



Gobierno
de Chile

gob.cl

NATIONAL ELECTROMOBILITY STRATEGY

Investment Opportunities in Chile

January, 2022

Chile at a glance...

GDP (PPP) (E)
p/capita 2020
USD 23,366

Exports
2020
USD 71 bn

Imports
2020
USD 54 bn

Population
2019
19 million

(#2 in LATAM)

GDP
2020 (E)
USD 253 bn

Inflation 2020
3.1%
*(2010-2019:
3.1% average)*

FDI Flow
USD 17 bn
*(annual average
2010-2019)*

... a sound economy

Corp. tax rate
27% (35% foreign)

FDI stock
USD 280 bn



South America



This is Chile...

N°1 LatAm Global Player

World Economic Forum's most Competitive Nation in Latin America since 1998 and one of the most attractive markets for FDI

#1
GLOBAL
COMPETITIVENESS
INDEX (WEF)

#1
ECONOMIC
FREEDOM

#1
BUSINESS
ENVIRONMENT
RANKING

#2
GDP PER
CAPITA (PPP)

#1
BEST
COUNTRIES FOR
BUSINESS

1st
SOUTH
AMERICAN
ECONOMY IN
THE:  OECD

A country with an open economy

Chile has free trade/tax agreements with over 80% of the world's GDP, more than any country on the planet

Equal Treatment

Foreign companies based in Chile enjoy the same rights and obligations as Chilean companies in the country

Free Flow of capital & profits

National legislation allows the entry and repatriation of capital without costs

Pro-business environment

Simple tax structure.
Ease to set up companies



● Countries with trade agreements

Access to

4.8

Billion Consumers

Solid track record in mining

Chile is a leader in critical materials to achieve the energy transition and tackle climate change

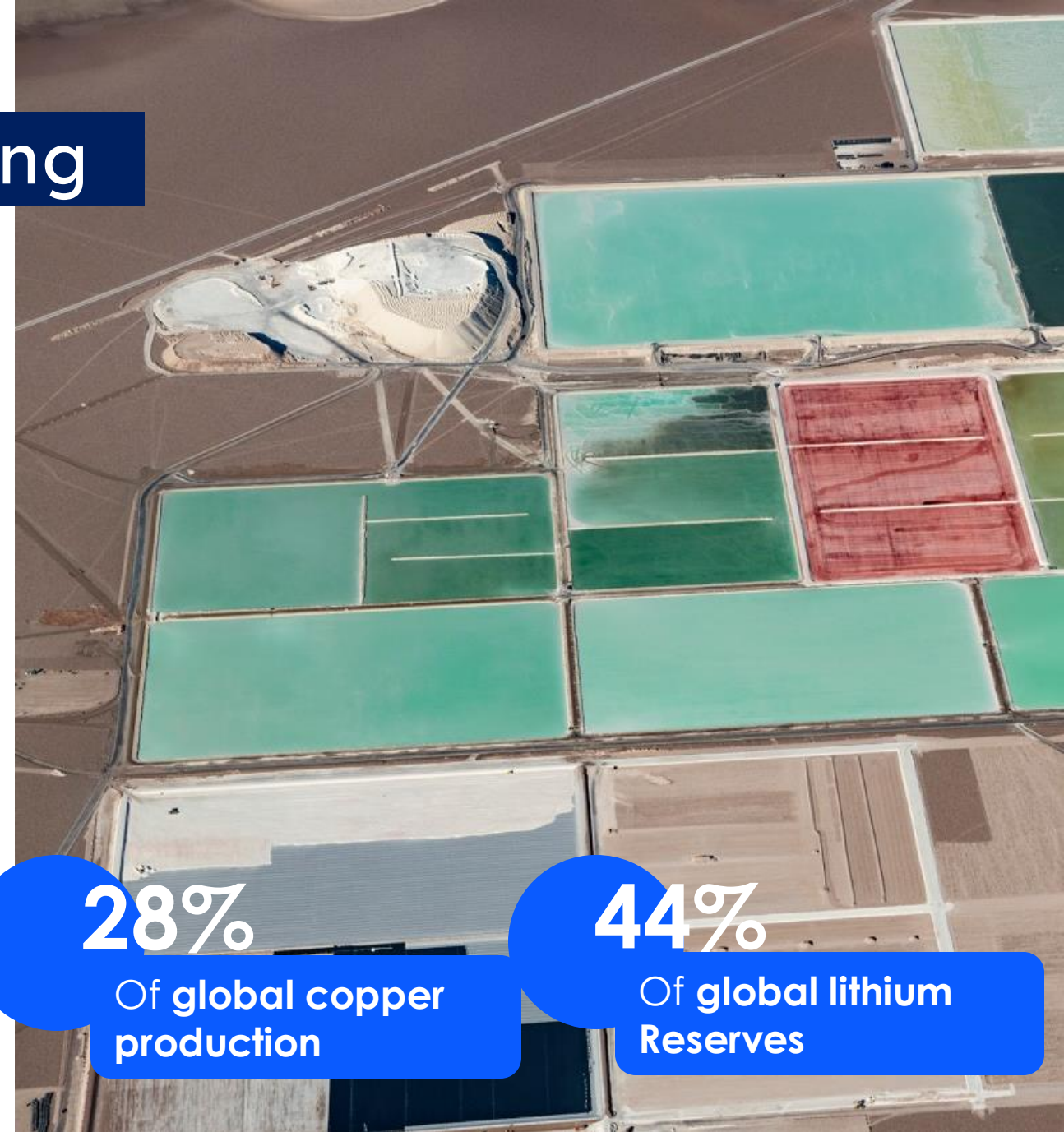
Mining represents 10% of the GDP.

