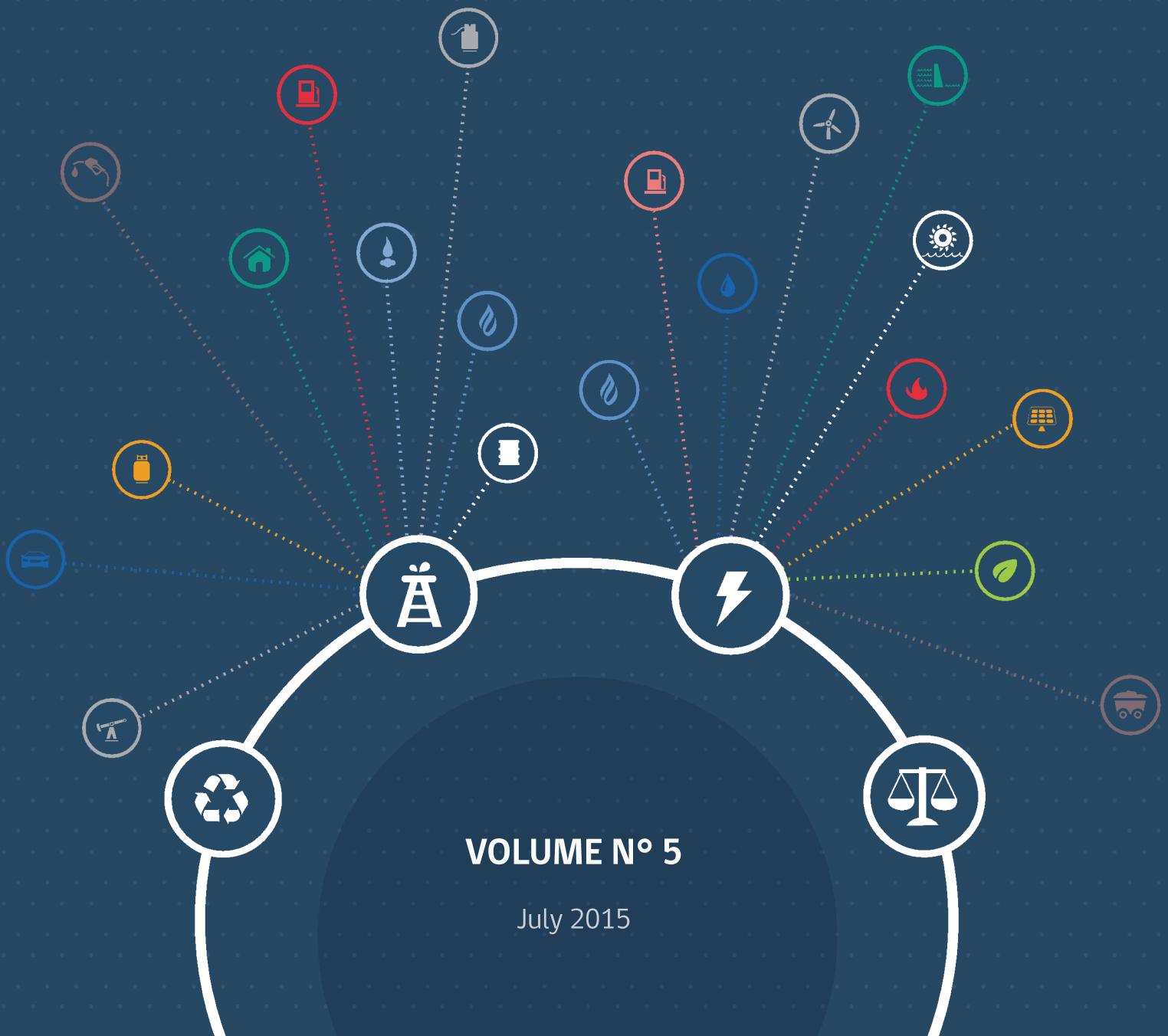
MONTHLY ENERGY SECTOR REPORT

NATIONAL ENERGY COMMISSION



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HIGHLIGHTS

During the last month, the energy sector has witnessed a series of milestones that reflect the hard work of both the National Energy Commission and the Ministry of Energy. The following are among the principal achievements:

Tariff equity bill sent to Congress

Following the announcement in her State of the Nation Address on May 21, President Michelle Bachelet signed the draft tariff equity bill, which was then sent to the Mining and Energy Commission of the Chamber of Deputies as the first step in its congressional process.

The initiative proposes a mechanism to bridge the gap between the different levels of spending on electricity bills by residential customers in different parts of Chile. Through this mechanism, those who consume around 180kWh/month will receive financial support. The mechanism is to be implemented gradually over the next two years following its approval by Congress.

This project also aims to legally establish a discount in regulated municipalities which generate significant amounts of power, based on their existing installed capacity.

CNE travels to Japan and South Korea to promote energy tenders

Representatives of the National Energy Commission (CNE), the Foreign Investment Committee (CIE Chile) and the Association of Electric Companies traveled to Japan and Korea to meet with major power companies in both countries, including TEPCO, Marubeni and Hyundai.

The main objective of this trip was to promote the upcoming electricity supply tender for regulated customers that will be held in April 2016. The tender is for a contract to supply electricity for a period of supply of 20 years, between January 1, 2021 and December 31, 2040.

Publicity was also given to the short" tender bidding process, which is currently open for bids. This tender, which will close in September this year, is for the supply of 1,200 GWh / year of energy.

These processes are the first to be led by the government and have been developed in the framework of the new law on supply tenders for regulated customers, which was enacted in January this year.

Launch of two new websites publishing online bottled and pipeline gas information

Following the success of the online gasoline and paraffin portals, the National Energy Commission has just launched two new websites to enable users to search and compare different alternatives and prices when buying either bottled or pipeline gas.

The National Energy Commission said that these services are now up and running and that they are a tool designed to enable users to access better prices, as the cost differences in any given municipality can be in excess of 3,000 pesos per 15 -kilo bottle and even greater for 45 kilo bottles.

The sites can be accessed at www.gasenlinea.gob.cl and www.gasdered.cl, or through the website of the National Energy Commission, www.cne.cl.

Bill presented in crowded transmission seminar

On June 19, the Ministry of Energy and the National Energy Commission successfully conducted the seminar titled "New electrical transmission law." During the event, the details of the electricity transmission bill were announced. This bill is expected to be signed by President Michelle Bachelet during July and then sent to Congress for approval.

To find out more, please visit this link.

SUMMARY

This report was prepared in **July 2015** in order to provide energy information and statistics for **June 2015**.

The report's content has been organized into four chapters to facilitate analysis. These four chapters provide information about the electricity sector, international and domestic markets for oil and gas, the status and progress of environmental approvals for energy projects, and finally the main regulatory aspects affecting the sector during the month of May.

This publication contains official information from external sources as well as from the National Energy Commission (NEC).

To prepare the report, an average exchange rate of **630. pesos per USD** observed in **June 2015**.

According to Exempt Resolution 312/2015 with date **June 15**, there were **61** electricity generation projects under construction in the SIC and SING, equivalent to a capacity of **5,185 MW.**

The installed capacity of the SIC in may was **15,223 MW** and it was **4,149 MW** in the SING, plus the installed capacity in the Aysén (SEA) and Magallanes (SEM) electricity systems. Together, the four systems with Easter Island and *Los Lagos;* in aggregate represent an installed capacity of **19,535 MW**.

Meanwhile, total electric power generation in the SIC in may was **4,450 GWh**, and in the SING it reached **1,563 GWh**. Therefore, the total generated in **June** was **6,013 GWh**, 4.4% lower than in **May 2015**.

The maximum hourly demand recorded in the SIC and the SING in May were **7,569 MW** and **2,384 MW**, respectively. The maximum in the SIC was recorded on **June 16th** while the measurement in the SING corresponds to **June 26th**, 2015.

Regarding electricity tariffs, it is important to note that the average marginal cost in **June** in the SIC was **88.0 USD/MWh**, a **-45.9%** lower than **May 2015.** In the SING meanwhile, the average marginal cost was **78.1 USD/MWh**, **68.3%**higher than the previous month.

It is worth noting the average market prices recorded in **June** in the SIC and SING which were **99.5 USD/MWh** and **89.7 USD/MWh**, respectively.

In terms of international fuel prices, the Brent crude price in **June** was **61.6 USD/bbl**, **-4.2%** lower than the previous month. Meanwhile, the average price of WTI crude was **59.8 USD/bbl,** higher **0.9%** from the previous month.

The Henry Hub price (international natural gas price reference) decreased **-2.5%** compared to **May**, with an average value of **2.77 USD/MBtu**.

The average price of coal was **91.8** USD/ton, down **-3.3%** over the previous month.

In terms of gasoline prices, those of 93-octane gasoline (unleaded) and diesel should be noted. In May the average domestic price of the former was **CLP 734/liter**, while the average price of the latter was **CLP 553/liter**. In terms of percentages, these represent falls of **0.8%** and **3.6%** respectively in comparison to **May 2015**.

In regard to imports of coal, there was an decrease of -2.6% with respect to the previous month, being USA the primary country of origin. In the other hand, Brazil was the primary country of origin for the crude oil, which reached up to 1.3% of increment in the importation.

A total of **14** energy sector projects were submitted to the Environmental Impact Evaluation System (Sistema de Evaluación de Impacto Ambiental, SEIA): 8 in electricity generation, 3 for electricity transmission and 3 in the oil and/or gas sector. Meanwhile, those already being evaluated represent a total investment of **USD 21,739 million.** In addition, **13** projects related to the energy sector obtained favorable environmental qualification resolutions (*Resolución de Calificación Ambiental*, or RCA) in **June**, and of those, 5 were for electricity generation projects, 4 were for energy transmission projects and/or substations and 4 were for oil and/or gas projects.

Finally, among the most important policy issues that emerged during the month was the publication on June 15 of the terms and conditions for the national and international public tender no. 2015/02 for the supply of electric power to meet the consumption needs of regulated customers. Another highlight was the signing of the bill on residential tariff equity and recognition of local generation by the President of Chile. Finally, on June 24, the Comptroller General's Office approved the regulation of the non-conventional and small generation methods as established in the General Law of Electrical Services

Contents

ELECTRICITY SECTOR

1 Electricity Generation Projects Under Construction

As indicated in Article 31 of the Node Price Setting Regulation (0586/2012), "installations under construction" are defined as generation units, transmission lines and electrical substations that have been granted the respective construction permits for civil works or have been granted the order to proceed in the fabrication and/or installation of the corresponding electrical or electromagnetic equipment for electricity generation, transmission or transformation.

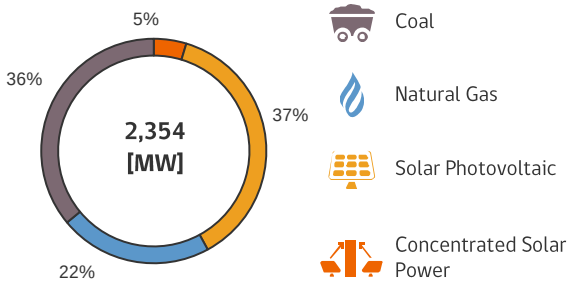
According to Exempt Resolution Num. 312/2015, "Works under Construction Update and Report," as of **June 15th** there were **26** power generation projects under construction in the SING. Together they represent capacity of **2,354 MW** and are projected to begin operation between June 2015 and June 2018.

