

Potential impact of decreasing cost for renewables and batteries for Argentina

Accelerating energy transitions and raising ambition based on decreasing costs of renewables

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COP25 Madrid, Spain



Agenda

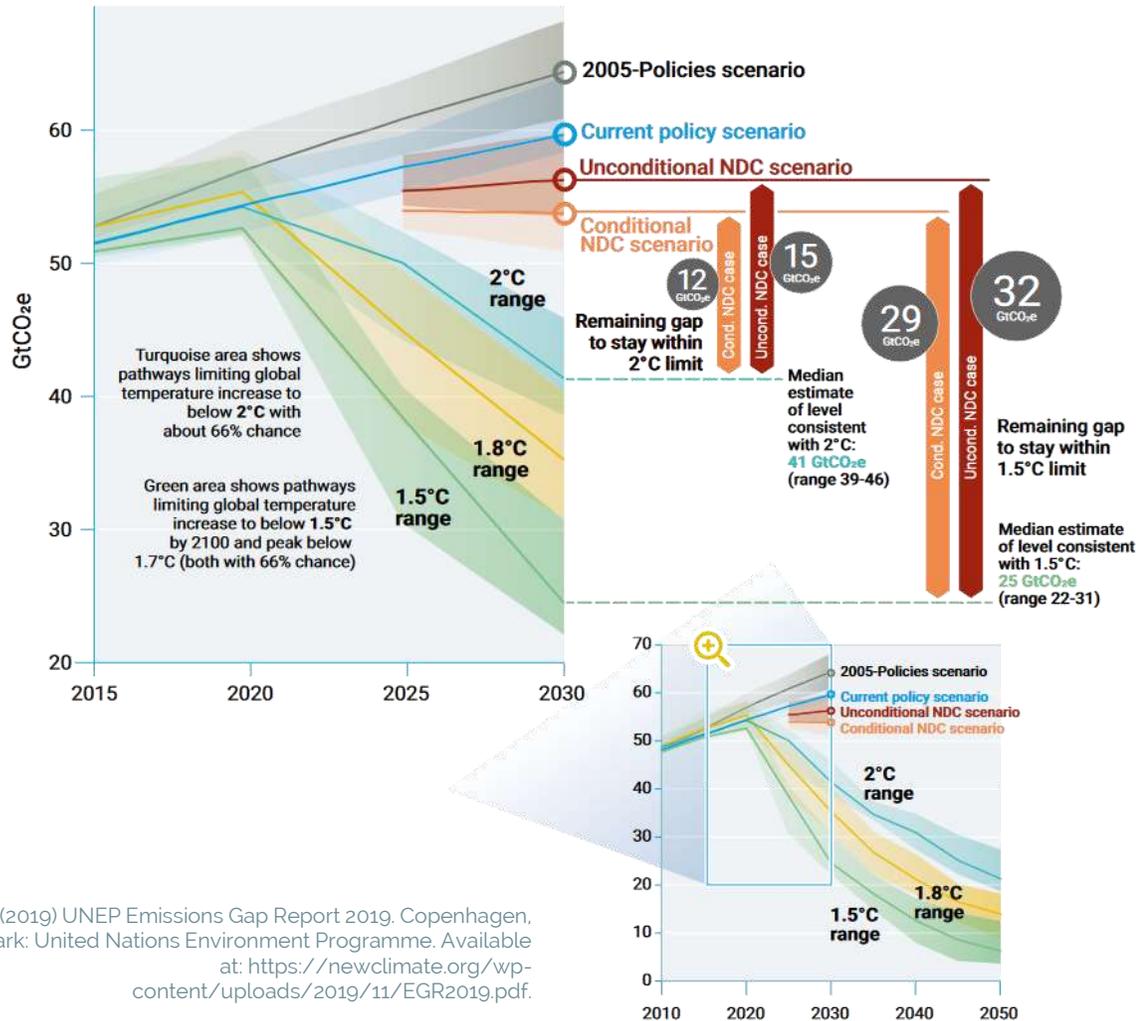
-  Global context
-  Methodology
-  Argentina's status quo
-  Preliminary results
-  Main takeaways