More than 50% of Chile's exports are mined mineral products.

Copper production of 5.730 MT per annum (2020)

The highest concentration of world-class copper deposits: 30% of the world's reserves

The mining investment portfolio in Chile for the next 5 years: USD 32 B



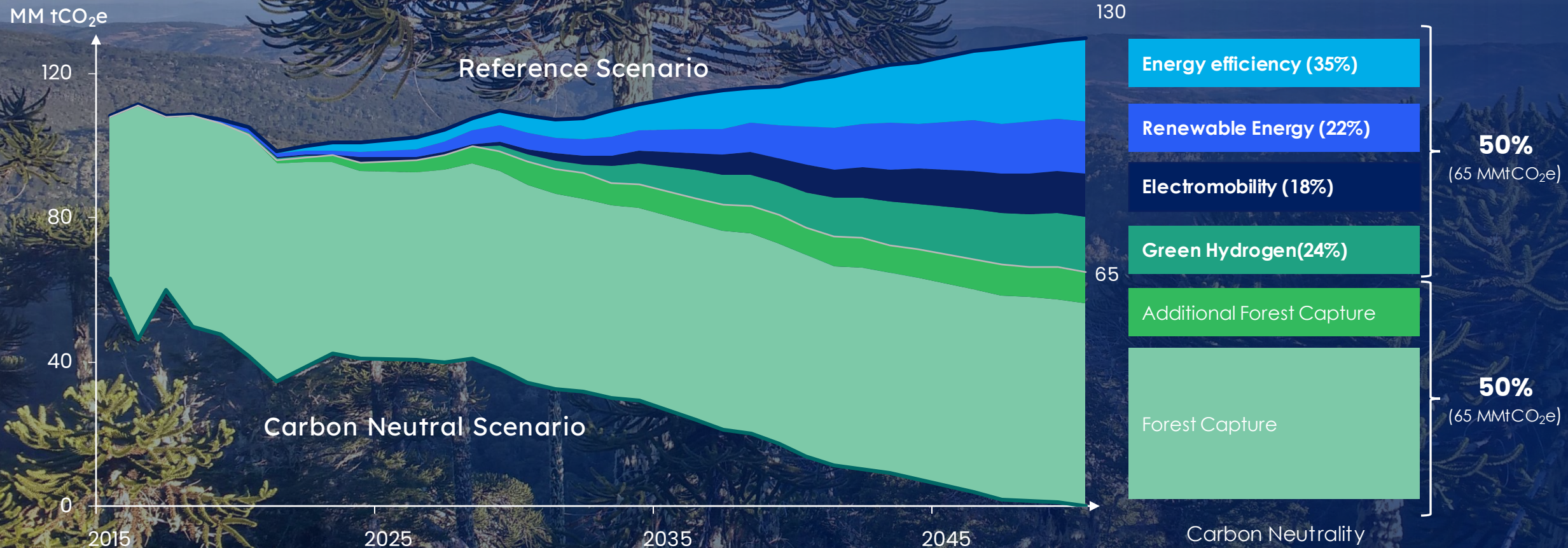
28%

Of global copper production

44%

Of global lithium Reserves

Chile set to be Carbon Neutral by 2050



Solid regulatory framework in the energy sector

2nd

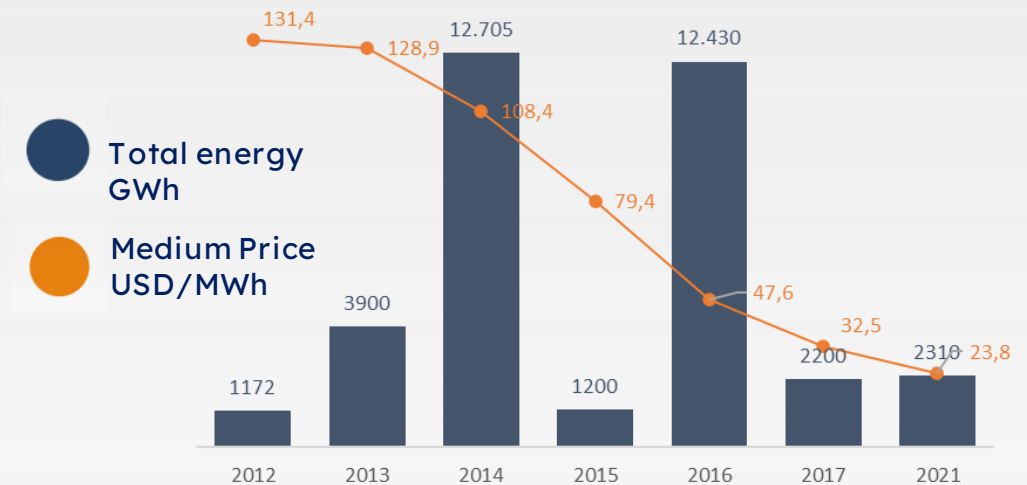
Most Attractive
Emerging Market in
Renewable Energy

Source: Climatescope 2021 - Bloomberg NEF

Chile's 2021 energy auctions have set the record on low-cost renewable electricity **without subsidies.**

Setting records on renewables

Source: National Energy Commission – Tenders for Distribution Companies



Energy
Offers in
21' Tender



Solar PV
\$13 USD/MWh

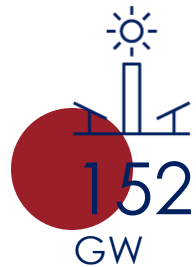


Solar CSP
\$34 USD/MWh

A country with abundant renewable resources

Renewable energy potential (GW)

