

Y

G

R

E

N

E



HIGHLIGHT OF THE MONTH

MME PROPOSES REFORM OF THE ELECTRICITY SECTOR TO THE CHIEF OF STAFF'S OFFICE

On April 16, the Ministry of Mines and Energy ("MME") submitted a proposal for the electricity sector reform to the Chief of Staff's Office and published a Q&A page on the topic, which will be available on MME's official website.

According to the MME, the reform proposal is based on three main pillars:

- i. Social Justice: Expanding access to electricity for families by simplifying the rules for participation in the Social Electricity Tariff ("TSEE") and establishing a new social program that aims to exempt the payment of the Energy Development Account ("CDE") for monthly consumption of up to 120kWh;
- ii. Consumer Freedom: Expanding consumer access to the free market. Currently, access to the Free Contracting Environment ("ACL") is limited to agents served at high and medium voltage (Group A). The proposal plans to extend access to consumers served at low voltage (Group B), including residential and rural consumers, as well as small and medium-sized businesses and industries; and
- iii. Sector Balance: Distributing electricity sector costs more fairly and proportionately among agents and consumers, for example, by sharing the costs of Angra 1 and 2 with all consumers, not just captive ones.

Additionally, the regulation draft circulated in the market introduces possible innovations regarding the self-production by equivalence model, establishing new requirements for shareholders classified as self-producers.

According to the MME, the reform is not expected to impact existing contracts, so that sector changes are made gradually and responsibly, prioritizing legal certainty. Thus, the proposal is now awaiting congressional review. According to media reports, the proposal is expected to be approved as a Provisional Measure during the month of May.



NEWS

ANEEL OPENS PUBLIC CONSULTATION ON THE 2025 TRANSMISSION AUCTION NOTICE

On April 3, ANEEL launched Public Consultation No. 18/2025 to improve the Bidding Notice draft and Annexes of Transmission Auction No. 4/2025, scheduled to take place on October 31, 2025.

The Auction will focus on bidding for 11 lots, which include new projects and contracts currently under evaluation for potential termination. It foresees the construction of 1,178 km of new transmission lines and sectioning, across 13 states, with estimated investments of approximately BRL 7.67 billion, as well as the potential creation of 19,175 jobs.

The concessionaires will be responsible for providing transmission services for 30 years, in return for compensation through the Annual Permitted Revenue ("RAP"), paid monthly from the start of commercial operation until the end of the concession period.

It is estimated that the concession contracts will be signed by February 2026, with project completion deadlines ranging from 40 to 60 months, depending on the complexity of each lot.

Thus, the Public Consultation is open to receive contributions until May 19, aiming to promote the expansion of the National Interconnected System ("SIN") in alignment with the needs and demands of civil society and sector agents.

ANEEL, ONS, AND EPE PUBLISH TECHNICAL NOTE ON SIN'S GENERATION DISPATCH CAPACITY

On April 25, the Brazilian Electric Energy Agency (ANEEL), the National Grid Operator (ONS), and the Energy Research Company (EPE) released Technical Note No. NT-ONS DPL 0038/2025, detailing the remaining capacity of the National Interconnected System (SIN) for generation dispatch.

The document follows the guidelines established by Ordinances No. 95/GM/MME/2024 and No. 101/GM/MME/2025, related to the A-5/2025 New Energy Auction, scheduled to take place on August 22, 2025. This auction will negotiate Regulated Environment Energy Purchase Agreements (CCEARs), under the quantity modality, aimed at hydroelectric projects with an installed capacity equal to or less than 50 MW, with energy delivery starting on January 1, 2030.

The Technical Note presents the remaining capacity at substations of the Basic Network, Other Transmission Facilities, and Shared Connection Facilities, based on assumptions about the grid, existing and planned generation, short-circuit limits, and physical connection feasibility, the latter assessed with transmission companies.

Additionally, the analyses were conducted by region, applying technical criteria such as power flow and dynamic performance, in accordance with the methodology established by the relevant authorities. According to the Technical Note, the grid is not available for unrestricted connection, and each connection point must be evaluated individually due to operational and overload constraints in several locations.