Projects under Construction in the SING

Category	Date	Project Name	Region	Technology	Capac. [MW]
ERNC	jun-15	Andes Solar	II Región	Solar Fotovoltaica	21
	jun-15	PMGD Pica I	I Región	Solar Fotovoltaica	1
	oct-15	Paruma (ex- San Pedro I)	II Región	Solar Fotovoltaica	17
	oct-15	Pular (ex- San Pedro IV)	II Región	Solar Fotovoltaica	24
	nov-15	Uribe Solar	II Región	Solar Fotovoltaica	50
	dic-15	Atacama I	II Región	Solar Fotovoltaica	100
	dic-15	Quillagua I	II Región	Solar Fotovoltaica	23
	ene-16	Lascar (ex- San Pedro II)	II Región	Solar Fotovoltaica	30
	ene-16	Salin (ex -Calama Sur)	II Región	Solar Fotovoltaica	30
	abr-16	Arica Solar 1 (Etapa I)	XV Región	Solar Fotovoltaica	18
	abr-16	Arica Solar 1 (Etapa II)	XV Región	Solar Fotovoltaica	22
	abr-16	Quillagua II	II Región	Solar Fotovoltaica	27
	may-16	Bolero (ex-Laberinto) Etapa I	II Región	Solar Fotovoltaica	42
	jun-16	Bolero (ex-Laberinto) Etapa II	II Región	Solar Fotovoltaica	42
	jun-16	Finis Terrae	II Región	Solar Fotovoltaica	138
	jul-16	Proyecto Fotovoltaico Huatacondo	I Región	Solar Fotovoltaica	98
	ago-16	Blue Sky 2	II Región	Solar Fotovoltaica	51
	ago-16	Bolero (ex-Laberinto) Etapa III	II Región	Solar Fotovoltaica	21
	oct-16	Blue Sky 1	II Región	Solar Fotovoltaica	34
	oct-16	Bolero (ex-Laberinto) Etapa IV	II Región	Solar Fotovoltaica	41
	feb-17	Quillagua III	II Región	Solar Fotovoltaica	50
	mar-17	Cerro Dominador	II Región	Concentración Solar de Potencia	110
Termoeléctrica	may-16	Cochrane U1	II Región	Carbón	236
	jun-16	Kelar	II Región	GNL	517
	oct-16	Cochrane U2	II Región	Carbón	236
	jun-18	Infraestructura Energética Mejillones	II Región	Carbón	375

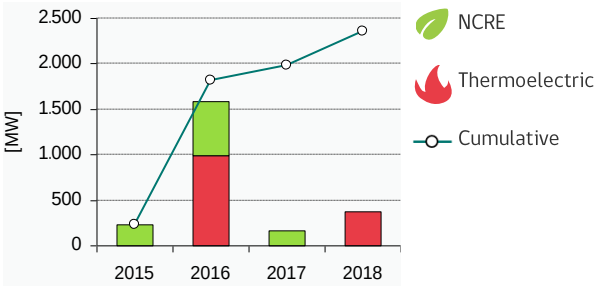
Source: NEC

Total under construction in the SING, by technology



Source: NEC

Projected operation start date, SING



Source: NEC

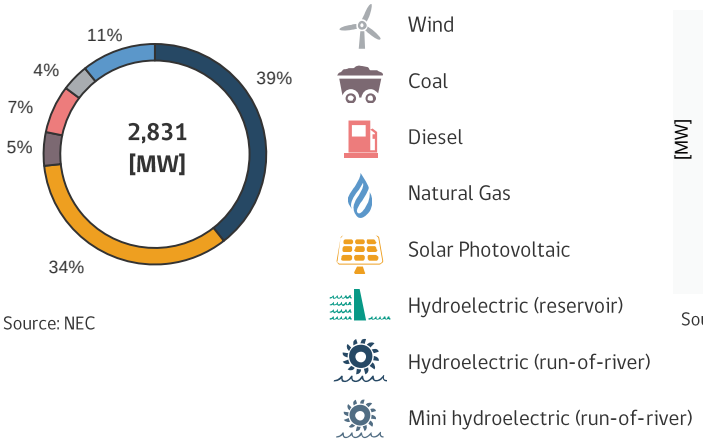
According to Exempt Resolution 312/2015, "Works under Construction Update and Report," as of June 15th there were **35** power generation projects under construction in the SIC. Together they represent capacity of **2,831 MW** and are projected to begin operation between June 2015 and July 2020.

Projects under Construction in the SIC, May 2015

Category	Date	Project Name	Region	Technology	Capac. [MW]
ERNC	jun-15	El Pilar Los Amarillos	III Región	Solar Photovoltaic	3
	jun-15	La Montaña I	VII Región	Mini hydroelectric (run-of-river)	3
	jun-15	Luz del Norte Etapa I	III Región	Solar Photovoltaic	36
	jun-15	Proyecto Solar Conejo (Etapa I)	II Región	Solar Photovoltaic	108
	jul-15	Carilafquén	IX Región	Mini hydroelectric (run-of-river)	20
	jul-15	Itata	VIII región	Mini hydroelectric (run-of-river)	20
	jul-15	Luz del Norte Etapa II	III Región	Solar Photovoltaic	38
	jul-15	Malalcahuello	IX Región	Mini hydroelectric (run-of-river)	9
	sep-15	Chaka Etapa I	III Región	Solar Photovoltaic	23
	sep-15	Chaka Etapa II	III Región	Solar Photovoltaic	27
	sep-15	Quilapilún	RM	Solar Photovoltaic	110
	oct-15	Pampa Solar Norte	III Región	Solar Photovoltaic	91
	nov-15	Guanaco Solar	III Región	Solar Photovoltaic	50
	nov-15	Luz del Norte Etapa III	III Región	Solar Photovoltaic	36
	dic-15	Carrera Pinto	III Región	Solar Photovoltaic	97
	ene-16	Luz del Norte Etapa IV	III Región	Solar Photovoltaic	31
	ene-16	Renaico	IX Región	Wind	88
	ene-16	Valleland	III Región	Solar Photovoltaic	67
	mar-16	Los Buenos Aires	VIII región	Wind	24
	mar-16	PFV Olmué	V Región	Solar Photovoltaic	144
	jun-16	Río Colorado	VII Región	Mini-Hidráulica de Pasada	15
	jul-16	Pelícano	III Región	Solar Photovoltaic	100
Hidroeléctrica Convencional	jun-15	El Paso	VI Región	Hydroelectric (run-of-river)	60
	jun-16	Ancoa	VII Región	Hydroelectric (run-of-river)	27
	jul-17	Ñuble	VIII región	Hydroelectric (run-of-river)	136
	feb-18	Alto Maipo - Central Las Lajas	RM	Hydroelectric (run-of-river)	267
	may-18	Alto Maipo - Central Alfalfal II	RM	Hydroelectric (run-of-river)	264
	dic-18	Los Cóndores	VII Región	Hydroelectric (run-of-river)	150
	jul-20	CH San Pedro	XIV Región	Hydroelectric (run-of-river)	144
Termoelectrica	jun-15	Los Guindos	VII Región	Diesel	132
	jun-15	Planta de Cogeneración Papeles Cordillera S.A	RM	Natural Gas	50
	ago-15	Doña Carmen	V Región	Diesel	67
	sep-15	CMPC Tissue	RM	Natural Gas	5
	dic-15	Guacolda V	III Región	Coal	139
	ene-18	CTM-3	II Región	Cogeneration	251

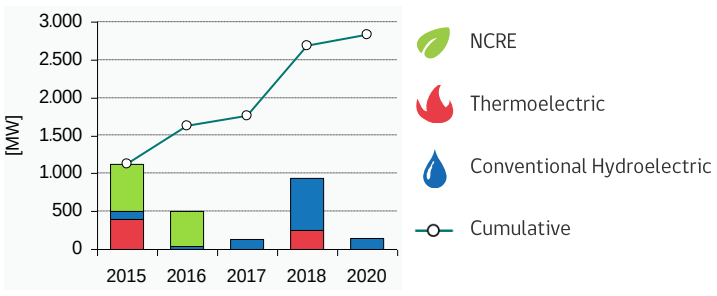
Source: NEC

Total under construction in the SIC, by technology



Source: NEC

Projected operation start date, SIC

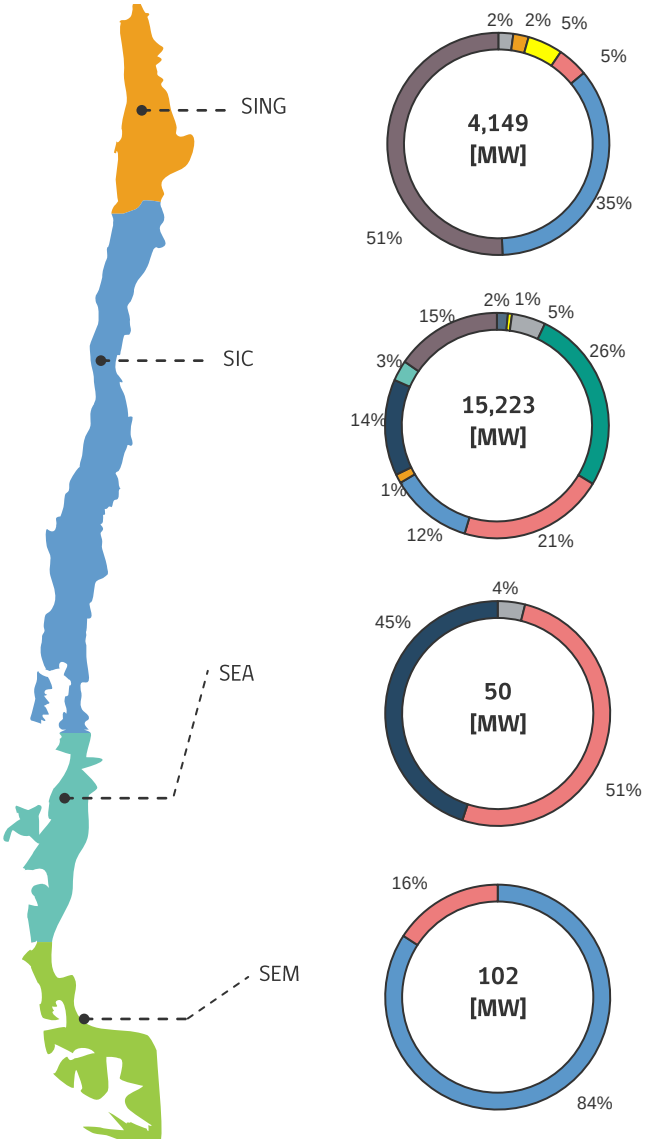


Source: NEC

2 Installed Electricity Generation Capacity

The installed electricity generation capacity as of June 2015 was **(*)19,535 MW**. Of that, **15,223 MW** (**77.9%**) corresponded to the SIC and **4,149 MW** (**21.2%**) to the SING. The remaining 0.8% was distributed among the Aysén and Magallanes electricity systems. As of May, 60% of the country's total installed capacity is represented by thermoelectric generation, while 31% is hydroelectric and 9% is NCRE.

