Electricity regulations chile

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The main legal framework for the electricity sector in Chile is the "General Law of Electric Services (DFL-4)", a rather liberal framework which enables private investment in generation, transmission and distribution. Generation has been structured as a competitive market, whilst transmission and distribution are regulated.

The electricity sector in Chile is divided into three main segments: generation; transmission; and distribution. Regulation regarding energy storage systems was recently added into the General Electric Services Act, which is the main body of law regulating the Chilean electric industry.

Its main functions are: to prepare and coordinate plans, policies and standards for the proper functioning and develo-pment of the energy sector, to ensure its compliance and give advise to the Government on all matters related to the energy sector, considering all types of primary and secondary energy source.

renewable electricity generation. Chile provides technology-specific support and regulations, notably for geothermal and solar. The Law 19657 on Geothermal Energy Concessions provides a clear regulatory framework for geothermal exploration and development, with specific provisions addressing potential overlaps with mineral

In general terms, to construct and operate a power project in Chile no general electricity or specific governmental authorisations are required (ie, concessions to operate, except for the concession system for public distribution services). Nevertheless, other sector-specific regulations may oblige the developer to

Energy sectorial regulations in Chile vary significantly depending on whether they are referred to oil, gas or electricity markets. In that sense, a brief overview of the regulation for each of such markets is given, providing context for the developments experienced by the energy industry as a whole in the country, where the most relevant developments have been in the electricity market.

In Chile, hydrocarbons found in liquid or gas state can only be domestically exploited either directly by the Chilean State or its companies, or by third parties who have been awarded administrative concessions or entered into contracts of special operations with the State (also known as contratos especiales de operaci?n - "CEOPs"), subject to terms and conditions approved by the President of Chile by means of a supreme decree.

As of this date, Empresa Nacional del Petr?leo ("ENAP"), a State-owned company, and GeoPark, a private company, are the main domestic producers of crude oil in Chile, and virtually all their oil extraction operations are conducted in the Magellan Basin (both onshore and offshore). Domestic oil production, however, represents a very small fraction of the total amount of oil consumed in Chile; most of it is imported (97%).

In this sense, while ENAP is virtually the sole refiner of crude oil in Chile, there are private companies that play significant roles for the storage, transport, supply, and distribution of oil-related products, such as Copec, Shell and Petrobras.

A transport concessionaire must operate under an open access policy, which is understood as the obligation of each transport company to offer its available capacity under the same economic, commercial, technical, and informational conditions to any individual demanding transport services.

Most of Chile"s gas distribution infrastructure was constructed during the 1990s, when Chile and Argentina executed bilateral agreements to regulate and promote the export of natural gas from Argentina to Chile, which includes: six natural gas pipelines that connect the local market with Argentina, with two located in the extreme south of Chile (Gasoducto Posesi?n and Gasoducto Bandurria); two located in central Chile (GasAndes and Gas Pacifico); and two located in northern Chile (GasAtacama and NorAndino).

In Chile, the main electricity system is the National Electric System (the "SEN"), which supplies electricity to over 97% of the national population, covering more than 3,100 kilometres of the country. Additionally, there are a number of medium and small electricity systems in the regions of Los Lagos, Aysen and Magallanes and one small system on Easter Island, none of which have an aggregate capacity higher than 110 MW.