

# IJGlobal Webinar: Middle Americas Renewables Discussion

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**Juliana Ennes**

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*IJGlobal* – in partnership with LAC-CORE – this week (25 June) hosted a webinar about renewable energy across Middle Latin America, focusing on Colombia, Mexico, and the Caribbean.

To access a recording of the webinar, [CLICK HERE...](#)

This is the second online event focusing in the region, the first one having been [held on 4 June](#), focused on Brazil, Chile, and Mexico.

This latest webinar was hosted by *IJGlobal* Americas senior reporter **Juliana Ennes** and introduced by **Jorge Barrigh**, chair of LAC-CORE.

The experienced panel of speakers comprised:

- **Roland Clarke** – board member, Latin American and Caribbean Council On Renewable Energy
- **Patrick A Longmire** – managing director, SEAF
- **Luis Aguirre-Torres** – president and CEO, GreenMomentum
- **Alejandro Lucio Chaustre** – director, Optima Consultores

With this panel, it was clear that, in order to invest in Latin America, one needs to understand the peculiarities of the country/jurisdiction of the project. Although there is a lot of opportunity in the region, challenges are very real.

Colombia, for instance, still does not have yet a well-developed market for unconventional renewables, even though its energy mix is considered clean due to large reliance on hydropower.

The country failed in its February 2019 attempt to hold its first auction for renewables, which led to tweaks in the regulation – the most important change being the increase in contract duration to 15-years.

The second auction, in October 2019, was seen as somewhat successful, but only contracted 3 solar projects and 5 wind facilities.

This leads to a scenario in which our specialists see a lot of opportunities for investments. However, someone willing to apply the same mindset as in other countries may encounter barriers. The PPAs, for example, are not based on the service during a period of time, they are financial contracts that have a deadline.

If even local banks are still getting used to renewables in the country, international institutions may take longer, and Colombia will see few cases of project finance for renewables in the short-term. But this is a developing market.

Mexico, on the other hand, is a well-developed market for renewables. Since the Energy Reform, in 2013, market rules have been clear and attracted investors.

Our specialists highlight, however, that it does not mean that Mexico is right now an easy jurisdiction for investors. The current leftist government is trying to prioritize conventional power generation over renewables. The main argument is the reliability of the grid in a moment of (health and economic) crisis. Coincidentally or not, however, conventional plants are mostly state-owned, while renewable plants are in the private sector's hands.

The dispute on regulation has reached the Supreme Court. Despite the final results – which are yet to be revealed – our panellists believe that having clarity on the government's goals, it will be easier to resume investments, even if it becomes a new reality that international investors do not like.

Moving towards a region that is not any easier for foreigners, the panel discussed how to enter the Caribbean. Having to deal with different

countries, languages, currencies, regulations and economic realities, and investing in renewables in the islands – which is not straightforward. Investors need to understand the differences in opportunities, mostly divided between large-scale projects and distributed generation. Few countries have wind, with solar dominating the sector, due to scale and engineering requirements.

The main message from our speakers is that Latin America continues to be a challenging region to invest, but will present opportunities for those willing to look beneath the surface.

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