Installed Capacity by Technology



Source: CDEC-SIC / CDEC-SING and NEC

Installed capacity by system

System	Capacity [MW]	Capacity [%]
SING	4,149	21.3%
SIC	15,223	78.0%
SEA	50	0.3%
SEM	102	0.5%

Source: CDEC-SIC / CDEC-SING and NEC

Power generation plants in testing phase

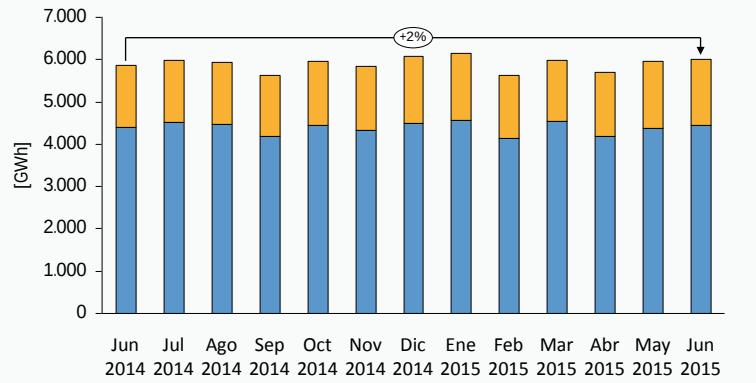
In addition to the total installed capacity, there are 14 synchronous power generation plants with their respective electricity systems that have not yet been approved for dispatch by the CDEC (in the testing phase). Of these, **10** plants are in the SIC (with a total capacity of **272.6 MW**) and **4** are in the SING (with a total capacity of **14.5 MW**). Thus, there is a total of **287.1 MW** in the testing phase.

* The total installed capacity also includes Los Lagos (6 MW) and Easter Island (4 MW) systems.

3 Electricity Generation

Power generation in the SIC during **June 2015** reached a total of **4,450 GWh**, which were classified as 53% thermoelectric, 33% conventional hydroelectric and 14% NCRE. In the SING, **1,563 GWh** of electric power were generated, 96% from thermoelectric plants and 4% from NCRE. Together the systems reached a total of **6,013 GWh**, an increase of **1.1%** over the previous month and **2.4%** higher than June 2014. In resume, if we sort by generation category, we distinguish: 11% NCRE, 24,6% hydroelectric and 64,4% thermoelectric generation.

Evolution of gross electric power generation, SIC-SING



Source: CDEC-SIC / CDEC-SING

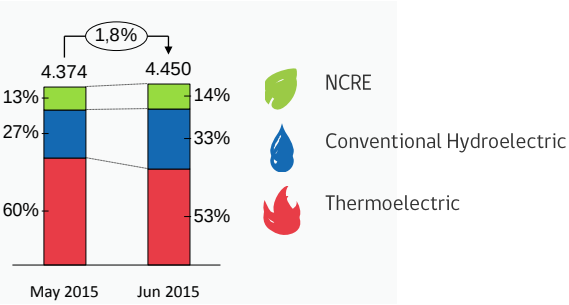
Evolution of gross electric power generation, SIC-SING

Energy Generation [GWh]		Monthly		Annual
Total	6,013	▲	1.1%	▲ 2.4%
SING	1,563	▼	-0.8%	▲ 6.2%
SIC	4,450	▲	1.8%	▲ 1.2%

Source: CDEC-SIC / CDEC-SING

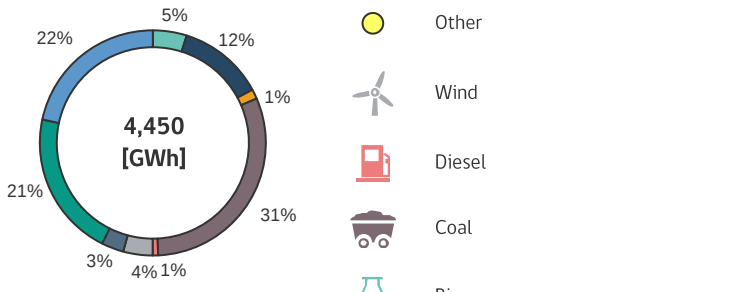
Following is a breakdown of power generation by technology in the SIC and SING.

Monthly Variation in Generation, SIC



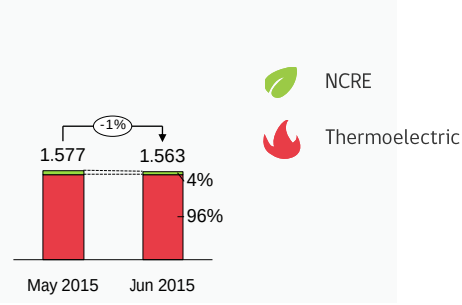
Source: CDEC-SIC

SIC generation by source



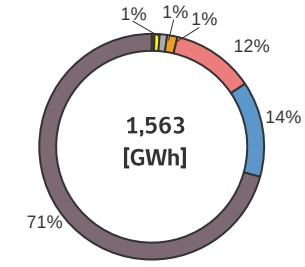
Source: CDEC-SIC

Monthly Variation in Generation, SING



Source: CDEC-SIC

SING generation by source

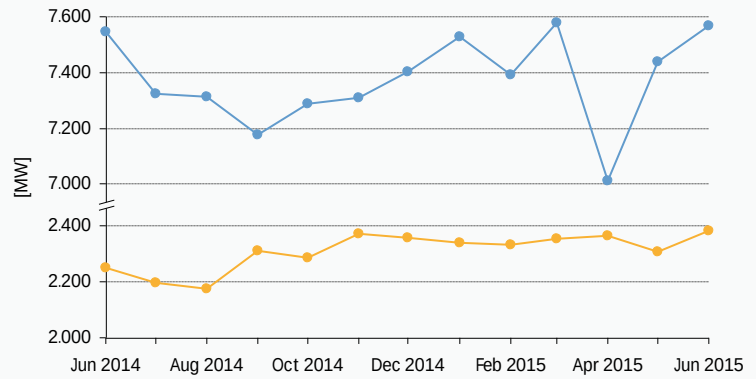


Source: CDEC-SIC

4 Maximum Hourly Demand

The maximum hourly demand recorded on June 16th in the SIC was **7,569 MW**, **1.7%** higher than the demand recorded in the previous month and **0.3%** higher than June 2014. In the SING, the maximum hourly demand recorded on June 26th was **2,384MW**, which represented a **3.2%** increase over the maximum hourly demand recorded in the previous month and a **6.0%** increase over the same month of 2014.

Evolution of maximum hourly demand, SIC – SING



Source: CDEC – SIC / CDEC – SING

Variation in maximum hourly demand, by system

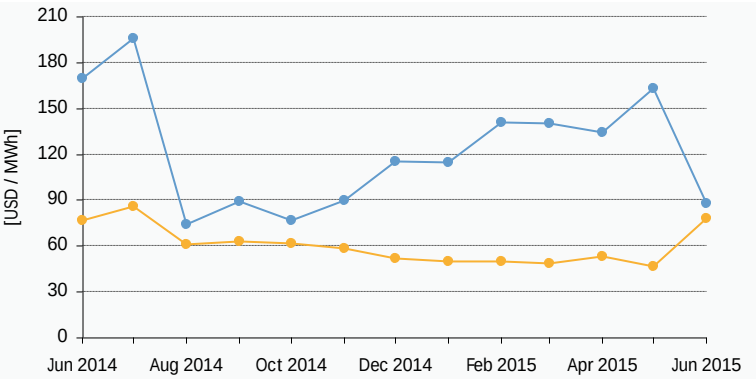
System	[MW]	Monthly	Annual
SIC	7,569	1.7%	0.3%
SING	2,384	3.2%	6.0%

Source: CDEC – SIC / CDEC – SING

5 Marginal Costs

The marginal cost is the variable cost of the most expensive generation unit operating at a specific point in time. In this case, the Quillota 220 kV busbar was used as the reference to obtain the marginal cost in the SIC while the Crucero 220 kV busbar was used as the reference in the SING. The value given for each system corresponds to the monthly average of hourly marginal costs. InJune, the average marginal cost in the SIC was **88.0 USD/MWh**, **-45.9%** lower than the previous month and **-48.1%** lower than June 2014. In the SING, the average marginal cost was **78.1 USD/MWh**, **68.3%** higher from the previous month and a decline of **2.2%** from June del 2014.

Evolution of marginal costs, SIC – SING



Source: CDEC – SIC / CDEC – SING

Variation in marginal costs, SIC – SING

System	[USD/MWh]	Monthly	Annual
SIC	88.0	-45.9%	-48.1%
SING	78.1	68.3%	2.2%

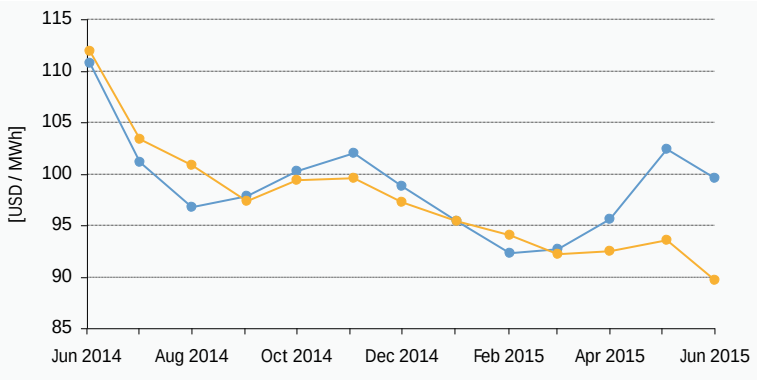
Source: CDEC – SIC / CDEC – SING

6 Average Market Price

The average market price (AMP) for each system is based on the average price of free customer contracts and long-term supply contracts held by distribution companies as applicable, reported to the National Energy Commission by the distribution companies operating in the Norte Grande Interconnected System and the Central Interconnected System. The AMP calculation takes into consideration a four-month window ending with the third month prior to the AMP publication date.

The AMP recorded in May for the SIC was **99.5 USD/MWh**, **-2.8%** lower than the previous month and **-10.1%** higher than June 2014. The AMP in the SING was **89.7 USD/MWh**, **-4.1%** lower tan the previous month and **-19.9%** than the same month in 2014.

