Client Impact

DEBrief

Engie Energia Chile S.A.
About Engie Energia Chile S.A.

Engie Energia Chile S.A. (Engie Energia Chile) is a Chilean subsidiary of Engie Group S.A., a global leader in low-carbon energy and services. With a presence in Europe, North America, South America, Asia, and Africa, Engie Group has established itself as a paramount force in the energy industry.

One of the leading electricity producers and energy service companies in Chile, Engie Energia Chile provides a variety of energy solutions to its clients, focusing on the distribution of electricity directly and primarily to large mining and industrial clients, as well as the electricity supply needs of distribution companies for the country. Additionally, Engie Energia Chile has a diversified source infrastructure consisting of electricity generation plants, electricity transmission assets, port facilities, and gas transportation facilities.

Through its industry diversification and commitment to sustainable business practices, Engie Energia Chile is working to provide an asset rotation program that involves gradually decommissioning coal-based plants while increasing its renewable capacity, mainly through photovoltaic solar energy, BESS storage solutions, and wind farms.
Partnering with Engie Energia Chile

Through the Engie Decarbonization Instrument, IDB Invest is providing $74 million in financing to Engie Energia Chile to establish an innovative blended finance methodology. This methodology assigns a commercial value to the reduction in greenhouse gas (GHG) emissions resulting from the transition away from coal-fired power plants, thus reducing financing costs for Engie Energia Chile. The implementation of this model can serve as a roadmap for other investments in Chile and throughout Latin America and Caribbean. The partnership also includes the construction, operation, and maintenance of the 162-megawatt Calama Wind renewable energy farm in Calama, Antofagasta Region, in northern Chile.

With this pioneering investment, IDB Invest is supporting Chile's energy priorities by accelerating the country's transition to a decarbonized electricity matrix, thereby enhancing its clean energy capacity and reducing its dependence on fossil fuels.

Additionally, it is helping to integrate climate change measures into national strategies. By facilitating Chile's shift towards green energy, IDB Invest encourages the energy sector to embrace clean energy solutions, promoting competitiveness and generating positive, sustainable impacts. Furthermore, IDB Invest contributes to improving the quality of life in Chile by supporting resource efficiency and pollution prevention.

The partnership offers Engie Energia Chile the capacity to expand its clean energy generation portfolio while remaining competitive. Additionally, it supports Engie Energia Chile in strengthening its biodiversity policies to mitigate climate change-related risks.
## Investment Snapshot

<table>
<thead>
<tr>
<th>Sector</th>
<th>Region</th>
<th>Project Investment</th>
<th>Approval Date</th>
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<tbody>
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<td>Infrastructure and Energy</td>
<td>Chile</td>
<td>US$74M</td>
<td>2020</td>
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### Targets (2031)

- **Monetized Carbon Reduction**
  - US$15M

- **Shut Down of Fossil Fuel Power Plant**
  - 2 by 2022
  - 2 by 2025

- **Renewable Energy Generated**
  - 425,000 MWh

- **Greenhouse Gas Emission Reduction**
  - 178 tons of CO2 per year

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1. Due to electricity demand requirements, it was necessary to continue using coal plants until 2021 to an extent that GHG emissions could not yet be avoided. It is expected that non-renewable energy generation will decrease to up to 753,000 MWh by 2031.
IDB Invest's Impact Management Framework is an end-to-end series of tools and practices covering the complete investment lifecycle. It allows us to build, measure, and manage a portfolio of financially sustainable investments that maximize development impact and contribute to reaching the Sustainable Development Goals (SDGs).

The SDGs are at the core of our approach. IDB Invest identifies the expected contributions of each investment to specific SDG targets upfront, and measures actual progress achieved over time.
Engie Energia Chile: Development Impact Results

The partnership boosts the supply of sustainable energy and enhances clean energy generation through the promotion of wind farm construction.

160MWh
RENEWABLE ENERGY GENERATED (2021)

The Engie Decarbonization Instrument generates part of its energy using renewable sources, thus reducing its carbon footprint.

2
SHUT DOWN OF FOSSIL FUEL POWER PLANTS (2022)

The Engie Decarbonization Instrument mobilizes financial resources to support sustainable initiatives in developing countries.

US$51M
RESOURCE MOBILIZATION AMOUNT (2021)

Affordable and Clean Energy

Climate Action

Partnerships for the Goals
Measuring & Managing Impact: Engie Energia Chile’s DELTA Impact Score

Engie Energia Chile’s DELTA Impact Score captures the investment’s potential to increase its clean energy production and, at the same time, mitigate climate change effects. By facilitating the transition from fossil fuels to renewable sources, Engie Energia Chile is contributing to diversifying Chile’s energy matrix and combating energy poverty. Additionally, it mitigates both GHG emissions and the release of short-lived pollutants, thereby positively impacting public health and local ecosystems.

The score also captures the company’s capacity to develop energy efficiency policies and foster knowledge transfer by promoting an innovative methodology to quantify and monetize the emissions avoided from the early closure of coal-fired power plants and their replacement by renewable energy plants.

*To complement the DELTA Impact Score, IDB Invest calculates an Additionality Score to ensure that it provides financing beyond what is available in the market and that it contributes to better investment outcomes. The “DELTA Project Score” is the overall rating assigned to each project that encompasses both the DELTA Impact Score and the DELTA Additionality Score.*
Benchmarking Engie Energia Chile’s DELTA Impact Score

How does Engie Energia Chile score compare to other IDB Invest investments in the energy sector?*

* In comparison with the last DELTA impact score of peers in BID Invest’s portfolio based on their latest supervision date.

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Let’s continue the conversation.