

ENERGY

APR 26

HIGHLIGHTS

In April 2026, the Brazilian Electric Energy Agency (“ANEEL”) approved the amounts to be renegotiated under the Public Asset Use (“UBP”) balances of hydropower plants, totaling R\$ 7.879 billion to be allocated to the Energy Development Account (“CDE”).

Furthermore, in the distribution segment, ANEEL opened public consultations on the treatment of energy surpluses in the distribution grid and on the regulatory and accounting treatment of Micro- and Mini-Distributed Generation (“MMGD”) credits.

Regarding the transmission segment, the Ministry of Mines and Energy (“MME”) published an ordinance setting out the guidelines for the Access Seasons under the National Policy on Access to the Grid (“PNAST”). In parallel, in relation to environmental matters, the Paraná State Water and Land Institute (“IAT”) issued Normative Instruction No. 10/2026, regulating the environmental licensing of power transmission and distribution systems and substations in the State of Paraná.

Finally, during the same period, the 2026 Capacity Reserve Auction in the Form of Power (“LRCAP”) continued to be debated in the administrative, judicial and legislative arenas. In this context, the Brazilian Antitrust Authority (“CADE”) received a report from the Chamber of Deputies’ Committee on Mines and Energy identifying possible irregularities in the LRCAP 2026, including indications of cartel formation and market concentration. The matter is currently in the initial assessment phase before CADE’s General Superintendence.



NEWS

POWER GENERATION

ANEEL APPROVES RENEGOTIATION OF PUBLIC ASSET USE BALANCES

In April 2026, ANEEL addressed the developments arising from the renegotiation of the UBP balances of hydropower plants awarded under the highest-public-asset-use-payment criterion, pursuant to Federal Law No. 15,235/2025.

The decision follows from Public Consultation No. 045/2025, which discussed the methodology for calculating the UBP balance, the draft addendum and the calculation records applicable to the power plants interested in joining the renegotiation. In this context, ANEEL approved the amounts to be renegotiated and the draft addendum to the concession contracts.

In addition, following the correction of a material error in the calculation relating to the UHE Cana Brava hydropower plant, the consolidated total balance to be renegotiated was adjusted to R\$ 7.879 billion. The amounts collected will be allocated to the CDE for the purposes of tariff modicity, but collection will depend on the concessionaires' adherence.

Subsequently, on 24 April 2026, ANEEL announced the signing of the first renegotiation addendum, relating to the UHE Salto hydropower plant, which was awarded to Rio Verde Energia S.A. In this case, the UBP balance to be renegotiated amounts to R\$ 10.67 million, payable within 30 days of the formalization of the addendum.

LRCAP 2026 IMPACTED BY ADMINISTRATIVE, JUDICIAL AND LEGISLATIVE DISCUSSIONS

The conclusion of the stages associated with the LRCAP has become the focus of discussions on several fronts relating to the ratification, award and signing of the Power Capacity Reserve Contracts ("CRCAPs").

On the administrative front, ANEEL's Permanent Auction Committee ("CPL") concluded the qualification of the winners of the 2026 Thermoelectric Power Product and, on 21 May 2026, ANEEL's Board of Directors ratified the result and awarded the object related to this product. On the same date, the CPL also issued new qualification decisions relating to the other products of the auction, covering new thermoelectric, existing thermoelectric and hydroelectric projects, while certain qualification analyses remain pending. Furthermore, ANEEL's Board of Directors dismissed administrative appeals filed in the context of the auction, including challenges brought by INEL, J&F S.A. and UEG Araucária S.A.

In parallel, ABRAENERGIAS filed a Class Action Lawsuit challenging the legality of the LRCAP and requesting the suspension of acts aimed at consolidating the auction. Although the court initially required an urgent response from the public authorities, the request for interim relief filed by the association to suspend the effects of the auction was subsequently denied. Subsequently, the Federal Prosecution Service ("MPF") issued an opinion in favor of the partial suspension of the ratification, award and signing of the CRCAPs.

Nevertheless, following the court decision, ANEEL partially moved forward with the auction, ratifying and awarding the 2026 Thermoelectric Power Product.

