy Interconnection and Transition for the SDGs”

On July 10, the event “Global Energy Interconnection and Transition for the SDGs” was held with the aim of exchanging experiences and showcasing global advancements and success stories in this field. The main focus was on analyzing Global Energy Interconnection as a fundamental initiative to achieve a highly clean, electrified, and intelligent energy system that allows for sustainable development.

This event was organized by the Global Energy Interconnection Development and Cooperation Organization (GEICO), with the support of the Permanent Mission of the People’s Republic of China to the United Nations, the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations Economic and Social Commission for Western Asia, the Sustainable Development Solutions Network, the United Nations Economic Commission for Europe, and the Latin American Energy Organization (OLADE).

During the event, which brought together experts from around the world, OLADE’s Executive Secretary, Andrés Rebolledo, participated as a speaker and presented on “Energy Transitions in Latin America and the Caribbean.”

In his speech, Rebolledo highlighted that Latin America and the Caribbean is the greenest region in the world, thanks to its abundance of water, sun, wind, and strategic minerals for the energy transition. He assured that these conditions place the region in a privileged position in the global geopolitical scenario.



Furthermore, he explained that Latin America and the Caribbean are advancing towards the second phase of energy transitions, which requires greater planning and the construction of new electrical transmission infrastructures. Additionally, he highlighted that countries are working intensively on developing the green hydrogen industry. Rebolledo concluded his speech by pointing out the existing challenges related to per capita electricity consumption, energy efficiency, among other aspects.

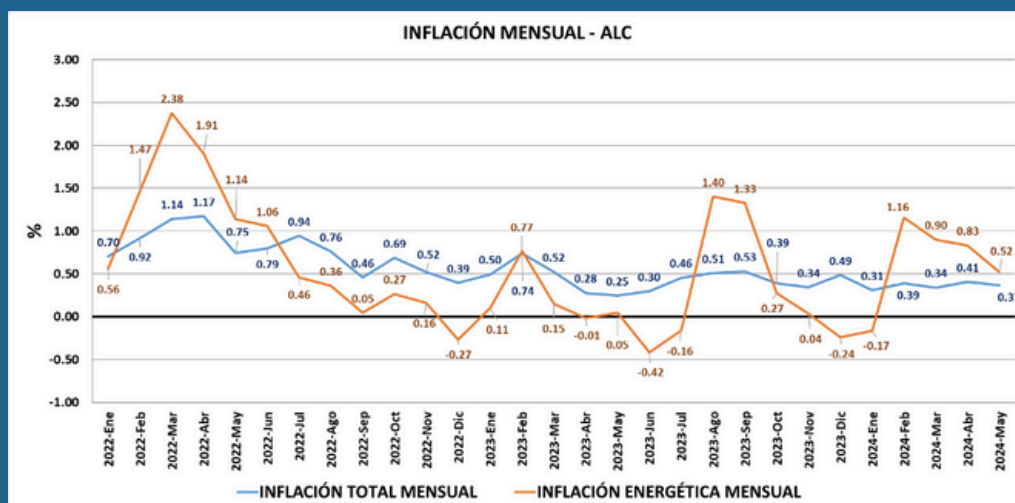
The event featured the presence of experts and representatives from global organizations, who reflected on the importance of generating greater collaboration to achieve a sustainable future.

