



# Gas and Power Integration

## A Southern Corner Dream (Postponed)

Marco Tavares

Panel: Gas-to-Power in South America

23rd World Gas Conference - International Gas Union

Amsterdam, June 6, 2006

# *Mr Pereira and Tavares Conclusions on LACEA - Paris - Oct 2005*

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- There are concrete economic advantages in the energy integration of all Latin American countries
  - Maximize infrastructure utilization
  - Seasonal complementarities
  - Swap best market opportunities
- Despite the current difficulties with Mercosul, there are strong political motivations for this integration
- The Andean Pact and Central American Regional Market experiences are positive and serve as models for the other countries



**GÁSenergy**  
assessoria empresarial



Source: Countries Authorities and Gas Energy

# Examples of Gas and Power Complementarities

Gas Thermal Power Capacity

Inflexible Dispatch  
xx %

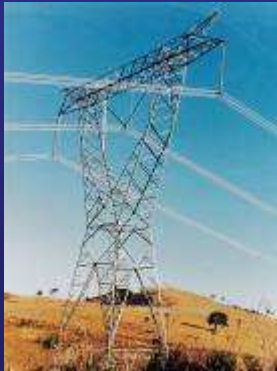
**Bolivia to Brazil Pipeline**

Free Capacity  
(100 - xx %)



