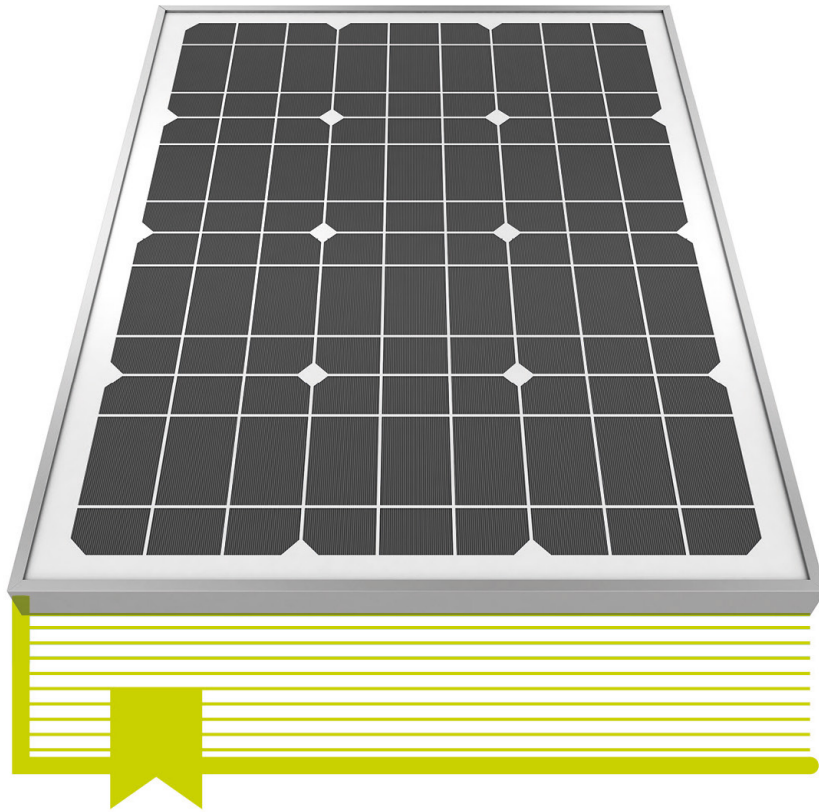


**Renewable energy
is looking good**

Opportunities in
Latin America



Latin American countries represent some of the top 20 most attractive renewable energy markets in the world (as ranked by EY in their RECAI report from April 2019), with a great number of opportunities in both greenfield projects and the secondary market. In the table below, we compare the key elements that international developers and investors should consider to understand the opportunities available in the different Latin American countries. If you would like to discuss further, please do not hesitate to get in touch with us.

Country	Renewables target (as % of electricity generated)	Local content	Government incentives	Upcoming tenders
Argentina	8% by 31st December 2017 12% by 31st December 2019 16% by 31st December 2021 18% by 31st December 2023 20% by 31st December 2025	No official local content policy. However, in case of parity amongst bids, priority will be given to projects promoting the creation of local jobs and using local materials. The integration of foreign materials will be accepted if it is proven that there is no competitive technological offering that could be sourced at a local level. There is a tax certificate regime for projects that have over 60% of materials sourced locally.	<ul style="list-style-type: none"> no feed-in-tariffs – the sovereign renewable energy investment fund (FODER) is ultimately guaranteed by the World Bank anticipated VAT return for capital goods purchased extension to 10 years of the period for income tax loss carry-forwards dividends or profits arising from projects will not be subject to income tax in certain cases tax certificate regime where a project has over 60% of materials sourced locally exemptions from import tax for solar PV generation equipment 	<p>Round 4 of the RenovAr auction for grid infrastructure and large-scale solar and wind projects was set to be conducted by the end of 2019 but has been delayed by recent events.</p> <p>Round 5 has been delayed and the Argentinian government intends for any projects made available as part of that round to utilise grid connection points which would have been serviced by now-failed projects.</p>
Brazil	86% by 2027 Expected increase to 26.67 GW for wind and to 8.64 GW for solar photovoltaic by 2027 The Brazilian government expects investment of R\$226 billion in renewable energy projects between 2017 and 2027	Tax exemptions for use of local wind turbine components. Preferential financing for renewable energy projects is given by the Brazilian National Development Bank (BNDES) to projects in which 30% of equipment is locally produced.	<ul style="list-style-type: none"> exemptions from import tax for solar PV generation equipment state tax exemptions for wind and solar PV energy (certain equipment exempt from state VAT until 2028) biofuel projects attract significant import/export tax deductions PROINFA and ProGD programs to encourage growth of renewable energy sources and distributed energy generation respectively 	<p>Tender A-4, which contracted hydro, wind, solar and biomass power projects, awarded 401.6 MW of power supply contracts in June 2019.</p> <p>This was the first of six renewable energy auctions to be held between 2019 and 2021, with one A-4 auction and one A-6 auction to be held each year during that period. The first A-6 auction will be held on 26 September 2019.</p>
Chile	20% by 2025 70% by 2050	No local content requirements	<ul style="list-style-type: none"> renewable portfolio standard (RPS), with generation companies penalised if renewable energy quotas are not met carbon tax on emissions from power plants of 50MW or more (except biomass) streamlined regulations for small distributed power projects based on renewable energy technologies (up to 9MW), such as automatic grid connection and toll payment exemptions Chilean Sustainability Project Management Office (GPS) created to make project approval process more efficient 	<p>In January 2019 the government tendered to assign up to 9,000 hectares of public land for renewable energy projects. This is the twelfth round of this tender.</p> <p>In May 2019 the National Energy Commission (NEC) called for tenders (to be submitted in November) to supply the consumption of distribution companies' regulated clients between 2025 and 2040 and for up to 3,570 GWh/year.</p>
Colombia	6.5% (annual on-grid power generation) and 30% (annual off-grid power generation from renewable sources) by 2020 (excluding large hydro), which is equivalent to 1.5 GW of installed renewable energy technology capacity by 2022	No local content requirements	<ul style="list-style-type: none"> 50% annual deduction of taxable income for the first fifteen years of investment in renewable energy projects accelerated depreciation of assets allowing for potential tax benefits VAT and import duty exemptions for equipment and machinery for use in renewable energy projects a net-billing incentive is envisaged trading agents participating in the wholesale energy market must buy 8-10% of their power from renewable energy sources via long-term PPAs 	An auction for renewable energy projects (solar, wind, geothermal, tidal, small hydro, biomass) backed by long-term PPAs (15 years) is expected to be held on 22 October 2019.
Mexico	25% by 2018 30% by 2021 35% by 2024 40% by 2035	No local content requirements	<ul style="list-style-type: none"> no feed-in-tariffs but net metering and preferential access to the grid to renewable energy developers exemptions from import/export tax and tax credits the Energy Regulatory Commission (CRE) has authority to create fixed rates for transmission and distribution in relation to corporation tax: accelerated depreciation of 100% for investments in equipment and machinery for electricity generation through renewable sources if certain conditions are met implementation of a tradeable Clean Energy Certificate market, which sets a target for all suppliers and qualified users of the grid to source 35% of all energy generation from renewable sources by 2024 a Ministry of Finance incentive system to promote electricity generation through renewable sources is envisaged by 2020 	No renewable energy auctions planned for 2019.



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