



**Argentina Energy 2019: Oil & Gas, Lithium and Energy Transition**  
**March 27-28 – Buenos Aires**

***Intro***

As 2019 unfolds and Argentina heads into a presidential electoral cycle, energy issues appear set to continue to figure prominently. Oil and gas production from the country's highly touted unconventional resources has increased seven percent annually according to the government while investment in the country's booming lithium market has increased tenfold over the last five years. Renewable energy, largely due to the RenovAr program has seen investment commitments of over \$5 billion. Yet, the volatility of the peso through much of last year coupled with the agreement signed with the International Monetary Fund have created several policy debates including what role energy should play in the country's economy. Perhaps nowhere are these issues more interconnected than with regards to subsidies in the energy sector, for consumers and producers alike.

Just after the beginning of the year, the government announced plans for further reduction in consumer subsidies in an effort to maintain fiscal austerity and redress deficits. Electricity prices for consumers will gradually increase throughout the year. Additionally, producer subsidies for Vaca Muerta developers will be reduced. The original commitment of insuring natural gas wellhead prices of \$7.50 MMBtu for 2019 has become unsustainable and is being renegotiated by the new Energy Secretary Gustavo Lopetegui. These negotiations occur against the backdrop of an improving scenario for production costs, but with challenges remaining particularly in terms infrastructure and the ability to move the new production to market.

But there have been important developments with broader infrastructure and regional integration. After 12 years, Argentina restarted exports of natural gas to Chile last October. Recovering the regional integration opportunities with neighbors such as Chile and utilizing infrastructure that was idle for many years is an important milestone and also bodes well for proponents of Argentina evolving into a liquefied natural gas exporter in the near term. These and related efforts should begin to reduce inefficiencies in the utilization of the infrastructure at the same time as further balancing Argentina's natural gas market that is highly variable due to seasonal demand.

The fiscal hurdles have also impacted the deployment of renewables in Argentina with the RenovAr program having been pulled back to a smaller round in late 2018 and a fund for supporting distributed generation reduced. Nevertheless, the overarching goal of increased renewable energy deployment and further incorporation of renewable power sources for the

nation's energy matrix continues. Additionally, secondary legislation for distributed generation and net metering policies are being implemented. Other elements comprising the key facets of the energy transition particularly Argentina's lithium developments are being balanced against the austerity measures and investment opportunities in the country.

As always, development of major oil and gas and energy infrastructure projects require deftly navigating critical community, social and environmental issues that can have an impact on cost and the sustainability of project development.

### ***Agenda***

#### **Day 1 – Oil & Gas**

- 9:00-10:00 Keynote and Opening Session: Argentina Outlook 2019 and US-Argentina Energy Collaboration
- 10:00-10:30 Break
- 10:30-11:20 Debating Fiscal Incentives and Tariffs
- 11:30-12:10 Energy Infrastructure – Leveraging Integration Opportunities
- 12:20-1:00 Vaca Muerta and Upstream Developments
- 1:15-2:30 Lunch: Energy & Election Panel

#### **Day 2 – Lithium & Energy Transition**

- 9:00-10:30 Lithium in Focus  
Understanding Resource and Market Development in Argentina and Global Applications from Energy Storage to Transportation
- 10:30 Break
- 11:00-11:50 RenovAr, Renewables and Diversifying the Energy Matrix
- 12:00-12:40 Technology & Innovation: Smart Grids and Secondary Legislation for Distributed Generation
- 12:45-1:30 Technology & Innovation: Electric Vehicles and Mobility
- 1:45 Closing