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Persistence appears to have finally paid off for opponents of the polemical HidroAysén power project, a multibillion-dollar hydroelectric complex planned for a mostly untouched area of Chile's far-southern Región de Aysén.

On June 10, the government's Comité de Ministros—the top of the bureaucratic totem pole for decisions regarding development projects—voted unanimously to reject the proposal, which calls for construction of five dams, two on the Río Baker and three on the nearby Río Pascua. Together the dams would have boasted an installed generating capacity of 2,750 megawatts, equivalent to approximately 15% of the country’s current overall capacity (18,500 MW).

The ruling ended years of on-again, off-again legal limbo regarding the costly venture, which its corporate backers—Endesa (51%), a Spanish-Italian energy giant, and Colbún (49%), a privately owned Chilean utility—first unveiled in 2007 (NotiSur, Oct. 17, 2008). It also marked the biggest victory to date for Chile's emboldened green lobby, which partnered in its battle against HidroAysén with a number of outside environmental groups, including the Washington, DC-based Natural Resources Defense Council (NRDC).

"This is a triumph of the citizenry, brought about by the thousands of people who took to the streets to demonstrate their opposition to the project," Greenpeace Chile, one of numerous nongovernmental organizations (NGOs) opposing the project, explained in a press release. "The death of HidroAysén is a victory by an empowered civil society that raised its voice during more than 10 years to finally bury this megaproject."

"A closed case"

Under the banner Patagonia sin Represas (Patagonia without Dams), dozens of environmental and civil-society organizations worked tirelessly for the past eight years to make their objections to the project heard. The dams, they warned, would devastate the Baker and Pascua river valleys, displace residents, threaten wildlife, and ruin Aysén’s tourism potential.

Through a combination of press events, media appearances, posters, paid newspaper ads, and protests, the movement was gradually able to turn public opinion against the venture. Local environmental authorities, nevertheless, green-lighted the project in 2011, during the administration of President Sebastián Piñera (2010-2014), a conservative.

The 2011 ruling prompted a sudden outpouring of popular outrage (NotiSur, June 10, 2011). Tens of thousands participated in street protests in Santiago, the capital, and in other Chilean cities, opening the proverbial floodgates for what would prove to be a prolonged period of popular resistance to the Piñera administration, which was pummeled in subsequent months by a series of massive student-led demonstrations (NotiSur, Aug. 19, 2011).
Rather than give HidroAysén the final thumbs-up it needed to proceed, Piñera opted in the end to drag his feet, ultimately passing the hot-potato issue on to President Michelle Bachelet, who replaced him this past March after trouncing Evelyn Matthei (Piñera’s labor minister) in a December 2013 runoff election (NotiSur, Dec. 20, 2013). During her first term in office (2006-2010), Bachelet was guilty of passing the buck on the controversial dam scheme, which Endesa and Colbún first submitted for approval in 2008. At the time, several of her ministers publicly expressed support for the dams. Bachelet refused to commit one way or the other.

Last year, however, Bachelet finally decided to take a position on the matter. During a June 2013 candidates’ debate, the election front-runner described both HidroAysén and the lengthy transmission line needed to connect the Baker and Pascua dams to Chile’s central grid as "nonviable." She took aim at the project again in a November meeting with Sen. Antonio Horvath, a political independent and outspoken HidroAysén opponent who was working at the time on the campaign of presidential candidate Franco Parisi. News reports claimed that Bachelet, who had just beaten Parisi in the first round of the presidential elections, promised to oppose the project in exchange for Horvath’s endorsement in the upcoming runoff.

All of that set the stage for last month’s much-anticipated Comité de Ministros meeting, which proved to be the coup de grâce for the megaproject. Basing its decision in part on environmental concerns, the group—headed by Environment Minister Pablo Badenier—was unanimous in rejecting the venture. "As far as I’m concerned, the HidroAysén issue is a closed case. We’ve made our decision," Energy Minister Máximo Pacheco, another member of the committee, told reporters several days later.