ENERGY INFLATION IN LATIN AMERICA AND THE CARIBBEAN MAY 2024

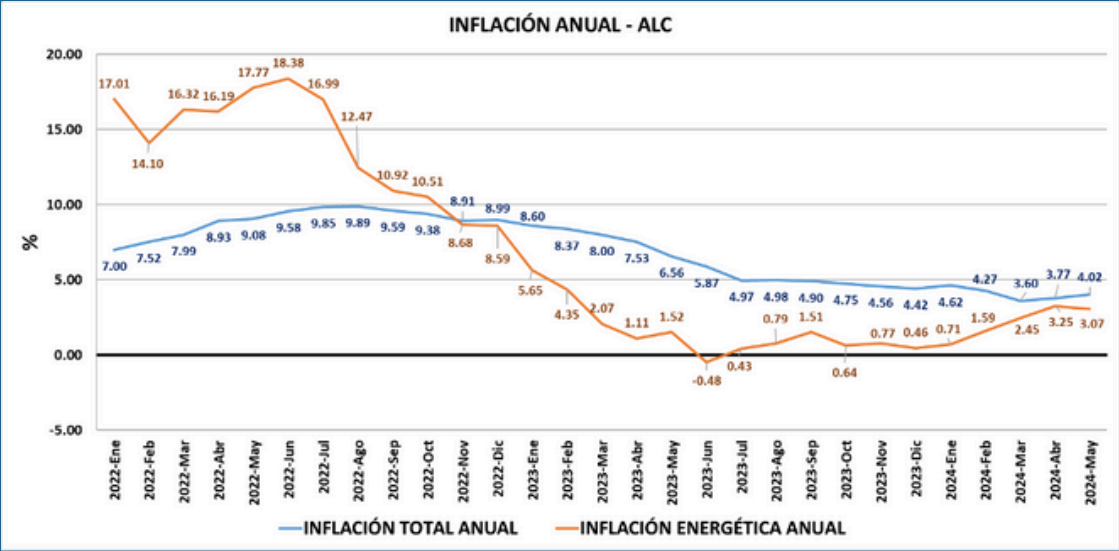


According to OLADE, in May 2024, monthly energy inflation in LAC was 0.52% and the annual rate 3.07%

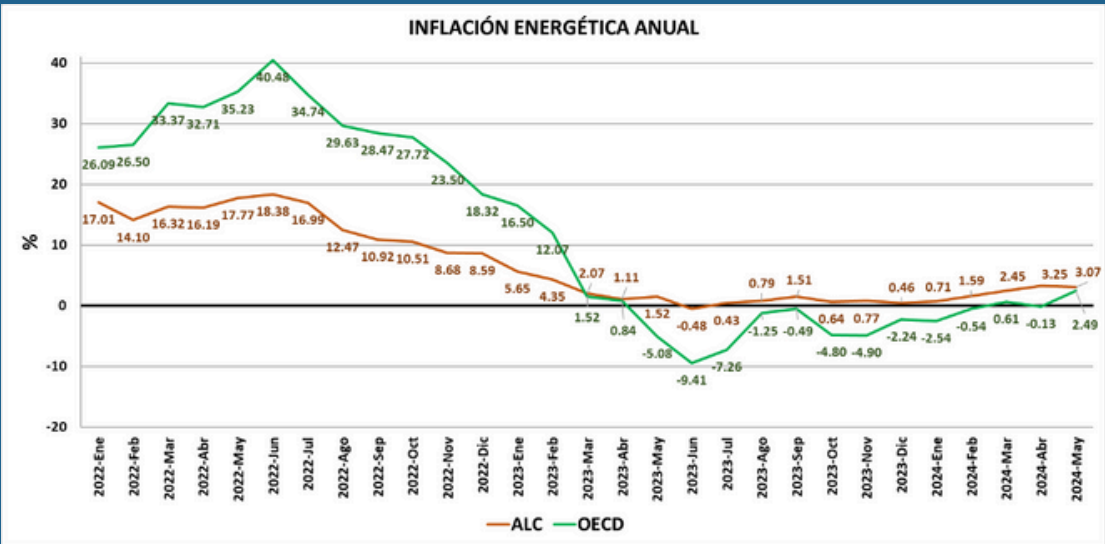
The Latin American Energy Organization (OLADE) today published its Energy Inflation Indicator for Latin America and the Caribbean (EI-LAC) for the month of May 2024. This report offers a detailed analysis of energy trends in the region, which is crucial to understand the behavior of energy markets and their impact on the economy and sustainability of Latin American and Caribbean countries. Monthly energy inflation decreased in 13 of the 20 countries analyzed. In May 2024, regional energy inflation reached a value of 0.52%, confirming the downward trend that began earlier this year.



The annual energy inflation in Latin America and the Caribbean in May 2024 (compared to May 2023) was 3.07%. This rate is lower than the total inflation of the regional economy (4.02%)



In OECD countries, meanwhile, annual energy inflation rose significantly from -0.13% in April to 2.5% in May this year, its highest level since February 2023, with increases in 24 OECD countries.



THIS EDITION OF THE EI-LAC HIGHLIGHTS THE INCORPORATION OF 4 MORE COUNTRIES TO THE ANALYSIS, WITH A BASE OF 20 COUNTRIES AS OF THIS MONTH, WHICH IMPLIES AN UPDATE IN THE INDEX.

OLADE PARTICIPATED IN THE “I SUSTAINABILITY AND ENERGY CONFERENCE: THE SUSTAINABLE FUTURE DEPENDS ON IBERO-AMERICA”



The ESAN University and Redinter held the “I Sustainability and Energy Conference: The Sustainable Future Depends on Ibero-America” on July 16 in Lima, Peru. This event brought together national and international representatives from the public and private sectors to analyze strategies for advancing toward a cleaner and more sustainable energy future in the region.

Through seven thematic areas, the conference addressed the main topics in the sector: global and regional trends in energy sustainability; networks and renewable energies; energy efficiency and the electrification of the matrix; energy and development in Latin America; biodiversity; SDGs, indigenous peoples, and social innovation; and education as the cornerstone of sustainable development. In each of these areas, the main achievements and advances in sustainable development were highlighted, as well as the challenges that persist, with the aim of exchanging knowledge, sharing best practices, and exploring new opportunities to promote sustainability.

