

[Chile: A Potential Leader in Clean Energy?](#)

July 14, 2014 - 12:57pm | admin



By Cleo Abramian

On June 10, the Chilean government formally rejected the HidroAysén dam project, a controversial hydroelectric development plan that's been on the table since 2008. The decision ends the greatest environmental battle in the country's history.

The project proposed constructing five massive dams along Patagonia's Baker and Pascua Rivers, two of the world's largest remaining free-flowing rivers in a region many consider one of the last wilderness frontiers. The rejection of the HidroAysén dam project presents significant clean energy possibilities for the country's future.

The dam project planned to cut a high-voltage corridor through 1,000 miles of endangered forests. It would have flooded just shy of 6,000 hectares of land. It caused outrage at both the regional and international levels, as it put local ranchers, gauchos, and the region's delicate biodiversity at risk. Many feared it would have propelled the development of more dams down the line, oiling the gears of vast industrial expansion that has devastated many of the world's pristine watersheds.

The Patagonia Defense Council (CDP), a collective of about 70 Chilean and international organizations, called for a Patagonia ["sin represas"](#)—without dams. They fought the hard battle against HidroAysén, which, after the project's initial environmental [approval](#) in 2011, escalated in protests across the country. Outcry over the project drew thousands of environmental activists to Santiago and resulted in police firing at crowds with water cannons.

The Natural Resources Defense Council's (NRDC) Latin America Project Director, Amanda Maxwell, says "This is a major [victory](#) for those who think that Chile can be a global clean energy leader by developing its remarkable potential for renewables and energy efficiency." Her sentiment is widespread, and conservation groups are celebrating the potential for Chile to be a model for sustainable growth.

The government's ruling has been a revelation of sorts—that individuals and small organizations can actually have an impact on their country's development. The CDP's enormous public opposition, paired with a growing recognition of cost-effective renewable options, caused the government to re-evaluate and explore these options, and, ultimately, rule against the HidroAysén proposal.

The dams could have provided between 15 and 20 percent of Chile's energy needs, which are growing alongside the country's developing economy. The Chilean economy is largely dependent on mining, an energy-expending sector that accounts for over one third of the country's power consumption. Mining in Chile is projected to grow over the next ten years. In the wake of rejecting the controversial dam project, Chile still needs to diversify its energy resources.

Chile has historically imported gas from Argentina, but as Argentina's domestic need grows, this is proving to be a less viable option. Chile's longstanding border dispute with Bolivia eliminates that option as well. The need for domestic energy is, thus, ever growing. Furthermore, the country is in the middle of a four-year drought, which has reduced the amount of power its hydro sector can generate. This combination has led to several energy crises in the past 30 years, including [recent](#) mass-blackouts and energy rationing.



Hydroelectric dams like those proposed by HidroAysén are emblematic of an old mentality of relying on dirty energy, so the government's rejection of the project brings the prospective for real change. Chile is in the position to grow its renewable sector tremendously, which will allow it to offset fossil fuels and minimize foreign dependence.

The Atacama Desert in the north remains one of the world's best locations for generating [solar power](#). Many solar projects, along with wind and geothermal ones, are being proposed for Chile's northern two grids, Sistema Interconectado Central (SIC) and Sistema Interconectado del Norte Grande (SING). Together these two grids generate the majority of power in the country's four-[grid system](#). Currently, the two northern grids are outdated and don't reach all of the areas being proposed for development. The new Energy Agenda plans to connect them, but the projects will be expensive and require a lot of investment.

These days, environmental victories are a distant tale of our knapsack-toting forefathers—a pre-Toyota prospect many believe to be long extinct. Maxwell says, “Ten years ago, people were talking about renewable energy like it was science fiction.” Though we've come a long way in the past decade, renewables remain an anomaly on most countries' large-scale energy agendas.

This is why Chile's CDP-spurred dam rejection is such a monumental event. It has produced a real-life environmental victory, all shiny and staring us in the face like a newborn—it's exciting, significant, and oddly unsettling. *Congratulations, you've brought new life into the world! Now make sure you don't drop it on its head.*

While it seems taboo to question Chile's clean energy future so soon after this triumph, there are critical steps the country must take to actualize its plan. Maxwell says Chile has all of the components in place—resources, interested foreign investors, and national banks learning how to invest in renewable ventures. But the question is how they will get those projects on the ground. “Many of the projects that are being proposed will probably not get done,” she says, “But even if half of them do, that's still significant.”

She is confident Chile can achieve a cleaner, more stable grid. It hinges, she explains, on improving the country's energy efficiency to ensure that they can meet their domestic demand. “This should be a main strategy across all sectors looking forward,” she says, “From the mining industry to domestic appliances.”

President Bachelet's newly reformed Energy Agenda emphasizes efficiency as a priority. It plans to construct a [third](#) Liquid Natural Gas (LNG) terminal so Chile can import gas from overseas. If paired with solar and wind—which are examples of intermittent energy and do not operate on a continuous basis—LNG terminals can help generate a source of base load power as Chile grows its renewable sector. Others, like the Council on Hemispheric Affairs (COHA), are more [skeptical](#), calling Bachelet's reform too still dependent on non-renewable resources and leaving Chile vulnerable to an environmental crisis.

In the larger scope, Chile still doesn't own most of its water rights, as they remain in the hands of major energy companies Endesa, Colbún, and AES Gener. Though President Bachelet expressed the potential for reform, little is yet known on the matter. Changing the system could drastically

alter the hydroelectric sector, and Maxwell says, “Any return of the system to make water a true ‘public good’ again could be a huge political battle, so it will be interesting to see how that develops.”

For now, many Chileans are excited about the opportunities for sustainable growth in the region. Environmentalists are also encouraging alternative options, like [ecotourism](#), to promote the country’s economic development while preserving its treasured natural landscape.

Cleo Abramian is an editorial assistant at World Policy Journal.

[Photos courtesy of [Patagonia sin Represas](#) and [PmunozR Photography](#)]