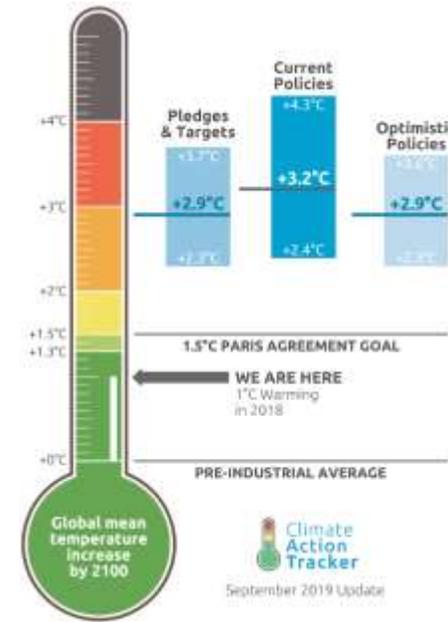
Context and methodology

Current pledges and cost progressions

NDC pledges are not enough

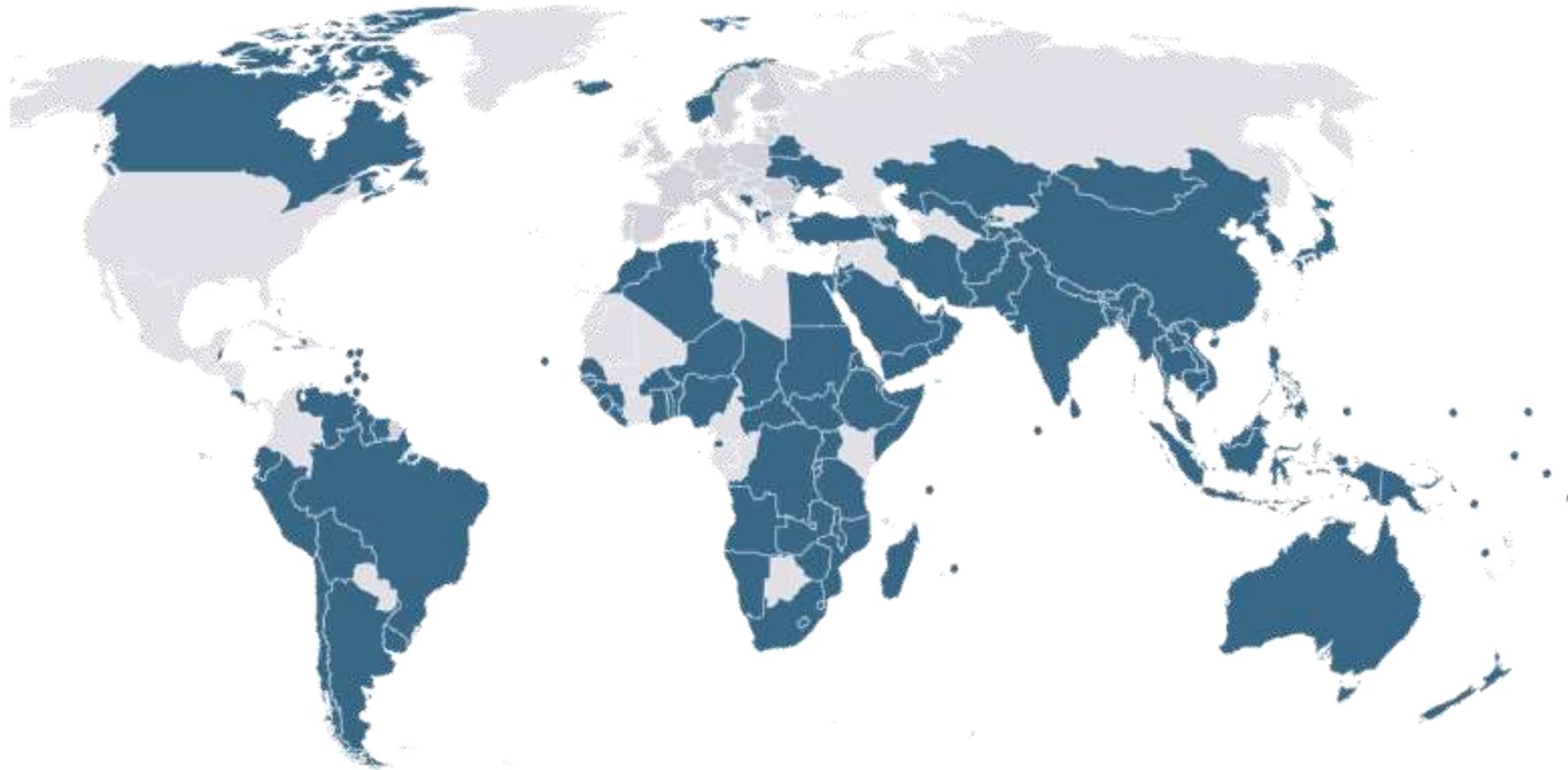


Pledges would lead to **warming of 2.9°C degrees**.
Current policies are even weaker



