

CHILE - Developing Chile's Green Hydrogen (GH₂) Potential

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL



Enabling environment through:

Regulatory and policy development support

- EU DIT Fund, Euroclima+, Erasmus+, GIZ
- DE, AT, IR

Specialized human capital for GH₂ production

- TAIEX, Horizonte 2020, Erasmus mundus

Assessment of GH₂ value chain and suppliers support program

- DIT Fund, FPI, synergies with FCH-JU Program

Green H₂ production and application projects

- NDICI, FPI, GIZ

GH₂ technological development and production (AT, BE, DE, FR, NL, FIN, SP, PT).

Green H₂ I+D through

- Technical assistance
- I+D+I development fund in GH₂ production and applications

MODALITIES/ TOOLS

Risk guarantees and blending (European Commission/EIB/ European investment facility)

Private sector loans

Funds for Renewable Energy projects

Coordination by the EUD

- Between European companies/ organizations
- Between EM cooperation agencies for joint collaboration
Technical assistance

Technical Assistance facility (EUD)

KEY DELIVERABLES

1. Development of sustainable green hydrogen, focused on:
 - a) promoting the incipient green hydrogen market in Chile, foster local supply chains and strengthen the potential for green hydrogen exports to Europe, while considering the importance of a just energy transition.
 - b) creating an enabling environment for the green hydrogen economy.
 - c) promoting technological development and human capital. Strengthen public and private sectors capacities on innovation and technology (and transfer), as well as improve the environmental regulatory framework, including sector reforms, legislative and incentive measures to improve business environment.
2. Construction a combined cycle power generation plant (solar and photovoltaic energy) in Cerro Dominador (Northern Chile) with a capacity of 210 MW. The European Union (EU), KfW and KfW IPEX-Bank contribute a total of EUR 113 million.
3. Loan signed (of EUR 139M) to Chile's public bank Banco Estado to finance mortgages for the acquisition of new homes with a good Energy Efficiency Rating.

TRANSFORMATIONAL POTENTIAL

- Potential to become a regional lead on GH and foster South-South cooperation
- Potential to produce 150% of the existing global H₂ market and 15% of the future demand in 2050)
- Achieving the transition of the mining sector (Chile's main industry) into low carbon mining

*This Team Europe Initiative is work in progress

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NATIONAL CONTEXT

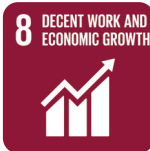
Government's priorities:

- Climate change mitigation
- Promoting sustainable energy
- Reforming the energy sector towards decarbonisation and energy transition
- Recent update of NDCs to cope with the Chilean 2050 carbon neutral plan
- Launch of the "Clean Energy Institute" by the Ministry of Economy

COVID-19 crisis:

- H₂ key industry to enable green economic recovery
- Conditions to produce H₂ at the lowest costs worldwide
- Natural conditions (extraordinary sun irradiation)
- 30 green H₂ - projects in the development phase

GEOPOLITICAL CONTEXT AND RELEVANT SDGs



Climate change mitigation:
Growing demand of green Hydrogen (GH₂) worldwide

EU's Development in Transition Fund (DiT):
development of pilot projects to stimulate H₂ applications and production



Private sector: need for collaboration between European and Chilean companies to scale up the technology and mitigate investment risks

European Green deal:
clean hydrogen as a key to transition to climate neutrality

**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)