

**FRAMEWORK TO STRENGTHEN INFRASTRUCTURE INVESTMENT  
AND ENERGY COOPERATION BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF CHILE  
AND  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA**

The Government of the Republic of Chile ("Chile") and the Government of the United States of America (the "United States") (each a "Participant," and together, the "Participants"),

**SEEKING** to further cooperate to strengthen the energy security of both the United States and Chile;

**RECOGNIZING** that the energy security of the United States and Chile reinforce each other;

**CONSIDERING** the extensive and productive history of energy sector cooperation between the United States and Chile, as well as the importance of promoting foreign investment for economic and social growth and development;

**OBSERVING** that further integration of the Western Hemisphere energy market will enhance the energy security of the United States and Chile and promote economic prosperity across the region;

**MINDFUL** that investments in energy infrastructure should increase the resilience and reliability of the Participants' national energy systems, and help counter threats posed by supply disruptions from natural and manmade events, including cyber threats;

**EMPHASIZING** that open, competitive, reliable, and resilient energy markets enhance energy security and promote efficiency;

**UNDERSCORING** that universal access to affordable, reliable energy helps eradicate poverty and stimulates economic growth;

**BEARING IN MIND** that the United States and Chile have established a solid base in the areas of energy cooperation and integration, promoting participation and investments in their energy markets and trade and commerce in energy commodities;

**RECOGNIZING** that Chile has identified the promotion of renewable energy and energy efficiency to achieve its energy and environmental objectives;

**NOTING** existing cooperation under the Basic Agreement Relating to Scientific and Technological Cooperation Between the Government of the United States of America and the Government of the Republic of Chile, dated May 14, 1992, and other bilateral scientific and technical cooperation agreements; and

**HIGHLIGHTING** each country's respective natural resources, including natural gas and solar energy, and, in particular, the high and varied potential of renewable energy in Chile and the extensive advanced technologies and solutions in renewable energy that are the hallmarks of the innovative United States and Chilean private sectors.

The Participants have reached the following understandings:

## **SECTION I OBJECTIVES AND PURPOSE**

This Framework ("Framework") aims to facilitate technical assistance, information sharing, and exchanges between the United States and Chile in support of investments in infrastructure and development of the energy sector that is based on the themes outlined herein and as may be further decided by the Working Group (as defined below), with special emphasis on cleaner energy sources, including natural gas and renewable energy.

## **SECTION II AREAS OF COOPERATION**

1. Taking account of their national priorities and circumstances, and available resources, the Participants intend to engage in the following areas of cooperative work to advance bilateral cooperation, support the development of the two countries' energy sectors, and promote investment:
  - a. Energy Sustainability, Innovation, and Technology Transfer
    - i. Identifying opportunities to develop "renewables plus" micro- and mini-grid systems that incorporate renewable energy, energy storage, and thermal generation;
    - ii. Promoting the use of cutting-edge technologies and the development of new technologies to deepen the distributed generation market;
    - iii. Sharing best practices regarding interconnection systems within the transmission network, as well as fees for the operation of distributed generators;
    - iv. Identifying opportunities to transition towards low-emission power generation and technologies, including by converting oil, diesel, and coal plants into natural gas plants;

- v. Identifying opportunities to incorporate technologies that give greater flexibility to the electricity system; and
- vi. Identifying new opportunities to incorporate Chile's renewables potential, in conjunction with investment in high-voltage transmission infrastructure and national and international interconnection.

b. Energy Efficiency and Renewable Energy Sources

- i. Identifying public policies and regulations that encourage market oriented investments in energy efficiency;
- ii. Identifying the main regulatory, institutional, and economic factors that can constitute entry barriers in the distributed generation and self-consumption sectors;
- iii. Fostering the development of renewable electricity generation and the identification of opportunities for new renewable energy projects;
- iv. Fostering the development of infrastructure, technologies, and knowledge that allow for the integration of variable renewable energy generation;
- v. Promoting technological innovation in the fields of distributed generation, smart grids, energy storage, and optimized demand management;
- vi. Fostering the development of flexible electrical systems that can accommodate variable renewable energies; and
- vii. Analyzing the design of fixed income and other financial instruments, as well as the development of a secondary securities market, in order to attract private sector investment for energy projects and infrastructure.

