



NEWSLETTER OLACDE

NEWS

STATISTICAL
DATA

JUNE
2026

LATIN AMERICA AND THE CARIBBEAN'S CRITICAL CHALLENGE. ENERGY INTEGRATION MEANS GREATER COMPETITIVENESS AND SECURITY



EDITORIAL

For decades, Latin America and the Caribbean (LAC) has faced an energy paradox: it is one of the richest regions in renewable resources worldwide, yet it continues to operate under fragmented infrastructure and regulatory frameworks. In today's context of global energy reconfiguration, this challenge has become impossible to ignore.

The recent presentation of the Regional Indicative Electric Interconnection Plan to 2040, promoted by OLACDE and supported by the European Union, raises a fundamental question: can LAC establish a common energy architecture before geopolitical and climate dynamics impose their own conditions?

The answer is highly consequential. The region has one of the cleanest electricity matrices in the world, with approximately 68% of its power generation coming from renewable sources, compared to a global average of around 30%. Yet this strength coexists with a structural weakness: limited cross-border interconnection capacity.

While the European Union has transformed its electricity grids into instruments of economic and strategic stability, LAC continues to operate through national systems with limited integration.

The regional plan seeks to demonstrate the benefits of changing this reality. It comprises 16 electricity infrastructure projects, requiring an estimated initial investment of US\$3.5 billion by 2040—an amount that may seem modest in global energy terms when weighed against its potential impact. The projected benefit-cost ratio stands at 10 to 1, with annual returns that could reach up to US\$5 billion under high-electrification scenarios. Furthermore, these investments could be amortized within two to six years; few infrastructure initiatives offer such systemic profitability. In practical terms, maintaining fragmentation means sacrificing regional competitiveness.

Yet the debate goes beyond financial returns.

Energy integration also enhances the region's ability to manage volatility. Amid the growing frequency of extreme climate events—such as prolonged droughts and heatwaves—the capacity to exchange electricity across borders moves beyond a technical matter and becomes a strategic mechanism for strengthening regional resilience.

Chile could export solar power during peak generation hours; Brazil could supply hydropower during critical periods; Argentina and Bolivia could stabilize the system with natural gas as firm energy; while Central America has the potential to strengthen its Regional Electricity Market. Complementarity exists—the missing element is an adequate regional regulatory framework.

This is where the main challenge emerges.

Infrastructure without regulatory convergence is only an incomplete promise. The region operates under heterogeneous regulations, incompatible tariff structures, and operational mechanisms focused more on national priorities than regional ones. In other words, while electricity can cross borders, regulations still cannot.

That is why moving toward a Latin American and Caribbean Energy Integration Treaty—proposed by OLACDE—represents one of the most significant institutional efforts in regional energy policy in recent years. This binding legal instrument would not only establish clear rules for energy exchange but also send a strong signal to investors, multilateral institutions, and global markets. The energy transition has evolved beyond the climate agenda; it is now increasingly defined by disputes over technological sovereignty, economic security, and industrial leadership. Addressing these challenges collectively as a region strengthens our position in the global order.

LAC holds an unprecedented comparative advantage: critical minerals, vast renewable capacity, strong storage potential, and major reserves of lithium and copper, alongside significant oil and gas resources. But without effective integration, that advantage could be lost.

OLACDE AND CELAC STRENGTHEN REGIONAL ENERGY INTEGRATION AND SECURITY IN MONTEVIDEO WITH A 2040 ROADMAP



The Latin American and Caribbean Energy Organization (OLACDE) and the Community of Latin American and Caribbean States (CELAC) presented on Wednesday, June 17, in Montevideo, the Regional Indicative Plan for Electricity Interconnection with a 2040 horizon. The initiative—promoted jointly with the European Union through the Euroclima programme and implemented by GIZ—sets out a long-term vision defining the key electricity corridors for the region's energy future.

The programme, made up of 16 electricity interconnection infrastructure projects, requires an initial investment of US\$3.5 billion by 2040, a figure that technical reports describe as highly profitable, with an estimated payback period of between two and six years. The target for 2040 is to achieve an optimal interconnection capacity of 5,000 MW, significantly reducing CO₂ emissions and expenditure on fossil fuels.

