

## **News Alert**

Regulatory and Environmental

**Energy efficiency law has  
completed its legislative process  
and it has been enacted**

February 11th, 2021

## Energy efficiency law has completed its legislative process and it has been enacted.

On 8 February 2021, the President enacted the Law on energy efficiency. Some of its main features are the following:

- **National Energy Efficiency Plan.** Every 5 years the Ministry of Energy ("**Ministry**"), together with the corresponding sectorial ministers, must prepare a National Energy Efficiency Plan, which must include minimum standards and labelling of devices; energy efficiency in construction, transportation and in productive sectors; energy efficiency education and training; energy efficiency targets for larger consumers (*Energy Management Capacity Consumers* or "**CCGE**" for its Spanish acronym), i.e. companies with an energy consumption for final use higher than 50 tera-calories per year, in the previous calendar year reported; among others.
- **Annual report to the Ministry on energy consumption and energy intensity for the previous calendar year.** This report will be required from (i) companies that, every 4 years, are determined by the Ministry, by means of a supreme decree (which will not include smaller companies, according to law No. 20.416); and (ii) companies that, during the previous calendar year, had a total energy consumption for final use equal or higher than 50 tera-calories. A regulation will establish the form and deadlines for these reports. Based on these annual reports the Ministry will determine the companies that qualify as CCGE by a resolution that must be published in the Official Gazette.
- **Energy Management Systems.** 12 months after publication in the Official Gazette of the Ministry's resolution determining which consumers qualify as CCGEs, they must implement one or more "Energy Management System" ("**SGE**" for its Spanish acronym). An SGE must cover at least 80% of the total energy consumption and must remain in force for as long as the consumer qualifies as a CCGE. Every 3 years, CCGEs must carry out audits to check the operation and maintenance of the SGE. If the company ceases to be classified as a CCGE, it must maintain the SGE in place until one year after losing this category.
- **Energy rating.** New buildings (such as houses and apartment buildings) must have an energy efficiency rating in order to obtain the final approval of works from the Municipal Works Directorate.
- **Others.** This law also establish provisions regarding the energy efficiency of municipalities, regional governments, and other public agencies, as well as provisions regarding electric and hybrid vehicles, and the regime of applicable penalties in the case of non-compliance with its provisions.
- **Entry into force.** This law will enter into force once published in the Official Gazette. Nonetheless, the matters regulated by this law do not have a uniform entry into force. This will depend on (i) the provisions of the law (i.e. the law states that provisions regarding the duty of public agencies to ensure the proper use of energy in the buildings they use will enter into force 6 months after this law is published in the Official Gazette); (ii) the date on which certain milestones occur (i.e. within 6 months after this law is published in the Official Gazette, the Ministry must issue the supreme decree that establishes the criteria for determining which companies must report their consumption on an annual basis); and/or (iii) what the regulations of the law may establish.



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