

Latin & South America – Energy Transition Executive Brief

Date: 31 Mar 2026

Scope & method: This 2-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)

Latin America's CCUS narrative is increasingly driven by energy security and system resilience, not only decarbonization. In practice, the region's most mature CCUS activity remains offshore CO₂ capture and reinjection in Brazil's pre-salt (Santos Basin), and Petrobras has moved to extend this trajectory via a first CCS pilot integrating capture/transport/storage in Rio de Janeiro state. The strategic implication is that CO₂ transport and storage capacity will become a gating factor for both industrial decarbonization and synthetic fuels at scale, strengthening the case for multi-vector corridors (parallel hydrogen/CO₂ lines, shared rights-of-way).

Low Carbon Hydrogen

Q1-2026 headlines show a re-pricing of execution risk: several flagship initiatives face permitting, licensing, or sponsor pull-backs—e.g., AES abandoning a ~\$10bn green hydrogen project in Chile, and a federal court suspension of a massive ~3GW project in Brazil. In Chile, multiple items point to a slowdown and “pause” dynamic (Magallanes closing 2025 without new project approvals; government acknowledging a pause; industry commentary on slower progress), emphasizing environmental permitting and bankability constraints. Counterbalancing this, Chile deployed demand-side support: Corfo backed hydrogen refuelling and industrial chemicals projects with ~US\$10m, signaling a pivot from “megaproject announcements” toward bankable local offtake and learning-by-doing. Additional traction is visible in Uruguay's export-oriented hydrogen derivatives, where a gigawatt-scale H₂ + methanol concept progressed via a German offtake alignment, and in Brazil where smaller hubs (e.g., Rio Grande do Sul) illustrate early industrial/logistics clustering. Safety and operability are also surfacing: microbial corrosion risks and vessel design safety needs were explicitly flagged, underscoring that H₂ scale-up is as much an integrity/standards challenge as a cost challenge.

e-Ammonia

Regional e-ammonia momentum is increasingly tied to fertilizer security and industrial decarbonization, with Chile positioning “green fertilizers” as a climate/industry lever and multiple projects targeting ammonia/fertilizer value chains. The standout market signal is Paraguay's Villeta project, which reached a major bankability milestone via a ~US\$420m financing package for a clean hydrogen-based fertilizer plant, demonstrating that concessional/development finance structures can unlock first-of-a-kind assets in the region. In parallel, Colombia's first industrial-scale initiative indicated the potential to produce green

ammonia around ~\$800/t (per feasibility framing in sector coverage), highlighting improving cost trajectories in select locations when renewables, logistics, and project structure align. Overall, e-ammonia in Latin America is shifting from “strategic intent” to financeable projects anchored in real commodity demand (fertilizers), which may scale faster than purely export-spec H₂ molecules.

e-Methanol

e-methanol emerged as one of the most concrete “next molecules” in Q1-2026, especially where projects link to maritime fuels and export corridors. Chile’s Biobío region explicitly aims to consolidate as a synthetic fuels pole with green methanol, consistent with Chile’s broader strategy to integrate hydrogen and e-fuels into decarbonization pathways. Uruguay’s Paysandú concept strengthened credibility through a German offtake framework (~100,000 t/y e-methanol)—a critical step because e-methanol economics are highly sensitive to contracted offtake, certification, and port logistics. Mexico also appeared with plans to begin construction on a large (million-tonne-scale) blue/green methanol facility, reinforcing that the region is attracting large-unit “molecule platforms” where carbon management and industrial infrastructure can be bundled. It is concluded that 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)

Direct e-SAF headlines are limited, but the regional trajectory is clear: Brazil is building a regulatory market for SAF under its Fuels of the Future framework via the National SAF Program (ProBioQAV) and public consultation on the implementing decree—using a certificate mechanism (CS-SAF) conceptually similar to book-and-claim structures. Commercially, Brazil has already seen early SAF imports and refinery testing paths, but also persistent barriers: price premiums and incomplete regulation still constrain large investment cycles. From a technology perspective, Latin America’s most credible near-term SAF scale is likely bio-SAF routes (HEFA/AtJ where feedstocks allow), while e-SAF will remain coupled to the same bottlenecks as e-methanol/e-fuels: low-cost renewables, CO₂ sourcing, and certification/export acceptance.

Eventual Others (significant topics outside the themes above)

Permitting and execution risk is a dominant cross-cutting theme: Chilean headlines repeatedly point to environmental approval bottlenecks (e.g., Magallanes lacking new approvals; broader “pause” narratives; megaprojects reaching a critical point), while Brazil’s court-ordered stoppage shows that licensing risk can crystallize abruptly at scale. At the same time, the region continues to build its enabling backbone: Chile advanced BESS integration with wind, and multiple renewables financings and additions appeared (e.g., Brazil adding new renewables capacity; Argentina wind financing; Peru solar awards/financing).

Item n°	Workstream	News title used in the brief	Date	Source
1	Eventual others	Magallanes ended 2025 without any new projects approved by the SEA	05-ene-26	Link
2	Eventual others	Bio Bio seeks to consolidate itself as Chile's synthetic fuels hub with green methanol production	05-ene-26	Link
3	Low Carbon Hydrogen	Federal court suspends license for massive 3GW green hydrogen project in Brazil and orders work to stop	15-ene-26	Link
4	e-fuels	HIF Global to provide green hydrogen-based fuels for tourists in southern Chile and Antarctica this summer	20-ene-26	Link
5	Eventual others	Environmental Service issues favorable recommendation for the Faro del Sur Wind Farm project	23-ene-26	Link
6	Low Carbon Hydrogen	AES abandons giant \$10bn green hydrogen project in Chile	26-ene-26	Link
7	Eventual others	Engie advances in the first BESS system associated with a wind farm in Chile	01-feb-26	Link
8	e-fuels	HIF Global adjusts its mega green hydrogen plant to strengthen Brazil's competitiveness	13-feb-26	Link
9	e-fuels	Construction set to begin on two million tonnes-per-year blue and 'green' methanol plant in Mexico	17-feb-26	Link
10	e-ammonia	Colombia's first large-scale green hydrogen project 'will be able produce green ammonia at about \$800 per tonne'	20-feb-26	Link
11	Eventual others	PCR gets loan for 185-MW wind project with ArcelorMittal in Argentina	09-mar-26	Link
12	Eventual others	Brazil adds 743 MW of renewables capacity in Feb 2026	10-mar-26	Link
13	Eventual others	Brazil: Port of Fortaleza receives 76 structures for electric power development	24-mar-26	Link
14	e-fuels	NorQuim submitted a \$1.2 billion megaproject proposal for an e-methanol production complex in Mejillones	27-mar-26	Link
15	e-ammonia	ATOME and IFC advance in pioneering green fertilizer project with clean hydrogen	27-mar-26	Link