Furthermore, in the National Congress, members of parliament submitted Draft Legislative Decree No. 264/2026, which seeks to override MME ordinances relating to the guidelines governing the auction.

For further information, please see our [May briefing on LRCAP 2026](#).

CADE EXAMINES POSSIBLE ANTITRUST IRREGULARITIES IN THE CAPACITY RESERVE AUCTION IN THE FORM OF POWER (LRCAP 2026)

On 7 May 2026, CADE received a report authored by Representative Daniel Forte and submitted by the Chairman of the Chamber of Deputies' Committee on Mines and Energy, Representative Joaquim Passarinho, reporting irregularities identified in the Public Hearings on the Capacity Reserve Auction in the Form of Power.

The document points out, among the main irregularities, the doubling of the price cap for existing plants — an increase of up to 101% for thermoelectric plants — without any Regulatory Impact Assessment, which is estimated to have generated an impact of at least 10% on general consumer tariffs and 20% for industry. The report also points to a lack of technical transparency in the auction, with 72 documents kept confidential, and highlights that 97 of the 104 contracted projects are fossil fuel thermoelectric plants.

In addition to the tariff distortions, the report points to indications of anticompetitive conduct: the concentration of 50% of the contracted volume in just two economic groups, the allegedly artificial segmentation of the notice into 12 products and the 5.5% discount on the winning bids are cited by the report as evidence of possible cartel formation or market allocation. According to estimates presented in the document, the estimated financial impact would reach R\$ 517 billion, considering only the fixed revenue of the contracts, potentially exceeding R\$ 800 billion when variable revenue is included. The report also criticizes the exclusion of Battery Energy Storage Systems ("BESS") from the auction, in favor of thermoelectric plants described as "expensive, polluting, inflexible and obsolete".

Matter No. 08700.004186/2026-38 is currently at the initial stage before CADE, with the documents having been referred to the General Superintendence for assessment. No formal administrative investigation proceedings have been initiated to date. The report recommends that CADE open an investigation to examine possible cartel behaviour and abuse of dominant position, and that the Federal Court of Auditors ("TCU") immediately suspend and not ratify the auction. It is worth highlighting that requests from Congressional committees are afforded privileged treatment before CADE, allowing for the direct initiation of an Administrative Inquiry, without the need for prior preparatory proceedings, pursuant to Article 136, sole paragraph, of CADE's Internal Rules ("RICADE").

POWER GENERATION AND TRANSMISSION

ANEEL OPENS PUBLIC CALL FOR INPUT TO IMPROVE NETWORK PROCEDURES

On 10 April 2026, ANEEL launched Public Call for Input No. 008/2026 to receive contributions on the revision of 12 submodules of the Network Procedures.

The initiative arises from a proposal to establish an annual ordinary procedure for the review of these procedures. Thus, changes of lesser regulatory impact, minor updates and operational adjustments submitted by the National Grid Operator ("ONS") will be analyzed jointly, rather than being dealt with in fragmented proceedings.

In this context, the Public Call for Input covers topics related to the operation of the National Power Grid ("SIN"), such as operating criteria, power quality, load forecasting, operations scheduling, hydraulic operating constraints, load management, contract management and transmission charges.

Furthermore, ANEEL included adjustments associated with Normative Resolution No. 1,134/2025, which addressed the power injection limit and the concept of a Generation Complex. Thus, the discussion also covers amendments to the submodules relating to contract management and the monthly calculation of transmission services and charges.

ANEEL DISMISSES PROPOSAL FOR A BINDING PRECEDENT ON PENALTIES SET OUT IN GENERATION AND TRANSMISSION TENDER NOTICES

On 17 April 2026, ANEEL dismissed a proposal for the issuance of a binding precedent on the application of the provisions of Normative Resolution No. 846/2019 to the penalties set out in transmission and new generation project tender notices. In this context, the proposal sought to standardize the treatment of so-called tender notice penalties, particularly in relation to the suspensive effect of appeals, the payment of fines in instalments and the possibility of a discount in the event of waiving the right to appeal. However, ANEEL's Federal Solicitor's Office found that the requirements for the issuance of a binding precedent were not met, as there was no settled, consistent and uniform understanding by the Board of Directors on the matter.