The Executive Secretary of the Latin American Energy Organization (OLADE), Andrés Rebolledo, participated in the inaugural session with a keynote speech in which he highlighted global and regional trends in energy sustainability. He reflected on energy and sustainability, addressing the role of energy in the development of Latin America and the Caribbean in terms of renewable energies, the SDGs, biodiversity, and the importance of social management. He emphasized that “Latin America and the Caribbean are at the forefront of the global energy transformation, so advancing sustainability commitments is a primary political objective, and together we can make a significant difference.” Latin America and the Caribbean have one of the greenest energy matrices in the world and abundant raw materials for the transition.

OLADE STRENGTHENS ENERGY COOPERATION IN PERU. ADVANCES IN REGIONAL INTEGRATION AND ENERGY TRANSITION



The Executive Secretary of the Latin American Energy Organization (OLADE), Andrés Rebolledo, carried out a key agenda in Lima, Peru, to promote energy cooperation in the region. During his visit, he met with government leaders and energy sector experts to address issues of integration and sustainable development.

In his meeting with Gonzalo Gutiérrez, Secretary General of the Andean Community, Rebolledo discussed the importance of energy integration and the implementation of cooperation programs that promote an energy information system in the Andean region. Additionally, they discussed the creation of an Andean Energy Forum with ministerial participation, highlighting the need for regional collaboration to face energy challenges.

The Executive Secretary also held a meeting with Peru's Minister of Energy and Mines, Rómulo Mucho, accompanied by Deputy Minister of Hydrocarbons, Iris Cárdenas; Director General of Electricity, Elvis Tello; Director General of Energy Efficiency, José Meza; and OLADE's Chief of Staff, Guido Maiulini. During this meeting, preparations for the IX Energy Week, to be held in Asunción, Paraguay, starting October 28, were addressed. Rebolledo emphasized the importance of regional integration and the sustainable use of energy resources in Latin America and the Caribbean.

Furthermore, OLADE participated in the event "Latin America and the Caribbean in the face of the climate crisis and the new energy transition," a crucial forum where experts and representatives from various organizations analyzed the challenges and opportunities to achieve a cleaner electricity matrix and reduce dependence on fossil resources. OLADE's Executive Secretary, along with Deputy Minister of Hydrocarbons, Iris Cárdenas and Walter Néstor Sciutto, representative of Grupo Energía Bogotá, explored the crucial role of financing in the energy transition and the importance of leveraging the region's essential minerals.

During the day, key reports were presented, such as the October 2023 Fiscal Monitor of the International Monetary Fund (IMF), titled "Climate Crossroads: Fiscal Policies in a Warming World," and the 2024 Report on Economics and Development (RED) of the Latin American and Caribbean Development Bank (CAF), titled "Renewed Energies: A Just Energy Transition for Sustainable Development."

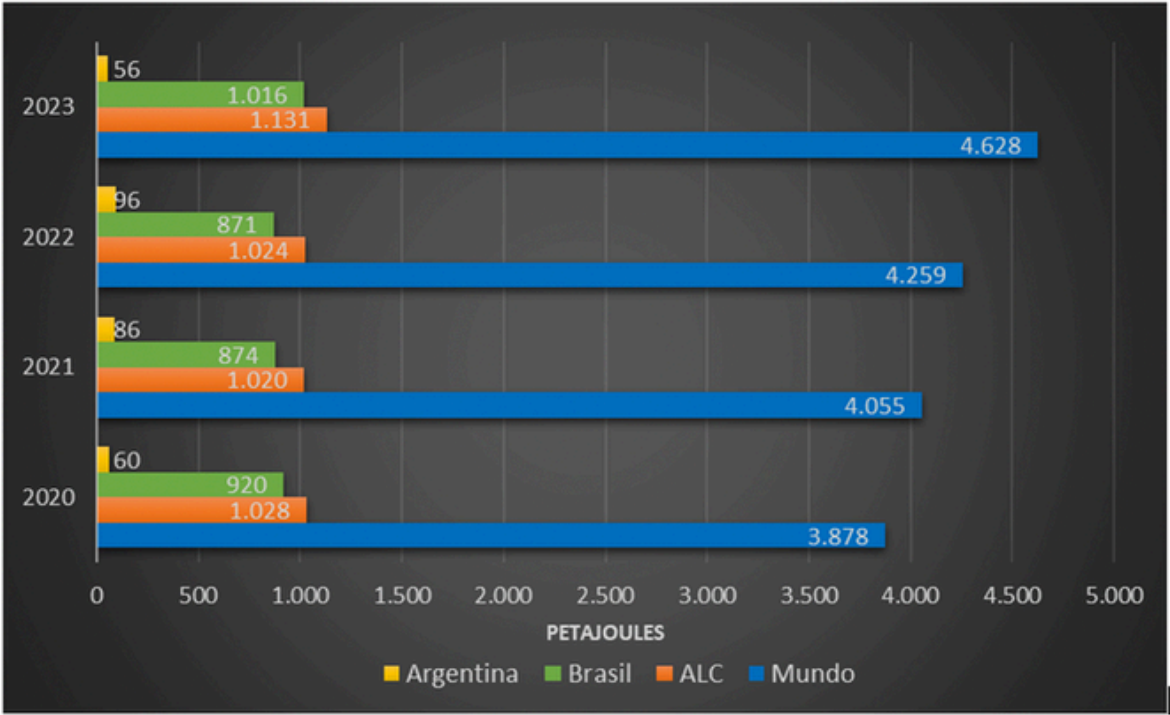
This agenda allowed OLADE to reaffirm its commitment to international energy cooperation, highlighting the fundamental role of Latin America and the Caribbean in promoting energy security and sustainable development in the region.