Source: Ministry of Energy



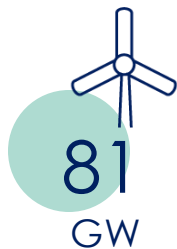
Concentrated solar power



Solar photovoltaic



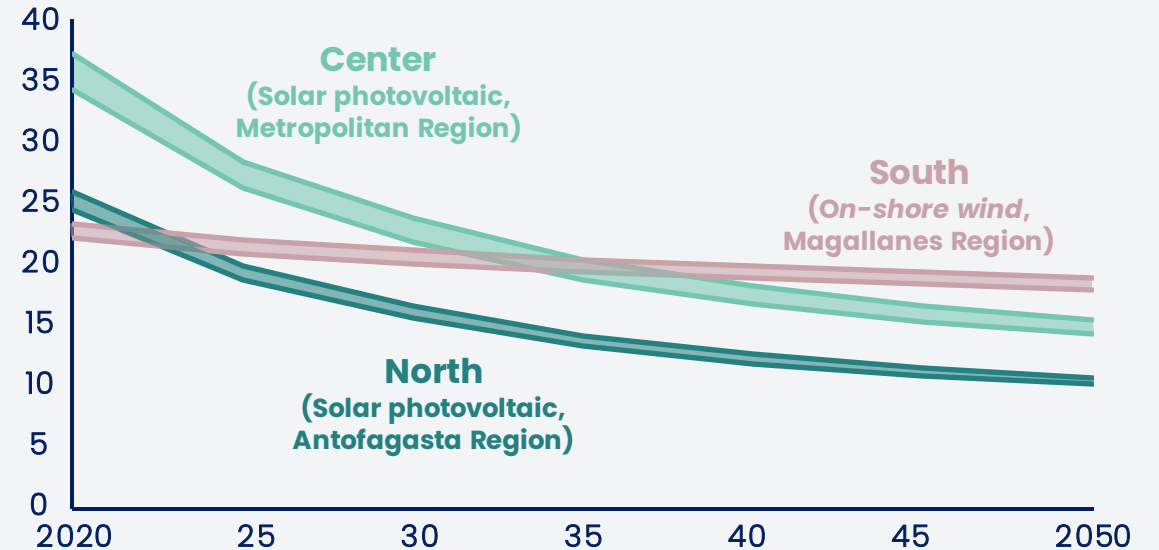
Run of river hydro



On-shore wind

Levelized Cost of Electricity (USD/MWh)

Source: McKinsey & Co.



The most powerful solar radiation on the planet is found in northern Chile

Capacity factors of up to 37% can be achieved in monofacial solar photovoltaic plants with 1-axis tracking



Solar generation in the central part of Chile is already more competitive than fossil-powered electricity generation

This renewable potential is located close to large consumption centers, gas grids, and logistical hubs, such as ports and distribution centers



Winds in the far south end of the country are as strong inland as they are off-shore

120-meter-high wind turbines are able to achieve capacity factors of up to 75% on-shore, equivalent to off-shore performance in other countries

Replacing Fossil Fuel to Renewables + Storage

2040

We are phasing-out all coal power plants

>65% by 2025

To achieve a higher share of renewable energy we will need storage

Storage in Numbers



Incentives & Policies

Flexibility Strategy Sets actions to define proper regulatory framework and market design for storage development (update on the capacity payment mechanism).

Storage Bill Enables storage to participate in all energy markets: energy, capacity, ancillary services, and net billing schemes. Currently under discussion in Congress

Net-billing Regulation promotes a higher share of self-consumption under the net billing scheme, which is an additional benefit for small scale storage as a complement of solar PV.