GOVERNMENT PUBLISHES 2034 TEN-YEAR ENERGY EXPANSION PLAN (PDE 2034)

On April 8, the Ministry of Mines and Energy (MME) approved, through Ordinance No. 831/2025, the 2034 Ten-Year Energy Expansion Plan (PDE 2034), prepared by the Energy Research Company (EPE). The document guides energy sector planning from 2025 to 2034 and is available on the MME's official website.

The PDE estimates total investments of BRL 3.2 trillion to meet domestic demand and exports, with 78% of these resources allocated to the oil and natural gas sectors.

On the other hand, Brazil's electricity matrix is expected to maintain a share of over 85% from renewable sources, supporting the growth of solar, wind, and distributed generation. The overall energy mix is projected to reach 49% from renewable sources. As a result, installed power generation capacity is expected to reach 332 gigawatts by 2034.

PDE 2034 is composed of 12 chapters, addressing topics such as the economy, energy demand, power generation and transmission, oil, natural gas, biofuels, energy efficiency, socio-environmental impacts, and energy transition. Notably, the energy transition topic is included for the first time as a dedicated chapter, aligning with the National Energy Transition Policy approved in 2024.

Additionally, the PDE 2034 estimates that, by 2037, data centers will have a projected load increase of up to 2.5 GW, considering only new projects in the states of São Paulo, Rio Grande do Sul, and Ceará. Due to this demand outlook, EPE has been conducting transmission expansion planning studies in regions receiving data center projects, such as the cities of São Paulo and Campinas.

Regarding low-carbon hydrogen, the document highlights that the International Energy Agency ("IEA") projects a 57% increase in domestic hydrogen demand by 2030 compared to 2022 under the established policies scenario, and a 94% increase under the announced policies scenario.

For the batteries, the scenario is for an investment of almost R\$5 million by 2034. However, the competitiveness of the technology is still questioned given the few suppliers of equipment and parts and the high cost of imports. According to the study, at the moment, the outlook for the ten-year horizon is that its entry will still be marginal, present in some specific projects

Lastly, the ordinance mandates that the National Secretariat for Energy Transition and Planning continuously coordinate improvements to the methodologies and criteria used in the development of ten-year plans, in collaboration with other MME departments and EPE.

ANEEL RECOMMENDS RENEWAL OF EDP ESPÍRITO SANTO'S CONCESSION

On April 29, ANEEL recommended to the Ministry of Mines and Energy (MME) the extension of Concession Contract No. 01/95-DNAEE held by EDP Espírito Santo, which serves 70 municipalities and 1.75 million consumer units. The concessionaire met the criteria established in Decree No. 12,068/2024, including continuity of supply, financial and economic management, and legal, tax, and labor compliance.

Following the recommendation, the MME has until the end of May to issue its decision and summon the company to sign the 5th Amendment to the contract. Once summoned, the distributor will then have 60 days to formalize the amendment. It is worth noting that EDP is one of 19 concessionaires with contracts expiring between 2025 and 2031.

Additionally, ANEEL ruled that future renewal evaluations must include a public hearing and the application of a supplementary methodology based on continuity indicators. In EDP's case, however, the public hearing requirement was waived due to the contractual deadline, which ends on July 17, 2025.

ANEEL LAUNCHES CALL FOR SUBSIDIES FOR CONTRIBUTIONS TO IMPROVE GRID PROCEDURES

On April 17, ANEEL launched Public Call for Contributions No. 04/2025, aiming to involve civil society and sector stakeholders in implementing changes to the Grid Procedures. The initiative focuses on establishing a process for challenging decisions and modifying decision-making procedures adopted by the National Grid Operator (ONS).

The objective of the consultation is to address regulatory gaps related to the administrative process for contesting acts carried out by the ONS, as outlined in Normative Resolution (REN) No. 1,107/2024. This resolution governs ONS' role in coordinating and controlling the operation of power generation and transmission facilities.

Regarding administrative proceedings, the REN specifies which ONS decisions may be challenged with ANEEL. These include issues related to the assessment of unavailability, capacity restriction, and overload in transmission facilities of the Basic Grid and International Interconnections.

The Call for Subsidies No. 04/2025 will receive contributions from April 17 to May 19.

