

NEWSLETTER

OIL & GAS

NOV 25

INSIGHTS

November marked notable regulatory progress across the oil, gas, and energy transition sectors. In the upstream segment, ANP substantially expanded the scope of the Permanent Offer under the Concession Regime, incorporating new exploratory blocks and areas with marginal accumulations, while the Federal Government vetoed changes to the reference price methodology but maintained provisions on gas reinjection limits. Meanwhile, the MME launched a public consultation to regulate carbon capture, pipeline transport, and geological storage activities, establishing guidelines and competencies that will guide the development of this industry in Brazil.

In the natural gas and biomethane segment, ANP initiated decisive steps in the tariff review process for NG transportation for the 2026–2030 cycle and advanced in defining individualized biomethane usage targets under the National Decarbonization Program. At the state level, Arsesp submitted for public consultation a proposal to create the Green TUSD to regulate the connection of biomethane plants to the distribution network, while Mato Grosso do Sul reduced the minimum volume required for migration to the free market. Other relevant topics included temporary authorization for off-spec gas commercialization by UTGCA and adjustments introduced by Law No. 15,269/2025 in the gas market.

Finally, the MME opened public consultations aimed at improving biofuel policies, including guidelines on origin of the biodiesel mandatory mix and the regulation of ProBioQAV, focusing on technical harmonization and encouraging sustainable fuel production. These regulatory developments help structure agendas for energy transition, competitiveness, and supply security across the entire chain.

UPSTREAM

ANP INCLUDES 275 EXPLORATORY BLOCKS AND 5 AREAS WITH MARGINAL ACCUMULATIONS IN THE NEW VERSION OF THE PERMANENT OFFER UNDER THE CONCESSION REGIME (“OPC”)

On 11/18/2025, ANP’s Board of Officers approved the publication of the new version of the OPC tender protocol and contracts, after including 275 new exploratory blocks and 5 areas with marginal accumulations that received favorable environmental viability opinions from competent authorities. These assets are located in the Campos, Ceará, Espírito Santo, Parnaíba, Potiguar, Recôncavo, Santos, São Francisco, Tacutu, and Tucano Sul basins.

With this approval, the new tender protocol covers 451 exploratory blocks distributed across 11 onshore and offshore sedimentary basins, in addition to the five marginal accumulation areas incorporated. The tender protocol rules remain unchanged, as per the latest version approved by ANP’s Board of Officers on 10/17/2024.

GOVERNMENT VETOES REFERENCE PRICE CHANGE BUT MAINTAINS GAS REINJECTION LIMITS UNDER LAW NO. 15,269/2025

On 11/25/2025, the Federal Government enacted Law No. 15,269/2025 after vetoing the amendment that altered the methodology for calculating oil and gas reference prices. The vetoed provision stated that the reference price should consider the market value of hydrocarbons, calculated by the average of quotations published by international agencies reporting final transaction prices between independent parties. In the absence of such information, the following would apply: (i) the methodology for the income tax (IRPJ) transfer pricing; or (ii) a price defined by presidential decree, considering market prices, product specifications, and field location.

Law No. 15,269/2025, however, maintained the provision granting CNPE authority to define limits for natural gas reinjection in new exploratory blocks offered in concession or production-

sharing auctions. According to IBP's Technical Note, determining reinjection volumes depends on technical and economic studies that can only be conducted after bidding and detailed field evaluation. These limits are typically defined during the Development Plan stage, which determines, for example, the reinjection volume of raw gas (natural gas and CO₂), crucial for reducing emissions per barrel produced and increasing oil recovery factors. Setting reinjection limits before auctions disregards essential information and compromises decision accuracy, creating risks that may deter E&P investments and reduce future natural gas supply, producing the opposite effect of what is intended.

MME LAUNCHES PUBLIC CONSULTATION ON DECREE REGULATING CARBON CAPTURE, PIPELINE TRANSPORT, AND GEOLOGICAL STORAGE SYSTEMS

On 11/17/2025, MME opened Public Consultation No. 205/2025 on the draft decree regulating Articles 26 to 29 of Law No. 14,993/2024 (“Future Fuel Law”), establishing conditions for carbon capture, pipeline transport, and geological CO₂ storage activities in Brazil. Regulation, authorization, implementation, and oversight of these activities must follow the principles of environmental and operational safety, technological innovation, industrial decarbonization, and assurance of traceability and permanence of emission reductions. The draft decree introduces essential definitions such as storage block, pressure front, and geological reservoirs suitable for storage.

ANP is designated as the authority to authorize, regulate, and supervise these activities. Geological CO₂ storage authorization may include research/evaluation and operational phases, requiring financial guarantees to ensure proper decommissioning and monitoring. ANP must also resolve cases of multiple interested parties in the same storage block and allow, through Development Plan approval, the use of non-origin CO₂ for enhanced oil recovery.

Additionally, the draft decree sets an initial 20-year monitoring period, with authorization termination only after proving stability of the stored CO₂ plume and pressure front until the end of the monitoring period.

The consultation remains open until December 16, 2025.