Evolution of market prices, SIC - SING



Source: CDEC - SIC / CDEC - SING

Variation in average market prices, by system

System	[USD/MWh]	Monthly	Annual
SIC	99.5	-2.8%	-10.1%
SING	89.7	-4.1%	-19.9%

Source: CDEC - SIC / CDEC - SING

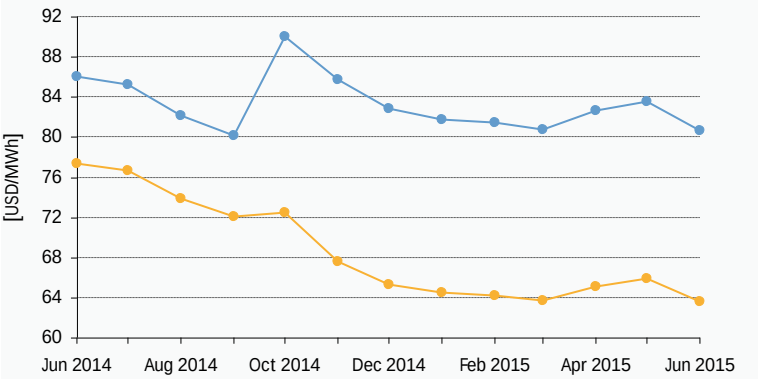
7 Short-term Node Prices

Short-term node prices are set twice each year, in May and October. These prices may be indexed monthly, depending on the conditions established in the twice-yearly decree that sets node prices for electricity supply. The prices are calculated by the National Energy Commission (NEC) which submits a technical report with the results to the Energy Ministry. The ministry then proceeds to set the prices via a decree published in the Official Bulletin.

Node Energy Price

The node energy price is the average over time of the marginal cost of energy in the electricity system operating at the minimum, updated operation and rationing cost. The node energy price in the SIC in June was **80.6 USD/MWh**, decreased in **-3.6%** compared to the previous month and **-6.3%** to the same month in 2014. In the SING, the node energy price in June was **63.5 USD/MWh**, with a **-3.6%** variation from the previous month and **-17.8%** of decrease compared to last year.

Evolution of node energy prices, SIC - SING



Source: NEC

Variation in node energy prices, by system

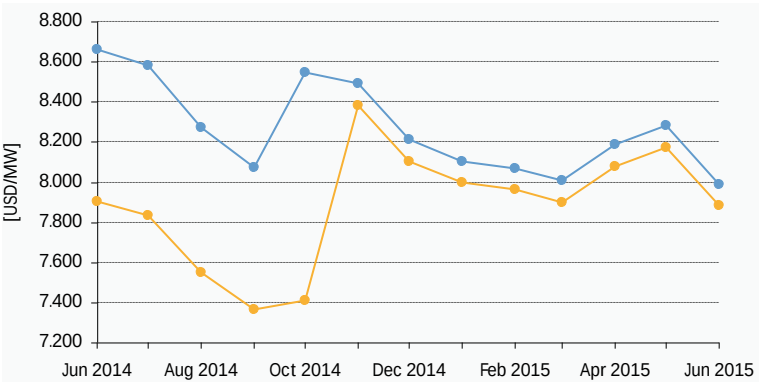
System	[USD/MWh]	Monthly	Annual
PNE SIC	80.6	-3.6%	-6.3%
PNE SING	63.5	-3.6%	-17.8%

Source: NEC

Node Power Price

The node power price is the annual marginal cost of increasing the installed capacity of the electricity system taking into consideration the most economic generation plants, required to supply additional capacity during the annual maximum hourly demand of the electricity system, increased by a percentage equal to the theoretical capacity reserve margin of the system. The node power price in the SIC in June was **7987.3 USD/MW**, increase on **-3.6%** compared to the previous month and **-7.8%** lower than the same month in 2014. In the SING, the node power price in June was **7880.4 USD/MW**, with **-3.6%** variation from the previous month and **-0.3%** of increase compared to last year.

Evolution of node power price, SIC - SING



Source: CNE

Variation in node power price

System	[USD/MW]	Monthly	Annual
PNP SIC	7,987	-3.6%	-7.8%
PNP SING	7,880	-3.6%	-0.3%

Source: CNE

8 Node Price in Medium-size Systems

Below we present the node energy price and node power price in medium-size systems for June 2015. These node prices are applied to energy supply at the withdrawal busbars indicated in the following tables:

Variation in node energy price, medium-size systems

Busbar	[USD/MWh]	Index	Annual
Pta Arenas	66	0.2%	3.7%
Tres Puentes	71	0.2%	4.2%
Pto Natales	100	0.4%	4.2%
Porvenir	101	0.4%	5.3%
Pto Williams	401	-8.1%	5.3%
Aysén 23	106	-8.2%	-5.1%
Chacab23	112	-8.4%	-5.8%
Mañi23	104	-8.2%	-6.0%
Ñire33	102	1.4%	-5.7%
Tehuel23	104	-5.1%	5.3%
Palena	179	0.4%	-2.4%
G.Carrera	125	0.4%	5.3%
Cochamó	230	0.4%	-6.3%
Hornopirén	172	0.4%	5.3%

Source: CNE

Variation in node power price, medium-size systems

Busbar	[USD/MW-mth]	Index	Annual
Pta Arenas	13.206	0.4%	5.3%
Tres Puentes	12.468	0.4%	5.3%
Pto Natales	11.656	0.4%	5.3%
Porvenir	14.195	0.4%	5.3%
Pto Williams	13.530	0.4%	5.3%
Aysén 23	13.502	0.4%	5.3%
Chacab23	13.502	0.4%	5.3%
Mañi23	13.502	0.4%	5.3%
Ñire33	13.502	0.4%	5.3%
Tehuel23	13.502	0.4%	5.3%
Palena	13.502	0.4%	5.3%
G.Carrera	13.502	0.4%	5.3%
Cochamó	13.830	0.4%	5.3%
Hornopirén	13.830	0.4%	5.3%

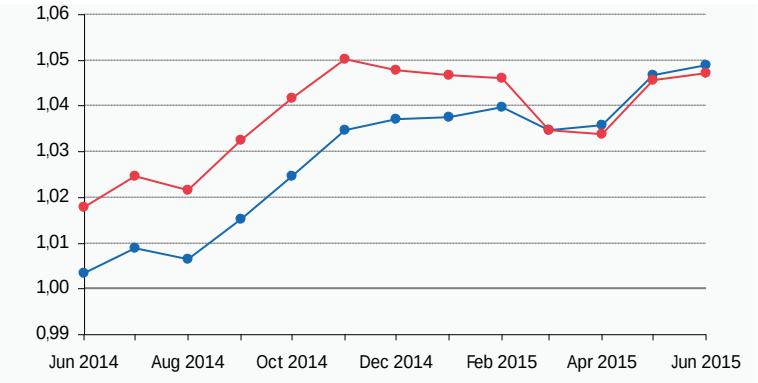
Source: CNE

9 Evolution of Variable Distribution Cost Indexes

The distribution added value (DAV)* is set every four years by the Energy Ministry, based on a technical report prepared by the NEC, and corresponds to the average cost of investment, administration, maintenance and operation of electricity distribution networks calculated for an efficient model company operating in Chile. The DAV has a fixed component and a variable component, both of which were established by Article 182 of the General Electrical Services Law and are indexed monthly. Below we provide the evoluation of the indexator of the variable component both for high and low voltage for June 2015.

For more information, visit Decreto N°1T/2012 Proceso de Fijación de Tarifas de Distribución 2012-2016.

Evolution of Indexes



Source: CNE

Variation in Indexes

System	Index	Monthly	Annual
CDAT	1.049	0.2%	4.5%
CDBT	1.047	0.1%	2.9%

Source: CNE

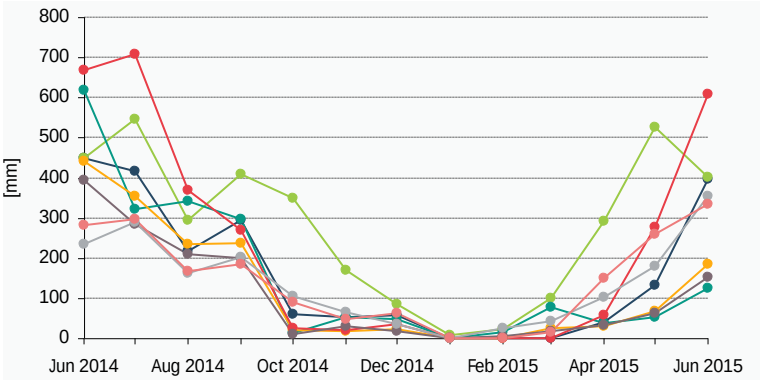
10 Hydrological Statistics

Because of the hydro-thermal nature of the Central Interconnected System, which features large hydroelectric (reservoir) plants with for regulation in different periods of time and thermal plants (as well as other technologies), the use of reservoir water must be optimized in order to minimize the total cost of supplying the system. For this reason, we provide information below from monitoring and recording the important variables associated with hydrology, such as rainfall, and the operational status of infrastructure of the hydroelectric plants in relation to the respective reservoir levels and volumes.

Rainfall Statistics

The monthly rainfall statistics published by CDEC-SIC and updated as of June 30, 2015 are shown below for the main measurement locations.

Evolution of Annual Rainfall



Source: CDEC—SIC

Variation in Annual Rainfall

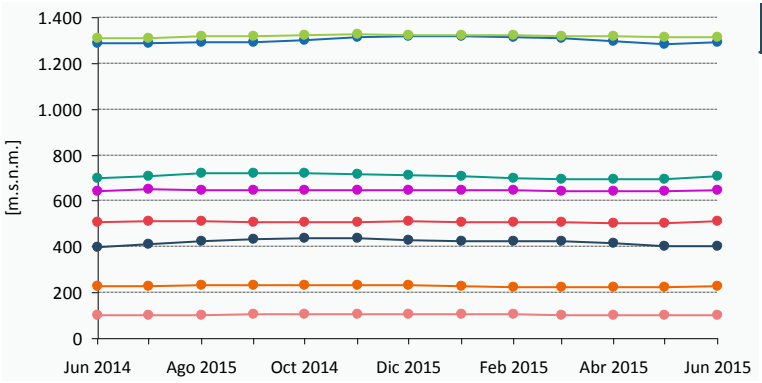
Reservoir	[mm]	Monthly	Annual
Abanico	397	201%	-12%
Canutillar	400	-24%	-11%
Others (**)	124	140%	-80%
Colbún	183	175%	-58%
Pangue	609	120%	-9%
Pehuenche	152	148%	-61%
Pilmaiquén	355	97%	51%
Pullinque	333	29%	19%

(*) The relative weight in a type BT1a account with a monthly consumption of 150kWh is 26.97% in the SIC and SING 22.95%.
(**) Other: Sauzal, Cypress, Molles, Rapel.

