

GOVERNMENT SUBMITS BILL ON ELECTRICITY TARIFF PROTECTION

On June 22, 2026, the President of the Republic submitted a bill on electricity tariff protection to the Chamber of Deputies, within the framework of the 2026-2030 Energy Roadmap. The initiative seeks to enable a reduction in electricity tariffs for regulated customers, regularize distribution and transmission tariff-setting processes, and improve supply security and quality.

The bill responds to the significant increases that tariffs have experienced in recent years, especially as a result of the tariff unfreezing under Law No. 21,667 (which also sought to mitigate it through an electricity subsidy) and delays in tariff-setting processes.

Main pillars of the bill

The measures are structured around three pillars:

1. Mitigation of the tariff impact. The currently applicable tariffs for distribution added value (i.e., the remuneration received by distribution companies for the use of their infrastructure) correspond to those established for the 2020-2024 tariff period. Those tariffs entered into force with a 43-month delay, during which distribution companies applied the tariffs from the immediately preceding tariff period. As a result, billing differences arose in an approximate total amount of US\$900 million, which must begin to be settled in favor of the distribution companies as from July 2026. To address the tariff increase entailed by that settlement, in addition to extending the electricity subsidy in favor of vulnerable families, the bill proposes, among other measures, the following:

(i) Provide that the payment of settlements in favor of distribution companies be made with funds from the Tariff Stabilization Fund;

(ii) Creation of a new temporary charge of CLP 5 per kWh, payable by regulated customers in the applicable monthly bills issued as from January 1, 2028. This charge will be used to finance the Tariff Stabilization Fund and, in particular, the balance owed to distribution

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companies no later than January 31, 2035;

(iii) Document the outstanding balances payable to distribution companies in credit instruments issued by the General Treasury of the Republic.

Similar to the securitization processes known as PEC I, II and III, the proposed mechanism will allow distribution companies to finance the outstanding balance payable against such instruments, recovering the amounts owed without passing through an immediate tariff impact to final customers, which opens a financing opportunity for investors and financial institutions.

In addition, an exceptional and one-time power is incorporated so that the CNE, with the prior authorization of the Ministry of Energy, may establish voluntary mechanisms to amend supply contracts in force between generation companies and regulated customers, in order to reduce the energy component of the bills payable by regulated customers.

2. Tariff regularization and certainty. The deadlines for ongoing tariff-setting processes are regularized: in distribution, the formulas for the 2024-2028 four-year period are extended until 2030; in transmission, Decree No. 7T of 2022 is extended until December 31, 2028, providing certainty to the VATT 2029-2032 process.

In addition, a voluntary reporting procedure is created to correct errors in transmission inventories.

3. Service security and quality. Distribution companies are authorized to submit investment plans (complementary to VAD remuneration) aimed at reducing supply interruption times. The grounds on which the Ministry of Energy may issue preventive measures in response to supply deficits are also expanded.

Legislative process

The bill, publicly known as “Ordenemos la cuenta” (“Let's order the bill”), was submitted to the Chamber of Deputies, where its legislative process began. The initiative was submitted with immediate discussion, i.e., the highest legislative urgency classification, and the Executive Branch estimates that the law could be approved in July 2026.

The bill includes various transitional provisions with short

implementation deadlines. Among them, the SEC must issue the report determining the amounts owed to the companies within 40 business days from publication of the law, while the implementing regulations must be issued within six months and the CNE resolutions requiring updating must be issued within 20 business days.

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