The integrated energy markets of the Southern Cone have shared a common roller coaster ride for gas supply availability and sourcing. Governments are likely will continue to insure that internal markets have “first dibs” on local production. Significant investment in midstream infrastructure is required to realize both public and investor goals. The GNEA pipeline has been an important step in expanding Argentina’s gas suppliers access its northern provinces.

Bolivia’s supply role has been shifting and could be as a partner in regional LNG export projects. The Vaca Muerta unconventional gas boom has shifted Argentina back into a gas export role. Winners of the April 2019 offshore Round 1 blocks also must consider gas market outlet options in their development programs and projected ROI.

Recently idle pipeline connections between Chile and Argentina may provide potential “short cut access” to growth Asian oil and gas customers.

Power generation will continue to be a primary outlet for regional gas production. The generation fuel mix varies significantly by country. However, wind and solar are common supply choices for new projects, but typically need gas-fired facilities as back-up.

Bolivia has made gasification of the local economy a priority with about two-thirds of power plants gas-fired, thus reducing gas availability for export. Bolivia’s supply role has been shifting and could be as a partner in regional LNG export projects.

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Gas accounts for about half of Argentina’s generation kit. Peak winter demand has necessitated use of expensive LNG and diesel use to supplement coal supplies even with growing Vaca Muerta gas output.

Loss of Argentina gas supply access forced Chile to install two LNG regasification plants to supply gas-fired plants over the past decade. However, contracts in place may limit the level of displacement of LNG with less expensive regional gas when available.

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