NATURAL GAS AND BIOMETHANE

NP APPROVES ACTION PLAN TO REVIEW GAS TRANSPORTATION TARIFFS

On 11/06/2025, ANP's Board of Officers approved an Action Plan to define methodologies and parameters to be applied to natural gas transportation tariffs for the 2026–2030 period. This plan is divided into three phases:

Phase 1: Definition of the rate of return, scheduled for completion in December 2025;

Phase 2: Valuation of the Regulatory Asset Base (“BRA”), scheduled for completion in February 2026; and

Phase 3: Definition of the Maximum Allowed Revenue (“RMP”) and tariff proposals for the 2026–2030 Regulatory Cycle, scheduled for completion in May 2026.

Due to the impossibility of completing the regulatory process for defining the RMP and tariff proposals for the 2026–2030 Cycle by January 1, 2026, ANP authorized transporters to use extraordinary contracts until final approval. These contracts, provided for in the master agreements, allow the offering of available capacity through the short-term contracting process and have limited duration, automatically terminating upon completion of the annual Processes for Offering and Contracting Transportation Capacity.

PUBLIC CONSULTATION ON RATE OF RETURN METHODOLOGY

On 11/10/2025, ANP's Board of Officers approved the launch of Public Consultation No. 12/2025, with a 15-day deadline, to discuss the methodology and criteria for defining the rate of return applicable to the 2026–2030 Regulatory Cycle. This initiative is part of the first phase of the Action Plan mentioned above and aims to update the methodology in place since 2019.

According to the Technical Note of the public consultation, *“the most relevant methodological improvement, however, consists of incorporating the volatility multiplier into the calculation of the*

Brazil risk premium applied to the cost of equity capital. This enhancement corrects a theoretical inconsistency in the previous methodology, recognizing that the systematic risk of equity capital is higher than the risk of sovereign debt, even in a common country-risk environment.” The updated methodology proposed by ANP results in a real WACC of 7.47% per year. This suggested value is lower than the one proposed by the Association of Natural Gas Pipeline Transportation Companies, which is 9.41% (based on the FGV-CERI methodology).

ANP TO HOLD PUBLIC CONSULTATION AND HEARING ON INDIVIDUALIZATION OF CGOB TARGETS

On 11/6/2025, ANP’s Board of Officers approved the launch of Public Consultation and Hearing No. 13/2025 on the draft Resolution that will regulate mandatory individual targets for biomethane use by natural gas producers and importers, in accordance with the National Decarbonization Program established by Law No. 14,993/2024.

The draft resolution stipulates that compulsory targets apply to natural gas producers with an annual average production above 1,000 boe/d and importers that do not qualify as small. The individual target will be calculated based on the agent’s market share in total emissions from marketed natural gas, multiplied by the annual target defined by CNPE. This target will be expressed in Certificates of Guarantee of Origin (CGOB), valid until December 31 of each year, and published on ANP’s website.

Compliance with the annual individual target will be demonstrated by the retirement of CGOB records by the obligated agent, with the operation carried out by the registrar and communicated to ANP. This proof must occur by December 31, allowing up to 15% of the target to be met in the following year, provided the previous year’s target was fully achieved, and surplus credits may be used in the subsequent year. The retirement of CGOB, as well as other similar fungible certificates, will not be accepted for compliance purposes. ANP may hold annual CGOB open seasons between October and November, starting in 2027, if there is a risk of insufficient stock held by primary issuers to meet the target. The rules for these open seasons will be defined in a notice, and primary issuers must follow specific deadlines for certificate retention. Additionally, obligated agents must keep all required documents and information for five years, in physical or digital format, ensuring traceability and regulatory compliance.

Finally, the draft establishes a robust sanction regime in case of total or partial non-compliance with the target. Fines range from R\$100,000 to R\$50 million and must be sufficient to outweigh any economic benefit obtained from non-compliance and may be increased in cases of recurrence over two, three, or more years. When the fine is insufficient to neutralize undue advantage, temporary suspension—total or partial—of the agent’s activities may be applied. ANP

will annually disclose the performance of obligated parties and maintain public information on sanctioning processes, reinforcing transparency and program monitoring.

Public Consultation No. 13/2025 will remain open until December 26, 2025, and the public hearing will take place on January 12, 2025.

OTHER PROVISIONS OF LAW NO. 15,269/2025 FOR THE NATURAL GAS MARKET

Law No. 15,269/2025 maintained the authorization for PPSA to enter into Swap GSAs with Petrobras. In other words, PPSA may transfer ownership or possession of the Federal Government's natural gas to Petrobras before entry into the Integrated Offloading System (SIE) and reacquire ownership or possession of the processed products after exit from the Integrated Processing System (SIP). It is also possible for Petrobras to transfer the Federal Government's natural gas directly to the final commercialization recipient, through an agreement between PPSA and the marketing agent.

On the other hand, the Federal Government vetoed the use of resources from the Pre-Salt Social Fund to finance the construction of natural gas infrastructure—such as transportation and offloading pipelines, as well as processing units (UPGNs).