Accordingly, the Board decided to dismiss the binding precedent proposal. Nevertheless, the decision recorded that possible specific rules on tender notice penalties may be considered in a separate rulemaking proceeding, should the technical department deem it necessary.

POWER TRANSMISSION

MME SETS OUT RULES FOR ACCESS SEASONS TO THE MAIN GRID

In April 2026, the MME published an ordinance setting out the guidelines for the Access Seasons under the PNAST. The regulation organizes the registration of interested parties, the calculation of the remaining capacity of the Main Grid and, where necessary, the conduct of a competitive process for the allocation of available capacity. Furthermore, the ordinance provides for the issuance of a Prior Access Assessment by the ONS and allocates the amounts raised in the Competitive Processes to tariff modicity. [Please see our Client Alert for further details.](#)

IAT REGULATES ENVIRONMENTAL LICENSING FOR POWER TRANSMISSION AND DISTRIBUTION IN PARANÁ

In April 2026, the Paraná State Water and Land Institute ("IAT") issued Normative Instruction No. 10/2026, which establishes criteria for the environmental licensing of power transmission and distribution systems and substations in the State of Paraná. The regulation aims to organize the procedures applicable to the sector and aligns the state rules with the federal environmental licensing framework, particularly following the entry into force of the General Environmental Licensing Law ("LGLA").

In this context, the Normative Instruction sets out the types of authorizations applicable to the projects, including exemption from licensing, environmental authorization, simplified environmental licensing, and two- or three-phase licensing. Furthermore, the regulation differentiates treatment according to the type of installation, the voltage of the line, the scale of the project and the environmental characteristics of the affected area.

Among the main changes, the IAT, incorporating the provisions of the LGLA, has exempted from environmental licensing certain distribution lines with a voltage of up to 138 kV, provided

they are installed in anthropized areas, without any clearing of native vegetation and without intervention in environmentally sensitive areas. In such cases, the project developer must apply for a Declaration of Exemption from Environmental Licensing.

On the other hand, where there is clearing of native vegetation or intervention in environmentally protected areas, the regulation maintains the requirement for licensing or specific authorisation. Accordingly, the applicable environmental classification will depend on the technical characteristics of the project and the environmental sensitivity of the implementation area.

ENERGY TRADING

ANEEL APPROVES NEW VERSIONS OF CCEE'S TRADING PROCEDURES

On 30 April 2026, ANEEL approved new versions of submodules of the Energy Trading Chamber ("CCEE")'s Trading Procedures, by means of Order No. 1,432/2026.

The decision follows from Public Call for Input No. 002/2025 and updates the Chamber's operational procedures in relation to, among other matters, the access of market agents, metering, contracts, accounting, settlement in the Short-Term Market ("MCP"), reserve energy, MCSD, sale of surpluses and demand response.

Furthermore, ANEEL authorised the CCEE to use, as of 1 May 2026, an automatic metering data estimation process to address situations of absence or inconsistency of information.

The decision also determined that the CCEE submit studies on the reduction of the MCP accounting and settlement period to up to MS+20 business days and on the possibility of amending the frequency of accounting and settlement, currently monthly, to weekly or daily bases.

Finally, part of the amendments relates to the operationalization of financial guarantees associated with CCEARs, a matter that was also the subject of specific deliberation by ANEEL in April.

ANEEL APPROVES AMENDMENTS TO TRADING RULES ON FINANCIAL GUARANTEES IN CCEARS

As part of the same agenda to improve trading rules, ANEEL approved amendments to the financial guarantees of selling agents holding CCEARS entered into from the 35th Existing Energy Auction of 2025 onwards.

The decision follows from Public Consultation No. 038/2025 and amends, in particular, the methodology for calculating the financial guarantee. As a result, the CCEE will now take into account the seasonalized contracted quantity for the month and the contract sale price to determine the amount to be contributed by the sellers.

Furthermore, the rules now provide for the monthly assessment of any guarantee top-up, as well as the circumstances under which amounts may be returned. In this regard, the Trading Procedures will also regulate the processes of formation, restoration, supplementation, release and enforcement of guarantees.

