



ENERGY

Newsletter

No. 16 / MAY 2019

This issue of our Energy Newsletter provides information on the main administrative and regulatory actions and legal texts related to regulation of the electric energy sector in Brazil. This material is for informative purposes only and should not be used for decision making. Our lawyers are available to provide specific legal advice.

ENERGY AND NATURAL RESOURCES AREA

ENERGY TEAM

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DEMAREST

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In an article published on the Canal Energia website, Pedro Henrique Dante, partner of Demarest's Energy area, talks about the judicial reorganization (similar to the Chapter 11 proceeding under the U.S. Bankruptcy Code) of energy trading company Linkx Comercializadora. [Check the full text](#)

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Investment fund Vocatus has the approval of the Brazilian Antitrust Authority (“CADE”) to purchase energy traders

Equity fund Vocatus has the approval of CADE, without provisos, to acquire the control of electric energy traders ECEL, Elétron Serviços, and Mercuria. [Check the full text.](#)

Órigo cautions for legal certainty in the revision of Resolution 482

The shared Distributed Generation company wants to end the year with 36 MW and is seeking small companies to be its clients. The entry of Mitsui makes continuity of growth possible. [Check the full text](#)

National Treasury Policy Council (“Confaz”) approves the creation of electronic invoice (*Nota Fiscal*) for electronic energy

With the NF-3e, the state tax authorities will receive information about tax collection and inspection through XML files, reducing errors.

[Check the full text](#)

RR Auction: BRL 1,078.00/MWh will be the fixed price for power contracts

The unification of the reference price was approved by Aneel on Monday, April 29. [Check](#)

[the full text](#)

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Cteep's profit drops 23.3% in the first quarter of 2019

From January to March, the company had a positive result of BRL 234.1 million — BRL 71 million less than the same period in 2018.

[Check the full text](#)

Rui Altieri, president of the Administration Council for the Chamber for the Commercialization of Electric Energy (CCEE): Government prepares changes to the Free Contracting Environment (ACL)

A proposal to give more certainty to the agents that operate in the free market will be submitted to the sector in an event to be held on May 22. [Check the full text](#)

Provisional Presidential Decree would be an alternative for the government to solve the issue of the Generation Scaling Factor (GSF), says Cogen

For the president of the association, the situation calls for an urgent solution; credits of sugarcane and ethanol mills reach BRL 500 million. [Check the full text](#)

British company Faro Energy opens solar plant in Minas Gerais

The company is planning to open another three plants in the next six months. [Check the full text](#)

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Aneel maintains imposition of BRL 1 million fine on Enel Goiás

The agency denied the request of the distributor that was fined for failure to provide adequate information on its operation and to consumers within the legal deadline. [Check the full text](#)

Conjunto Eólico Umburanas starts commercial operation in Bahia

After 13 months of construction, the BRL 1.8 billion undertaking formed by 18 farms and 144 wind turbines will add 360 MW to the installed wind capacity of the company in Brazil, reaching 900 MW capacity. [Check the full text](#)

Aneel adopts the yellow flag tariff in May

With the change, an additional tariff of BRL 1,00 will be charged for each 100 kWh consumed; the yellow flag tariff has not been imposed since December of last year. [Check the full text](#)

Eletrobras will raise up to BRL 5 billion via debentures

The issuance was ranked brAAA by S&P and will occur in four series; the last will comprise incentive debentures. [Check the full text](#)

Electra loses BRL 5 million due to trader default.

The company went to court to recover losses. [Check the full text](#)

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Norte Energia opens Public Call to sell Belo Monte energy

Three products will be offered to the Northern sub-market: June/2019, July/2019, and August/2019, with advance payment. Bids cannot be less than 1 average MW. [Check the full text](#)

RGE invests more than BRL 28 million to modernize electric system

The distributor is remodeling 39 Km of network of second source of supply to Manoel Viana, and has already replaced more than 3 thousand wooden posts with concrete in Novo Hamburgo and Gravataí. [Check the full text](#)

CPFL Energia advances with the offering of shares abroad

The company filed a Form-F-3 with the Securities and Exchange Commission, the US regulatory body. [Check the full text](#)

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**ORDER No. 967 OF THE SUPERINTENDENT OF
TARIFF MANAGEMENT, published April 2,
2019**

Sets the Electric Energy Services Inspection Fee - TFSEE to the energy distribution agents, whose tariff was adjusted in March 2019.

