

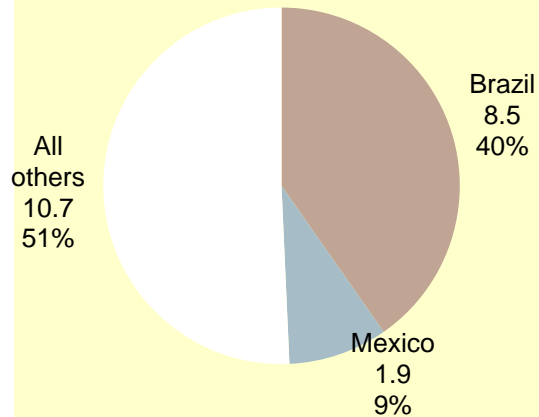
Latin American Power Leading the Developing World

Presented by Luis Prato

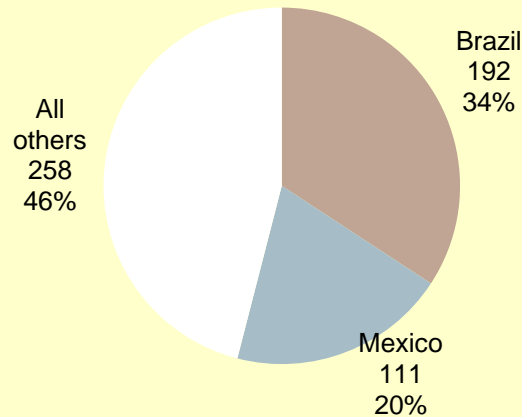


Latin America in perspective

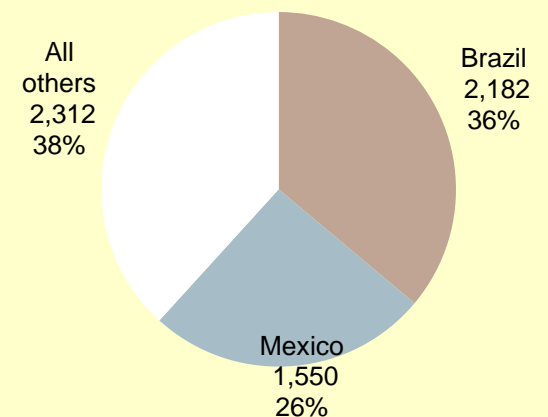
Area (million sq km)



Population (millions)



GDP (USD millions)



Regional average GDP per capita of US\$ 11,000

China US\$ 7,000

UK US\$ 35,000

USA US\$ 46,000

Annual average growth of electric power consumption of 7% over the past 25 year

fairly linear and continuing trend despite the recession

China 12%

UK 1%

USA 5%

Latin American Power by fuel type

Hydroelectric	55%
Natural Gas	20%
Alternative energy (including nuclear)	11%
Oil and oil derivatives	9%
Coal	5%