Reservoir, Lake and Lagoon Levels

According to information submitted by the CDEC-SIC, in June the final levels were found for the following reservoirs, lakes and lagoons:

Evolution of Reservoir Levels



Source: CDEC—SIC

Variation in Reservoir Levels

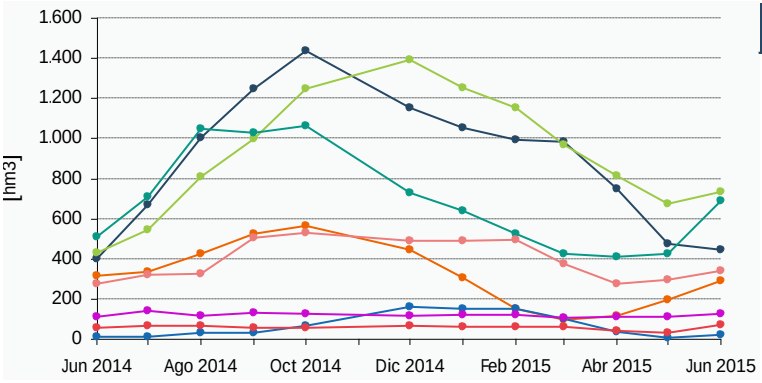
Reservoir	[m.s.n.m.]	Monthly	Annual
CHAPO	226	1.0%	99.8%
COLBUN	401	-0.5%	100.7%
LA INVERNADA	1,289	0.4%	100.3%
LAJA	1,314	0.1%	100.4%
MELADO	646	0.5%	100.6%
PANGUE	509	1.7%	100.5%
RALCO	707	2.0%	101.3%
RAPEL	102	0.8%	101.2%

Source: CDEC—SIC

Reservoir, Lake and Lagoon Volumes

Based on levels reported by the CDEC-SIC for volumes of water stored in the largest reservoirs, lakes and lagoons, considering the characteristics of each one as of June 2015.

Evolution of Reservoir Volume



Source: CDEC—SIC

Variation in Reservoir Volume

Embalse	[hm3]	Mensual	Anual
CHAPO	291	51,3%	-8,0%
COLBUN	442	-7,0%	10,7%
LA INVERNADA	19	177,8%	120,4%
LAJA	732	8,4%	70,7%
MELADO	125	12,1%	14,2%
PANGUE	68	122,2%	22,4%
RALCO	688	63,0%	35,6%
RAPEL	337	14,2%	22,8%

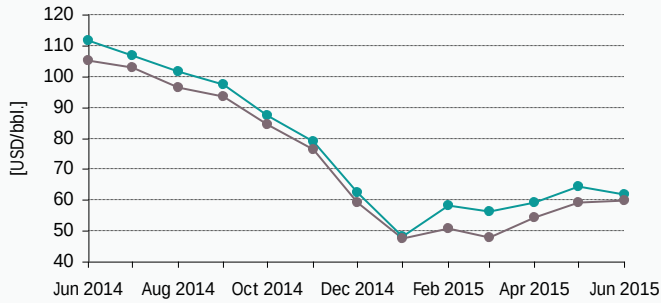
Source: CDEC—SIC

OIL AND GAS SECTOR

1 International Fuel Market Prices

The following information details the moving year evolution of the West Texas Intermediate (WTI) crude oil price index, which is used as a reference in the U.S. market, along with the BRENT oil price index which reflects oil prices for European markets. In **June 2015**, BRENT oil prices averaged **61.6 USD/bbl.**, which represents an **-4.2%** decrease from the previous month and a **-44.8%** decrease from June 2014. Meanwhile, the average WTI oil prices was **59.8 USD/bbl**, a **0.9%** increase from the previous month and a **-43.2%** decrease from the same month the previous year.

Evolution of BRENT and WTI Oil Prices



Source: NEC, based on data from Argus Media Inc.

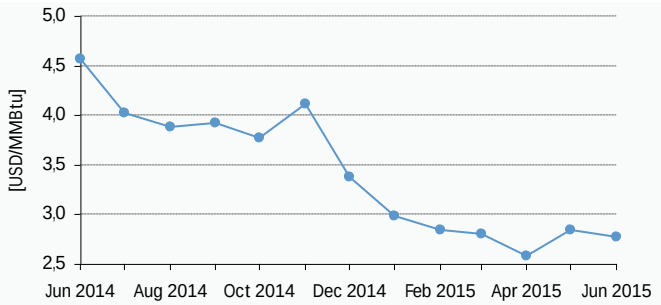
Crude Oil Variation (USD/bbl.)

Index	USD/bbl.	Monthly	Annual
BRENT DTD	61.6	-4.2%	-44.8%
WTI	59.8	0.9%	-43.2%

Source: NEC, based on data from Argus Media Inc.

The following information details the evolution of the Henry Hub (Louisiana) price index, which serves as a reference for liquefied natural gas (LNG) imports to Chile. In **June**, Henry Hub averaged **2.77 USD/MMBtu**, a **-2.5%** decrease from the previous month and a **-39.4%** decrease compared to **June 2014**.

Evolution of Natural Gas Price (Henry Hub)



Source: NEC, based on data from the Daily Gas Price Index, NGI Intelligence

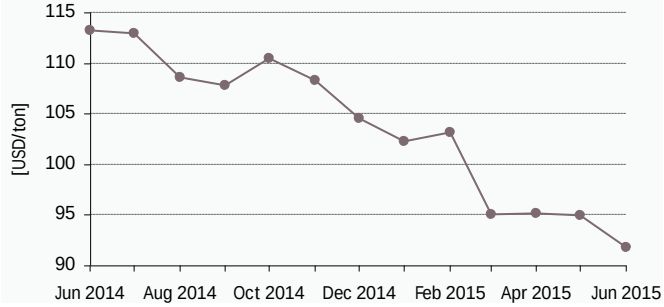
Natural Gas Variation (Henry Hub)

Index	USD/MMBtu	Monthly	Annual
HENRY HUB SPOT	2.77	-2.5%	-39.4%

Source: NEC, based on data from the Daily Gas Price Index, NGI Intelligence

The following information details the evolution of the price of EQ 7000 steam coal kCal/kg which in June averaged a price of **91.8 USD/ton**, , representing an **-3.3%** decrease over the previous month and a **-19.0%** decrease from the same month in **2014**.

Evolution of EQ 7000 Steam Coal kCal/kg



Source: NEC, based on data from Platts Coal Trader International

Variation in EQ 7000 Steam Coal kCal/kg

Index	USD/ton	Monthly	Annual
THERMAL COAL EQ. 7.000 KCAL/KG	91.8	-3.3%	-19.0%

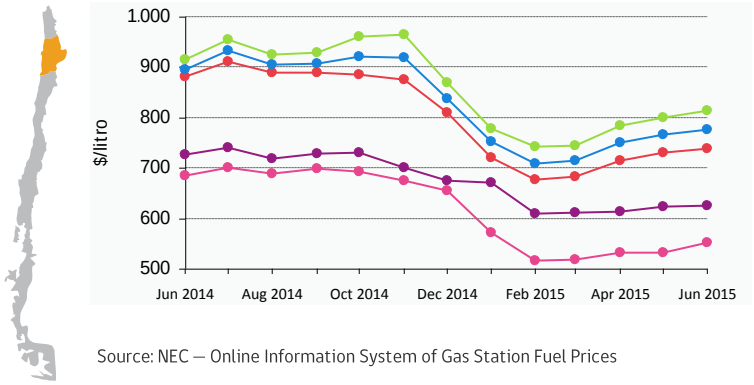
Source: NEC, based on data from Platts Coal Trader International

2 Domestic Liquid Fuel Prices

The following information details the evolution of different types of petroleum-derived liquid fuels sold or commercialized at gas stations (93-, 95-, and 97-octane unleaded gas, diesel, household kerosene and diesel oil) during the last 12 months, along with the average monthly price in last month for the cities of Antofagasta, Concepción, Puerto Montt and the Santiago Metropolitan Region.
The information presented is prepared by the National Energy Commission which, as part of its legal functions and powers, developed the Online Information System of Gas Station Fuel Prices, www.bencinaenlinea.cl

Antofagasta

Evolution of Liquid Fuel Prices



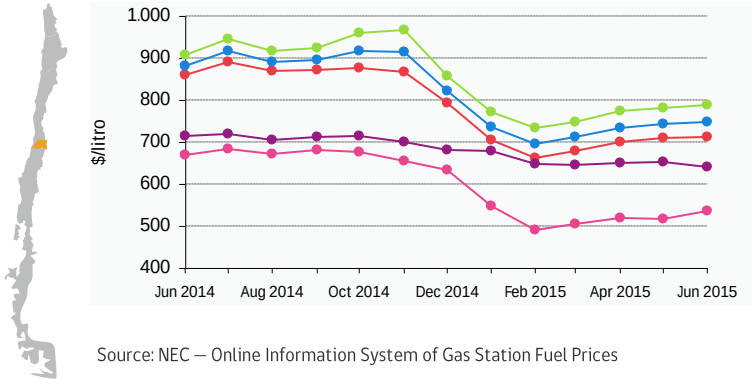
Source: NEC — Online Information System of Gas Station Fuel Prices

Variation of Liquid Fuel Prices

Fuel Type	$/liter	Monthly	Annual
Gasolina 93 SP	737	0.8%	-16.3%
Gasolina 95 SP	776	1.3%	-13.3%
Gasolina 97 SP	814	1.8%	-10.9%
Kerosene	624	0.2%	-13.9%
Petróleo Diesel	552	3.8%	-19.5%

Source: NEC — Online Information System of Gas Station Fuel Prices

Santiago Metropolitan

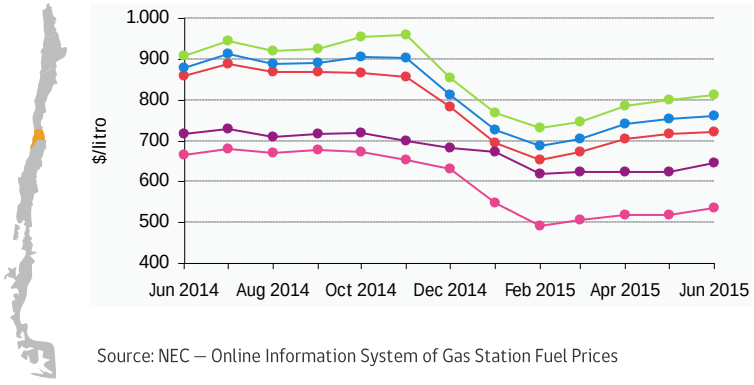


Source: NEC — Online Information System of Gas Station Fuel Prices

Fuel Type	$/liter	Monthly	Annual
Gasolina 93 SP	711	0.3%	-17.4%
Gasolina 95 SP	747	0.7%	-15.3%
Gasolina 97 SP	787	0.9%	-13.2%
Kerosene	642	-1.6%	-10.1%
Petróleo Diesel	535	3.5%	-20.0%

Source: NEC — Online Information System of Gas Station Fuel Prices

Valparaíso



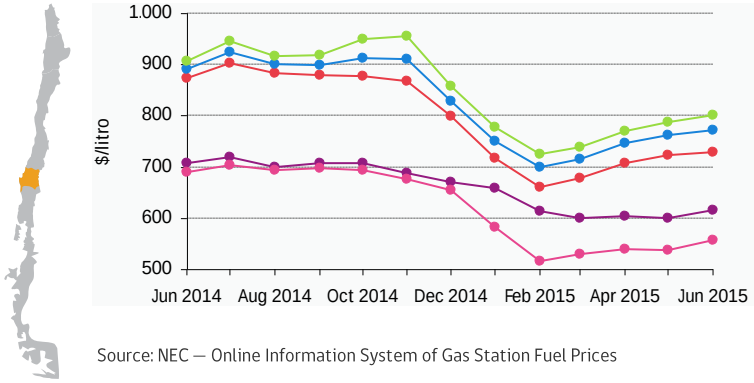
Source: NEC — Online Information System of Gas Station Fuel Prices