The investment plan presents an average benefit-cost ratio of 10 to 1, with a net economic benefit ranging between US\$1 billion and US\$5 billion annually, the latter under a high-electrification scenario across the region. These benefits would be realized through the secure and affordable exchange of clean energy between neighbouring countries.

The VIII CELAC Ministerial Meeting on Energy took place on Thursday, June 18, with the participation of financial institutions and cooperation partners, with the central objective of discussing the challenges of regulatory convergence in the energy sector amid a context marked by climate variability and the expansion of renewable energy.

OLACDE Executive Secretary Andrés Rebolledo stressed the importance of launching a process aimed at dialogue and negotiation towards an Energy Integration Treaty for Latin America and the Caribbean, a legal instrument that currently does not exist in the region and whose creation is now more urgent and necessary than ever to strengthen energy security, regional cooperation, and the sustainable transition.

The ministerial gathering served as a strategic platform to lay the foundations for a political dialogue process. The ultimate goal of member states is to move towards the construction of a future energy integration treaty for Latin America and the Caribbean, a binding framework that will consolidate resource exchange, harmonize regulations, and guarantee the region's energy security in the face of the challenges of the twenty-first century.

OLACDE AND BRAZIL'S MINISTRY OF MINES AND ENERGY (MME) PROMOTE A REGIONAL DIALOGUE ON METHANE EMISSIONS REDUCTION AND BIOMETHANE DEVELOPMENT



The Ministry of Mines and Energy (MME) of Brazil, in partnership with the Latin American and Caribbean Energy Organization (OLACDE), held the III Regional Methane Summit on June 8–9. The event brought together governments, international organizations, companies, research centers, and experts from across Latin America and the Caribbean to discuss strategies for reducing methane emissions and opportunities to strengthen the region's energy transition and sustainable development.

The initiative aimed to reinforce regional cooperation around one of the most pressing issues on the global climate agenda. Throughout the two-day program, participants engaged in discussions on emissions management in the oil and gas sectors, environmental monitoring, regulatory advancements, and emerging technologies for methane mitigation.

Methane is responsible for approximately 30% of the increase in global temperatures since the pre-industrial era and has a significantly higher warming potential than carbon dioxide over the short term. In the energy sector, currently available technologies can substantially reduce emissions associated with the production and transportation of fossil fuels, creating opportunities to improve operational efficiency and reduce waste.

In addition to the technical discussions, the Summit sought to strengthen the Methane Emissions Observatory for Latin America and the Caribbean (OEMLAC) and the Methane Community of Practice (COEMLAC), a regional network that brings together experts, government representatives, companies, and academic institutions to exchange experiences and promote practical solutions for emissions reduction.

During the opening session, Andrés Rebolledo, Executive Secretary of OLACDE, emphasized that:

"The expansion of the oil and gas sector in Latin America and the Caribbean must be accompanied by an ambitious methane reduction agenda that strengthens energy security, regional integration, and the competitiveness of our countries in global markets."

An Opportunity for the Energy Transition

The III Regional Methane Summit took place amid growing international demand for lower-emission fuels and greater environmental transparency. In this context, methane reduction has emerged as one of the most effective measures for achieving near-term climate results while enhancing the region's energy competitiveness.

For Latin America and the Caribbean, this challenge also represents a significant economic opportunity. International estimates indicate that a large share of emissions from the energy sector can be reduced using technologies already available today, including through the recovery and utilization of gas that is currently wasted. The Summit is expected to accelerate initiatives that transform this potential into environmental, energy, and economic benefits for countries across the region.

Participants also highlighted the strategic role of natural gas and biomethane in supporting energy security, advancing regional integration, and promoting the production of lower-emission energy sources capable of meeting increasingly demanding sustainability standards in international markets.

LATIN AMERICA AND THE CARIBBEAN MAINTAINS ITS LEADERSHIP IN RENEWABLE ENERGY, BUT FACES NEW CHALLENGES IN ITS POWER MIX



Latin America and the Caribbean continues to hold one of the cleanest electricity matrices in the world. According to the Monthly Electricity Generation Report by the Latin American and Caribbean Energy Organization (OLACDE), the region generated 158 terawatt-hours (TWh) of electricity in February 2026. This reflects an energy system where renewables account for 67.7% of total generation, while fossil fuels contribute 29.7% and nuclear energy 2.6%.

