Kangisser, Wong and Kaplow in Energy Global: Shaping The Americas' Future

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Haynes Boone attorneys Glenn Kangisser, Shu Shu Wong and Grace Kaplow authored an article for the Summer 2025 edition of *Energy Global* discussing the complex energy landscape in the Americas, where they are having to balance the continuing importance of traditional hydrocarbon energy sources with an accelerating transition towards the world of clean, renewable energy technologies.

Read an excerpt below.

The energy sector across the Americas is currently undergoing a significant transformation, characterized by a dual emphasis on traditional hydrocarbon development and a rapid acceleration toward renewable energy initiatives in some countries. In North America, Canada is continuing to balance the expansion of conventional energy infrastructures with significant investments in clean energy technologies. This transition is influenced by evolving energy security concerns, geopolitical factors and shifting market dynamics. In the United States, the new President, supported by his party's control of the House and Senate has shifted policy firmly away from energy transition and towards oil and gas. The growing energy demand, especially from data centers, is driven by market expectations of strong demand from artificial intelligence and other cloud computing applications. The ever-changing regulatory hurdles make for a complex landscape in North America. In addition, the United States is expected to relax regulatory restrictions on cryptocurrency which consumes a tremendous amount of electricity. Meanwhile, South American countries continue to emerge as global leaders in renewable energy, with Brazil, Chile and Argentina spearheading advancements in solar, wind, and lithium-based battery storage. Additionally, increased regional collaboration and foreign direct investments are helping accelerate clean energy adoption across the continent. As global energy needs evolve, these regions are adapting to ensure the economic stability and, in some cases, the environmental sustainability of their respective energy industries.

Current Projects in the Americas
In the United States, the upstream oil and gas sector is experiencing major consolidations among several of its key players. This consolidation trend works to increase the financial stability of large upstream oil and gas companies, which has been improving ease of access to capital as banks perceive these consolidated entities as lower-risk borrowers. Tight lending criteria among traditional U.S. banks has led to a rise in alternative financing methods, including private credit funds, structured finance mechanisms like securitizations and family offices stepping in to support drilling operations. Under the new administration, the United States is reducing its investment in renewable technologies, reversing emission standards and cutting other green programs put in place under the previous administration.

Canada remains a leader in both fossil fuel production and renewable energy. Canada has solidified itself as a global leader in renewable energy with the majority of its electricity generated from hydro, wind and solar power. Recently, Canadian provinces have seen surges in renewable

energy production outputs. Canada houses roughly 240 data centers, which are leading corporate renewable energy adoption. This is particularly the case in the provinces of Quebec and British Columbia, where hydroelectricity is abundant and relatively affordable. Despite this, Canada remains a major producer of oil and gas as the world's fourth largest producer of crude oil and fifth largest producer of natural gas, with the province of Alberta housing many of the country's main hydrocarbon reserves. Alberta is known for its oil sand deposits, which has led to projects including the Athabasca Oil Sands Project, the Horizon Oil Sands Project and the Cenovus' Foster Creek project. Recently, the expansion of artificial intelligence and the growth of cryptocurrency mining have significantly increased energy demands and consumption throughout the continent. This increased demand has led to new challenges regarding grid stability, transmission capacity and energy pricing models, prompting investments in renewable energy sources to meet these rising demands.

In South and Central America, numerous countries are experiencing a significant shift towards renewable energy. Brazil continues to dominate the continent's clean energy transition, emerging as a regional leader with roughly 85 percent of its electricity production coming from various renewable sources. This dominance is due in part to Brazil's hydropower infrastructure from its many powerful rivers, extensive wind energy capacity and recent advancements in solar technology. Some of Brazil's hydropower projects include the world's second-largest hydroelectric power plant, Itaipu, and others like Belo Monte, Tucuruí and Santo Antônio. Brazil is expected to continue expanding its transmission lines with a planned investment of $20 billion USD into its electricity transmission sector by 2029. Chile and Argentina are rapidly expanding solar and wind energy thanks to favorable policies and abundant natural resources, including lithium, which is critical for battery storage. In 2024, the Chilean government selected six areas for new lithium extraction projects and asked private companies to submit development proposals. Additionally, Chile's Atacama Desert, which has the highest solar irradiation on Earth, has become a focal point for significant investment. Smaller nations like Panama and Costa Rica are notable for generating nearly all of their electricity from renewable sources. Mexico has been focusing on expanding its renewable energy sector, particularly emphasizing solar and wind power. Some noteworthy Mexican renewable energy projects include the 1,000 MW Tarafert La Laguna Solar PV Park in Durango, the 1,000 MW Puerto Penasco 1 Solar PV Park in Sonora and the 357 MW Hidalgo 1&2 Solar PV Park in Hidalgo. Meanwhile, Mexico is balancing its renewable energy initiatives with a continued reliance on oil and gas production. This balance has created policy debates surrounding energy sovereignty and private-sector participation. Latin America, particularly, is a major global supplier of the raw materials that are essential for energy storage, particularly lithium. Countries like Chile, Argentina and Bolivia are among the largest lithium producers in the area, while Brazil is currently working to invest heavily in biofuels and low-emission hydrogen production.

To read the full article from the Summer 2025 edition of *Energy Global*, click here.