Back Up to dispatch 100%

Spot Generation

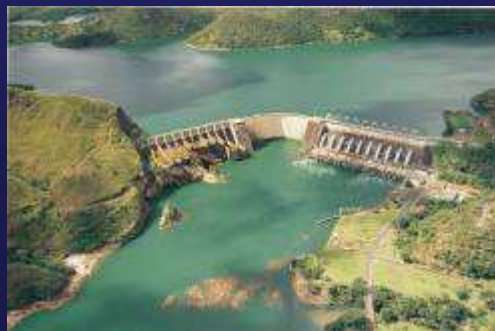


Southern Cone Gas Exportation



Reduction on seasonal demand or gas deficits

Water Reservoirs accumulation



# Examples of Gas and Power Complementarities

**Argentina  
Chile and  
Uruguay**

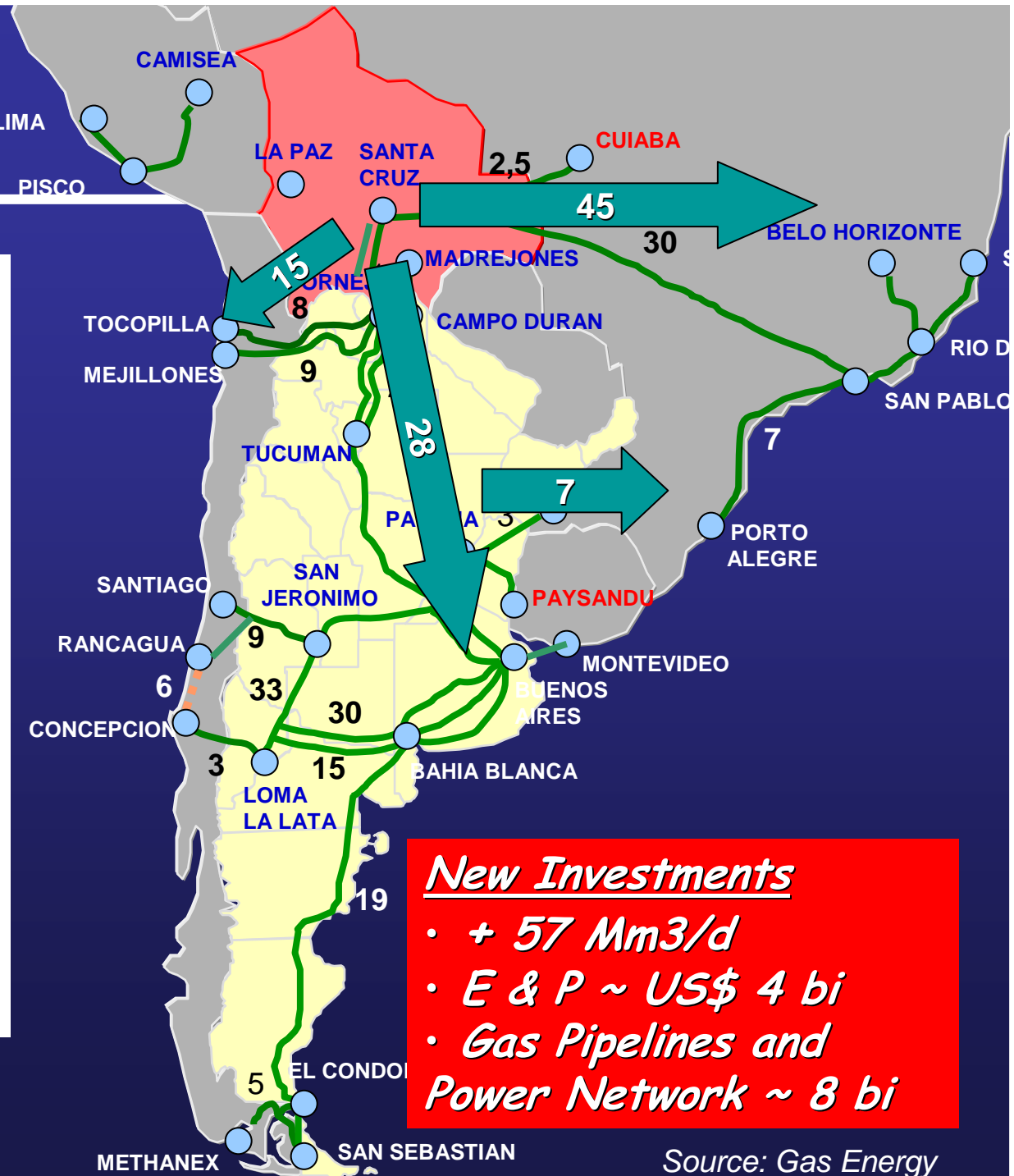


1. Garabí reinforcement	US\$ 60 M
2. Transmission line reinforcement Garabí - Buenos Aires	US\$ 350 M
3. Transmission line Garabí - Salta	US\$ 200 M
4. Transmission line Garabí - Salto Grande	US\$ 80 M
<u>Total Investments</u>	<u>US\$ 690 M</u>

# Gas Planned Integration 2010

## Capacity Mm3/day

• Bolivia Brazil	45
• Bolivia Cuiabá	3
• Border Consumption	7
• Bolivia Argentina	21
• Bolivia South Brazil	7
• Bolivia Chile	15
• Argentina Chile	5
• LNG Chile	5
• Argentina Brazil	3
• Argentina Uruguay	3
• Total →	114
• Supply by Bolivia	98



**New Investments**

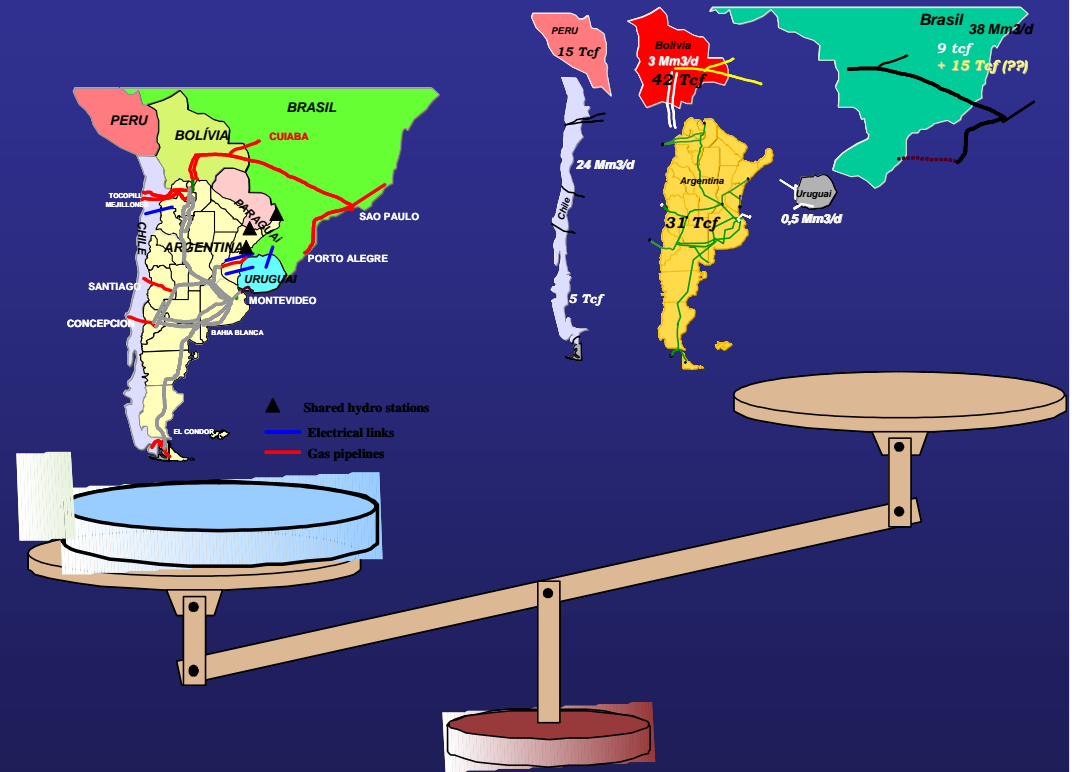
- + 57 Mm3/d
- E & P ~ US\$ 4 bi
- Gas Pipelines and Power Network ~ 8 bi

# Southern Cone Integration

## (Des) integration?

Recent episodes in the electricity and gas sectors in the Southern Cone, both in terms of crisis and in terms of new opportunities have brought up and restored the opportunity to work towards robust energy regional integration:

- Argentina cuts gas to Chile and Brazil;
- Brazil cuts power exportation to Argentina
- Bolivia modify all gas industry and interrupt investments



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