AMERICA CRECE ENERGY

Renewable Energy & Energy Efficiency Advisory Committee
Washington, DC
May 8, 2019

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What is *America Crece* Energy?

- Trump Administration initiative to promote economic prosperity for the Americas through energy growth, integration and security
- Effected through bilateral energy frameworks with Latin American countries
- Promotes energy trade, investment and financing for transactional growth
- Potential to generate $100 billion in accretive investment
OVERVIEW

$100 Billion
Over the Next 5 Years

Commercial Opportunities
- Hydropower Plants
- Micro and Macro-grid Systems
- Distribution Infrastructure
- Gas-fired Power Generation
- Energy Storage Projects
- Natural Gas Pipeline
- Liquid Natural Gas
- Oil and Gas Deposits
- Market Investment
- Renewable Energy Projects
- Smart Buildings
How does *America Crece* Energy work?

- A transaction-oriented, whole-of-government initiative designed to unleash value by catalyzing private sector investment in energy projects
- Designed to collaborate with public and private sectors to address regulatory, legal, and market barriers to private sector investment
- Drives commercial opportunities throughout the energy value chain
  - upstream oil and gas
  - midstream infrastructure
  - power generation, transmission, and distribution
  - Renewables + storage
  - Mini grids and
  - energy efficiency
How does America Crece Energy operate?

- Identifies value propositions in energy growth plans of partner countries
- Catalyzes private capital through structuring, as well as policy, regulatory, legal, and market reform
- Leverage the resources and tools of:
  - Departments of
    - State
    - Treasury
    - Energy
    - Commerce
  - USAID
  - USTDA
  - OPIC
- Supports technical assistance, advisory services, commercial advocacy, business roundtables, executive exchanges, and private sector financing
STATE OF PLAY

- Unveiled by Treasury Under Secretary David Malpass on February 2, 2018 (U.S. and Latin America: Partnering for Mutual Growth, Transparency and the Rule of Law)

- Energy Frameworks signed with:
  - Panama (August 17, 2018)
  - Chile (September 27, 2018)
  - Jamaica (November 28, 2018) and
  - Argentina (November 30, 2018)

- Expanding to new markets in Latin America
America Crece Energy is engaged in Panama to identify and support private sector investment opportunities in:

- Modernizing legacy HFO, coal- and diesel-fired power plants to run on natural gas
- LNG bunkering and redistribution infrastructure
- Utility-scale renewable energy and battery storage projects
- High-technology grid management solutions
- Power and gas transmission infrastructure
- Energy efficiency, “smart buildings,” efficient vehicles, and electromobility
America Crece Energy is engaged in Chile to identify and structure private sector investment opportunities in:

- Energy efficiency investments, including “smart buildings” and efficient vehicles
- High-technology grid management solutions, including captive generation, mini- and micro-grids, energy storage, and smart-grid technologies
- New hydropower plants
- Utility-scale renewable energy and storage infrastructure
- Modernizing legacy coal- and diesel-fired power plants to run on natural gas
America Crece Energy is engaged in Argentina to identify and structure private sector investment opportunities in:

- The development of large-scale gas and oil deposits
- The development of natural gas pipeline and storage capacity
- New utility-scale renewable energy and storage infrastructure
- High-technology grid management solutions, including captive generation, micro- and mini-grids, and smart-grid technologies
- Energy efficiency projects, including “smart” buildings, efficient vehicles, and electro-mobility infrastructure
America Crece Energy is engaged in Jamaica to identify and structure private sector investment opportunities in:

- Transmission, distribution, and smart-grid technologies
- Energy efficiency, including buildings, vehicles, and electromobility infrastructure
- Downstream gas and midstream infrastructure
- New utility-scale renewable energy and storage
- High-technology grid management solutions, including mini-grids
- Decreasing technical and commercial loss, and eliminating inefficient energy subsidies
Opportunities in Captive Generation and Minigrids

Public Sector Assets
- Potential Market Size: $200-$500 million
- Consumption of Ten Largest Consumers: 18,600 GWh per month

Private Sector Assets
- Potential Market Size: Up to $100 million
- Consumption of Thirty Largest Consumers: 2,900 GWh per month
- Largest Consumers: COPEG, Frío Comercial, NTT Data Services Panama, Grupo Industrial Canal, Avicola Grecia, Vargas Grupo Agroindustrial Santa Librada, T-Shirt Interamerica

Off-Grid Systems
- Potential Market Size: 450,000 people in remote communities not connected to the main grid. There is opportunity to develop renewables+storage systems for these communities

Important Regulatory and Legal Considerations
- Clear rules establishing two-way trade in power, rational tariffs, time of day pricing
- Transparent wholesale markets with real-time pricing
- Established capacity payment system for energy storage capacity in grid-connected systems
- Streamlined permitting for small-scale systems
- Accessible mechanism for aggregating small-scale offgrid opportunities
Opportunities in Debt Aggregation

Investment Grade Sovereign Credit Rating
- S&P: BBB (positive outlook); Moody’s: Baa2 (positive outlook); Fitch: BBB (stable)

Lowest Risk Premium in Latin America
- According to Emerging Market Bond Index, data, December 2017

Strong Banking Sector
- High Capital Adequacy Ratios, Positive Profitability Indicators, Sufficient Liquidity, Low Non-Performing Loans (IMF Article IV, January 2019)

Potential for Syndicating Energy and Infrastructure Loans Through Aggregation
- Banking Sector originates $1-2 billion per year in energy and infrastructure loans, sufficient to create one or more portfolios of proven loans on brownfield assets. Panamanian pension fund holds $5.7 billion and is a potential buyer of portfolios of energy and infrastructure debt.

Supportive Regulatory and Legal Environment
- Banking regulations in Panama support financial innovation, including the generation of portfolios of syndicated loans. Panama has a strong base of competent and knowledgeable financial sector and legal professionals.
NEXT STEPS

Further Engagements

- Latin America
- Asia

Regional integration and impact

Questions?