

Notable Development on Oil and Gas in Chile

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Highlights of Recent Changes in Demand and Supply on Oil and Gas in Chile

CHILE

Natural Gas:

- Supply: USA became a relevant LNG supplier to Chile (17% of imports in 2016) since the first US LNG terminal started exporting.
- Demand: expansion of natural gas distribution networks to new cities.
- Supply: related to nat-gas expansion: increase role of LNG Satellite Regasification Plants, to supply both industrial and residential clients,
- Demand: exports to Argentina

Oil:

- The total share of South American countries in crude oil imports has grown from 62% in 2005 to 98% in 2016.
- Thanks to recent discoveries, ENAP plans to increase its investment in unconventional hydrocarbons (tight gas).

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- Long term, gas: new gas distribution law that fills several regulatory voids and gives regulatory certainty to companies.
- Long term, oil and gas: several mandatory decontamination plans have been enacted to lower air pollution in several cities of central-southern Chile, which could cause fuel switching.
- Long-term: state owned ENAP was allowed, by a new law, to enter the power generation sector.

APEC Cooperation

- Increase cooperation between APEC members to boost energy integration (including oil and gas infrastructure integration), in order to foster energy security.
- Encourage the exchange of best practices and innovations on oil and natural gas production, especially those that lead to enhanced sustainability of the industry, for example reductions in methane leaks along its production and transportation segments.
- Analyse the effects of climate change on the security of the oil and gas infrastructure.
- Discuss the best policies to improve the role of natural gas on power systems, as the share of electricity generated by variable renewable technologies increases.



Thank you

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