

1. LEADING PRIVATE COMPANIES IN RENEWABLE ENERGIES

The remarkable transformation of the sector was possible due to the close coordination between the public sector (calling for proposals, selecting and signing the long-term PPAs that allowed the financing and effective implementation of the projects) and the involvement of the private sector. Both domestic and foreign companies contributed to the development and implementation of new technologies. Thus, these companies—many of them SMEs—have expanded their capabilities and are now providing services to other countries of the region. Some of these players are listed in this section.

1.1. COMPANIES INVOLVED IN THE INSTALLATION OF WIND FARMS

The wind power generation sector is undoubtedly the one that has experienced the most remarkable development. The companies involved include large and small domestic and foreign firms that play many roles: wind farm owners, financiers, project developers, consultants, manufacturers, importers, and service providers.

Many of these players are part of the Uruguayan Association of Renewable Energies (AUDER), an organization that brings together companies in the sector and promotes the use of renewable energies and battery and hydrogen electric transport.

The following [link](#) includes an extensive list of players prepared by the National Energy Directorate (DNE).

1.1.1. COMPANIES INVOLVED IN ENERGY GENERATION FROM BIOMASS

The UPM and Montes del Plata pulp mills are Uruguay's largest production enterprises. They have a combined processing capacity of eight million m³ of eucalyptus wood per year. The plants are energetically self-sufficient, using the residues dissolved in the cooking liquor and in some cases also the remains of wood to generate electricity. They have a generation capacity of 160 MW and 180 MW each, which exceeds their own consumption, selling the surplus to the grid. In 2023, a new UPM2 cellulose plant began operating with a production capacity of 2.1 million tons per year. When in full operation, the mill generates more than 150 MW surplus of renewable electricity.

Galofer S.A. is a consortium of five rice mills (Saman, Casarone, Coopar, Glencore and Arrozal 33) that uses rice husks as fuel for renewable electricity generation in Treinta y Tres. The investment amounted to about USD 15 million and has the capacity to generate 14 MW through the processing of some 110,000 tons of rice husk (husk represents approximately 20% of the tonnage of rice produced).

Bioener S.A.'s objective is the generation of electricity and steam from biomass from wood obtained from sawmills in the Rivera area. The installed capacity is 12 MW. The steam is sold to Urufor S.A., a wood processing company, to be used in its drying processes, while the electricity is supplied to the national power grid through sales to the state-owned company UTE. The plant is located in the department of Rivera, which allows it to be close to the biomass generation area, as well as to the sawmill where the steam generated is used.

The mechanical wood processing company Weyerhaeuser built an energy cogeneration plant that uses the by-products of industrial wood processing. It has 12 MW of generation capacity, while the plant's consumption needs are between 5 MW and 6 MW. When generation exceeds the energy consumed, the surplus is sold to the state electricity distribution company. This plant is now owned by BTG Pactual's Timberland Investment Group (TIG) -Lumin in Uruguay-, which in June 2017 acquired all of Weyerhaeuser's assets in Uruguay.

Energía Renovable Tacuarembó (Fenirol S.A.) generates electricity from forestry residues and rice husks and is owned by four business groups of diverse origins: Conatel (electrical appliances), Tsakos (shipyards), Zenda (tannery), and Secco (meatpacking plant). The company was awarded one of the tenders for up to a total of 10 MW, which is fed into the power grid.

The company Ponlar S.A., located in Rivera, uses by-products from a neighboring sawmill to feed a steam boiler. Part of the steam is used to supply the sawmill's thermal demand and part to generate electricity in a 7.5 MW turbine.

Liderdat S.A., a joint venture of Azucarlito and other investment groups, produces electricity for the sugar industry from steam generated by burning chips and sawdust. The industrial plant operates 90 days a year and the rest of the energy generated is sold on the SPOT market.

The company ALUR, 94% owned by ANCAP and 6% by the Venezuelan PDVSA, with three plants in operation throughout the country (Bella Unión, Paysandú and Capurro) produced 47,923 m³ of biodiesel and some 80,375 m³ of bioethanol. The Agrofuels Law (Law No. 18,195) establishes that they must be blended in a proportion of at least 5% in the substitution of diesel and gasoline. It also participates in the

electricity market by selling energy generated from bagasse, chips and eucalyptus sawdust in a cogeneration plant located in Bella Unión with a capacity of 10 MWh.

Lanas Trinidad S.A., located in Flores, is engaged in the production of wool. It has a 0.6 MW biogas-fired power plant.

1.1.2. COMPANIES IN THE SOLAR ENERGY GENERATION SECTOR

The companies involved include large and small domestic and foreign firms that play many roles: farm owners, financiers, project developers, consultants, manufacturers, importers, and service providers.

Many of these players are part of the Uruguayan Association of Renewable Energies (AUDER), an organization that brings together companies in the sector and promotes the use of renewable energies and electric transport.

1.1.3. CONSTRUCTION OF TRANSMISSION LINES

A high voltage (500 kV) power transmission line between Melo and Tacuarembó was inaugurated in September 2019¹. This project was carried out through an operating lease with the Italian company Terna SpA. UTE will use and maintain the line through an operating lease contract. Most of the project will be financed by the Inter-American Development Bank (IADB) and the China Co-financing Fund for Latin America and the Caribbean.

In addition, a 500 kV high voltage line will be built between Tacuarembó and Salto (Tacuarembó - Chamberlain - Salto), downstream of UPM's new pulp mill, which will enable the mill to supply itself with energy until it begins to produce its own (biomass-based) and then inject significant surplus generation into the national grid. This project would close the electric ring, made up of the Salto Grande - Montevideo, San Carlos - Melo (which provides access to the interconnection with Brazil) and Melo - Tacuarembó high voltage lines. The ring will allow for greater flexibility of the Uruguayan electricity system, allowing it to feed into the grid from more than one starting point, as well as improving Uruguay's electricity export profile. The financing modality for this project is still under discussion (the options are public funds, a trust or operating leasing)².

¹ [More information](#)

² [More information](#)