

Latin & South America – Energy Transition Executive Brief

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Scope & method: This 3-page brief synthesizes headlines from the internal tracker and complements them with verified, public updates to frame technology, permitting and policy trends relevant to Latin & South America.

Carbon Capture, Transportation and Storage (CCUS / CO₂ T&S) Q2-2026 shows

LATAM's CCS narrative may shift from concept to enabler for wider decarbonization corridors. Colombia moved to tighten well-abandonment rules while explicitly enabling depleted oil wells for geothermal and hydrogen re-use, an indirect but strategic precedent for future CO₂ reinjection sites and subsurface storage siting. Brazil continues to anchor the regional CCS baseline via Petrobras's presalt operations, further reinforced by a USD 7.4 bn investment plan and a rapprochement with Pemex that opens the door to integrated Brazil–Mexico CO₂ management schemes. The strategic implication is that CO₂ transport-and-storage capacity increasingly conditions industrial decarbonization, blue-derivative competitiveness (blue methanol/ammonia in Mexico) and eventual CBAM-exposed LNG exports from Argentina's Vaca Muerta. Complementarily, ANP's ongoing work on Brazil's Marco Legal do CCUS (PL 1425/2022) and pre-salt CO₂-EOR pilots by Petrobras and Equinor are expected to translate into first bankable CCS FIDs by 2027, favoring EPC/technology providers positioned in CO₂ compression, dehydration and pipeline integrity.

Low Carbon Hydrogen

Q2-2026 confirmed a bifurcation between project consolidation and permitting/political stress across LATAM. Brazil consolidated as the regional anchor: CSN inaugurated the largest operational green H₂ plant in Latin America (2.7 MW for steel-mill vehicles), Linde commissioned a 5 MW plant, and a Brazil–Germany partnership disclosed a USD 2.4 bn green H₂ + fertilizer complex ("Morro Pintado", ~80,000 t/y). Brazil also launched an R\$ 150 M funding call for domestic electrolyser manufacturing and confirmed its first clean H₂ subsidy auction for January 2027, backed by R\$ 18.3 bn in tax credits under PHBC. In Chile the picture was mixed: Quintero Bay permits were upheld, a 10% H₂-blending pilot was injected into a residential gas grid, and NorQuim's USD 900 M Mejillones project entered EIA, while HNH Energy remained blocked at Estancia San Gregorio due to Consejo de Monumentos observations. Paraguay's Atome took FID on its USD 665 M subsidy-free project and selected Sungrow as electrolyser supplier, but the follow-on 145 MW scale-up entered political risk after an unexpected move by the Paraguayan president. Complementarily, Mexico's Chamber of Deputies unanimously approved a renewable H₂ legal framework; Panamá launched a USD 500 M H₂+BESS auction; and Peru's Arequipa region offered vast public land for renewables and H₂. Uruguay's H₂V Programme and Colombia's updated Hoja de Ruta del Hidrógeno extend the regional pipeline into a second wave targeting 2027–2030.

e-Ammonia

Regional e-ammonia momentum consolidated around Brazilian fertilizer security and European offtake demand. The key Q2-2026 milestone was Thyssenkrupp Uhde being awarded engineering work at Brazilian green ammonia projects, confirming EPC-level maturity of the value chain. This complements the Brazil–Germany USD 2.4 bn green H₂ + fertilizer scheme, which effectively anchors a green ammonia corridor from renewable power to N-fertilizer exports. Externally, the Port of Hamburg booked its first ammonia import capacity for Indian molecules and Grimaldi received its 11th ammonia-ready PCTC, reinforcing the maritime import corridor that Brazilian, Chilean and Paraguayan exporters aim to serve. Chile's HNH and Paraguay's Atome that are two relevant LATAM export-oriented ammonia flagships face risks, heritage/environmental in Chile, political in Paraguay. Complementarily, Fortescue's Pecém (Ceará) project continues advancing permitting, Unigel reactivated feasibility for green-NH₃ retrofits, and HNH is reportedly re-scoping to reduce footprint and reactivate SEA review.

e-Methanol

The most impactful LATAM headline of Q2-2026 was a Texas-based developer breaking ground on a USD 3.3 bn blue-and-green methanol plant in Mexico, one of the largest FIDs in the Americas for the molecule and a strategic play to serve maritime bunkering demand under IMO's 2028 GHG pricing framework. Beyond this milestone, Brazil's push to electrify and defossilize its port sector — combining shore power with e-fuel supply hubs — signals an emerging domestic e-methanol demand pull. Global signals reinforcing LATAM's competitiveness include Ineos's USD 1.7 bn blue methanol plant in Texas and the Indian offtake of 250,000 t/y RFNBO methanol, both of which set price references relevant for LATAM exporters. Complementarily, HIF Global's Haru Oni continues expansion engineering toward commercial scale, Uruguay's HIF Americas (Paysandú) advanced environmental permitting, and Brazil is evaluating e-methanol pathways within the Combustível do Futuro framework (Law 14.993/2024). Scaling e-methanol requires coordinated power, water, CO₂ and port interfaces, favoring developers/EPCs able to deliver integrated "corridor + terminal + plant" solutions.