BIOFUELS IN LATIN AMERICA AND THE CARIBBEAN: AN OVERVIEW

In Latin America and the Caribbean, biofuels play a significant role in the energy strategy of several countries due to abundant natural resources and the need to diversify energy sources. In 2023, the region accounted for 24% of global biofuel production, as shown in Figure 1, with Brazil leading as a global biofuel producer, particularly in ethanol derived from sugarcane. Brazil has developed a robust infrastructure for the production and distribution of ethanol and biodiesel.

Argentina is a major producer and exporter of biodiesel, while Colombia primarily produces ethanol from sugarcane. Ecuador and Peru produce biofuels from sugarcane and palm oil. Mexico has significant potential for ethanol production from sugarcane and corn. Caribbean countries are exploring biofuel use by considering the cultivation of sugarcane and palm oil.

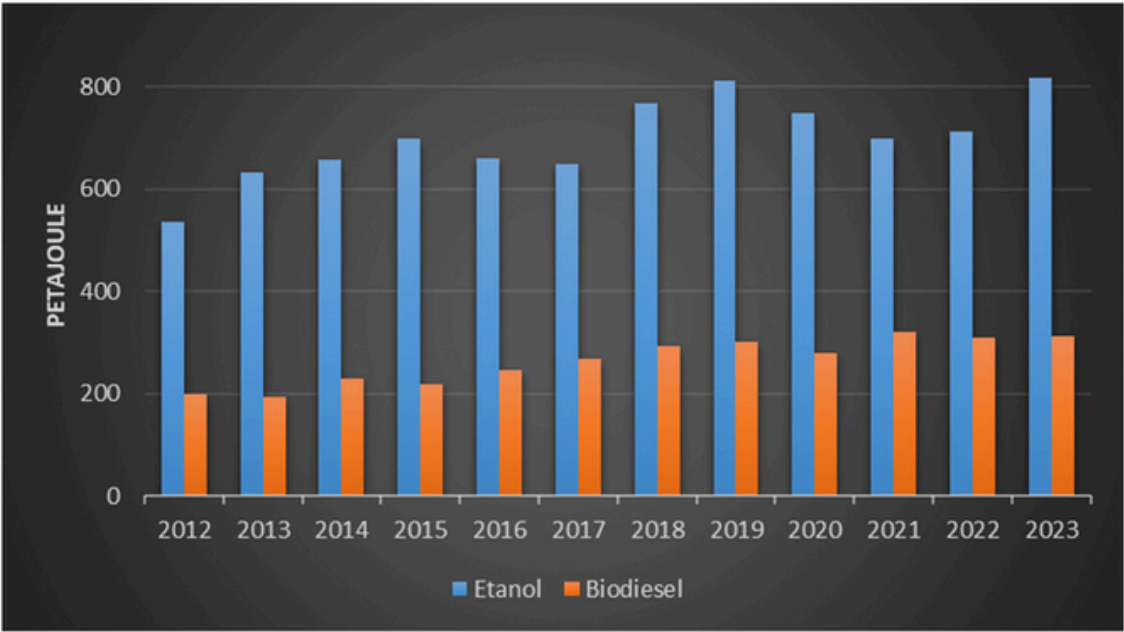
Figura 1. Producción de biocombustible



Fuente: Elaboración OLADE en base al Statistical Review of World Energy, 2024.

he growth in biofuel production in Latin America and the Caribbean in 2023 was 10.5% compared to 2022, primarily driven by ethanol production, which accounted for 72% of biofuel production in 2023. This increase is attributed to various economic, political, and environmental factors, as well as a growing interest in transitioning to more sustainable energy sources.

Figura 2. Producción de etanol y biodiesel en América Latina y el Caribe



Fuente: Elaboración OLADE en base al Statistical Review of World Energy, 2024.