



Argentina presents opportunities in the areas of Digitalisation, Climate Change Management and Commodity Prices. Opportunities also continue to be seen in the diversification of the country's energy matrix. Through the Issues Survey, energy leaders have identified renewables and demographic patterns as the top Action Priorities, maintaining a similar perspective to last year's results

Among the Critical Uncertainties, investor environment and economic growth are on the lead, with direct reference to the country's overall macroeconomic situation.

During 2021, electricity generation from renewable energies continued to grow in Argentina, within the framework of a series of public policies to accompany this growth. During 2021, 26 projects were enabled in 10 provinces, contributing to add 1,000MW of renewables-based power. Throughout the year, a historical peak of 28.84% of total national generation was reached. It is expected that with a change in the regulatory framework and clear incentives, companies would be willing to invest and thus continue to strengthen the renewable energy network.

It is worth noting that, during 2021, the technology that contributed the most generation in the year was wind (74%), followed by solar photovoltaic (13%), small hydro (7%) and bioenergy (6%), according to data from the Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima (CAMMESA). Of the projects inaugurated in 2021, 42.3% corresponded to wind technology, 30.8% to bioenergy, 15.4% to solar photovoltaic and 11.5% to small hydropower (SHP).

These developments can explain leaders' perception of renewable energies as a top priority, and the view that Argentina has a great opportunity to diversify its energy matrix.

With regards to the main uncertainties reflected in the Argentina survey, during 2021 the decision to freeze energy tariffs as a strategy to support lower-income families remained a focal point. Inflation remained high, reaching 50.9 % in 2021. Both factors challenge the establishment of an environment where energy efficiency and sustainability can be prioritised on the country's agenda.

A break point, which provides an encouraging outlook, is the possible agreement with the International Monetary Fund, which would allow stability and the announcement by the Ministry of Economy of the removal of tariff subsidies in order to reduce the fiscal deficit and narrow the gap in the real cost of energy.

By 2022, Argentina is expected to have a growth of 2.6%, according to the World Bank. In addition, many of the regulations that are required as part of the necessary regulatory framework are expected to be finalised this year.

Similarly, the National Government has chosen the development of green hydrogen as a clear commitment to the energy diversification of the country, given the positive prospects of hydrogen in the decarbonisation of certain uses (fuel for industry, transport, etc.) and the auspicious conditions of the Argentine system (availability of renewable energies, need for exports).

Finally, it is important to clarify that the Ministry of Environment and Sustainable Development announced that it expects to present the Decarbonisation Plan in 2022, which was originally due to be presented in November 2021. With the presentation of the commitments and a plan with incentives and new regulations, added to the potential and opportunities that exist with the incorporation of technology, digitalisation accompanied by investments in R&D, this presents an opportunity for the development of sustainable environmental sustainability strategies.

WORLD ENERGY COUNCIL

Acknowledgements
 Argentina Member Committee
 Alejo Da Bouza
 Dorlysu Moreno

