

# National Reports

## Chile

### ELECTRICITY Renewables

*Draft Bill regarding non-conventional renewable energy*

 Chile; Electricity generation; Renewable energy

On April 10, 2007 the Chilean Energy Minister, Marcelo Tokman, introduced a draft Bill to Congress regarding non-conventional renewable energy (NCRE). The aim of the Bill is to secure fulfilment of future Chilean energy demands and to increase the development of NCRE sources, such as geothermal, eolic, solar and tidal sources, biomass and small hydroelectric plants. The Bill also intends to decrease foreign energy dependence by broadening access to the energy industry, while being mindful of environmental concerns.

To give effect to these objectives, the general draft provisions call for an annual demonstration by energy generation companies showing that 5 per cent of their total energy trade was supplied by NCRE sources.

The draft Bill provides that generation companies are permitted to utilise their own energy plants to supply the required NCRE. Alternatively, they can contract with third-party NCRE generators or plants. Furthermore, generation companies may contract to transfer excess supplies of NCRE accumulated within the calendar year to other electrical companies.

Companies that fail to demonstrate compliance with NCRE requirements by March 1 of the following calendar year are subject to a fine (calculated using the number of megawatts not obtained from NCRE generators), unless they have prior permission from the Superintendence of Electricity and Fuel to delay the obligatory demonstration.


Debate concerning the specific provisions of the NCRE law and their resulting effects on both Chilean and international energy industries continues amongst government officials and industry lobbyists.

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## India

### OIL AND GAS Exploration

*Seventh licensing round—NELP VII*

 Exploration; India; Oil and gas industry

In the near future the Government of India is set to offer approximately 70 blocks (300,000km<sup>2</sup>) off its western coast for oil and gas exploration. The blocks will be a mix of onshore and offshore prospects. India currently imports some 70 per cent of its oil and is working to expand its refining capacity by one third over the next few years.

The country's seventh licensing round (NELP VII) is likely to be scheduled sometime after June 2007, by which time survey data from the western coast water will be available from the Ministry of Petroleum and Natural Gas.

India operates a relatively liberal licensing policy which encourages production-sharing agreements and allows 100 per cent participation by foreign companies. Its Petroleum Ministry is also examining the possibility of introducing an open acreage licensing policy simultaneously with the commencement of NELP VII. The effect of the open acreage policy would be to allow companies a round-the-year window to pitch for oil and gas in blocks of their choice. This will no doubt be attractive to global oil and gas companies who may, at a given point, have committed their capital expenditure to exploration in other areas across the world. The policy would enable them to choose the time of entry into India's exploration sector.

The Government is planning to market the licences at road shows in Houston, Calgary, London, Perth and Dubai. It is understood that major international oil and gas companies—including US giant Chevron Corporation—are looking at participation in NELP VII.

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