Warming to renewables

The decision drew complaints from some of Bachelet’s political adversaries. María Ignacia Benítez, who served as environment minister under Piñera, accused the Consejo de Ministros of dismissing the project for political rather than technical reasons. "[HidroAysén] was clean energy," she told El Mercurio. "I don’t understand the reasons for rejecting it."

Sen. Iván Moreira of the hard-right Unión Demócrata Independiente (UDI) criticized the Bachelet administration as well, saying it "gave in to the demands of the street." The decision, he added, would end up hurting consumers. "Electricity costs will rise, and those costs will be shouldered by the common people," Moreira, a member of the Senate’s environmental committee, told reporters. The UDI senator is among those who believe HidroAysén was an opportunity the energy-strapped country—where electricity bills have already risen sharply in recent years—could ill afford to pass up.

Even people on the political left acknowledge that Chile’s overall energy situation has some serious cost and supply problems. For starters, the country has almost nothing in the way of fossil-fuel resources. For a time, it enjoyed relatively inexpensive access to natural gas from Argentina. That is no longer the case as Argentina, to meet growing demand at home, essentially closed its pipeline to Chile. For political reasons, Chile has also been denied access to Bolivia’s extensive natural-gas resources. Complicating matters even more is the country’s propensity for powerful earthquakes (NotiSur, March 12, 2010), which make the "nuclear option" too risky a road to venture down.

What Chile does have are some very powerful rivers, particularly in the south, where Endesa enjoys a monopoly on nonconsumptive water rights and can be expected to continue proposing—and
constructing, when it can—large-scale hydroelectric dams. "The use of water resources as a clean
and safe primary material favors the country’s competitiveness," Endesa Chile argued in a June 11
press release.

Activists involved in the Patagonia sin Represas movement disagree. Rather than ruin its rivers with
last-century hydroelectric technology, Chile, they argue, ought to adopt new techniques to exploit
nonconventional energy resources such as wind and solar power. Environmentalists believe the
country could also meet a fair share of its energy demands just by focusing on efficiency.

Chile has already made some headway along those lines. On June 6, just four days before the
Comité de Ministros voted to reject HidroAysén, President Bachelet traveled to the Atacama desert
in the north to inaugurate what is now Latin America’s largest photovoltaic (PV) solar generating
plant. The 100-MW facility, Amanecer Solar CAP, was developed by a pair of US companies,
SunEdison and CAP Group. Another firm, First Solar, plans to build an even bigger PV plant (141
MW) in the area. Construction has begun as well on a power station that will use what is known as
concentrating solar power (CSP) technology. Unlike PV (solar panel) plants, which can only provide
electricity when the sun is shining, CSP facilities can provide an uninterrupted power supply.

"Of course we’re taking advantage of the benefits of our geography and climate. The north of our
country offers us … tremendous opportunities for clean, socially accepted energy development," Bachelet said during last month’s Amanecer Solar CAP launch.

And yet as keen as the government is to generate power using solar and other nonconventional
renewable energy sources, Bachelet’s energy plans also involve several projects environmentalists
are likely to oppose. During a dinner late last month with energy-industry leaders, the center-left
leader promised in the next four years to increase Chile’s installed capacity by 2,687 MW—almost
exactly the amount of power HidroAysén would have represented. A large portion of that power
(1,200 MW) will come from nonconventional renewable resources. The rest, though, will come from
large-scale hydroelectric facilities (865 MW) and thermoelectric, i.e. fossil-fuel-burning, plants (622
MW).

Other energy priorities for the Bachelet administration include linking the country’s two main
power grids—the Sistema Interconectado Central (SIC) and Sistema Interconectado del Norte
Grande (SING)—and constructing a liquid natural gas (LNG) terminal along the southern coast.
Chile already has two such facilities, one in the north and the other on the central coast in the
Región de Valparaíso.

"Chile can’t keep waiting," the president said May 15. "We have the conviction and the political will
to ensure that we don’t end up, once again, with nothing more than a simple diagnosis. We want to
be able to feel the changes."

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