

Chile Makes Bold Air Quality Commitment by adopting a district energy strategy

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- Air pollution is responsible for 4,000 annual cases of premature death by cardiovascular diseases in Chile.
- Cost to the administration 690 million dollars per year associated to medical expenses and reduction of labor productivity.

3 April, 2017, New York City - The Government of Chile today announced the adoption of a new district energy strategy to improve air quality for its citizens at the Sustainable Energy for All Forum.

Air pollution is responsible for 4,000 annual cases of premature death by cardiovascular diseases in Chile and cost to the administration 690 million dollars per year associated to medical expenses and reduction of labor productivity- according to the first environmental report from the Ministry of Environment 2014.

“Our cities are struggling to tackle air pollution from burning firewood for heating. This is causing an urgent health crisis for our citizens,” said the country’s Environment Minister Marcelo Mena. “District energy provides the infrastructure to use diverse clean, local energy sources for heating, such as waste heat, geothermal, and heat pumps, helping to address air pollution.”

“In collaboration with UN Environment and its partners we have initiated Chile’s first district energy strategy. This strategy will set in motion the policies and investments required to demonstrate and scale up this solution in our cities and regions. We are considering up to \$60 million in soft loans and financial instruments to support this vital solution as part of our sustainable heating strategy,” he said.

Temuco, a city of 290,000 inhabitants in Chile’s south, is one of the cities that has signed up to receive support from UN Environment’s District Energy in Cities Initiative, a public-private partnership. Temuco’s air quality is the third-worst in Chile, with dangerous pollutant concentrations five times higher than World Health Organization standards. Some 93 per cent of this air pollution is attributed to wood burning for heating single-family homes. UN Environment’s preliminary assessment in Temuco reveals that a hybrid district energy project could reduce particulate emissions and greenhouse gases by 99 per cent. Furthermore, by implementing a hybrid district energy approach using biomass cogeneration and heat pumps, some individual homeowners could reduce their costs for space heating and domestic hot water to up to 25 per cent.

Lessons from analysis of Temuco and other cities, such as Renca (a commune of Santiago), are shaping the response of the national government to meet its ambition of eliminating particulate emissions from the heating sector. The assessments are helping to identify policies, regulations and financial instruments that will be included in the national sustainable heating strategy.

“We must transform our urban systems to meet the challenges of sustainability and climate. “ said GEF CEO and Chairperson Naoko Ishii “Through this partnership, we can provide awareness raising, policy advice and technology transfer directly to sub-national governments ready to take action.”

Helping cities meet the sustainable energy development goal and follow the Paris Agreement is the overarching objective of this Initiative whose success relies on the knowledge transfer within its public-private platform.

“Transitioning our cities to a sustainable future will rely on ambitious action on energy efficiency and renewable energy at all levels. Both public and private sectors need to join efforts to help this transition become a reality. The District Energy in Cities Initiative, led by UN Environment, offers a unique platform for public-private collaboration to help

cities and countries like Chile scale up district energy in their regions,” said Ibrahim Thiaw, Deputy Executive Director of UN Environment.

Since its creation, the Initiative has provided policy advice and completed several techno-economic studies on the potential of implementing district energy in countries such as China, India, Serbia, Bosnia-Herzegovina and Chile.

Danfoss President and CEO, Niels B. Christiansen, said: “As co-convenor of the District Energy in Cities Initiative, we are delighted to have worked with UN Environment and its many partners to provide expertise to the development of Chile’s roadmap on district energy. Knowledge dissemination and expertise around proven solutions like district energy through this Initiative combined with the vision of mayors and country decision-makers to develop the sustainable city of tomorrow has made this work in Chile an exemplar of the impact of public-private partnerships.”

The Initiative is now in its third year and welcomes new partners and contributors.

NOTES TO EDITORS

Additional quote

“Decarbonization and decentralization are at the heart of our energy transition strategy. Sharing our private sector DES expertise with local governments, helps them draw up the master plans that will ensure continuous and independent supplies of clean, safe and environmentally-friendly energy for their communities. If they reach their goal of making their communities healthier by eliminating carbon-heavy and noxious power generation techniques and incorporating sources of renewable energy into their base, that will also make for a healthier planet and will help us reach our own goals,” said Pierre Loyer, President and CEO of ENGIE Services North America.

About the District Energy in Cities Initiative

The District Energy in Cities Initiative is a multi-stakeholder partnership coordinated by UN Environment, with financial support from Danida, the Global Environment Facility, and the Government of Italy. As one of six accelerators of the Sustainable Energy of All (SEforAll) Energy Efficiency Accelerator Platform, launched at the Climate Summit in September 2014, the Initiative supports market transformation efforts to shift the heating and cooling sector to energy efficient and renewable energy solutions. The Initiative aims to double the rate of energy efficiency improvements for heating and cooling in buildings by 2030, helping countries meet their climate and sustainable development targets. The Initiative supports local and national governments build local know-how and implement enabling policies that will accelerate investment in modern – low-carbon and climate resilient – district energy systems. UN Environment is currently providing technical support to cities in seven countries including Bosnia and Herzegovina, Chile, China, India, Malaysia, Morocco and Serbia.

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