ANEEL APPROVES PUBLIC CONSULTATION ON DAM SAFETY

On April 22, ANEEL approved the opening of Public Consultation No. 19/2025, which aims to adequate Normative Resolution No. 1,064/2023 due to the publication of Resolution No. 241/2024 by the National Water Resources Council (CNRH). This resolution established general criteria for classifying dams based on associated potential damage, volume, and risk category.

REN 1064/2025 sets forth criteria and safety measures for dams associated with hydroelectric plants overseen by ANEEL. The Public Consultation seeks to gather inputs to address the changes introduced by the CNRH resolution, such as updating and expanding definitions, including new terms like flood area, dam length, dam age, and design flow.

Additionally, ANEEL's Dam Safety Form (FSB/ANEEL) system will be used to submit, receive, consult, and manage information related to Dam Safety in the Electric Sector, centralizing relevant information and data.

The Public Consultation is open from April 24 to June 9.

PUBLIC CONSULTATION

NO. 16 / 2025

OBJECTIVE:

To obtain subsidies to discuss the preliminary result of the Periodic Review of the Annual Permitted Revenue - RAP for 2025 of the transmission concession contracts that were de-verticalized under the terms of Law No. 10,848/2004.

Contribution Period: 03/04/2025 to 19/05/2025

Link: Consultas Públicas - ANEEL

NO. 17 / 2025

OBJECTIVE:

To obtain subsidies for the Periodic Review of the Annual Permitted Revenue (RAP) of the Power Transmission Concession Contracts relating to the projects tendered with a review date in July 2025.

Contribution Period: 03/04/2025 to 19/05/2025

Link: Consultas Públicas - ANEEL

NO. 18 / 2025

OBJECTIVE:

To obtain subsidies to improve the draft of the Public Notice and Annexes for Auction 4/2025 -ANEEL (Transmission Auction).

Contribution Period: 04/04/2025 to 19/05/2025

Link: Consultas Públicas - ANEEL

N O . 1 9 / 2 0 2 5

OBJECTIVE:

To obtain subsidies with a view to amending Normative Resolution No. 1,064/2023, which establishes criteria and actions for the safety of dams associated with hydroelectric plants inspected by ANEEL, due to the publication of Resolution No. 241/2024 of the National Water Resources Council (CNRH), which established general criteria for classifying dams by associated potential damage, by volume and by risk category.

Contribution Period: 24/04/2025 to 09/06/2025

Link: Consultas Públicas - ANEEL

N O . 2 0 / 2 0 2 5

OBJECTIVE:

To obtain subsidies for the proposal to regulate the Specific Governance Committee, provided for in article 3 of Resolution No. 1 of the National Energy Policy Council (“CNPE”).

Contribution Period: 24/04/2025 to 09/06/2025

Link: Consultas Públicas - ANEEL

N O . 2 1 / 2 0 2 5

OBJECTIVE:

Obtain subsidies for the approval of the version of the Commercialization Rules module in compliance with Normative Resolution No. 1,093, of May 21, 2024.

Contribution Period: 30/04/2025 to 13/06/2025

Link: Consultas Públicas - ANEEL

CALL FOR SUBSIDIES

NO. 03/2025

OBJECTIVE:

To obtain input on the preliminary database for calculating the Transmission System Use Tariffs (TUST) and Distribution System Use Tariffs for Generating Plants (TUSDg) for the 2025-2026 tariff cycle.

Contribution Period: 17/04/2025 to 06/05/2025

Link: Tomada de Subsídios - ANEEL

NO. 04/2025

OBJECTIVE:

To obtain subsidies for changes to the Network Procedures with a view to establishing a procedure for challenging and changing the decision-making procedures of the National Grid Operator (ONS).

Contribution Period: 17/04/2025 to 19/05/2025

Link: Tomada de Subsídios - ANEEL

CONTACT US

Our newsletter aims to keep our clients up to date with the latest news and regulatory changes in the electricity sector. For detailed legal advice, please contact our team of energy law specialists:

ENERGY TEAM



ANA CAROLINA CALIL

PARTNER

anacarolina.calil@cesconbarrieu.com.br



FERNANDA SILVA

ASSOCIATE

fernanda.silva@cesconbarrieu.com.br



YASMIN YAZIGI

ASSOCIATE

yasmin.yazigi@cesconbarrieu.com.br