e-SAF (Sustainable Aviation Fuel)

LATAM's most notable e-SAF headline was Ecopetrol and GIZ partnering on an e-SAF feasibility study at a Colombian refinery, effectively opening the door for the region's first refinery-integrated Power-to-Liquids pathway. The strategic backdrop was set globally by SAS's warning that Scandinavia alone needs at least one green-H₂-based SAF plant online by 2032 to meet the EU ReFuelEU Aviation mandate, KLM's first commercial passenger flight using a green-H₂-based fuel blend, and South Africa's first e-SAF project lining up technology suppliers — providing an execution benchmark for LATAM developers. Complementarily, Brazil's Combustível do Futuro law introduced a national SAF mandate (1% by 2027 → 10% by 2037); Raízen and Vibra are evaluating ATJ routes; LATAM Airlines and Gol signed non-binding SAF offtake MoUs; and Chile launched its national SAF Roadmap in H1-2026. As with e-methanol, e-SAF economics in LATAM remain coupled to low-cost renewables, CO₂ sourcing and certification/export acceptance.

Renewable Fuels

Renewable-fuel developments in Q2-2026 were dominated by Brazilian biofuel scale-up. Petrobras approved a USD 1.2 bn biofuel plant investment in São Paulo, a landmark FID consolidating a co-processing and HVO/SAF-ready refining strategy at NOC level. Sudene approved a loan for a 170 MW solar complex, and BNDES-backed schemes support solar generation adjacent to biofuel clusters — decarbonizing electricity inputs of ethanol/biodiesel plants. Brazil's port decarbonization initiatives blending electrification with e-fuels confirm the convergence of biofuels and Power-to-X within single logistics corridors. Complementarily, Argentina extended its biodiesel/bioethanol blend regulation, Colombia raised biodiesel mandates for public transport, and Paraguay confirmed exportable ethanol volumes toward EU RED III-compliant markets. Regional bio-based volumes remain the most cost-competitive near-term decarbonization vector across LATAM.

Eventual Others (significant topics outside the themes above)

Renewables + storage acceleration was the dominant cross-cutting theme: Chile saw Zelestra energise a 1 GWh BESS, Grenergy close a USD 268 M solar-BESS debt package, and Suncast disclose >4 GW of solar in Antofagasta; Argentina received strong bids for its 700 MW BESS tender and YPF Luz inaugurated a 305 MW solar farm in Mendoza; Peru advanced 2,400 MW of solar across 13 projects. Chile's Biobío region received a USD 5.1 bn wind + BESS mega-project into environmental review, and Brazil added 1.1 GW of renewables in March 2026 alone. Corporate PPAs accelerated, TikTok's Brazilian data centre secured a USD 2 bn wind PPA, signaling hyperscaler-driven demand for 24/7 clean power. A macro concern remains: South America is losing pace in renewables installation despite the global record, a warning for future green-molecule competitiveness. Finally, Aguas Antofagasta and MAE advanced a water-reuse scheme to supply the Volta green H₂ project, a critical enabler for arid-zone electrolysis.

Strategic Summary Q2-2026 confirms LATAM is transitioning from ambition to execution, but with a widening intra-regional gap. Brazil consolidates as the regional anchor across the full value chain, backed by legislation and NOC capex, the window opens for early positioning in EPC, licensor selection and offtake structuring for the January-2027 auction. Chile retains technological leadership but faces permitting and social-license bottlenecks eroding first-mover advantage. Opportunity lies in advisory, water-reuse integration and SEA-resilient project design. Paraguay emerged as a low-cost, subsidy-free green H₂ hub via Atome's FID, though political risk requires modularization and country-risk hedging. Mexico's renewable H₂ framework and the USD 3.3 bn methanol FID reinforce its role as North-American Power-to-X gateway. LATAM's Q2-2026 evidence base points to derivatives — ammonia, methanol, e-SAF, biofuels — rather than pure H₂, as the near-term monetization path, driven by European and Asian offtake mandates. Firms with modularization capability, water-integration expertise and multi-country risk management are best positioned to capture the 2026–2028 execution window.

