

RENEWABLE ENERGY IN ARGENTINA

Distributed Generation

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NATIONAL LAW 27.424 - DISTRIBUTED GENERATION

Key aspects:

- Enables **self-generation** from renewable sources nationwide
- **Net-billing**, excess energy recognition at avoided cost
- **Generation capacity** equals demand capacity contract
- **Promotional incentives**, financial and tax benefits for supply and demand
- **Creation of promotional trust fund “FODIS”**



Main objectives

- Mitigation of CO₂ emissions
- Energy efficiency
- Electrical loss reduction
- Economic savings
- Local industry development and job creation
- National dispatch coordination

NATIONAL LAW 27.424 - PROMOTIONAL INCENTIVES

Demand-side incentives:

- Promotional financing options
- Tax credit certificates
- National tax exemptions for excess energy
- Others

Supply-side incentives:

- National Industry Development Program
- Promotional financing
- Tax credit certificates
- Accelerated amortization for investments
- Others

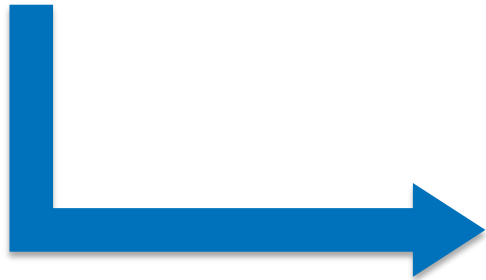


NATIONAL LAW 27.424 – WHY NET-BILLING?

Net-Metering

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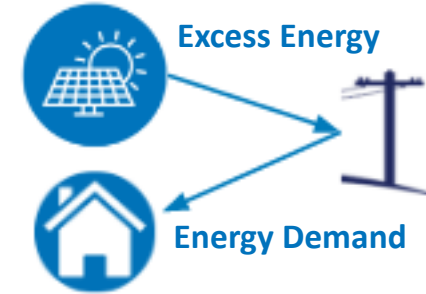
Feed-in Tariff



Net-Billing

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Incentives



- \$Excess energy: avg. wholesale price
- \$Energy demand: retail price
\$Excess < \$Demand
- **Incentivizes self-consumption and energy efficiency.**
- Price to DG user less attractive than net-metering, but minimizes cross-subsidies on grid fixed costs.
- **Less impact on distribution grid equals faster implementation!**

REGULATORY UPDATE – KEY DEFINITIONS



Presidential Decree 986/2018:

- Target of 1.000 MW of DG capacity for 2030
- Sets regulatory roles

Secretary of Energy Resolution 314/2018:

- Defines authorization procedures
- User categories based on DG capacity:
 - Fast-track on small and medium sized systems
 - Maximum system size of 2 MW
- Certified installer requirements
- Bi-directional meter requirements

Undersecretary of Renewable Energy Dispositions:

- Web-platform implementation for authorizations
- Creation of FODIS trust fund for incentives
- Safety standards and technical requirements

REGULATORY UPDATE – AUTHORIZATION PROCESS

Full-Online Authorization Process:

- **Authentication with national ID**
- Clear requirements: faster processing minimizing errors
- Direct connection between User+Installer+Utility
- Allows national dispatch planning and systems audit (tax exemptions)

Grid-Side Requirements:

- **Fast-track for solar PV based on system size:**
 - **Up to 3 kW: Automatic approval until 20% of secondary circuit capacity is met**
 - **Up to 300 kW: Automatic approval until 10% of secondary circuit capacity is met**
 - **From 300 kW to 2 MW: check voltage and/or grid impact**
- In case of denial, Utility must present grid analysis results

System-Side Requirements:

- **Component safety requirements based on local (IRAM) or international standards (IEC)**
- **Minimum installation and protection requirements based on industry best-practices**
- **Qualified Installer is required to submit all documentation and assumes liability**

REGULATORY UPDATE – CURRENT STATUS AND NEXT STEPS

May 2019 Status:

- Online platform operational and processing requests
- 8/23 local jurisdictions already adhered, some including additional incentives
- 5 major distribution utilities processing authorization requests
- 45% of electricity users nationwide (~7M) enabled to start authorization process

Next Steps in 2019:

- Issue requirements for “other renewable technologies”
- Implement promotional financing and tax credit certificates
- Issue Installer Reference Guides for system design and installation





Questions?

More information (in Spanish):

<https://www.argentina.gob.ar/energia/generacion-distribuida>

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