

## **CORFO CREATES GREEN CREDIT TO BOOST INVESTMENT IN RENEWABLE ENERGY, ENERGY EFFICIENCY AND CIRCULAR ECONOMY PROJECTS.**

On June 11, 2020, Resolution No. 29/2020 (“RES 29”) of the Chilean Economic Development Agency (“CORFO”), which approved the regulations that will govern the “Green Credit” program, was published in the Official Gazette. The RES 29 aims to endorse the investment in renewable energy projects during the economic contingency arising post Covid-19.

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[https://www.corfo.cl/sites/cpp/sala\\_de\\_prensa/nacional/10\\_06\\_2020\\_corfo\\_crea\\_credito\\_verde](https://www.corfo.cl/sites/cpp/sala_de_prensa/nacional/10_06_2020_corfo_crea_credito_verde)  
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The Green Credit program is focused in the refinancing of long term credits granted by financial intermediaries (“IFI”) to investments made by private companies for the construction, operation and commissioning of projects destined to: (i) the generation and/or storage of Non-Conventional Renewable Energies (“NCRE”), including self-supply projects; (ii) energy efficiency, connected with the optimization of the energy resource’s use and the reduction of costs associated to energy consumptions in companies; and (iii) environmental improvement measures in productive processes, which entails initiatives of circular economy, such as recycling and waste management companies. The programs has a total budget of US\$ 39 million for the year 2020.

The Green Credit will consist in a loan granted by the CORFO to the IFI in order for the latter to refinance credits and operational leasing granted in favor of the benefited companies. In order to access to this credit, the IFI must submit their refinancing request application to the CORFO, incorporating the information identified in section 4.5 of the RES 29 regarding the projects and their financing structure. In order to access to the Green Credit, the IFI must fulfill the eligibility criteria contained in section 5.2 of the RES 29.

RES 29 considers as eligible companies all such companies that

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register annual sales of up to UF 600,000 (approx. US\$ 2.2 million), being able to access to a total financing of up to 70% of the total investment, for a maximum term of 15 years. According to the projections, the average of the credits could amount to around US\$ 250,000 for circular economy, energy efficiency or self-supply initiatives, and US\$ 7 million for NCRE generation projects.

The resources granted by means of this program may be used to finance the acquisition of machines and equipment, carrying out constructions and civil works, engineering and montage services or the like required by the companies to implement their respective projects, as well as financing working capital associated to such investments.

It is expected that the first IFI will be habilitated during July 2020.

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