Holistic vision to develop Electromobility



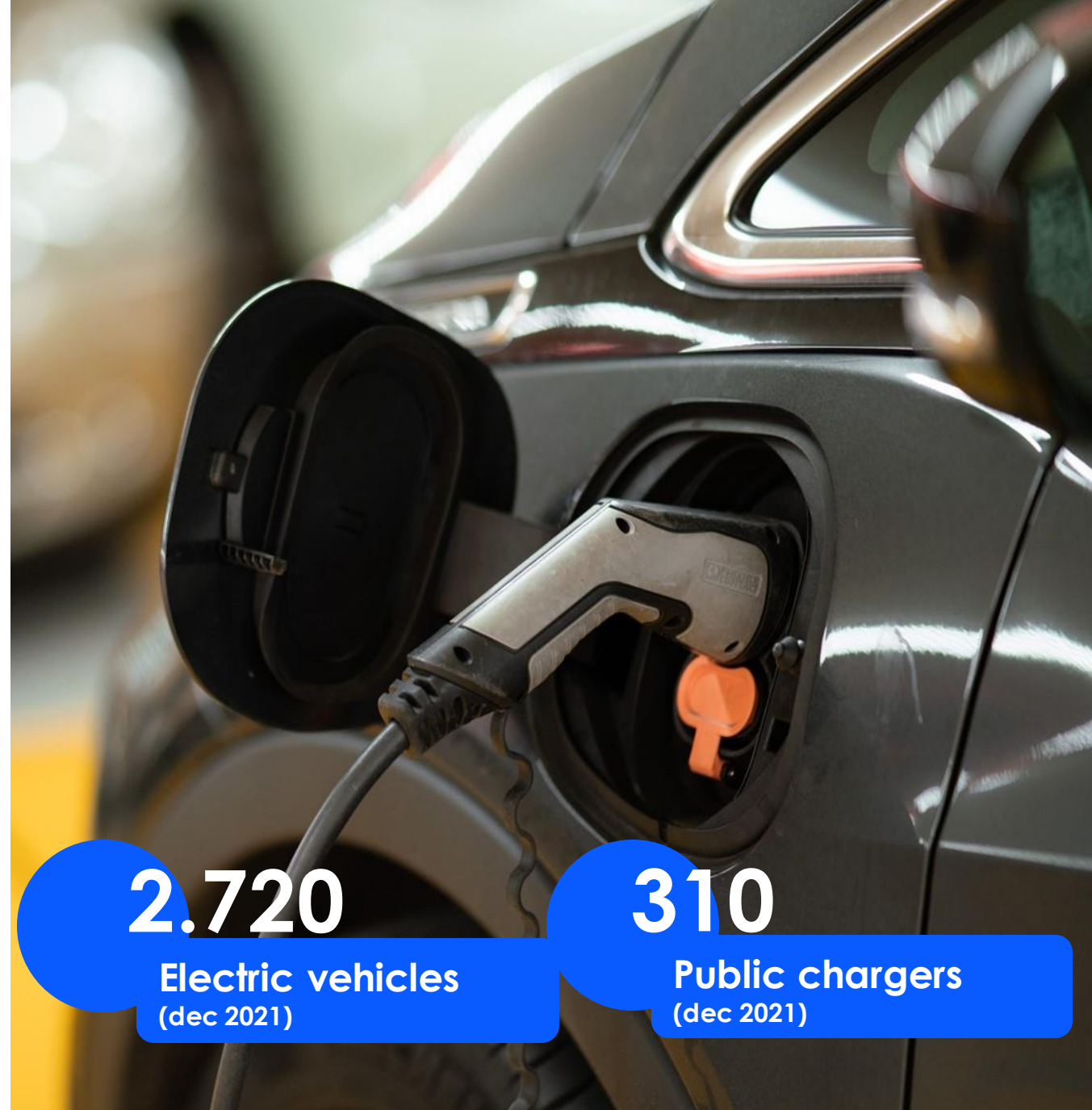
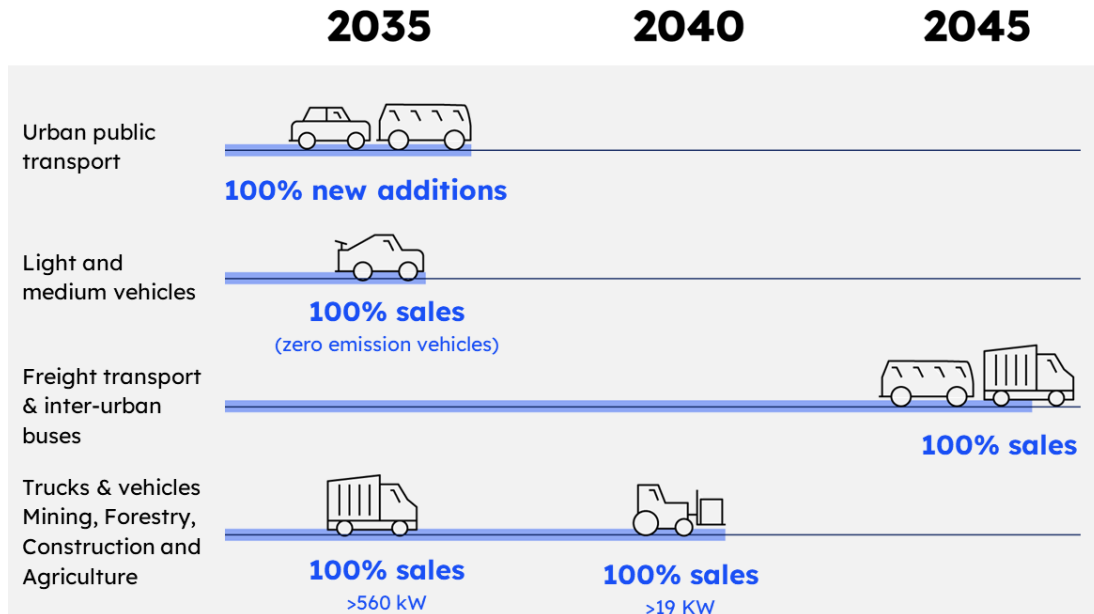
Electromobility in Chile

National Strategy

Developed with an ample private and public participation. Robust strategy with 51 concrete actions and measures to Foster the development of electromobility in the next 4-5 years.