This figure underscores a structural reality: Latin America and the Caribbean remains a key player in the global energy transition, with an electricity mix that significantly exceeds the global average for clean power generation, which stands at 33.8% as of the first quarter of 2026.

However, the region remains heavily dependent on hydropower, which represented 45.4% of total generation. The next largest sources were natural gas (22.7%) and wind power (12.2%). Together, these three technologies account for more than 80% of monthly electricity generation, highlighting their structural importance in meeting regional power demand.

Lower Hydropower Dependence and Stronger Growth in Non-Conventional Renewables

A year-on-year comparison with February 2025 shows a 3.9% increase in regional electricity generation, equivalent to an additional 6 TWh. More importantly, the composition of this growth reveals a major shift: while hydropower generation declined by 9 TWh, other technologies more than compensated with a combined increase of 15 TWh.

Emerging renewable sources were primarily responsible for this compensation:

- Wind: +6 TWh
- Bioenergy: +5 TWh
- Solar: +2 TWh

This pattern highlights a fundamental trend within the regional power system: diversification toward other renewable sources is gaining momentum and reducing structural vulnerabilities.

Generation Declines in February

The report also indicates that electricity generation in February 2026 declined by 6.2% compared to January of the same year. This contraction was partly due to the natural calendar adjustment — February had only 28 days — as well as a generalized decline across nearly all energy sources.

The sharpest reductions were recorded in coal (-17%), geothermal (-14%), and natural gas (-10%), followed by oil, nuclear, and solar. This is a significant indicator, as it shows that the decline was not driven by technological substitution, but rather by an overall compression in energy dispatch.

MIDDLE EAST OIL SHOCK PUSHES LATIN AMERICA AND CARIBBEAN ENERGY INFLATION TO 12- MONTH HIGH



The armed conflict in the Middle East and the resulting disruption of global trade flows through the Strait of Hormuz have triggered a turning point for the economy of Latin America and the Caribbean (LAC). According to our latest report, the region's monthly energy inflation rose sharply in March 2026, reaching 1.42%. This figure represents a significant jump from 0.19% in February and marks the highest level recorded in the past twelve months, driven by escalating tensions along a route through which 20% of the world's oil supply transits, pushing international crude prices up to USD 116 per barrel.

Our analysis shows that, despite having a highly renewable electricity generation matrix, the region remains structurally dependent on oil and its derivatives. This vulnerability translated into an average regional increase of 21% in diesel prices and 15% in gasoline prices, with domestic price ranges between USD 0.70 and USD 2.07 per liter of gasoline, and between USD 0.80 and USD 1.65 per liter of diesel.

The impact of this energy shock acted as a transmission mechanism across the economy, increasing logistics costs, transportation expenses, and food prices. As a result, the region's overall monthly inflation rate doubled, accelerating from 0.38% in February to 0.75% in March, also reaching its highest level in the last year.

The report highlights an asymmetric impact across the region, where net oil-importing countries have faced severe fiscal pressure, while exporting nations have benefited from short-term extraordinary revenues, although they remain equally exposed to market volatility.

At the same time, while some countries allowed a greater pass-through of international oil price increases to consumers, others resorted to subsidies, tax reductions, stabilization funds, or partial containment mechanisms. As a result, the transmission of the energy shock to headline inflation was not complete, thanks to the diversity of cushioning policies in place.

The scale of the March shock demonstrates that intense geopolitical disruptions can overwhelm local containment mechanisms, showing that although the relationship is not "one-to-one" due to state interventions, the upward transmission of price trends has become increasingly unavoidable.

Through this regional monitoring, OLACDE reaffirms its fundamental role as the technical reference for understanding economic dynamics and the challenges of energy integration, security, and development in Latin America and the Caribbean.

LAC OIL PRODUCTION SURPASSES 370 MILLION BARRELS IN FEBRUARY, MARKING A 27% YEAR-ON-YEAR INCREASE



The region is entering a new phase of expansion in the hydrocarbons sector. According to OLACDE's latest Oil and Natural Gas Report, oil production rose by 27% year-on-year in February 2026, reaching 377 million barrels, compared to 298 million barrels in the same month last year.

This increase reflects a significant restructuring of the regional energy landscape. Operational activity in Vaca Muerta (Argentina), record-high extraction in Brazil's pre-salt layer, and rising output in Mexico are driving regional supply to levels not seen in the past twelve months.

