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September 2025

How Argentina Cut Battery Costs Through Transparency

BLUF: Argentina just completed one of the world's most transparent utility-scale battery storage auctions, delivering a masterclass in how governments can attract private investment even during economic turbulence. The country openly published everything from model contracts to bid documents to final results, securing 667 megawatts of battery capacity at prices significantly below government estimates and attracting over $540 million in private investment to the Buenos Aires metro area's power grid. The outcome is particularly impressive given Argentina's recent history of sovereign debt defaults, soaring inflation, and political uncertainty.

Argentina has done this before

This is not Argentina's first success in the renewable energy sector. The country has already made significant strides in expanding its renewable energy capacity through a series of transparent competitive tenders. From 2016 to 2017, the government ran three oversubscribed auctions under the RenovAr renewable energy program. This auction-based system was designed to attract private investment in renewable energy by offering standardized, transparent contracting and significant financial de-risking (such as a $480 million guarantee from the World Bank to back the government's obligations). The program drew strong interest from both domestic and international investors, and has become a procurement model now being replicated around the world through the Renewable Energy Law Program (RELP).

How Argentina delivered record-low battery prices in 2025

Argentina's Energy Secretariat and CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico, the country's wholesale electricity market operator) designed the storage tender to strengthen critical power grid connection points in the Buenos Aires metropolitan area under its AlmaGBA program.

The result: 667 MW of battery storage capacity to two electricity distributors expected to come online within 12-18 months.

Key features:

- *Transparency.* All relevant materials were published on a dedicated public website, including the complete 15-year battery storage contract template, bidding requirements, and a running log of questions and clarifications from potential bidders. This gave market participants and the public full visibility into procurement steps and contract terms from start to finish.

- *Competitive pricing*. The competition drove winning bids well below the government's reference price of $15,000 per megawatt-month, with awards ranging from roughly $10,161 to $12,815 per megawatt-month.
- *Open use of guarantees*. Contracting is directly with the distributors (Edenor/Edesur) while CAMMESA acts as payment guarantor of last resort, meaning that the public may ultimately bear the costs of any defaults under the contracts, which further underscores the importance of transparency.

How transparency enables more impactful energy investment

This auction demonstrates three key benefits of transparent power contracting that are especially valuable in challenging economic environments:

- *Transparency reduces investment risk and costs*. When governments publish standard contracts and procurement rules upfront, private investors can better assess risks and price their bids more competitively. This is crucial in countries like Argentina where economic volatility already makes investors nervous. Clear, public processes help mitigate that uncertainty premium.
- *Open contracting builds public trust*. In Argentina, citizens are understandably concerned about fiscal commitments given the country's history of debt crises. When the government uses public guarantees to back large infrastructure projects—as it does here, with the government-subsidized market operator serving as the ultimate payment guarantor—transparency helps citizens understand these commitments rather than worry about hidden liabilities.
- *Standardization speeds up deployment*. Publishing model contracts and maintaining public question-and-answer logs eliminates much of the back-and-forth negotiation that typically drags out power project contracting timelines in emerging and frontier markets. This zero-cost reform reduces transaction costs and gets projects built faster.

Lessons for Other Countries

Argentina's success offers a replicable playbook for transparent battery storage procurement:

1. **Start with standard contracts.** Publishing model agreements upfront reduces negotiation friction and enables apples-to-apples bid comparisons. This simple step gives investors certainty and can push final prices below government estimates, as demonstrated in Argentina.
2. **Maintain public question logs.** Open documentation of clarifications and rule modifications reduces uncertainty and litigation risk while improving bid quality. This transparency costs nothing but delivers significant benefits.
3. **Disclose full results.** Publishing award outcomes builds market confidence and lays the groundwork for future tenders that will benefit from even greater price compression through reduced risk perceptions.

4. **Treat transparency as risk management.** Standardization and disclosure lower financing costs, reduce hidden debt risks from long-term project contracts and government guarantees, and build public trust—particularly critical in post-crisis or high-volatility markets.

Conclusion: Follow Argentina's lead

With many emerging market energy sectors experiencing disruption from economic volatility, Argentina's achievement demonstrates how contract transparency can cut through the noise and deliver clear signals to private investors. The country's success in battery storage procurement builds on its proven track record in renewable energy procurement, showing that transparent, standardized processes work across energy technologies. For governments struggling to attract private capital, Argentina's approach offers a practical, low-cost solution that reduces risk for all parties while accelerating clean energy deployment.