Fuel Type	$/liter	Monthly	Annual
Gasolina 93 SP	720	0.4%	-16.1%
Gasolina 95 SP	761	1.0%	-13.3%
Gasolina 97 SP	811	1.5%	-10.6%
Kerosene	644	3.3%	-10.1%
Petróleo Diesel	534	3.1%	-19.6%

Source: NEC — Online Information System of Gas Station Fuel Prices

Evolution of Liquid Fuel Prices

Concepción



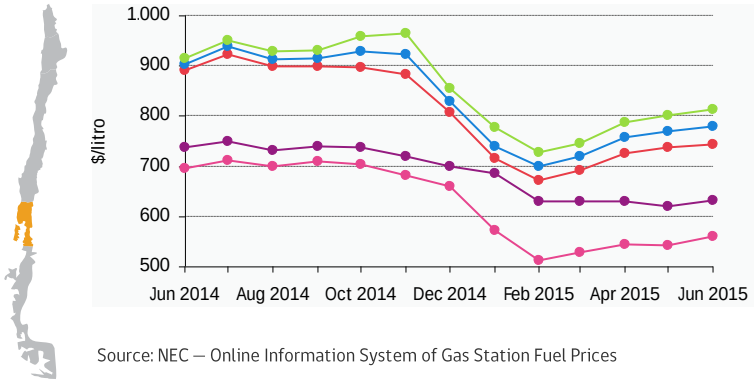
Source: NEC — Online Information System of Gas Station Fuel Prices

Variation of Liquid Fuel Prices

Fuel Type	$/liter	Monthly	Annual
Gasolina 93 SP	729	1.0%	-16.5%
Gasolina 95 SP	772	1.5%	-13.2%
Gasolina 97 SP	801	1.8%	-11.6%
Kerosene	615	2.4%	-13.0%
Petróleo Diesel	558	3.6%	-19.2%

Source: NEC — Online Information System of Gas Station Fuel Prices

Puerto Montt



Source: NEC — Online Information System of Gas Station Fuel Prices

Fuel Type	$/liter	Monthly	Annual
Gasolina 93 SP	743	0.7%	-16.5%
Gasolina 95 SP	778	1.2%	-13.7%
Gasolina 97 SP	813	1.6%	-11.1%
Kerosene	632	1.9%	-14.3%
Petróleo Diesel	560	3.5%	-19.4%

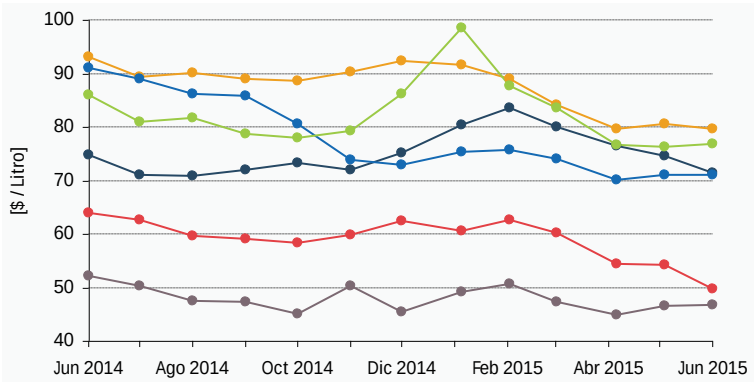
Source: NEC — Online Information System of Gas Station Fuel Prices

3 Fuel Gross Margins

The retail sales price of fuels is structured as follows: sales price at the refinery, sales margin and taxes (VAT and specific tax). The following information shows the evolution of the sales margin for 93-octane gas and diesel in the 5th, 6th, 7th, 8th, 12th and Santiago Metropolitan regions.

93-Octane Gasoline

Evolution of Gross Sales Margin



Source: CNE

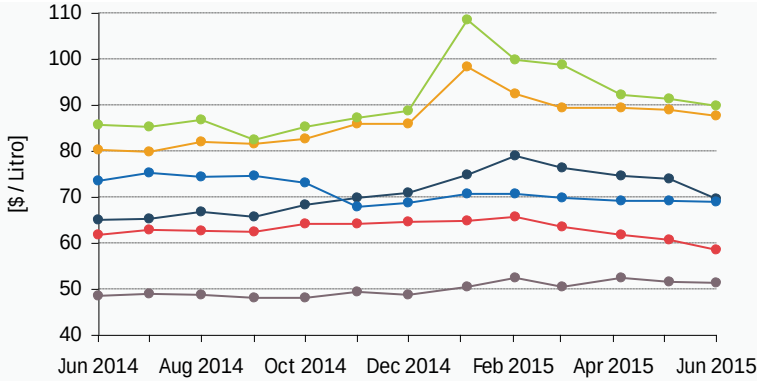
Variation in Gross Sales Margin

93-Octane Gas	$/liter	Monthly	Annual
5th Region	71	-4.2%	-4.6%
6th Region	80	-1.1%	-14.5%
7th Region	71	0.1%	-22.0%
8th Region	77	0.9%	-10.6%
Santiago Metropolitana	50	-8.4%	-22.3%
12th Region	47	0.4%	-10.5%

Source: CNE

Diesel

Evolution of Gross Sales Margin



Source: CNE

Variation in Gross Sales Margin

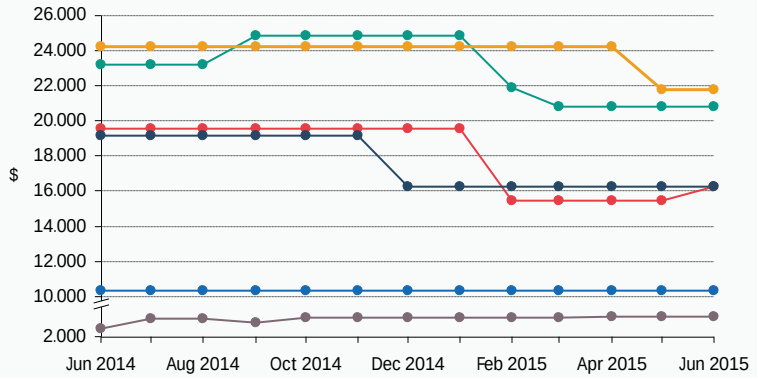
Diesel Oil	$/liter	Monthly	Annual
5th Region	69	-6.0%	6.9%
6th Region	88	-1.5%	9.0%
7th Region	69	-0.5%	-6.3%
8th Region	90	-1.5%	4.9%
Santiago Metropolitana	58	-3.7%	-5.6%
12th Region	51	-0.2%	5.7%

Source: CNE

4 Domestic Prices of Network Gas Supplied through Concessions

The following information shows the price based on the energy equivalence of natural gas, city gas or propane air, whichever is applicable, distributed to the end consumer as network gas under concession equivalent to 15-kg cylinders of liquified petroleum gas. This price also includes fixed costs and meter rental, charged by the network gas distribution companies when applicable.

Evolution of Network Gas Prices



Source: NEC — Online Gas Price System

Variation in Network Gas Prices

Company (Region)	$	Monthly	Annual
Lipigas (2th)	10.312	0.0%	0.0%
Gasvalpo (5th)	16.243	5.0%	-16.9%
Metrogas (Metropolitana)	16.278	0.0%	-15.0%
Gassur (8th)	20.793	0.0%	-10.4%
Intergas (8th)	21.792	0.0%	-10.0%
Gasco Magallanes (9th)	3.137	0.3%	29.2%

Source: NEC — Online Gas Price System

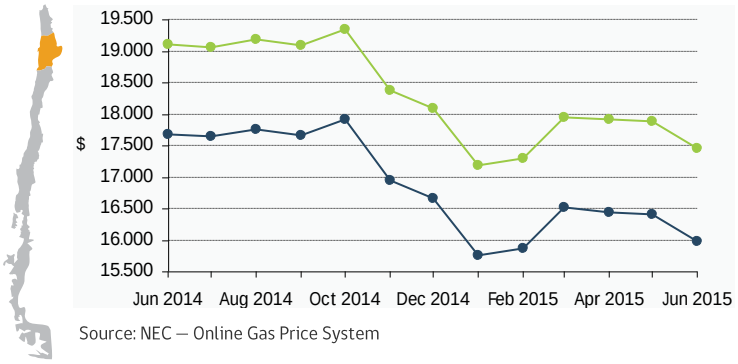
5 Domestic Prices of Bottled Liquefied Petroleum Gas

Bottled LPG is liquefied gas fuel, i.e., propane and butane and their blends (with a maximum 30% of butane). The fuel is compressed for bottling in cylinders of varying sizes that are sold to end users for use in heaters, stoves and water heaters/boilers. The cylinders on the local market have a capacity of 2 kg, 5 kg, 11 kg, 15 kg and 45 kg. They are also sold according to quality; one is sold as normal or regular and the other as catalytic, a category required by some heating appliances that only use a fuel with a low content of olefins, diolefins and sulfur. The information below shows the evolution of the average price of bottled LPG in 15-kg cylinders for the cities of Antofagasta, Concepción, Puerto Montt and the Santiago Metropolitan Region.