**ORDER No. 968 OF THE SUPERINTENDENT OF
TARIFF MANAGEMENT, published April 2,
2019**

Sets the Electric Energy Services Inspection Fee - TFSEE to the energy distribution agents, whose tariff was adjusted in February 2019.

**ORDER No. 959 OF THE SUPERINTENDENT OF
GENERATION SERVICES REGULATION,
published April 2, 2019**

Approves the final amounts of the Unit Variable Cost (“CVU”) for July, September, October, November, and December 2017, with a view to reimbursing Centrais Elétricas Brasileiras S.A. (“Eletrobras”) the variable costs of electric energy imported from Uruguay; also determines that the Chamber for the Commercialization of Electric Energy (“CCEE”) should recalculate the operations of July, September, October, November, and December 2017 using the approved CVU values in place of the temporarily approved amounts.

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**ADMINISTRATIVE RULE No. 186 OF THE
MINISTRY OF MINES AND ENERGY, published
April 4, 2019**

Sets the Guidelines for the carrying out of the Auctions for Purchase of Electric Energy originating from New Generation Projects, named "A-4", of 2019.

**ORDER No. 979, OF THE SUPERINTENDENT OF
TARIFF MANAGEMENT, published April 4,
2019**

Sets the credits and debts of the Centralized Account of Tariff 'Flags' Funds for the settlement of short-term market transactions before the Chamber for the Commercialization of Electric Energy ("CCEE") for February 2019, according to Sub-module 6.8 of the Tariff Regulation Procedures – PRORET.

**ADMINISTRATIVE RULE No. 187 OF THE
MINISTRY OF MINES AND ENERGY, published
April 5, 2019**

Establishes a Working Group to develop proposals for the Modernization of the Electric Sector based on governance, legal and regulatory certainty, and predictability.

**NORMATIVE RESOLUTION No. 843 OF THE
DIRECTOR-GENERAL OF THE NATIONAL
ELECTRIC ENERGY AGENCY – ANEEL,
published April 5, 2019**

Sets criteria and procedures for the formulation of the Monthly Electric Energy Operation Program ("PMO") and the establishment of the Settlement Price of Differences – PLD.

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NORMATIVE RESOLUTION No. 7717 OF THE DIRECTOR-GENERAL OF ANEEL, published April 8, 2019

Re-publishes the limits for the commercial quality indicator named Complaint Frequency Equivalent (“FER”) for electric energy distribution concessionaires.

ORDER No. 1005 OF THE SUPERINTENDENT OF TARIFF MANAGEMENT, published April 8, 2019

Sets the value of the quotas related to the Electric Energy Development Account (“CDE”) for FEBRUARY 2019. Period for payment: up to MAY 10, 2019.

ORDER No. 1006 OF THE SUPERINTENDENT OF TARIFF MANAGEMENT, published April 8, 2019

Sets the value of the funding quotas related to the Incentive Program for Alternative Sources of Electric Energy (“PROINFA”), for JUNE 2019. Period for payment: up to MAY 10, 2019.

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**NORMATIVE RESOLUTION No. 7761 OF THE
DIRECTOR-GENERAL OF ANEEL, published
April 18, 2019**

Authorizes the reinforcements of the installations under the responsibility of electric energy distribution concessionaires listed in the Plan for Grants of Electric Energy Transmission (“POTEE”) 2017/2016 Cycle, Volume II, Small-Size Reinforcements of the Existing Transmission Installments, issued by the Ministry of Mines and Energy.

**ADMINISTRATIVE RULE No. 218 OF THE
MINISTRY OF MINES AND ENERGY, published
April 30, 2019**

Submits to Public Consultation the proposed “annual compulsory goals for the reduction greenhouse gas emissions for the sale of fuels for the 2020-2029 cycle,” in accordance with Art. 6 of Law No. 13576, of December 26, 2017.

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**ADMINISTRATIVE RULE No. 219 OF THE
MINISTRY OF MINES AND ENERGY, published
April 30, 2019**

Submits to Public Consultation the technical documentation of the Methodology Working Group of the Permanent Commission for Analysis of Methodologies and Computer Programs of the Electric Energy Sector - CPAMP, which deals with the Short-Term Hydrothermal Dispatch Model (DESSEM Model) with focus on the adoption of the model and establishment of the settlement price of time differences.

**ADMINISTRATIVE RULE No. 220 OF THE
MINISTRY OF MINES AND ENERGY, published
April 30, 2019**

Submits to Public Consultation the draft of the Administrative Order in order to establish the Procedures and Methodologies for Calculation and Review of the Physical Guarantee of Energy Amounts of the Photovoltaic Solar Plants.

