

AN EXCEPTIONAL ENERGY CASE STUDY

GAS CONVERSION OF PRIVATE VEHICLES IN CHILE

Photo credit: Canva

THE PATH TO A NEW ENERGY MATRIX

In June 2020, as part of the 40 measures of the Economic Recovery Agenda, the Government of Chile formalised the end of the ban on LPG conversions on private vehicles. In 2018, the World LPG Association (WLPGA) advocated for deregulation in the first LPG transport seminar “VEHICULAR GAS: Available Energy Today, Ready for Tomorrow”, organised by Gasco and Sociedad de Fomento Fabril (SOFOFA), which opened the debate on this topic.

This Exceptional Energy case study delves into the role that both WLPGA member, Gasco and WLPGA played in initiating discussions for this regulatory change.



WORLD LPG ASSOCIATION

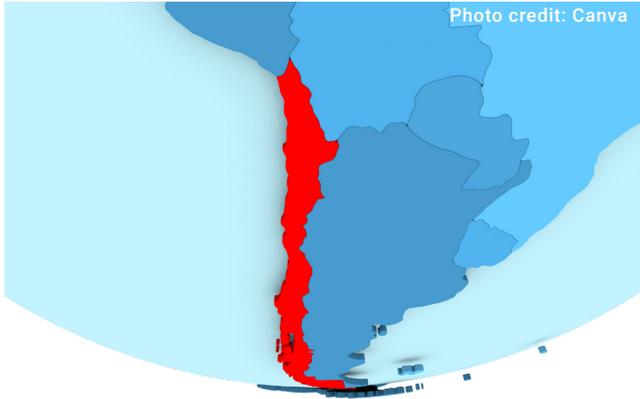
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1. The Challenge

The global COVID-19 pandemic has made the environment one of the primary concerns both in Chile and in the rest of the world. The Chilean government recently authorised the conversion to LPG, known as Autogas, for private vehicles in order to promote cleaner fuels.

Getting to this point required several years of discussion; but at the same time the industry continued to develop this technology for commercial vehicles, collective taxis and high-displacement vans, which were in fact authorised to use Autogas.



2. The Solution: Knocking on the Doors of Government

In the years prior to this regulatory change, Chilean LPG distributors, principally Gasco, held several meetings with the Ministries of Finance, Energy and Transportation to propose changes in the Specific Fuel Tax (IEC), with the aim of promoting competition between more types of fuels (cleaner) and thus avoiding a fleet of "diesel-only" vehicles, which would provide both economic and environmental benefits for users.

These meetings were the first instances in which the Government of Chile was informed on the benefits of Autogas and the importance of making changes to regulations in order to promote its use.

Before this, the public sector had only looked at electrification to promote emission reductions as part of public policy, without having considered Autogas as a transition fuel for which the technology is already available and at competitive prices.



3. Milestones that Paved the Way

In addition to meeting with Government, distributors continued to play a key role in developing this measure through:

- Promotion of meaningful investments to encourage conversions.
- Sealing partnerships with automotive brands to bring this technology closer to the consumer.
- Improving the network of service stations and workshops.



El Mercurio, 6 October 2018



El Mercurio, 1 September 2018

In 2018, Gasco and Renault worked together to officially approve the sale of the first factory-manufactured, private use Autogas car in Chile: the Symbol sedan. After extensive work between Gasco and Renault, around 100 units of the Renault Symbol were sold in the first year of commercialisation.

In 2019, Gasco presented its new fleet of light distribution vehicles with 100% gas technology as well as dual gas-diesel and gas-petrol options. They also unveiled a new bulk distribution truck for Latin America with a dedicated LPG engine for industrial and residential use.

Commitment of Authorities and the Role of WLPGA

An important milestone in this process, which had great implications in bringing this measure to fruition, was the first Autogas seminar in Chile, which was held in August 2018. At the seminar, “Gas Vehicles in Transport: Available Energy Today, Ready for Tomorrow”, organised by Gasco in conjunction with the Society for Manufacturing Development (SOFOFA) and the WLPGA, the legislative framework of the industry was addressed, as well as the socio-economic and environmental benefits that come from its use. The seminar presented proposals on how to promote the use of this efficient energy resource in the automotive industry.

The important participation of the WLPGA was key in advocating Autogas within the government’s agenda. The WLPGA took the opportunity to hold meetings with government authorities from energy and transportation sectors, in order to reinforce the importance that Autogas vehicles have had in other countries around the world, and the benefits that promoting such a measure would have for Chile.

Subsequently, several working groups, studies and meetings promoted by the WLPGA, unions and other organisations continued until September 2019, when The Ministry of Economy launched the Economic Recovery Agenda with 40 measures that aimed to accelerate the pace of growth, provide new jobs, and improve the quality of life for Chileans. Included in the package was deregulation on the conversion of private vehicles to Autogas and LNG.

However, the measure that would reduce the cost of fuel for consumers by approximately 35%, not to mention a significant reduction in CO2 emissions and pollutants, was delayed as a result of the social crisis that broke out in October 2019 and the subsequent global pandemic of COVID-19.

4. The Outcome: The Measure is Now Being Implemented

Despite the current health crisis, on the 12th of June 2020, the Chilean government published a new law decree that allows private vehicles, not exceeding five years of age, to convert from petrol to LPG, with conversions that must be carried out in one of the 41 workshops accredited by the Vehicle Certification and Control Center (3CV) operating in the country.

“As the Ministry of Transport and Telecommunications (MTT), we are working on modifying the regulations that provide greater benefits to people and contribute to the environment ... From now on, private vehicles may also opt for conversion to replace petrol by gas, which allows for a savings on fuel of about 35%,” said Undersecretary of Transportation José Luis Domínguez.

The industry is expected to convert around 100,000 private vehicles to LPG. This figure is based on experiences from other countries that have gone through similar processes and on the fact that only vehicles five years' old or less are eligible for conversion.

After the conversion of the vehicle, the owner receives a certificate to present at the Technical Inspection Plant authorised to inspect cars that use gas. Once compliance with all regulations is verified, a new Certificate of Technical Review or Individual Homologation is granted, renewable every six months.

This protocol seeks to ensure that the conversions are carried out in accordance with all safety standards.



Photo credit: Gasco



Photo credit: Gasco

5. Acknowledgement

Gasco, Chile