Finally, should the seller fail to make the full top-up, the CCEE must immediately suspend the CCEAR and notify ANEEL.

ENERGY DISTRIBUTION

ANEEL OPENS PUBLIC CONSULTATIONS ON ENERGY SURPLUSES IN DISTRIBUTION AND MMGD CREDITS

On 22 April 2026, ANEEL approved the opening of Public Consultation No. 009/2026, aimed at the treatment of energy surpluses and greater operational flexibility in the distribution grid. In this context, the proposal addresses measures relating to the expansion of MMGD, such as combating unauthorised alterations to power generation plants, signalling systemic transmission constraints and implementing the Energy Surplus Management Plan for the Distribution Grid.

Furthermore, the proposal sets out that distribution companies (“Distcos”) should identify potential unauthorised changes to the original characteristics of MMGD power plants and take regularisation measures, prioritising situations of greater deviation.

On 28 April 2026, ANEEL approved the opening of Public Consultation No. 011/2026, aimed at the regulatory and accounting treatment of MMGD credits in the distributors' tariff review processes. The discussion seeks to define the treatment applicable to expired, offset or credits still to be offset under the Electricity Compensation System ("SCEE").

Accordingly, while Public Consultation No. 009/2026 addresses the operation of the grid in the face of energy surpluses, Public Consultation No. 011/2026 covers the tariff and accounting implications of MMGD credits

PUBLIC CONSULTATIONS

ANEEL:

NO. 9/2026

SUBJECT:

To gather input for regulatory improvements regarding the treatment of energy surpluses and greater operational flexibility in the Distribution Grid.

Período de contribuição: 23/04/2026 to 08/06/2026

NO. 11/2026

SUBJECT:

To gather input for the regulatory and accounting treatment of Micro- and Mini-Distributed Generation (MMGD) credits in support of tariff modicity, pursuant to Federal Law No. 14,300/2022 and Order No. 684/2025.

Período de contribuição: 30/04/2026 to 15/06/2026

NO. 12/2026

SUBJECT:

To gather input for the improvement of the drafts of the Tender Notice and Terms of Reference for the Development and Implementation of the Innovation Platform for the Electricity Sector (PINSE).

Período de contribuição: 06/05/2026 to 22/06/2026

N O . 1 3 / 2 0 2 6

SUBJECT:

To gather input for the regulation of the registration of representatives of market agents, companies and institutions in the sector, through the creation of Submodule 1.4 of the Network Procedures (Responsibilities and Operations).

Período de contribuição: 07/05/2026 to 22/06/2026

M M E :

N O . 2 2 0 / 2 0 2 6

SUBJECT:

Proposal for the improvement of guidelines for the non-returnable interruptible export of electricity to the Argentine Republic or the Oriental Republic of Uruguay, arising from surplus generation from hydropower plants centrally dispatched by the ONS, available for supply to the SIN, whose generation is transmissible and cannot be allocated to load.

Período de contribuição: 27/04/2026 to 11/06/2026

N O . 2 2 2 / 2 0 2 6

SUBJECT:

Draft National Energy Transition Plan (Plante)

Período de contribuição: 29/04/2026 to 12/06/2026

N O . 2 2 3 / 2 0 2 6

SUBJECT:

Stakeholder Engagement Study on the Development of Offshore Wind Power in Brazil

Período de contribuição: 12/05/2026 to 01/06/2026

PUBLIC CALLS FOR INPUT

ANEEL:

NO. 10/2026

SUBJECT:

To gather input relating to the preliminary database for the calculation of the Transmission System Use Tariff (TUST) and the Distribution System Use Tariff for Power Plants (TUSDg) for the 2026–2027 tariff cycle.

Período de contribuição: 17/04/2026 to 18/05/2026

NO. 11/2026

SUBJECT:

Presentation of the calculation records for the exposure amounts and involuntary over-contracting of distribution agents, with a view to validating the database, for the years 2019, 2020 and 2021.

Período de contribuição: 29/04/2026 to 28/05/2026

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:

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