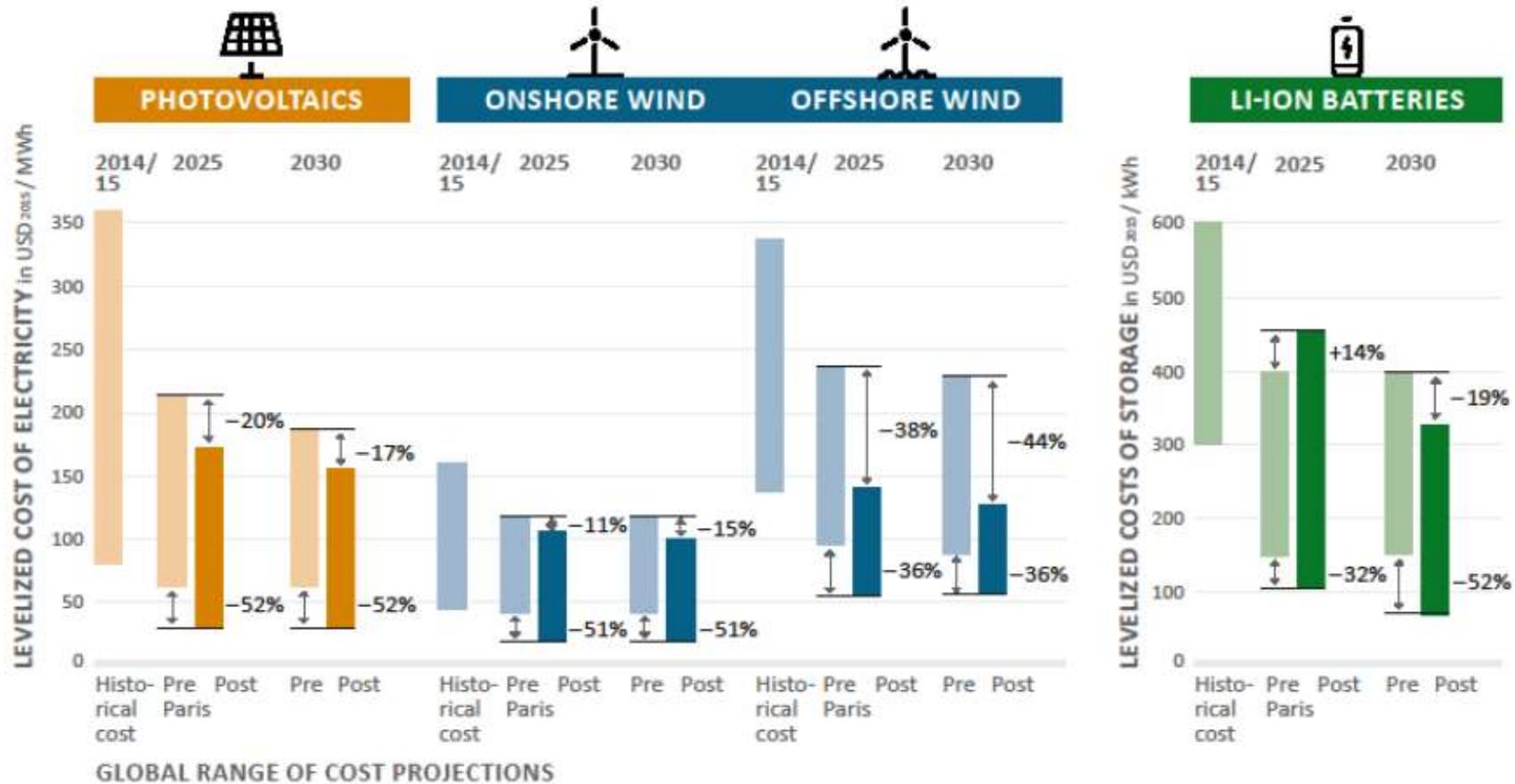
UNEP (2019) UNEP Emissions Gap Report 2019. Copenhagen, Denmark: United Nations Environment Programme. Available at: <https://newclimate.org/wp-content/uploads/2019/11/EGR2019.pdf>.

The majority of INDCs included renewables



<https://www.climatewatchdata.org/ndc-search?document=indc&query=renewable&searchBy=query>

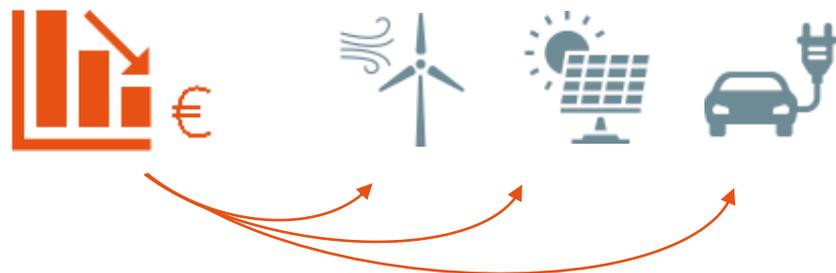
Technologies became cheaper since Paris



Wachsmuth, J., Anatolitis, V., Ancygier, A., and Brecha, R.: Bringing climate policy up to date - decreasing cost projections for renewable energy and batteries and their implications, Fraunhofer ISI, 2018. <http://publica.fraunhofer.de/dokumente/N-525534.html>

What if the cost difference is reinvested?