Item n°	Workstream	News title used in the brief	Date	Source
1	Eventual others	A US\$5.1 billion wind farm and BESS megaproject has entered environmental assessment in the Biobio region	01-abr-26	Link
2	Eventual others	Suncast plans more than 4,000 MW of solar power in Antofagasta and positions AI as a critical axis of the electrical system	01-abr-26	Link
3	Eventual others	Argentine province starts quick BESS tender to select bids for state scheme	01-abr-26	Link
4	Eventual others	Brazil adds 1.1 GW of renewables capacity in Mar 2026	01-abr-26	Link
5	Low Carbon Hydrogen	Panama demands BESS storage in its green hydrogen auction: \$500 million technological bet	15-abr-26	Link
6	Eventual others	Peru plans 2,400 MW of solar power with a portfolio of 13 projects in the south of the country	15-abr-26	Link
8	Low Carbon Hydrogen	Brazil: Latin America's largest operating green hydrogen plant inaugurated (CSN 2.7 MW)	17-abr-26	Link
9	e-Ammonia	HNH Energy submits supplementary addendum and Kast government services must give their approval	18-abr-26	Link
10	Carbon Capture, Transportation and Storage	Colombia tightens rules for closing oil wells and enables their use in geothermal and hydrogen	20-abr-26	Link
11	Low Carbon Hydrogen	Atome takes final investment decision on \$665m subsidy-free green hydrogen project in Paraguay	22-abr-26	Link
12	e-Ammonia	Brazil-German partnership reveals plan for \$2.4bn green hydrogen and fertiliser project (Morro Pintado)	23-abr-26	Link
13	Low Carbon Hydrogen	Linde subsidiary launches 5 MW green hydrogen plant in Brazil	23-abr-26	Link
14	Eventual others	South America loses pace in renewable energy installations despite global record	23-abr-26	Link
15	Eventual others	Peru's Arequipa region offers vast land for renewables, H ₂ development	27-abr-26	Link
16	e-Methanol	Texas developer breaks ground on \$3.3 bn blue and green methanol plant in Mexico	28-abr-26	Link
17	Low Carbon Hydrogen	NorQuim submits US\$900 million megaproject in Mejillones for environmental assessment	30-abr-26	Link
18	Low Carbon Hydrogen	Chile upholds permits for Quintero Bay green H ₂ project and new power line	01-may-26	Link
19	Low Carbon Hydrogen	Mexican Chamber of Deputies unanimously approves legal framework for renewable hydrogen	07-may-26	Link
20	Renewable Fuels	Sudene okays loan for 170 MW solar complex in Brazil	08-may-26	Link
21	Eventual others	Greenergy clinches USD 268 M debt deal for Chilean solar-BESS hybrid	11-may-26	Link
22	Renewable Fuels	Brazil promotes initiatives focused on the port sector (electrification + e-fuels)	13-may-26	Link
23	Eventual others	Zelesra energises 1 GWh BESS at solar-plus-storage site in Chile	14-may-26	Link
24	e-Ammonia	HNH Energy still hasn't resolved its impact on Estancia San Gregorio: Council of Monuments maintains its observations	17-may-26	Link
25	Eventual others	Argentina's YPF Luz cuts ribbon at 305 MW solar farm in Mendoza	18-may-26	Link
26	Carbon Capture, Transportation and Storage	Petrobras will invest US\$7.4 billion in Brazil amid rapprochement with Pemex	19-may-26	Link
27	Eventual others	TikTok data centre in Brazil to benefit from USD 2 bn wind power deal	19-may-26	Link
28	Low Carbon Hydrogen	Atome picks Chinese electrolyser maker Sungrow for flagship green hydrogen plant in Paraguay	22-may-26	Link
29	Low Carbon Hydrogen	Brazil: \$123.5 million in loans approved to advance the energy transition at the Pecém Complex	25-may-26	Link
30	e-Ammonia	Thyssenkrupp Uhde gets job at Brazilian green ammonia projects	09-jun-26	Link
31	Low Carbon Hydrogen	Atome's 145 MW post-FID green hydrogen project in Paraguay now at risk of cancellation	17-jun-26	Link
32	Low Carbon Hydrogen	Brazil launches R\$150m funding call to develop the country's own electrolysers	17-jun-26	Link
33	e-SAF	Ecopetrol, GIZ partner on e-SAF study at Colombian refinery	23-jun-26	Link
34	Renewable Fuels	Petrobras approves USD 1.2 bn biofuel plant investment in São Paulo	23-jun-26	Link
35	Low Carbon Hydrogen	Agua Antofagasta and MAE are moving forward with a project that will reuse water to supply Volta	24-jun-26	Link
36	Low Carbon Hydrogen	Brazil to hold first clean hydrogen subsidy auction in January 2027	25-jun-26	Link
37	Eventual others	Argentina receives wave of price bids for 700 MW BESS tender	25-jun-26	Link