Evolution of Bottled LPG Prices

Variation in Bottled LPG Prices

Antofagasta

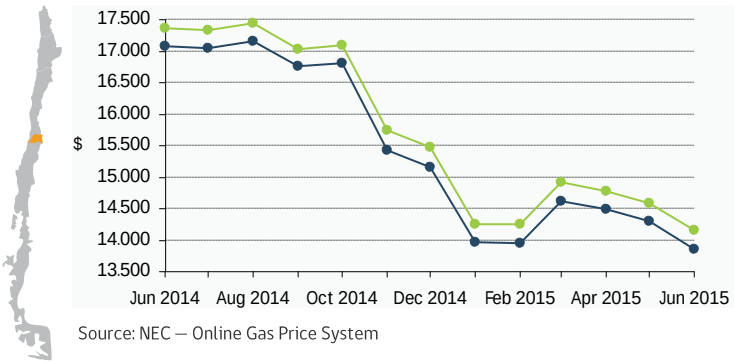


Source: NEC — Online Gas Price System

Type	$	Monthly	Yearly
Catalityc	17,455	-8.6%	91.4%
Regular	15,970	-9.6%	90.4%

Source: NEC — Online Gas Price System

Santiago Metropolitan

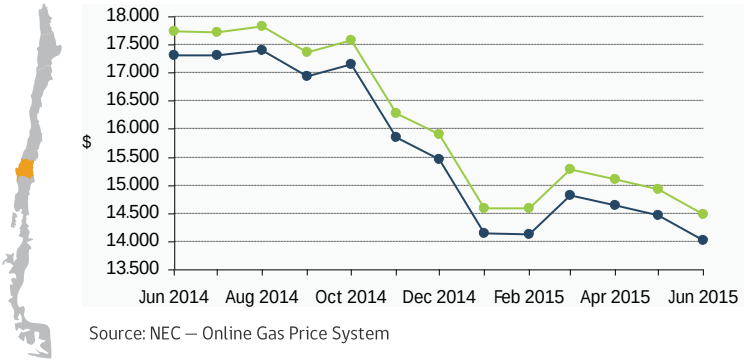


Source: NEC — Online Gas Price System

Type	$	Monthly	Yearly
Catalityc	14,149	-18.5%	81.5%
Regular	13,853	-18.9%	81.1%

Source: NEC — Online Gas Price System

Concepción



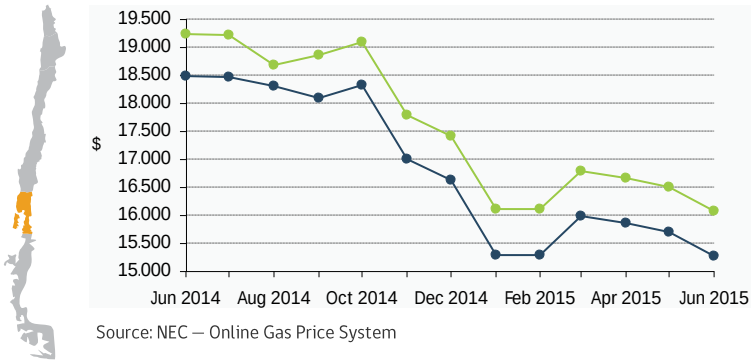
Source: NEC — Online Gas Price System

Type	$	Monthly	Yearly
Catalityc	14,487	-18.3%	81.7%
Regular	14,023	-19.0%	81.0%

Source: NEC — Online Gas Price System

Evolution of Bottled LPG Prices

Puerto Montt



Source: NEC — Online Gas Price System

Variation in Bottled LPG Prices

Type	$	Monthly	Yearly
Catalityc	16,067	-16.4%	83.6%
Regular	15,263	-17.4%	82.6%

Source: NEC — Online Gas Price System

6 Importaciones y Exportaciones de Combustibles

Information on imports and exports of primary and secondary fuels corresponds to May 2015 given that the official information source has a two-month time lag. The information on imports mainly applies to coal, crude oil, diesel and natural gas, equivalent to more than 90% of total national imports (in tons) for May 2015.

The main fuel export during the month of May were gasoline and diesel oil, representing 100% of total exports measured in tons.

The total variation of imports registered a decline of -2.4% over the previous month and 5.1% compared to May 2014. Meanwhile, the total change in exports recorded a decline of 94 % compared to the previous month and an increase of 131% compared to May 2014.

Imports of the main primary fuels during the month of May are coal from the United States and Colombia; crude oil from Brazil and Ecuador; and diesel oil and liquefied natural gas brought from the United States, Japan and Trinidad and Tobago respectively.

During May the exports of diesel and gasoline recorded as country of destination Bolivia.

The detail for each of the fuels with percentage changes and countries of origin / destination delivery.

Variation in Imports During the Period

Fuel	[Thous-Tons]	Monthly	Annual
Coal	823	-2.6%	-14.8%
Crude Oil	651	1.3%	48.9%
Diesel Oil	416	8.0%	13.1%
Natural Gas	278	-15.7%	2.7%
Gasoline	18	-68.2%	-22.8%
LPG	76	11.3%	-22.1%
IFO	0.0	(**)	(*)
Household Kerosene	41	39.6%	41.2%
Overall total	2,302	-2.4%	5.1%

Source: Aduana by COMEX (www.comexplusccs.cl)

Variation in Exports During the Period

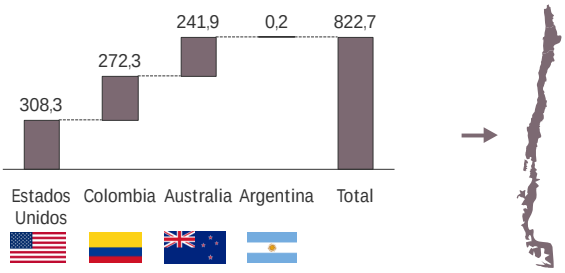
Combustible	[miles de Ton]	Mensual	Anual
Carbón	0	(**)	(*)
Diesel	4	90,4%	86,0%
Gasolina	8	41,3%	165,1%
IFO	0	(**)	(*)
Total general	12	-94%	131%

Source: Aduana by COMEX (www.comexplusccs.cl)

(*) No transactions recorded during the period under review
(**) Not recorded during the reference month transactions

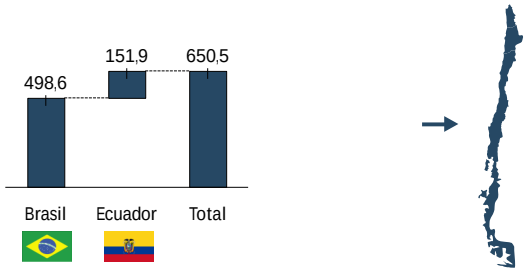
Imports by Country of Origin (thousands of tons)

Coal (*)



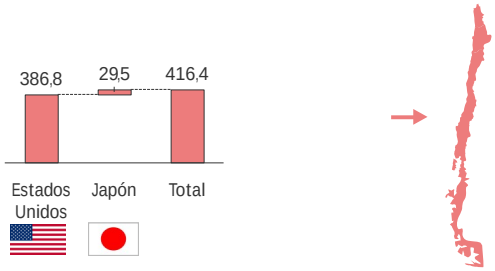
Source: Customs, provided by Comex Service, Santiago Chamber of Commerce

Crude Oil



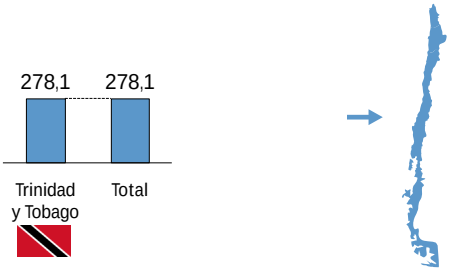
Source: Customs, provided by Comex Service, Santiago Chamber of Commerce

Diesel Oil



Source: Customs, provided by Comex Service, Santiago Chamber of Commerce

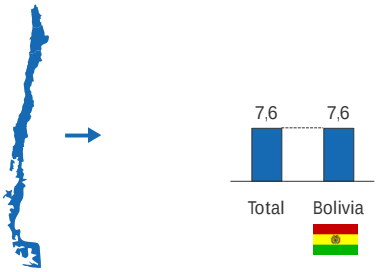
Natural Gas



Source: Customs, provided by Comex Service, Santiago Chamber of Commerce

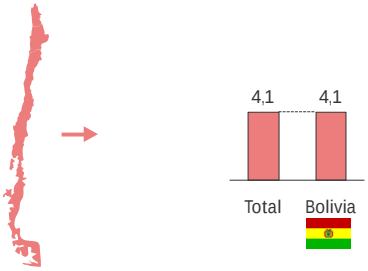
Exports by Country of Origin (thousands of tons)

Gasoline



Source: Customs, provided by Comex Service, Santiago Chamber of Commerce

Diesel Oil



Source: Customs, provided by Comex Service, Santiago Chamber of Commerce

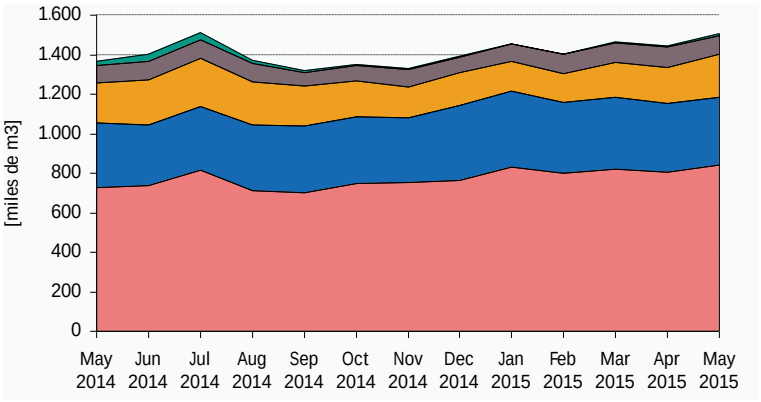
(*) Imported coal is mostly bituminous coal.
(**) Exported coal is mostly sub-bituminous coal

(*) El carbón importado corresponde, principalmente, a "Hulla Bituminosa"

7 Fuel Sales

The following information details the evolution and the variation in the sales of the principal oil-based fuels. The information available is presented with a one-month time lag. The fuels analyzed are: domestic kerosene, fuel oils, liquefied gas, diesel oil and unleaded 93-, 95- and 97-octane gas.

Fuel Sales Evolution, by Type



Source: NEC, based on ENAP data

Fuel Sales Variation, by Type

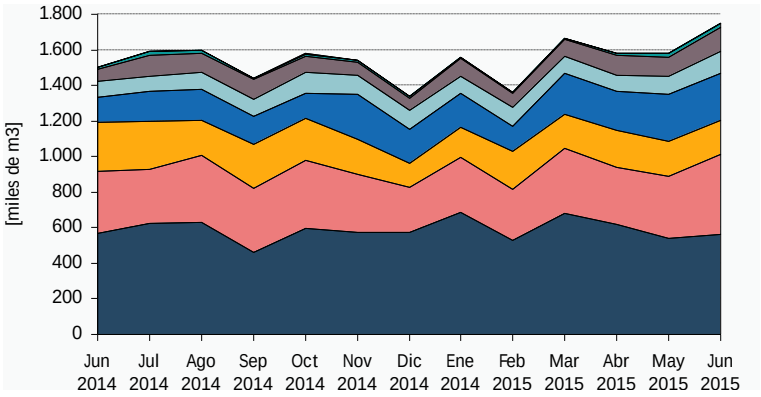
Type	[Thous - m3]	Monthly	Annual
Household kerosene	14	250.0%	-17.6%
Fuel Oils	89	-12.7%	1.1%
Liquefied Gas	218	17.2%	6.9%
Gasoline	347	0.0%	6.1%
Diesel Oil	840	4.5%	15.4%
Overall total	1,508	4.5%	10.6%

Source: NEC, based on ENAP data

8 Fuel Inventory

The following information presents monthly fuel inventory levels (aviation fuel, household kerosene, fuel oils, aviation kerosene, automotive gas, liquefied gas, diesel oil and crude oil) in thousands of m3 for the entire country. This value corresponds to the last business day of the respective month.

Fuel Inventory Evolution, by Type



Source: NEC

Fuel Inventory Evolution, by Type

Type	[Thous - m3]	Monthly	Annual
Aviation gas	1	21.7%	28.7%
Household K	25	19.8%	74.0%
Fuel Oils	134	27.3%	106.5%
Kerosene Av.	121	19.5%	36.6%
Automotive gas	268	1.3%	86.4%
Liquefied gas	189	-4.5%	-31.7%
Diesel oil	450	28.2%	29.6%
Crudo oil	564	4.9%	-0.7%
Overall total	1,751	10.9%	16.4%

Source: NEC

ENERGY PROJECTS UNDERGOING ENVIRONMENTAL EVALUATION

1 Projects Submitted for Environmental Evaluation

In June 2015, **14 energy projects** were submitted to the Environmental Impact Evaluation System (SEIA), representing an investment of **USD 2,289 million**. Of these, **8** projects are for electric power generation, **3** projects are for oil and/or gas generation to be developed by the mining industry and **3** projects are for electrical transmission growth.