c. Energy Infrastructure Governance

- i. Sharing best practices in executing energy projects near local communities;
- ii. Identifying technical, regulatory, economic, financial, structural, and systemic complexities that hamper investments in the energy sector;
- iii. Exploring mechanisms and guidelines to facilitate and expedite environmental permits and other mandatory regulatory requirements, recognizing at all times the autonomy of the authorities on these issues;
- iv. Promoting the development of an energy market that enables companies to manage price risks;
- v. Supporting the development of policies and regulations that enable energy markets to adapt and incorporate new technologies in an efficient and competitive manner; and
- vi. Supporting policy and regulatory reforms to encourage investment in energy and energy-related infrastructure.

2. The Participants also intend to achieve these objectives by developing financial capacity-building and technical collaboration programs, as mutually agreed, including:
  - a. Programs to strengthen financing for energy and energy-related infrastructure development through:
    - i. Project finance and capital market expansion;
    - ii. Secondary debt market development
    - iii. Relevant commodities market development, such as energy markets;
    - iv. Harmonization of electric power trading rules and technical systems;
    - v. Project preparation, tendering, vetting, and monitoring;
    - vi. Analysis of contingent government liabilities; and
    - vii. Mobilization of private sector capital.

### **SECTION III IMPLEMENTATION**

1. For the implementation of this Framework, the Participants intend to establish a working group (the "Working Group"), jointly coordinated by:
  - a. Deputy Secretary/Assistant Secretary of the Ministry of Energy of Chile;
  - b. Deputy Secretary/Assistant Secretary of the Ministry of Finance of Chile;
  - c. Deputy Secretary/Assistant Secretary of the Ministry of Foreign Affairs of Chile;
  - d. Chief of Staff/Senior Advisor of the Office of International Affairs at the Department of Energy of the United States;
  - e. Deputy Assistant Secretary for International Affairs of the Department of Treasury of the United States; and
  - f. Deputy Assistant Secretary of the Department of State of the United States (collectively, the "Main Coordinators").
2. The Main Coordinators' role is to oversee the activities of the Working Group and coordinate on issues related to its functions and organization.
3. The Participants intend to submit a work plan for achievement of the objectives of this Framework to the Main Coordinators within sixty (60) calendar days of the date of this Framework.
4. On the date cooperative activities may begin under the Framework, the Participants should notify each other of their representatives on the Working Group.

5. The Working Group's role is to promote opportunities for public and private sector collaboration in the energy sector through investment promotion; identification of associative projects; and the exchange of information pertaining to the business climate, regulations, legislation, procedures, and best practices in both countries.
6. The United States Department of the Treasury, Office of Technical Assistance, working jointly with the Ministries of Finance and Energy of Chile and other ministries and institutions, as appropriate, intends to develop the financial capacity-building and technical collaboration programs contemplated under this Framework.
7. At the request of either of the Participants, the Working Group should meet, either face-to-face or remotely, in order to monitor the progress of projects and activities; resolve difficulties or issues; identify new opportunities; consider proposals and/or requests for cooperation; or for any other purpose that the Participants deem important.
8. The Working Group may organize annual meetings and develop tools to manage activities under this Framework, as well as to identify future opportunities for joint analysis or other cooperation.
9. The Working Group may recommend, by mutual agreement, modifications to this Framework, according to potential needs and opportunities.
10. The Participants intend to work together and cooperate in good faith to support the programs and projects decided by the Working Group and to facilitate the implementation, authorization, and enablement of such programs and projects, consistent with their national law.