On a monthly basis, production also grew by 4.4% compared to January, supported by the recovery in Brazil and Venezuela following declines in the previous month. Brazil, Mexico, and Venezuela account for 68% of total regional oil production, underscoring the strategic role these three countries play in the sector's momentum across the region.

Natural gas: even faster growth

Natural gas production expanded at an even stronger pace. According to the report, output reached 26 billion cubic meters, representing a 30% year-on-year increase.

The main drivers behind this growth are once again Argentina and Brazil. The development of shale gas in Vaca Muerta, combined with unprecedented production in Brazil's pre-salt fields, is reshaping the regional supply matrix at a time when natural gas is consolidating its role as a transition fuel to support electricity systems with high renewable penetration.

Argentina and Trinidad and Tobago lead the market with a 21% share each, followed by Brazil with 13%, Peru with 12%, while Venezuela, Bolivia, and Mexico each account for approximately 9%.

OLACDE's report confirms that while the region remains a global leader in renewable electricity generation, it is also strengthening its role as a strategic global supplier of hydrocarbons.

JOURNALISM AT THE GLOBAL EPICENTER: LATIN AMERICAN AND CARIBBEAN PRESS ENGAGES AT THE CORE OF THE ENERGY TRANSITION IN BRUSSELS



From June 7 to 12 this year, the Belgian capital became the meeting point for a strategic journalistic network shaping the future of sustainable development. Within the framework of the EU Climate Dialogues 2 (EUCDs2) Study Tour—a joint initiative led by the European Union (EU), the German Development Cooperation (GIZ) and OLACDE—a delegation of 15 journalists from Latin America and the Caribbean gathered at the heart of European policymaking to gain direct access to the institutional, technical and governance spaces where the policies guiding the planet's decarbonization are being designed.

This collective engagement not only provided access to cutting-edge information, but also strengthened a specialized press network capable of analyzing and reporting firsthand on the trends shaping the global energy transition roadmap.

For the Latin American and Caribbean Energy Organization (OLACDE), participating in this high-level gathering in Brussels represented far more than an in-depth journalistic exercise; it marked the consolidation of a key institutional bridge. The European Union, in its role as a permanent observer of OLACDE, extended this invitation with a clear purpose: to connect Europe's regulatory and industrial leadership with the transformative renewable potential of our region, turning bilateral relations into a true strategic alliance for a climate-neutral future.

Direct Access to the Sources of Global Change

During an intensive week of technical and political immersion, the agenda allowed the press delegation to enter the core of decision-making at the European Commission. At a defining moment for the global energy future—when rising demand calls for immediate cooperation—the study tour opened the doors to key spaces such as the European Sustainable Energy Week (EUSEW) and enabled direct dialogue with official voices, industry leaders and innovators driving the European Green Deal and the REPowerEU strategy.

The working sessions ranged from the analysis of carbon markets and regulatory frameworks for renewable hydrogen, to the review of emerging critical minerals value chains and the development of sustainable aviation fuels. This was not merely a theoretical exercise; on-the-ground technical visits provided firsthand evidence of how European infrastructure and integration systems are evolving to respond to three simultaneous challenges: security of supply, industrial competitiveness and climate urgency.

From Suppliers to Strategic Partners: The New Diplomacy of Critical Minerals

One of the clearest and most politically significant messages emerging from the working sessions in Brussels was a paradigm shift: countries in Latin America and the Caribbean are no longer viewed solely as raw material suppliers, but as indispensable partners for joint development.

Our region holds an exceptional competitive advantage: it boasts one of the cleanest electricity matrices in the world—with nearly 70% generated from renewable sources—and hosts vast reserves of critical minerals such as lithium, nickel, cobalt and rare earths, all essential for the manufacturing of clean technologies, storage systems and electric vehicles.

The European approach, embodied in investment strategies such as the Global Gateway, seeks to ensure that recent announcements of strategic projects in the region translate into the creation of local value chains, technology transfer, innovation and quality job creation within supplier countries.

Under this new perspective, concepts once confined to technical debates—such as strategic autonomy and supply chain resilience—have moved to the center of international economic policy.

OLACDE and Regional Integration at the Decision-Making Table

As the organization responsible for coordinating and promoting energy integration across its 27 member countries, OLACDE's participation in this Study Tour reaffirms the importance of keeping the region fully connected to the world's main decision-making centers.

