

Legal Alert: Electric Energy Storage and Electromobility Law



21st November, 2022 | [Diego Peña](#), [Roberta Andreani](#) y [Camila Fajardo](#).

Today came into force Law No. 21.505, which promotes electric energy storage and electromobility (the “**Law**”). Its purpose is to encourage the participation of renewable energies in the Chilean energy matrix through the promotion of storage technologies; to enable the efficient connection of renewable generation-consumption systems to the electricity system; and foster the use of electric vehicles.

The main matters regulated by the Law are the following:

1. Electric energy storage.

The Law introduces amendments to the General Law of Electric Services (“**LGSE**”) allowing storage systems to inject energy into the National Electric System. Likewise, these amendments establish that these systems are now subject to the coordination of the National Electric Coordinator and allow them to participate in the transfer of energy and power.

- The storage systems will be able to participate in the transfer of energy and power, thus, they may be valued according to the instantaneous marginal costs of the Electric System and the node price of the power, respectively.
- When the surplus power of the storage systems does not exceed 9,000 kilowatts, they will be eligible for a stabilized price regime and the distribution companies will be obliged to allow them the connection to their facilities, as already established for means of distributed generation.
- End users subject to price fixing that have storage systems for their own consumption, including those storage systems that are part of an electric vehicle, may inject their energy into the distribution network.
- In addition, the Law states that within one year of its publication in 21st November 2023, the Ministry of Energy must dictate the regulations governing the determination of prices when storage systems are directly connected to facilities of the national, zonal or distribution system, as well as the price stabilization mechanisms applicable to the energy

injected, and the way in which the dispatch and coordination of these systems will be carried out by the Coordinator.

2. Legal recognition of Generation-Consumption Systems.

- The Law establishes a legal recognition of the Generation-Consumption Systems, which are defined as productive infrastructure for purposes such as hydrogen production or water desalination, with its own generation capacity, through renewable generation means, which are connected to the electricity system through a single connection point and can withdraw energy from the electricity system through a supplier or inject its surpluses.
- The provisions corresponding to generating plants and final customers not subject to price regulation will be applicable to these systems. This will be specified in a regulation to be issued by the Ministry of Energy no later than 21st November 2023.

3. Electromobility incentives.

- Finally, for electric and hybrid vehicles with external recharging, and others qualified as zero emissions by the Ministry of Energy, a total exemption from the payment of the annual vehicle registration tax is established for a period of two years and then, a partial exemption is established for the following 6 years.
- In addition, the Law allows electric vehicles to participate in the electricity market as storage equipment.



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