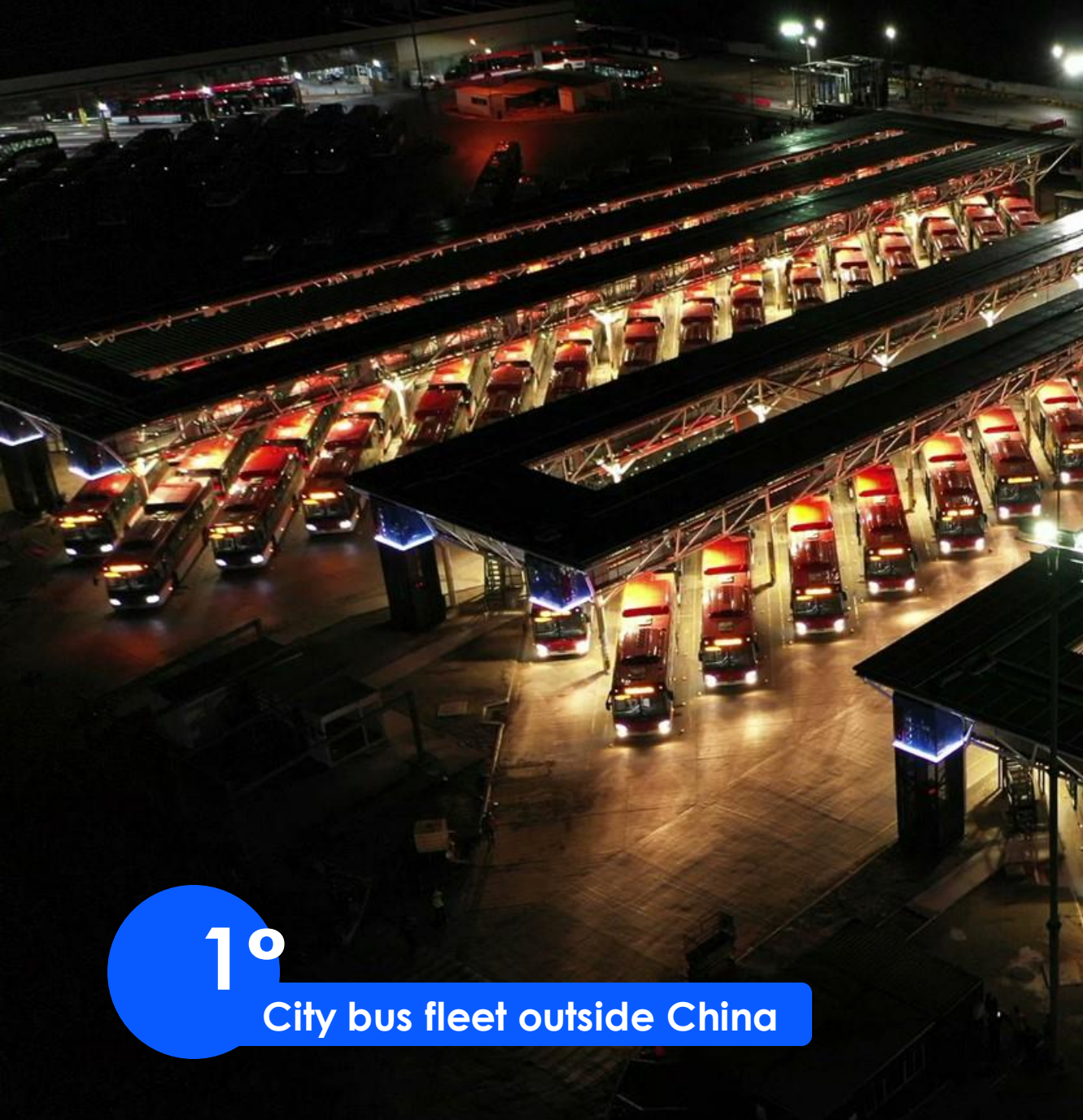
Advisory Council - accompanied the entire process.