The energy transition can no longer be defined solely by the technical capacity to generate clean gigawatts; it requires shared visions, harmonized regulatory frameworks and strong international alliances. Strengthening political and technical dialogue between Latin America, the Caribbean and the European Union—aligned with the goals of the Paris Agreement—is the fundamental path toward building shared solutions that guarantee a just, secure, sustainable and inclusive energy transition.

Learning firsthand how global climate policy is shaped in Brussels leaves us with a clear conclusion: the future of energy is being written collectively, and our region is a leading actor at that design table.

OLACDE OPEN HOUSE. THE ENERGY TRANSITION BEGINS IN THE CLASSROOM



The 2026 OLACDE Open House provided a unique space where emerging talents could connect with the future of energy. The Latin American and Caribbean Energy Organization (OLACDE) successfully held this first edition—an innovative initiative that brought together students, academics, scientists, government authorities, diplomatic representatives, and experts to promote energy knowledge among children and young people through practical and immersive experiences.

Participants engaged in interactive laboratories and technological challenges focused on hydrogen, solar energy, energy efficiency, urban sustainability, and renewable energy. Through hands-on stations developed in collaboration with Ecuadorian universities and specialized organizations, students experienced firsthand how the technologies driving today's global energy transformation operate.

The event was attended by OLACDE Executive Secretary Andrés Rebolledo; Ecuador's Minister of Energy and Mines, Juan Carlos Blum; representatives of the diplomatic corps of Colombia; the Chargé d'Affaires of the Algerian Mission in Ecuador, Mr. Taazibt Lounes; the Ambassador of Chile, Carola Muñoz Oliva; and the Ambassador of Uruguay, Fernando Sandín Tuss. All expressed their support for this initiative aimed at strengthening interest in science, technology, and innovation among younger generations.

"Today, for the first time, we opened the doors of OLACDE to girls, boys, and young people so they can explore, experiment, ask questions, and become familiar with energy and the challenges facing this sector—from electricity generation and transportation to the need to transform and decarbonize our economies," said the organization's Executive Secretary.

This event held special significance as Latin America and the Caribbean seek to strengthen the human capacities required to advance a just and inclusive energy transition. Although women's participation in the energy sector has increased, they remain underrepresented in STEAM careers—science, technology, engineering, arts, and mathematics.

Beyond academic learning, the Open House represented a strategic effort to inspire early vocations in STEAM fields, encourage critical creativity, and help reduce gender gaps in highly specialized sectors such as energy and emerging technologies.

The event also featured female leaders from the scientific and technological fields who shared their professional journeys, demonstrating that talent and innovation know no gender. Their testimonies aimed to empower girls by reinforcing confidence in their professional potential, broadening their career aspirations, and challenging limiting traditional stereotypes.

"The Government of Ecuador is working to ensure that girls, boys, and young people have access to energy, because this is the century of energy and electricity. We will continue working so that they become the ones who lead the country into the future," stated Ecuador's Minister of Environment and Energy.

Authorities agreed that advancing an effective energy transition depends not only on investments and infrastructure, but also on educating citizens capable of understanding regional energy, climate, and technological challenges, developing creative solutions, and leading the transformations that the future demands.

With this first edition, OLACDE established a new regional platform designed to bring energy issues closer to the public through an inclusive and transformative educational approach, reaffirming its commitment to equitable development, opportunity creation, education, and the cultivation of talent capable of leading the future of energy in Latin America and the Caribbean.

During the educational event, students participated in workshops designed to provide practical understanding of technologies that are reshaping global energy systems. Participants visited thematic stations focused on hydrogen-based mobility, solar photovoltaic generation, energy efficiency, and energy conversion processes.

These activities were developed in partnership with leading academic institutions, including the National Polytechnic School, the International University of Ecuador, Universidad San Francisco de Quito, the H2 Grand Prix initiative, and Fundación Ingeniosas.

The 2026 OLACDE Open House brought together more than 150 children and young people and nearly 50 experts in science and technology, delivering a powerful message: the energy transition is not built solely in ministries, companies, or research centers—it also begins with childhood curiosity, discovering how solar panels work, assembling hydrogen-powered vehicles, and learning that energy can be a transformative force worldwide.