- » Decrease in technology costs can lead to capacity additions if initial investment volumes are maintained.



- » These **additions could be considered in NDC update process** to raise ambition.

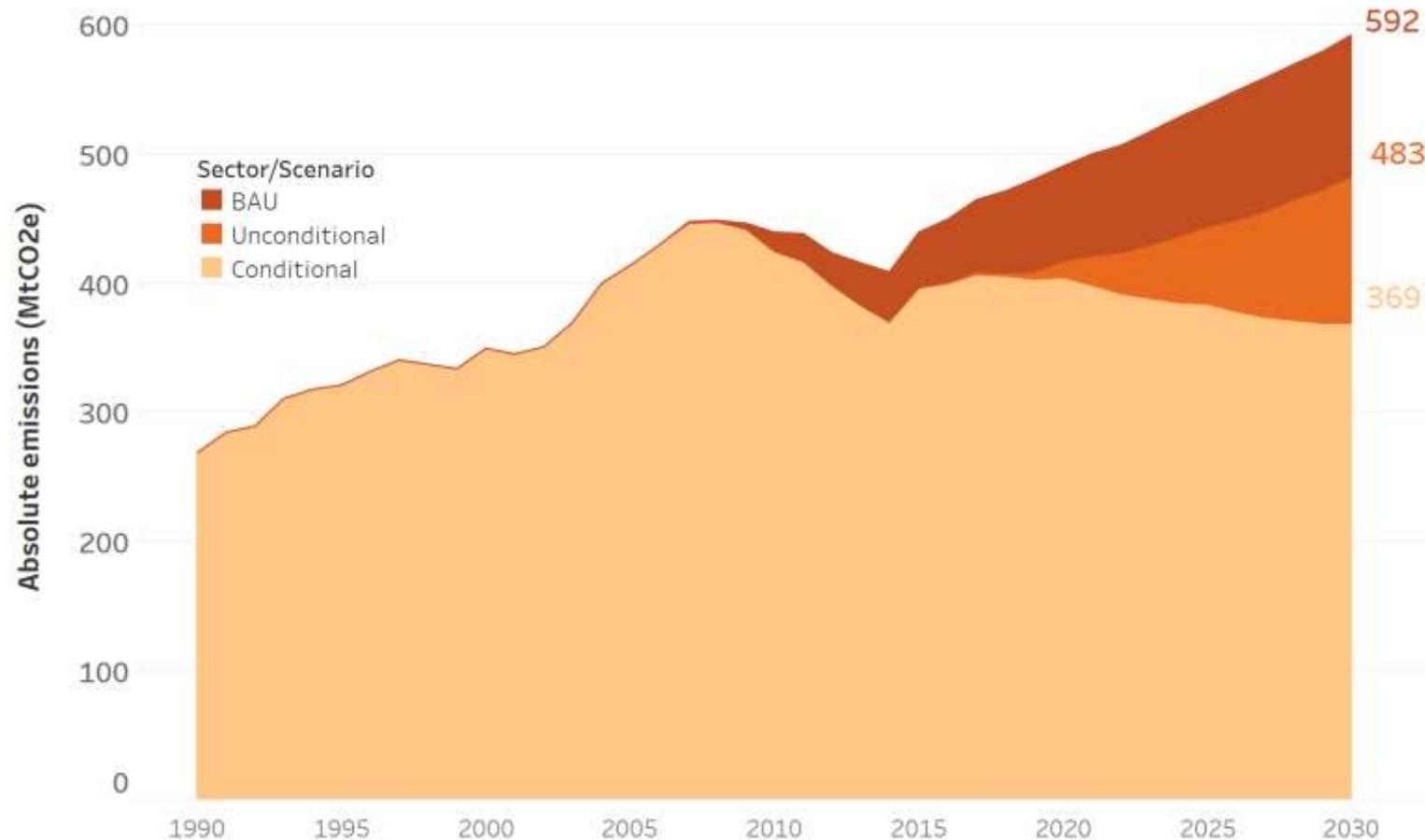


Argentina

Renewable energy and
electric vehicles expectations

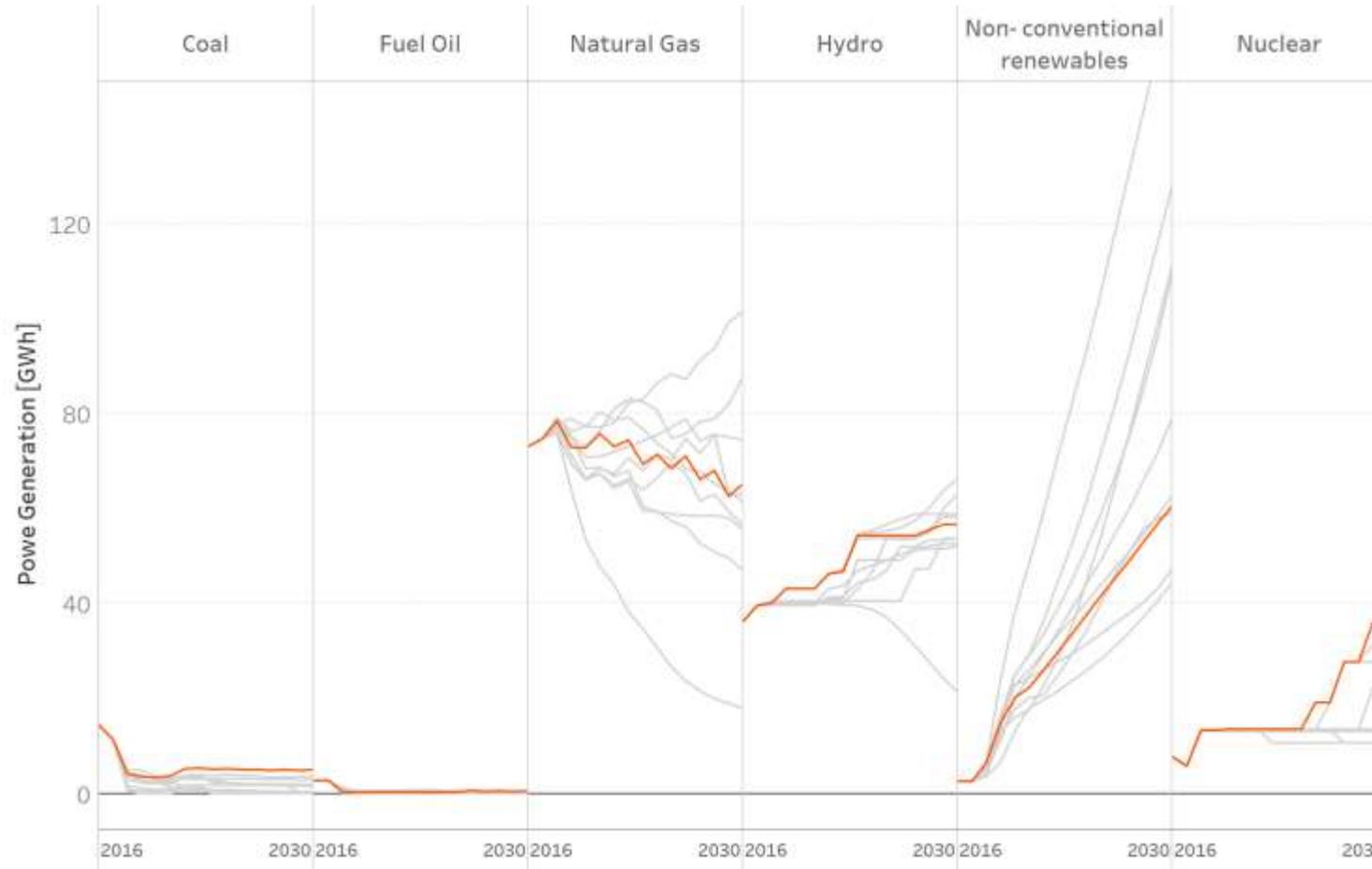


Argentina has concrete plans to meet NDC



The Energy and Transport sector plans **include specific measures** to reach the overall absolute emissions reduction target presented in the NDC.

Renewables to reach 20% by 2025



Based on: Beljansky, M. et al. (2018) Plataforma Escenarios Energéticos Argentina 2040 Coincidencias y divergencias sobre el futuro. Plataforma Escenarios Energéticos. Available at: <https://www.escenariosenergeticos.org/publicaciones/>