ARSESP OPENS CONSULTATION ON NEW TARIFF FOR BIOMETHANE CONNECTION TO THE DISTRIBUTION NETWORK

On 11/10/2025, the São Paulo State Public Services Regulatory Agency (“Arseps”) launched a public consultation to discuss the criteria and procedures for interconnecting biomethane plants to the gas distribution pipeline network. In the draft resolution, the state regulator proposes creating a specific distribution tariff for producers—the Green TUSD (“TUSD-v”).

According to the draft, concessionaires must conduct open seasons to ensure access for all parties interested in connecting biomethane plants to the distribution system—but only plants with a minimum biomethane injection capacity of 20,000 m³/day may participate in the open seasons. Additionally, the draft resolution establishes that, based on the results of the open seasons, the concessionaire must submit for Arseps's approval a Green Business Plan for interconnecting eligible plants under the application of TUSD-v. This Business Plan, to be prepared by the concessionaire, may consider grouping projects into logistical clusters to enhance the feasibility of interconnections.

Finally, the draft resolution stipulates that, to use the interconnection infrastructure, the biomethane supplier must enter into a Green Distribution System Usage Agreement (CUSD-Verde) with the concessionaire.

Contributions must be submitted until December 4, 2025.

ANP TEMPORARILY AUTHORIZES OFF-SPEC GAS COMMERCIALIZATION BY UTGCA

On 11/21/2025, ANP issued a special authorization for the commercialization of natural gas transported through the Rota 1 Pipeline, which connects the Mexilhão Platform in the Santos Basin to the Caraguatatuba Natural Gas Processing Unit (“UTGCA”) in the state of São Paulo. Under this authorization, ANP allowed, for a special period of up to eight months, the sale of natural gas with a minimum methane content of 80% mol—below the regulatory limit of 85% set by ANP Resolution No. 982/2025—while observing all other specifications established in the same regulation.

The authorization also requires Petrobras to submit, within three months from the publication date, an action plan to ensure UTGCA processes the natural gas to meet ANP specifications, considering the points outlined in ANP Board Decision No. 731/2025.

MATO GROSSO DO SUL REDUCES VOLUME REQUIREMENT FOR MIGRATION TO THE FREE NATURAL GAS MARKET

On 11/11/2025, the Mato Grosso do Sul State Public Services Regulatory Agency (“Agems”) published Ordinance No. 309/2025, which significantly reduces the minimum volume required for consumers to qualify for the free natural gas market. The threshold was changed from an average of 10,000 m³/day to 1,000 m³/day. The regulation also establishes that, in the case of biomethane consumers, no minimum consumption will be required for classification as a free consumer. This measure aims to expand access for new players to the free contracting environment while promoting diversification of the state’s energy matrix.

FUELS / BIOFUELS

MME OPENS PUBLIC CONSULTATION TO REGULATE THE NATIONAL SUSTAINABLE AVIATION FUEL PROGRAM (“PROBIOQAV”)

On 11/14/2025, the Ministry of Mines and Energy (MME) launched Public Consultation No. 204/2025 to regulate ProBioQAV and align Brazilian regulation with international practices. The draft defines Sustainable Aviation Fuel (SAF) as the synthetic blending component or renewable fraction of co-processed fuel, meeting ICAO standards and ANP regulations. The text seeks technical and regulatory harmonization, ensuring consistency with global references. To encourage production and consumption, it provides for project classification under REIDI special tax regime and prioritization for issuing securities, enabling access to incentives and debentures. CNPE will monitor emission reduction targets, which may be adjusted through Regulatory Impact Analysis (AIR), while ANP and ANAC may hold annual open seasons for SAF supply. EPE will conduct annual assessments of supply, feedstocks, and technological routes for the next 10 years, integrating these analyses into the Ten-Year Energy Expansion Plan (PDE). Stakeholders may submit contributions until December 28.

MME OPENS PUBLIC CONSULTATION ON NEW GUIDELINES REQUIRING BIODIESEL IN MANDATORY BLEND TO BE PRODUCED ONLY BY ANP-AUTHORIZED UNITS

On 11/14/2025, MME launched Public Consultation No. 203/2025 on a draft CNPE Resolution establishing that all biodiesel marketed in Brazil to meet the mandatory blend percentage in B diesel must come exclusively from production units authorized by ANP.

The draft also stipulates that at least 80% of the biodiesel volume intended for the mandatory blend must originate from producers holding the Social Biofuel Seal (SBS), an instrument aimed at promoting productive inclusion of family farming under the National Biodiesel Production and Use Program (PNPB). Oversight of SBS data will be carried out by the Ministry of Agrarian Development and Family Farming (MDA), which has until August 31, 2026, to implement the necessary mechanisms.

Contributions to the public consultation may be submitted until January 12, 2026.

TALK WITH US

Our Newsletter aims to keep our clients up to date with the latest news and regulatory changes in the oil and gas sector. For detailed legal advice, please contact our specialized team:

OIL & GAS TEAM



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The logo for CESCON BARRIEU, featuring the company name in a bold, white, sans-serif font. The background is a vibrant, abstract pattern of blue, orange, and red colors, resembling a stylized globe or a colorful nebula.

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