

Energy Transition Law



December 27, 2024 | By [Diego Peña](#), [Roberta Andreani](#) and [Martín Villalobos](#)

Today, Law No. 21.721 was published in the Official Gazette, which modifies the General Law of Electric Services (LGSE by its Spanish acronym) regarding energy transition, positioning electric transmission as an enabling sector for carbon neutrality.

This reform reinforces the key role of electricity transmission in the energy transition, encouraging infrastructure development, promoting competition, and boosting storage through more excellent facilities and efficiency in the electricity market.

A more significant deployment of electricity transmission infrastructure will be sought through three main pillars:


- i) Electricity sector and climate change
- ii) More efficient development of transmission works
- iii) Promoting competition and encouraging warehousing.

For its implementation, the following amendments are introduced, among others, to the LGSE:

- Article 91 bis is incorporated, which contemplates the possibility of excluding the works cataloged as "necessary and urgent" from the transmission planning process by the Ministry of Energy and detailing its procedure, which will be more expeditious.

- The valuation of new works and expansions to be executed as necessary and urgent works may not exceed the percentages indicated in the law calculated concerning the average value of the transmission planning processes.
- It incorporates the possibility for generating companies to propose and finance expansion works in their transmission facilities at their own risk. Likewise, Article 95 is replaced, assigning the owners of works to expand the role of carrying out the bidding process and supervising its correct execution under the supervision of the National Electric Coordinator.
- In the event of early termination of the contract awarded for the execution of an expansion work, the owner of the work will be responsible for its execution in due time and form. For such a purpose, he may alternatively take immediate possession of the works himself or re-bid its execution, and he may request a revision of the investment value (V.I.) according to the mechanism of Article 99.
- Regarding ongoing processes and awarded works, transitional rules are contemplated to request the National Energy Commission to review the awarded investment value (V.I.).

The Ministry of Energy shall issue or amend the regulations to implement the provisions of this law within one year of its publication in the Official Gazette. Until such rules or modifications enter into force, the provisions of the law shall be subject to the terms, requirements, and procedures established therein and those established by exempt resolution of the National Energy Commission.

	<p>Contact: For more information, please contact: Diego Peña Partner dpena@dlapiper.cl</p>
---	--

** This report provides general information on certain legal or commercial issues in Chile, and is not intended to analyze in detail the matters contained herein, nor is it intended to provide specific legal advice on such matters. The reader is advised to seek legal advice before making any decision regarding the matters contained in this report. This report may not be reproduced by any means or in any part without the prior consent of DLA Piper Chile.*