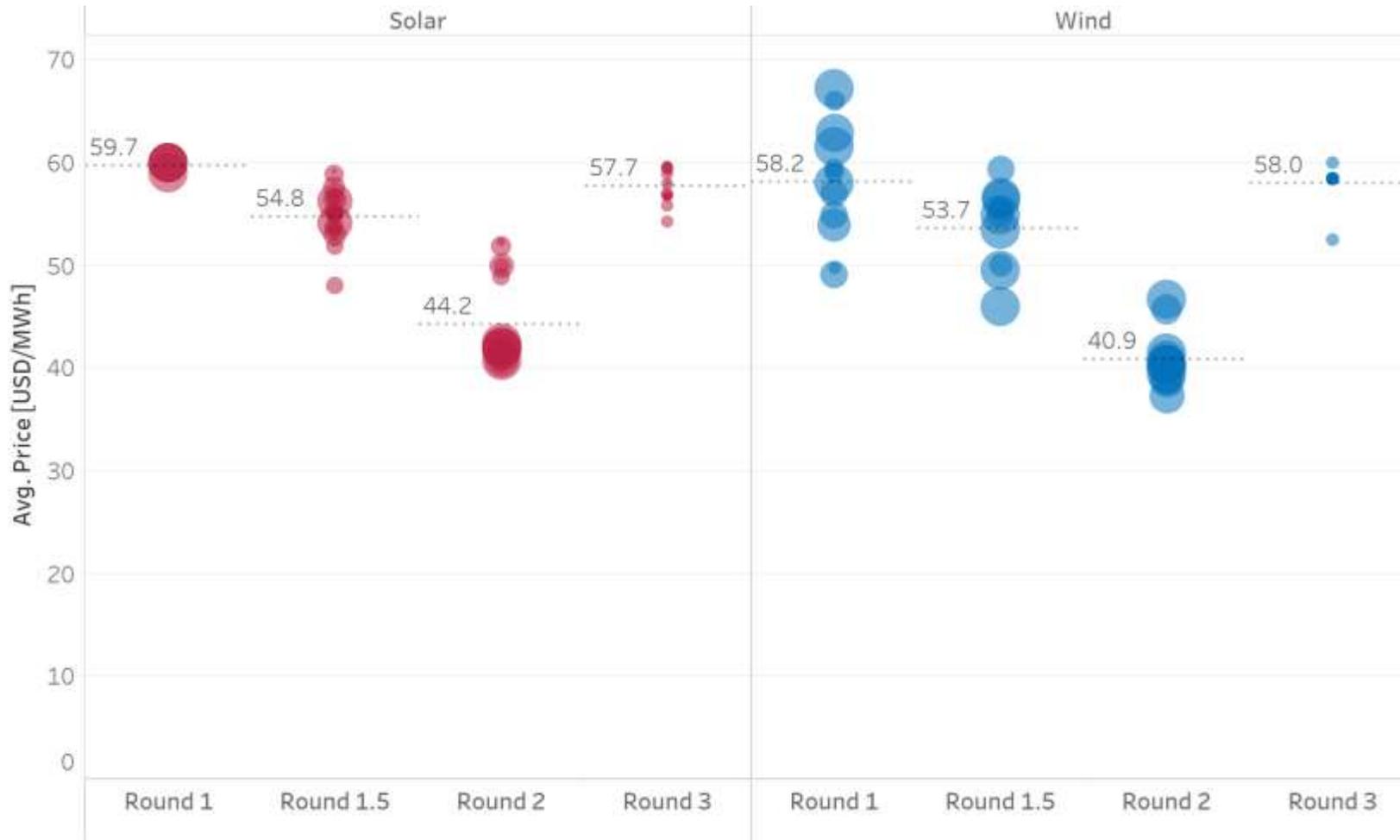
- » Energy plan was developed post-NDC but renewable generation target in 2025 is **based on law from 2015**.
- » Additional commitment is expected to bring power generation to **25% by 2030**.