Technical Committees - reviewed and technically analyzed the actions compiled and collected from the elaboration process.



2.720
Electric vehicles
(dec 2021)

310
Public chargers
(dec 2021)



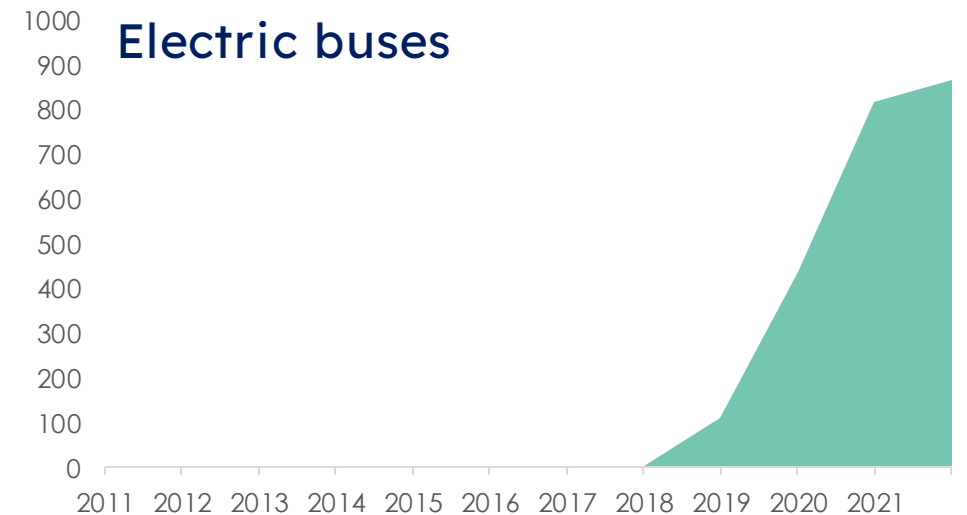
Electromobility in Chile

Public transport - buses

Largest city bus fleet outside of China
over 800 buses mainly in the Metropolitan Region.

New Tendering Processes – new bidding processes that could result in the incorporation of 480 new electric buses throughout Chile (Arica, Antofagasta, Copiapó, La Serena, Rancagua, Valparaíso, Talca, Concepción, Temuco y Puerto Montt).

Goal for 2035 – New additions will be zero emissions from 2035 onwards.



