

Bilateral Energy Cooperation
Department of Energy of the United States of America and Ministry of Energy of Chile
Joint Statement

June 30, 2014
Washington, DC

Dr. Ernest Moniz, Secretary of Energy of the United States of America, and Mr. Máximo Pacheco, Minister of Energy of Chile, met in Washington, D.C. on June 30, 2014, to advance U.S.-Chile cooperation in energy as part of the bilateral agenda discussed between President of the United States Barack Obama and President of Chile Michelle Bachelet, who also met on this date.

The two sides recognized the importance of the Memorandum of Understanding for Cooperation in Clean Energy Technologies, signed between the U.S. Department of Energy and the National Commission of Energy of Chile (now an administration of the Ministry of Energy of Chile) in June 2009. They reaffirmed the role that bilateral energy cooperation has played in strengthening technical and commercial partnerships in renewable energy, energy efficiency, smart grid technologies, and unconventional oil and gas development. The two sides also highlighted the importance of the Energy and Climate Partnership of the Americas to reinforce and share bilateral advances to deploy clean energy technologies and address the threat of global climate change with regional partners. The two sides affirmed the importance of regular bilateral energy engagement and announced an annual senior-level bilateral energy dialogue to share information, review progress, and set priorities. They reviewed progress to-date and encouraged the development of bilateral cooperation in these key areas:

I. Oil and Gas Development

Bilateral cooperation on the responsible development of oil and gas resources represents a strategic opportunity to strengthen the energy and economic security of each country. The two sides plan to explore technical cooperation on:

- a) Natural gas extraction regulations in Chile, including for the development of non-conventional resources;
- b) The planning and application of horizontal drilling, hydraulic fracturing technologies, and production techniques in the development of non-conventional oil and gas;
- c) Gas market regulation and tariff mechanisms, specifically in the context of distribution networks; and
- d) Infrastructure security related to Chile's regasification facilities.

II. Electricity Grid Policy, Technology, and Management

The two sides discussed ways to promote cooperation on the technical aspects of smart grid technologies, microgrids, distributed energy, metering, and incorporating variable energy sources into the grid. They intend to further explore:

- a) Technical cooperation in the development of demand-side management systems and smart grids;
- b) Sharing U.S. experiences and best practices in net billing and net metering;
- c) Sharing information and best practices derived from the U.S. experience with decoupling in the electricity and natural gas sectors, including regulations, as well as efficiency in distribution and residential heating;
- d) Possibly developing a microgrid project that would provide a sustainable energy mix and could be a model for developing other microgrid applications in Chile;
- e) Exchanging best practices with regards to Power Purchase Agreements;
- f) Forecasting and advising by meteorological experts on grid management; and
- g) Undertaking infrastructure security with a focus on system hardening.

III. Renewable Energy

The delegations discussed potential cooperation to address barriers to utility-scale renewable energy deployment and access technology for distributed energy applications, such as combined heat and power and rooftop solar photovoltaics (PV), including:

- a) Information sharing on combined heat and power ;
- b) Sharing information, best practices and experience in integrating wind and solar into the grid, including grid modeling and analysis; and
- c) Geothermal energy.

IV. Energy Efficiency

The United States and Chile delegations acknowledged the importance of developing technical and commercial opportunities to improve energy efficiency across sectors. Both sides intend to explore cooperation to:

- a) Improve energy efficiency in government buildings, such as schools, hospitals, and public buildings, in the areas of lighting, efficient heating and air conditioning, and cool roofs;
- b) Share best practices for buildings efficiency programs, and encourage energy efficiency in transportation, business, and industry;
- c) Implement national measuring, reporting, and verification (MRV) protocols to measure the savings generated on public and private energy efficiency initiatives in Chile; and
- d) Support the establishment of Energy Efficiency legislation in Chile.

Both sides discussed the potential benefits to Chile's participation with the United States and other major economies in the Super-efficient Equipment and Appliance Deployment (SEAD) initiative of the Clean Energy Ministerial (CEM) to look at appliance efficiency and labeling

programs; and the CEM Global Superior Energy Performance Partnership (GSEP) to work on efficiency in industrial facilities and large buildings in areas including cool roofs, efficient street lighting, energy management, combined heat and power, and others. The CEM Clean Energy Solutions Center, which helps governments design and adopt policies and programs that promote the deployment of transformational low-carbon technologies, is another resource upon which the nations can draw to support these efforts.

V. Digital Public Outreach

In an effort to enhance public education and outreach related to cleaner development and more efficient use of energy, both sides plan to exchange information on the design of government webpages related to energy, including:

- a) The Department of Energy's Green Power Network, Energy Saver and Open Government Plan;
- b) The Department of Energy's Energy Information Administration website, including Energy Kids;
- c) SmartGrid.gov.

VI. U.S. Government Experience in Energy Information Systems

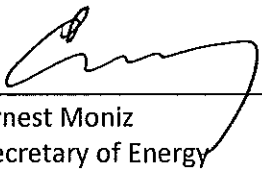
Based on the Chilean Government's interest in energy information systems focused on energy statistics and market information and the work of the Department of Energy's Energy Information Administration, the two sides plan to exchange information on information systems technology and best practices, which will benefit stakeholders in both countries and globally. Additional cooperation in this area could include sharing information on the U.S. experience with public participation in the processes of elaborating and assessing future energy scenarios and energy policy planning.

The purpose of this Joint Declaration is to encourage development of cooperation; it is not intended to be an international treaty or any other legally-binding document and does not create any rights or obligations regulated by international law and legislation of either side.

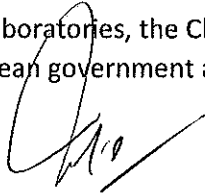
VII. Next Steps

Both delegations reaffirmed the importance of bilateral energy engagement in developing stronger bilateral relations. Both sides plan to exchange and finalize work plans in 90 days in each of the areas with specific projects.

This work may include Department of Energy national laboratories, the Chilean Renewable Energy Center, ENAP, and other interested U.S. and Chilean government agencies.



Ernest Moniz
Secretary of Energy



Máximo Pacheco M.
Minister of Energy