Expected EV uptake is modest



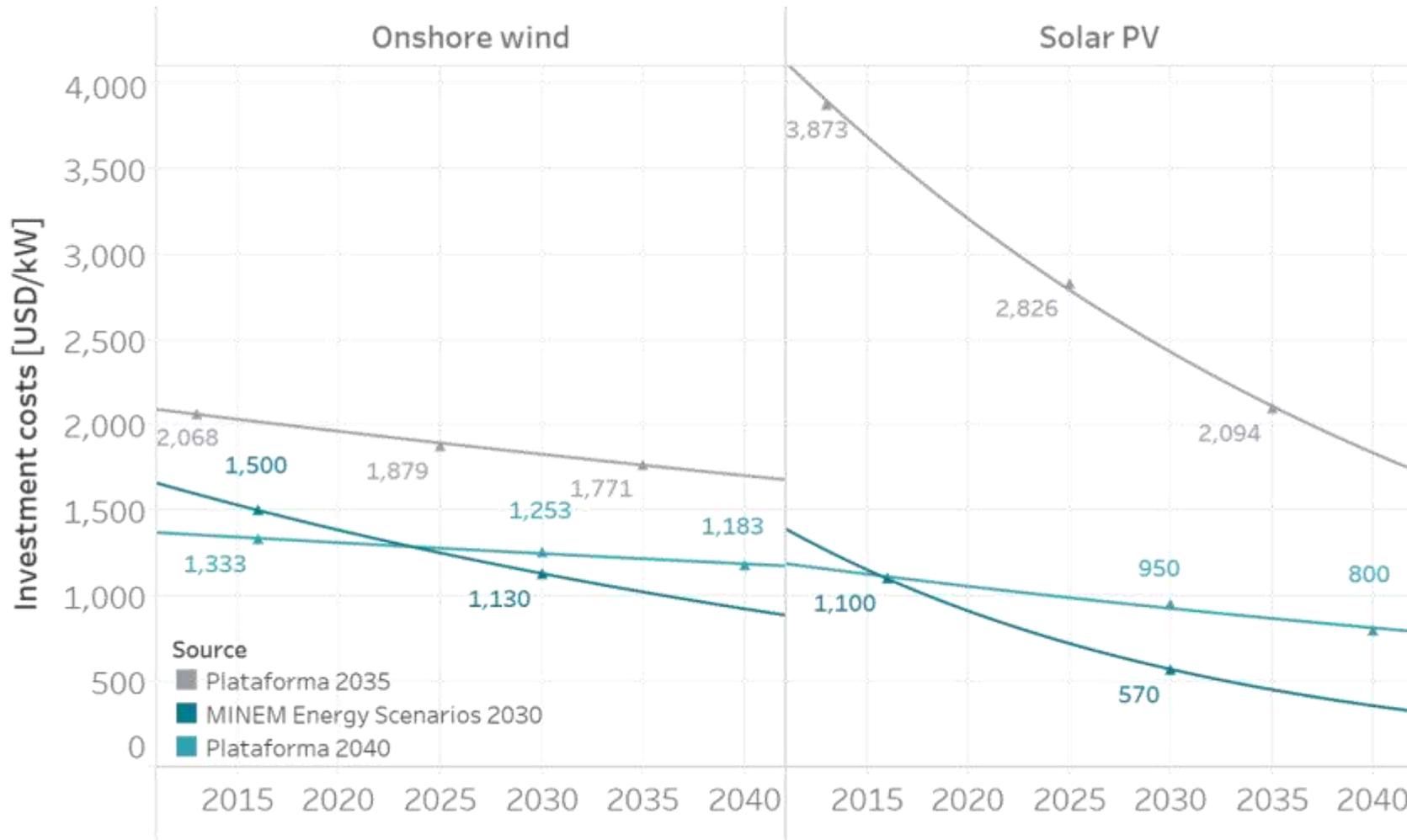
- » MINEM's 2030 energy scenarios expect the sale of EVs in **total vehicle sale to rise from the current 0% to 3% by 2025 and 12% by 2030.**
- » Higher sales would lead to an increase in the **share of EVs in the car fleet to 1.5% in 2030.**

Renewable auction prices have decreased...



» Round 3 approved much smaller projects, which increases the prices

...and so have the projected capital costs



» Different modelling exercises assume a decrease in capital costs

» Report published before the NDC (grey line) assumed considerably higher costs.



Preliminary results

What do cost reductions mean
for selected technologies and
emissions?

What is the potential for technology uptake?

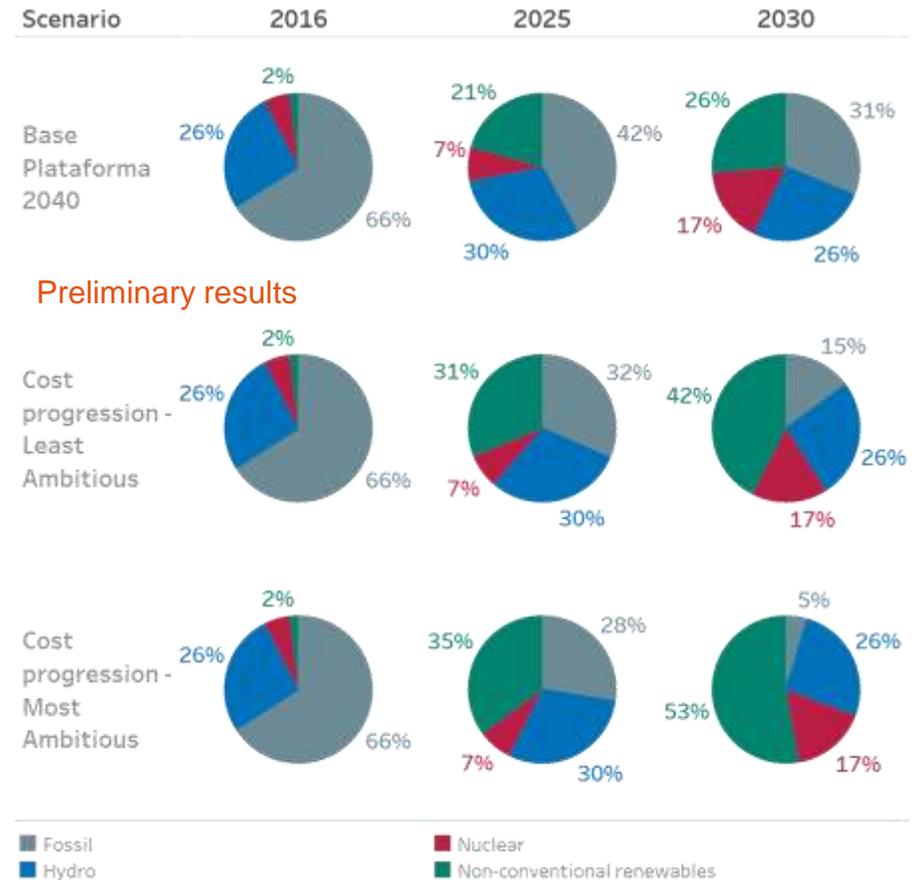
» Renewables:

