



ARGENTINA

Argentina's clean energy sector has been slow to mature. Despite some exceptional resources, the country saw just \$80 million invested in the sector in 2009 and has roughly 1 GW in cumulative installed renewable capacity as of late 2010. Clean energy could help meet energy demands in Argentina, which faces a critical shortfall in energy supply, due to increasing restrictions on gas imports from Bolivia. The country has under-invested in generation capacity since 2001, primarily because of a lack of available capital.

Comparatively weak subsidies supporting renewable energy are at least partly to blame for Argentina's slow progress. The federal government offers minimal production tax credits for most renewable energy generation sectors, except for solar, and has adopted few other supportive laws or incentives. Instead, federal policy has been aimed more at fostering Argentina's biofuels industry. Today, the country has 2 billion liters in annual biodiesel production capacity, though the sector falls under careful government control.

A surge in new renewable energy capacity seems unlikely, at least in the near future. While the country has a stated national goal of sourcing 8 percent of its power from renewables by 2016 (roughly equivalent to 2GW capacity), the target is non-binding. The government plans to hold tenders and offer a feed-in tariff program aimed

at small-scale development, but those policies will likely be insufficient to spur enough development to meet the overall goal.

Argentina is among the several G-20 members that did not submit an emission reduction commitment to the U.N. following the Copenhagen climate summit. Instead, the country sent a letter outlining its various clean energy and energy efficiency measures and indicating that it would consider emission reduction goals once the developed nations have set binding targets for themselves.

If Argentina is interested in having renewable technologies play a major role in the country's energy future, policy makers could consider a more binding clean energy standard to ensure developers and financiers alike that a market exists for their power. However, policymakers also need to address the lack of available capital for renewable energy as well. Although other nations assist clean energy development banks and other financing authorities, Argentina has to date made no such resources available. The government could also consider making good on its indication that it might adopt a carbon reduction target if developed countries adopt binding emission reduction targets. Finally, Argentina's government could loosen its control over soy and exports at large to ensure the ongoing viability of the biodiesel sector.

FINANCE AND INVESTMENT (2009)*	
Total Investment	\$80 million
G-20 Investment Rank	18
Percentage of G-20 Total	0.1%
5-Year Growth Rate	N/A

INSTALLED CLEAN ENERGY (2009)	
Total Installed Renewable Energy	0.5 GW
Total Power Capacity	1.9%
Percentage of G-20 Total	0.2%
5-Year Growth Rate	0.1%
Key Renewable Energy Sectors	
Wind	500 MW
Small-Hydro	436 MW

KEY CLEAN ENERGY TARGETS (2012)	
Renewable Energy	8% of total power generation (by 2016)

KEY INVESTMENT INCENTIVES	
Wind, Solar, Biomass, Small-Hydro	Production Tax Credits (PTC)

NATIONAL CLEAN ENERGY POLICIES	
Carbon Cap	✓
Carbon Market	
Renewable Energy Standard	✓
Clean Energy Tax Incentives	✓
Auto Efficiency Standards	✓
Feed-in Tariffs	✓
Government Procurement	
Green Bonds	✓

*Includes investments in venture capital and public markets, and asset finance for all clean energy technologies including biofuels and energy efficiency.