



Atlantic Council

ADRIENNE ARSHT
LATIN AMERICA CENTER



The Future of Clean Energy in the Americas



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ADVANCING SUMMIT OF THE AMERICAS COMMITMENTS

An initiative led by the Atlantic Council's Adrienne Arsht Latin America Center and sponsored by the US Department of State focuses on facilitating greater, constructive exchanges among multisectoral and government thought leaders to implement commitments adopted at the Ninth Summit of the Americas. This readout was informed by a private roundtable hosted by the Adrienne Arsht Latin America Center and prepared by Wazim Mowla and Diego Area.

Bottom line up front

The main challenges that Latin American and the Caribbean (LAC) countries are facing include infrastructure issues (weak and insufficient transmission lines), and limited uptake of new solar photovoltaic (PV) and wind technologies. Despite these challenges, LAC is on track to capitalize on emerging clean energy technologies, including production and export of green hydrogen (GH₂), as well as play a role in supplying the global energy system with critical minerals needed for the energy transition, such as lithium and copper.

LAC countries are facing major challenges in their ability to develop renewable energy projects, expand low-emission energy systems, and fill existing technical and financing gaps that hinder regional energy security. A key takeaway to come out of the Summit Implementation Roundtable was that the US-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) has the potential to advance clean energy goals in the Caribbean and become a blueprint to address similar challenges in Latin America.

Analysis of the Summit Commitment on the Future of Clean Energy in the Americas:

Comparing and contrasting energy challenges across the Americas:

Like the Caribbean, Latin American countries face infrastructure and regulatory challenges. However, most of Latin America already has significant clean energy power generation (mostly from hydropower), allowing the region to produce the cheap energy needed to capitalize on GH₂. Caribbean countries are still in the beginning stages of designing new clean energy projects, and participants highlighted the role that initiatives like PACC 2030 can play in supporting Caribbean governments in their clean energy transition.

Understanding the clean energy challenges of tomorrow:

LAC has the capacity to benefit from newer clean energy technologies, such as mobilizing critical minerals and producing and exporting GH₂. For LAC countries with significant critical mineral reserves such as Chile, Bolivia, and Argentina, there has been too much focus on the upstream sector and not enough attention or investment in the downstream sector. Going forward, this can induce dependence on the extractive side of critical mineral supply instead of promoting sustainable development and benefiting from production and export profits using these minerals, such as batteries for electric vehicles. Further, GH₂ faces two primary hurdles. First, there is limited infrastructure to transport GH₂ overseas and within the region. Second, GH₂ market creation via incentives to increase global demand is needed to make GH₂ production cost effective.



Recommendations for advancing the clean energy sector in the Americas:

Participants of the off-the-record discussion identified three main categories of policy recommendations and opportunities for LAC and partners, such as the United States and Europe. They are outlined below.

1. Addressing technical assistance challenges to move projects through the development pipeline:

- Take stock of grid technologies and size prior to developing an energy transition plan and assess national and regional capacity to support initial project development.
- Expand US energy-based cooperation programs, like PACC 2030, to support LAC prioritization of reaching renewable energy targets and modernize grid systems.
- Develop skillset and blended capital to move projects through the development pipeline and to the Final Investment Decision.

2. Expanding power generation:

- Explore opportunities in LAC to increase scale of projects by aggregating them within a group of countries, particularly in the Caribbean.
- Frame the clean energy transition as a form of climate adaptation to open new areas of financing for “green” projects and accelerate clean energy power generation.
- Expand the focus of microgrids at critical facilities (health centers, schools, and government- operated buildings) as they can ensure reliable energy supply during and after natural disasters.



3. Fostering LAC's role in the global energy system:



- Drive utility scale, energy storage and battery production for EVs. LAC remains the leader of production of copper and holds more than 60 percent of all lithium reserves globally. GH2 production is expected to increase over the next decade and if the appropriate transport infrastructure is developed, the region can be a leader in exports to Europe.
- Develop new low-cost financing instruments for clean energy projects, market creation to maximize benefits from GH2 exports, and expand capacity building and trainings to fill future skills gaps within emerging clean energy technologies in LAC countries and its private sector, making energy systems competitive globally.
- Encourage transatlantic cooperation to support LAC countries benefiting by new regulatory changes derived from emerging industrial policies in the global north such as the Inflation Reduction Act and the EU Carbon Border Adjustment Mechanism.