

Energy storage for load shifting argentina

In 2015 the Argentine Congress passed Law No. 27,191 which introduced substantial amendments to the Federal Promotional Regime for the Use of Renewable Energy for Power Generation, previously approved by Law No. 26,190.[1]

One of Law No. 27,191 main highlights was to amend the short- and long-term renewable consumption objectives, establishing an 8 per cent target by 31 December 2017 and a 20 per cent target by 31 December 2025, with intermediate targets. The objective for 31 December 2023, is 18 per cent.

Additionally, pursuant to Law No. 27,191 large users (ie, consumers with a demand equal to or larger than 300kW) must source a minimum level of their electricity consumption from renewable sources. To meet this requirement large users have the following alternatives:

Law No. 27,191 also created different tax incentives and exemptions. However, the economic impact of these benefits has been reduced substantially and at present is no longer a determinant factor for new renewable energies projects.

Finally, it was established that (i) power from intermittent renewable resources enjoy the dispatch priority given to run-of-the-river hydropower plants (ie, the highest priority under the Regulatory Framework); and (ii) neither renewable energy self-generation plants nor plants that generate energy from renewable sources to be sold under PPAs need have dedicated back-up capacity.

Corporate PPAs are not a new phenomenon in Argentina; on the contrary, the power regulatory framework in place since 1992 provides rules to encourage large users to enter into PPAs directly with power generators. However, PPA regulations in the past have only contemplated the existence of conventional sources (mostly thermal power stations).

For this reason, at first[2], the renewable market was mostly composed by PPAs with CAMMESA awarded by the Secretary of Energy. This initial trend started to shift towards a corporate market through Resolution No. 281/2017 of the Argentine Ministry of Energy and Mining (currently, Secretary of Energy), which established a set of rules for the corporate renewable PPA market (MATER).

Corporate PPAs do not have to be approved or authorised by any government agency[3], but they must be registered with CAMMESA. The minimum terms CAMMESA requires to register a PPA include: (i) duration; (ii) price; (iii) contracted energy (on month and annual basis); (iv) termination events; and (v) priorities (in case the project has more than one off-taker, which is generally the rule). It is not necessary to actually submit the PPA that can remain a confidential document, CAMMESA only requires a registration form.

Access to existing transmission capacity must be requested by the project's developer to the corresponding transmission utility including different information; primarily, technical studies of the transmission system providing evidence of the feasibility of the request.

Following this application, both CAMMESA and the relevant utility must analyse the technical feasibility of the request. Their assessment will then be informed to ENRE, and a public hearing might be required before the access to transmission capacity permit is granted.

Notwithstanding the general proceeding to secure the transmission capacity permit and the rule pursuant to which renewable energies enjoy the highest dispatch priority, because of existing restrictions to transmission capacity, Resolution 281 established a mechanism to award "first dispatch priority" (ie, a kind of preference sub-ranking among renewable projects).

In essence, this mechanism establishes that "first dispatch priority" shall be requested to CAMMESA and, if granted, to retain this priority, the project's developer would have to pay a quarterly fee of US\$500 per MW of installed capacity until the project reaches its commercial operation date (COD).[5]

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