1°

City bus fleet outside China

Electromobility in Chile

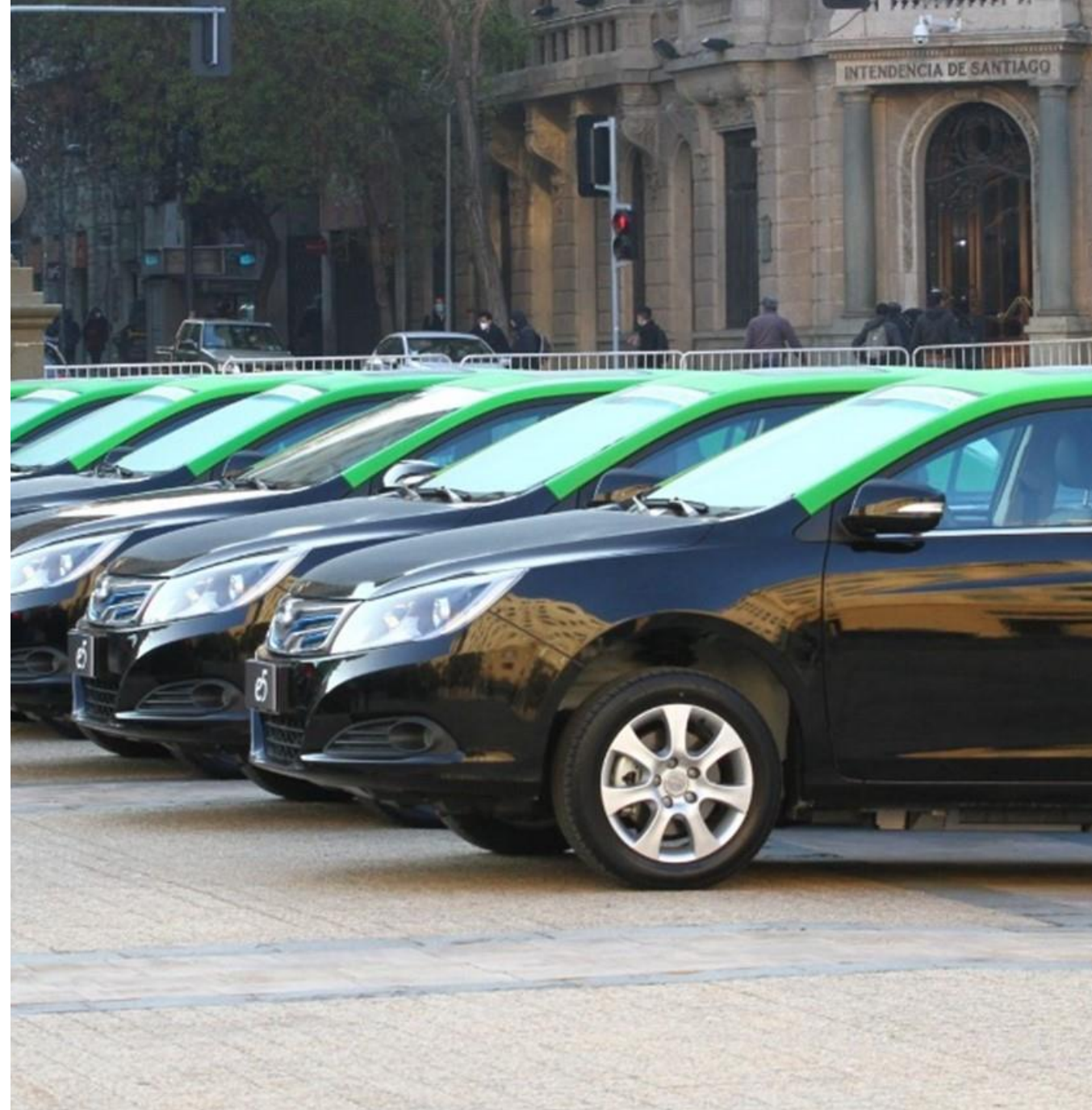
Public transport - taxis

Two specific incentives for the replacement of minor public transport

- “Renueva tu Colectivo”
 - USD 8600 subsidy for electric vehicles.
- “Mi Taxi Eléctrico” program
 - Subsidy of **USD 9800** and **home charger**.
 - Developed pilot project of 50 taxis during 2021
 - Scaling phase 2022-2023

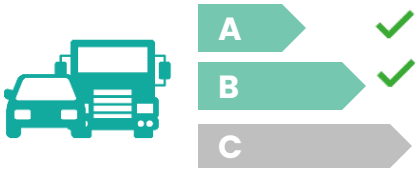
Issuance of new licenses will require the use of electric vehicles

Goal for 2035 – New additions will be zero emissions from 2035 onwards.





Energy Efficiency Law



Vehicle efficiency standards

Transportation sector
Sets energy efficiency standards for new vehicles with incentives for EV, increasing the efficiency by ~50% in 2024 and ~125% in 2030.



Charging Interoperability

- Standards on the infrastructure



Tax Incentives

- Accelerated depreciation for EV



Other contents of the law

- Institutionalizing Energy Efficiency
- Energy management in the public and large consumer sectors
- Energy labeling of buildings
- Hydrogen regulations

Electromobility in Chile

Other initiatives

Electromobility Bill

- Currently under discussion in Congress
- Transitional exemption and reduction on EV taxes.

Incentives on Commercial Fleets

- **Electromobility Accelerator**
 - Incubator to integrate fleets in companies' business models.
- **“Giro Limpio” program**
 - Energy efficiency in trucks.

Regulations on security and operation

- Specific safety regulations for chargers
- Interoperability
- Technical distribution standard

Reduction of information and human capital gaps

- Electromobility Platform
- Public chargers open App
- Public-Private Agreements
- Human Capital Gaps Study and construction of Labor Profiles.





NATIONAL ELECTROMOBILITY STRATEGY

Investment Opportunities in Chile