Detail of energy projects submitted for environmental evaluation

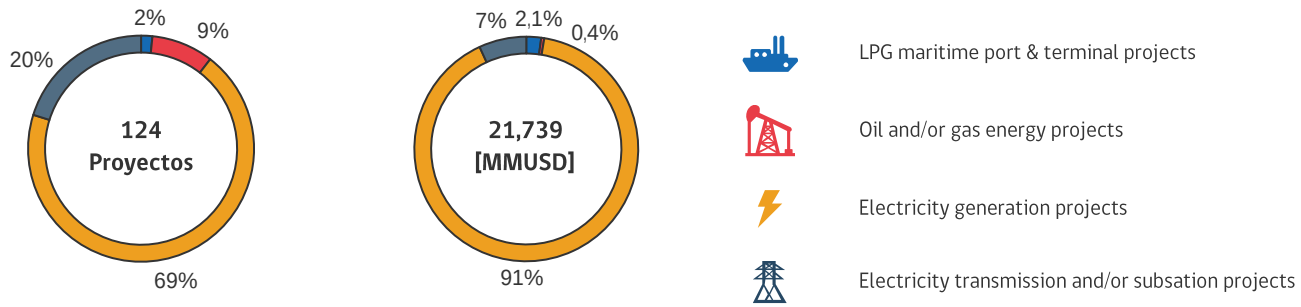
Project Type	Project Owner	Project Name	Presentation Date	Investment [MMUSD]	WEB
Oil and/or gas for mining development	Empresa Nacional del Petróleo - Magallanes	Colectores del Bloque Arenal	18-jun-2015	7,9	Ver
Oil and/or gas for mining development	Empresa Nacional del Petróleo - Magallanes	Líneas de Flujo a Baterías Golondrina, Chañarcillo Sur, Planta Sara, Flamenco y Gaviota Norte en Isla Tierra del Fuego	18-jun-2015	1,6	Ver
Oil and/or gas for mining development	Empresa Nacional del Petróleo - Magallanes	MULTIPOZO Y LÍNEA DE FLUJO PUNTA PIEDRA SUR ZG1 (ABCDE)	18-jun-2015	20,0	Ver
Generation	Ibereolica Cabo Leones III	Parque Eólico Cabo Leones III	22-jun-2015	177,4	Ver
Generation	IMELSA S.A.	Central de Respaldo Doña Carmen	22-jun-2015	43,0	Ver
Generation	PSF La Tapina S.A.	Planta Solar Fotovoltaica La Tapina	22-jun-2015	140,0	Ver
Generation	Energía FPC S.A	Central Bioenergía ERNC Las Maicas	22-jun-2015	80,0	Ver
Generation	Alto del Carmen Solar SpA	Proyecto Solar Fotovoltaico Sol del Pacifico	19-jun-2015	115,0	Ver
Generation	ELECNOR Chile S.A.	Proyecto Planta Termosolar Camarones	19-jun-2015	800,0	Ver
Generation	Colbún S.A.	ADECUACIÓN CENTRAL HIDROELÉCTRICA SAN PEDRO	17-jun-2015	650,0	Ver
Generation	Santiago Solar S.A.	Parque Fotovoltaico Santiago Solar	11-jun-2015	165,0	Ver
High-voltage electricity transmission line	Transmisora Eléctrica del Norte S.A.	Conexión Cardones	22-jun-2015	84,0	Ver
High-voltage electricity transmission line	Sistema de Transmisión del Sur S.A.	Línea Transmisión 220 kV Melipulli - Plaza de Peajes	24-jun-2015	1,1	Ver
High-voltage electricity transmission line	TRANSELEC S.A.	Aumento de capacidad de Línea Maitencillo Cardones 1x220 kV	22-jun-2015	3,9	Ver

Source: SEIA

2 Energy Projects Currently Being Evaluated

In June 2015, there were **124** energy projects awaiting approval of their environmental qualification resolutions (RCA). Of these, 69% are projects related to electric power generation, 20% to electrical transmission and/or substations, 9% to oil and/or gas and the remaining 2% are for LPG seaport projects. Together they represent a total investment of **21,739 MMUSD.**

Distribution of Projects and their Investment [millions of USD]



Source: SEIA

3 Projects with Approved Environmental Qualification Resolution

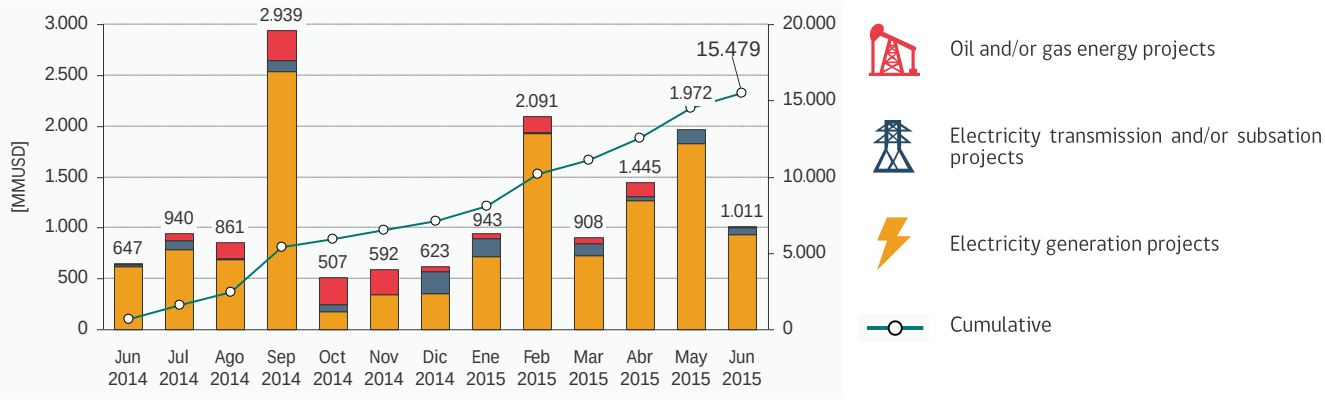
In **June 2015**, the environmental qualification resolutions (RCA) of **13** energy projects were approved. Of these, **5** projects are for electric power generation with total capacity of **327 MW**, while **4** other projects are for electricity transmission and/or substations and **4** other projects are for oil and/or gas for mining development. Together they represent a total investment of **1,013** MMUSD.

Project Type	Region	Project Name	Investment (millions of USD)	Date of RCA	WEB
Autogeneración	II	Compañía Contractual Minera Encuentro	80,0	24-jun-2015	Ver
Autogeneración	III	Cleanairtech Sudamérica S.A.	0,2	26-jun-2015	Ver
Desarrollo Minero de Petróleo y gas	XII	Empresa Nacional del Petróleo - Magallanes	0,4	23-jun-2015	Ver
Desarrollo Minero de Petróleo y gas	XII	Empresa Nacional del Petróleo - Magallanes	1,1	02-jun-2015	Ver
Desarrollo Minero de Petróleo y gas	XII	Empresa Nacional del Petróleo - Magallanes	2,5	16-jun-2015	Ver
Desarrollo Minero de Petróleo y gas	XII	GeoPark Fell SpA	4,5	02-jun-2015	Ver
Generación	II	SOLVENTUS CHILE Spa	550,0	24-jun-2015	Ver
Generación	RM	Inversiones y Servicios SunEdison Chile Ltda	256,0	19-jun-2015	Ver
Generación	XIV	Cumbres S.A.	50,0	08-jun-2015	Ver
Línea de Transmisión Eléctrica de Alto Voltaje	III	Transmisora Eléctrica del Norte S.A.	40,0	25-jun-2015	Ver
Línea de Transmisión Eléctrica de Alto Voltaje	RM	CHILECTRA S.A.	1,5	07-jul-2015	Ver
Subestación	II	Abengoa Solar Chile SpA.	17,0	24-jun-2015	Ver
Subestación	IX	TRANSNET S.A.	9,5	08-jun-2015	Ver

Source: SEIA

In line with the above table, the evolution is presented for the last mobile year of investment associated to energy projects have received a favorable RCA. The total investment to date totaled **15,479 MMUSD**. In particular, energy power generation projects have a total investment of **12,913 MMUSD** (**83.4%**), equivalent to **4,820 MW** approved.

Investment evolution—Approved projects with RCA in the last 12 months



Source: SEIA

SECTORIAL REGULATIONS

1 Proposed Legislations in Process

Bulletin Number	Subject of the Proposed Legislation	Initiative and Urgency	Current Status	Bill Submittal Date	WEB
9890-08	Modifies Decree with Force of Law 323, of 1931, of the Interior Ministry and other legal provisions.	Normal urgency	First Step Constitutional. In discussion in the Committee on mining and Energy of the Chamber of Deputies. For the first week is expected to vote in general.	29/01/2015	Link

2 Sectorial Regulations Published in the Official Bulletin

Thursday June 11, 2015: **Exempt Resolution No. 297** of 2015 published by the National Energy Commission; an amendment to the Technical Standards on Safety Requirements and Quality of Service for the Norte Grande Interconnected System and the Central Interconnected System. Ver

Thursday, June 18, 2015: **Supreme Decree No. 11T**, 2015 published by the Ministry of Energy fixed the final investment values for specified expansion works Ver

Thursday, June 18, 2015: **Supreme Decree No. 13T**, 2015 published by the Ministry of Energy, fixed the final investment value of the work of extending the SIC trunk transmission system known as the Ancoa-Alto Jahuel 500 kv line, laying of the second circuit. Ver

Friday, June 19, 2015: **Decree No. 7** of 2015 was published by the Ministry of Energy, which authorized AES Gener SA to export electricity to Argentina. Ver

Tuesday, June 23, 2015: **Decree No. 12T**, 2015 published by the Ministry of Energy, sets the average node prices in the SIC and SING, in line with the tariff setting established in Article 158 of the General Law of Electrical Services and the publication of Law No. 20,805. Ver

3 Sectorial Regulations Not Published in the Official Bulletin

Exempt Resolution No. 290 of June 2, 2015 was published by the National Energy Commission. It approves the preliminary terms and conditions for the national and international public tender no. 2015/02 for the supply of electric power to meet the consumption needs of regulated customers.

Exempt Resolution No. 316 of June 19, 2015 published by the National Energy Commission. This approves the technical report to determine the annual value and extension of the trunk transmission systems for the period 2016-2019. Ver

Exempt Resolution No. 312, of June 15, 2015 published by the National Energy Commission. This updates and communicates information regarding the generation and transmission works currently in progress. Ver

Resolution No. 311, of June 15, 2015 published by the National Energy Commission. This approves the terms and conditions for the national and international public tender no. 2015/02 for the supply of electric power to meet the consumption needs of regulated customers. Ver

4 Expert Panel Rulings

Opinion No. 3-2015 discrepancy filed by E.CL S.A. against EnorChile S.A. regarding the regime of open access to additional transmission facilities, dated June 12. Link

Opinion No. 4-2015 Central Solar Desierto Spa. filed a discrepancy against Sociedad Contractual Minera Franke regarding the regime of open access to additional transmission facilities, dated June 23. Link

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