- Share of renewable could increase **from 25% to 42%-53%** in 2030.
- Such uptake presents **transition challenges** to be overcome.

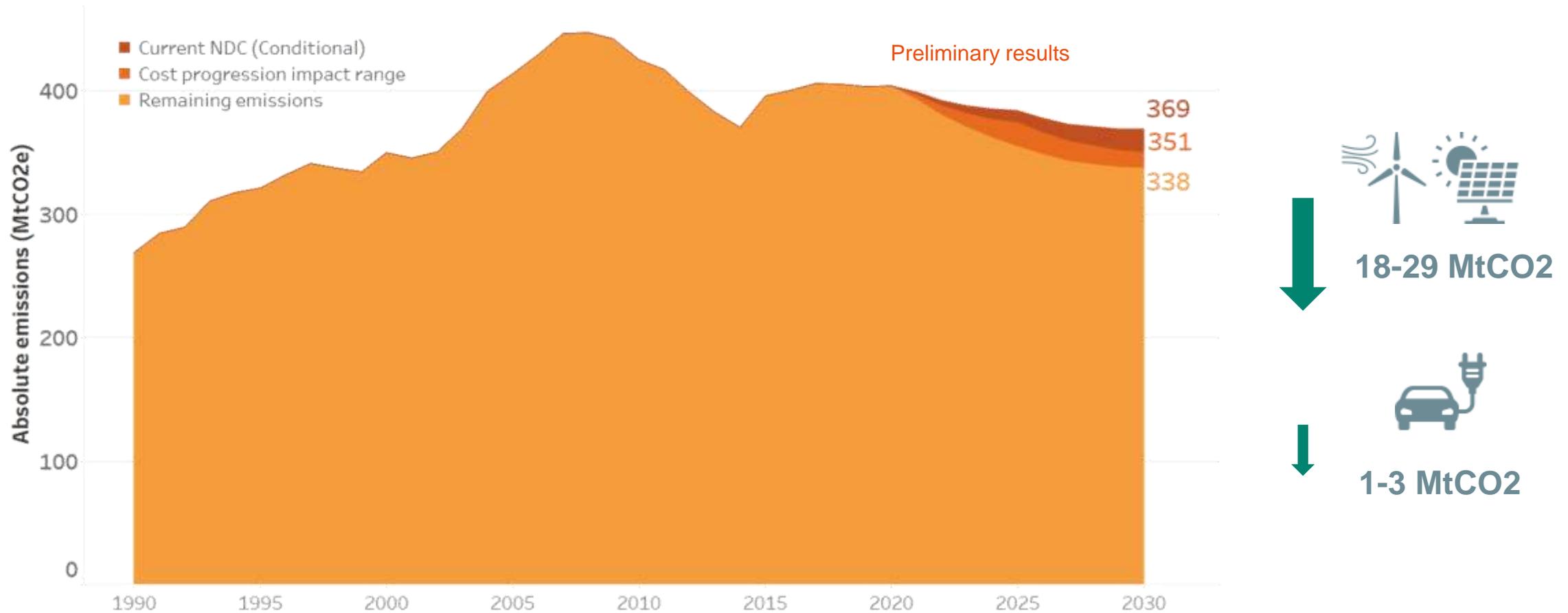
» Electric vehicles:

- Electric vehicles could reach approximately **700,000 vehicles in 2030** in comparison to 200,000 without cost progression considerations.

Power generation share



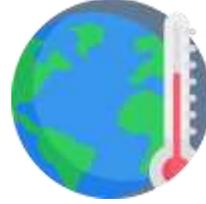
What is the impact on emissions?



Main messages



Cost reductions could result in **increased uptake** of renewable energy and electric vehicles



These considerations need to be considered in the **NDC revision** process



The potential impact is significant but **many other barriers** need to be addressed

- » In-country workshop in Q1 2020
- » Preliminary analysis available under request
- » Get **involved!**

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