Capacity growth

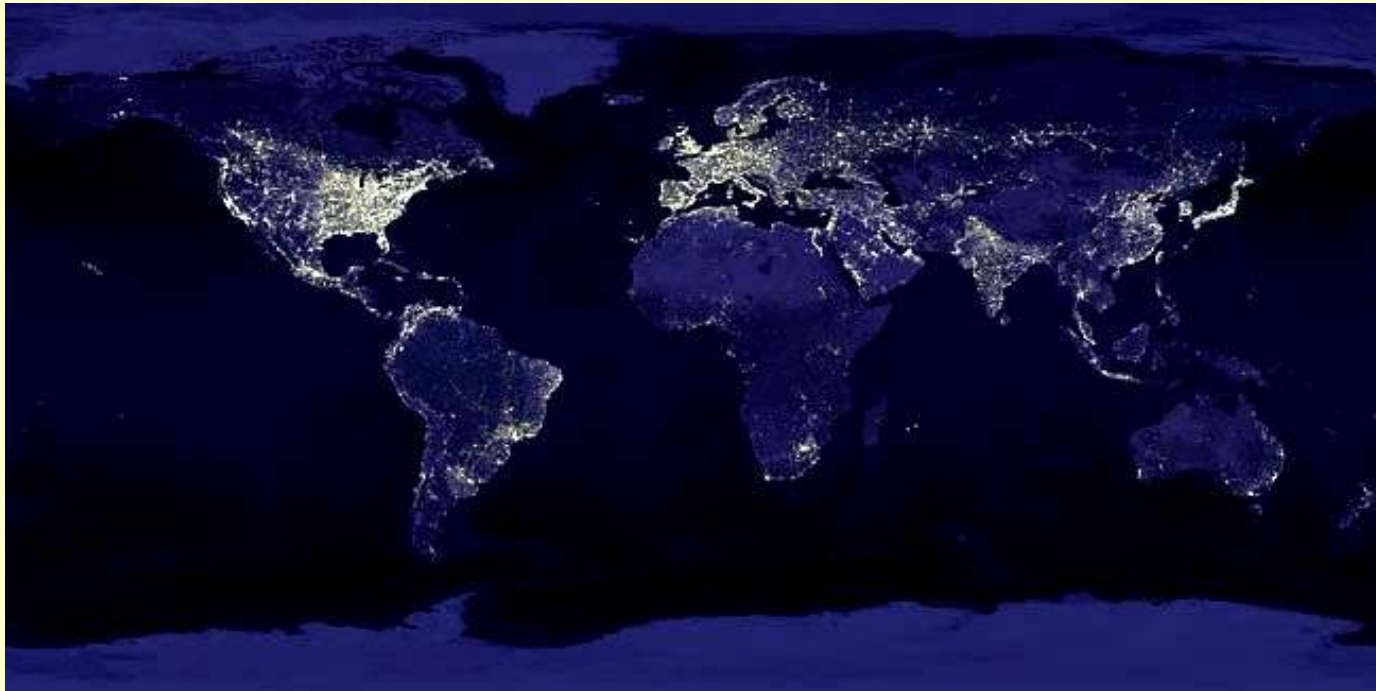
More than 183GW of new power generation capacity under evaluation

Hydroelectric	85GW	(46%)
Alternative energy (including nuclear)	51GW	(27%)
Natural Gas	27GW	(15%)
Coal	20GW	(11%)

Solar ??

Fuel and technology innovation

Everywhere is far in Latin America ...



Power transmission and distribution losses of 16%

UK 7% USA 6%

Fuel and technology innovation

- Biofuels
- Wind
- Micro-hydroelectric projects
- Smart-grid
- Off-grid rural electrification

Consumption Efficiency

'I shall make electricity so cheap that only the rich can afford to burn candles'

James Watt (1736 – 1819) – Scottish Inventor and Mechanical Engineer

'Atomic power will make electricity too cheap to meter'

Glenn Seaborg (1912 – 1999) – American Nuclear Scientist

■ Lessons learnt from the Brazilian hydroelectric crisis of 2001

Consumption can be rationalised without negative economic impact

State-of the-Art Trading & Marketing

- Chile was the first privatised energy market in the world (early 1980s)
- Argentina followed suit shortly, further fostering competition by limiting market concentration (late 1980s)
- Hybrid markets promoted throughout Latin America by the World Bank, in particular Peru, Brazil, and Colombia, with mixed success (late 1980s)
- The UK privatises its electricity supply (1990s) - a pioneering move in Europe

Latin American Power – Leading the developing world

- Moderate growth pace
- Sustainable fuel & technology mix
- Modern grid management, and off-grid initiatives for rural consumption
- End-user efficiency
- Stable and efficient trading and marketing platforms

Information sources

- *World Bank - World Development Indicators*
- *Inter-American Development Bank – Statistics & Databases*
- *Bloomberg's Latin America Clean Energy Market Outlook H1 2010*
- *Trading Economics*