#### **SECTION IV MODALITIES AND COOPERATION ACTIVITIES**

The Participants intend for the Working Group to utilize the following modalities and activities for cooperation:

1. Facilitating education, training, and capacity building through seminars, workshops, courses, and exchanges;
2. Strengthening relationships between partner networks, such as private companies, universities, research institutions, and related organizations;
3. Facilitating meetings of experts and exchanges in the technical areas related to the objectives of this Framework; and

4. Promoting business collaboration and the exchange of information pertaining to the electricity market and mechanisms for participation and qualification of tenders for regulated and unregulated energy projects.

## **SECTION V FUNDING AND LIABILITY**

All costs and liabilities incurred in connection with the activities contemplated by this Framework are the responsibility of the Participant that incurs them.

## **SECTION VI INFORMATION**

1. The Participants intend to jointly coordinate on publicity and communications in connection with this Framework.
2. Both Participants intend to approve, in writing, the publication of reports, documents, brochures, inserts, or other materials intended to promote or publish the technical cooperation activities under this Framework prior to dissemination through hardcopy or electronic means. The official emblems of the Participants should be represented in equal proportion and number in such reports, documents, or communications.
3. To the extent consistent with their respective national laws, each Participant intends to maintain as confidential all information received from the other Participant and identified as confidential.

## **SECTION VII PERSONNEL ENTRY AND DEPARTURE**

The Participants intend to facilitate the entry, stay, and departure of personnel engaged in cooperative activities under this Framework, in accordance with their national law.

## **SECTION VIII DISPUTES**

The Participants intend to resolve, in good faith and through consultation, any differences arising out of or in relation to this Framework.

## **SECTION IX APPLICABLE LAW**

Each Participant intends to carry out cooperative activities under this Framework in accordance with its national law.

## **SECTION X NOTICES/DESIGNATED REPRESENTATIVES**

All notices and communications in connection with this Framework are to be delivered to the designated representative for each Participant, as set forth below.

For the United States:

The Office of Investment, Energy, and Infrastructure  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

For Chile:

Office of International Affairs  
Ministry of Energy  
Av. Libertador Bernardo O'Higgins 1449  
Santiago Downtown, Edificio II, Piso 14  
Santiago, Chile

## **SECTION XI GENERAL PROVISIONS**

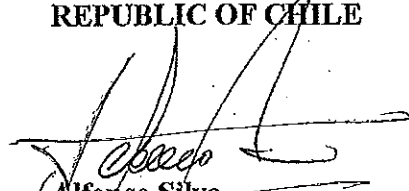
This Framework becomes effective from the date of its signature. Where either of the Participants intends to discontinue this Framework, that Participant is expected to provide 60 (sixty) days written notice to the other. The Participants may modify this Framework at any time, by mutual written decision.

Discontinuation of this Framework is not intended to affect the activities that the Participants had already undertaken thereunder, unless the Participants state their intent otherwise in writing.

This Framework does not create binding obligations under international law.

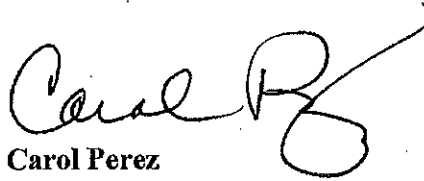
Signed at Washington this 27th day of September of 2018, in duplicate, in the English and Spanish languages.

**FOR THE GOVERNMENT OF THE  
REPUBLIC OF CHILE**

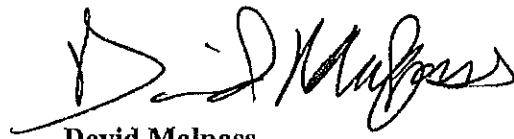


**Alfonso Silva**  
Chilean Ambassador to the  
United States

**FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA**



**Carol Perez**  
U.S. Ambassador to Chile



**David Malpass**  
Under Secretary for International  
Affairs  
U.S. Department of the Treasury