**ORDER No. 1223 OF THE SUPERINTENDENT
OF TARIFF MANAGEMENT, published April 29,
2019**

Sets the annual estimate of costs of the Service System Charge (“ESS”) and the Reserve Energy Charge (“EER”) to cover the tariff of the distributors with tariff process in the second four-month period of 2019.

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PUBLIC HEARING	MATTER	FORMAT	TERM FOR CONTRIBUTIONS
2nd phase No. 032/2018	To obtain inputs for the draft of a Normative Resolution providing for the quality of the services of electric energy distribution concessionaires associated with the availability and operating capacity of Converter Transmission Functions – (“FT”), among others, and inputs for the drafts of Sub-modules 15.6 and 15.12 of the Network Procedures.	Exchange of documents	4/11/2019 to 5/10/2019
Notice of Extension No. 032/2018	To obtain inputs for the Analysis of the Regulatory Impact Analysis (“AIR”) relating to the improvement of the rules applicable to distributed micro- and mini-generation (Normative Resolution no. 482/2012).	Exchange of documents and face-to-face meetings	Deadline extended to May 9, 2019
No. 011/2019	To obtain inputs for the Fifth Periodical Tariff Revision of Enel Distribuição São Paulo and to define the corresponding limits of the indicators of continuity of the Equivalent Duration of Interruption per Consumer Unit (“DEC”) and the Equivalent Frequency of Interruption per Consumer Unit (“FEC”), for the period 2020 to 2023.	Exchange of documents and face-to-face meeting	4/4/2019 to 5/17/2019

* All dates expressed here as: mm/dd/YYYY

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PUBLIC HEARING	MATTER	FORMAT	TERM FOR CONTRIBUTIONS
No. 012/2019	To obtain inputs to improve the draft of the Invitation to Auction No. 3/2019, named "Auction A-4 of 2019," and the Annexes thereto regarding the purchase of electric energy originating from the New Energy Projects that generate electric energy from hydroelectric, wind, photovoltaic solar, and biomass sources; the supply of electric energy will begin on January 1, 2023.	Exchange of documents	4/10/2019 to 5/10/2019
No. 013/2019	To obtain inputs to improve the rules arising from the process of revision of Normative Resolution No. 673/2015, which establishes the requirements and procedures to obtain authorization to exploit hydraulic potential with characteristics of Small Hydroelectric Plants ("PCH") and the respective Regulatory Impact Analysis ("AIR").	Exchange of documents and face-to-face meeting	4/11/2019 to 6/12/2019 with Face-to-Face Meeting on 5/22/2019

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PUBLIC HEARING	MATTER	FORMAT	TERM FOR CONTRIBUTIONS
No. 014/2019	To obtain inputs for the Regulatory Impact Analysis regarding the revision of Normative Resolution No. 709/2016, which establishes provisions related to the development of operating and holding activities of electric energy transmission concessionaires.	Exchange of documents	4/11/2019 to 5/24/2019 with Face-to-Face Meeting on 05/22/2019

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PUBLIC HEARING	MATTER	FORMAT	TERM FOR CONTRIBUTIONS
No. 007/2019	To obtain inputs for the X Factor Calculation methodology to be applied to Electric Energy Distributors from 2020, as established in the Report on the Regulatory Impact Analysis (“AIR”).	Exchange of documents	4/5/2019 to 5/6/2019
No.008/2019	To obtain inputs related the preliminary database for the calculation of the Tariffs for Use of the Transmission System (“TUST”) and Tariffs for Use of the Distribution System for Power Plants (“TUSDg”) – 2019 to 2020 tariff cycle.	Exchange of documents	4/30/2019 to 5/20/2019

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05.03

Beginning of the period to submit declarations of surplus and deficit (MCSD) of Existing Energy for May/2019.

05.06

End of the period to submit suggestions for Public Consultation No. 007/2019.
[Check the full text](#)

05.08

Debit of the Financial Settlement of the Short-Term Market (MCP) for March/2019.

05.09

End of the period to submit declarations of surplus and deficit (MCSD) of Existent Energy for May/2019.

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05.09

Debit of the Financial Settlement of the Short-Term Market (MCP) for May/2019.

End of the period to submit suggestions for Public Hearing No. 001/2019. [Check the full text](#)

05.14

End of the period to submit suggestions for Public Consultation No. 004/2019. [Check the full text](#)

05.10

End of the period to submit suggestions for Public Hearing No. 012/2019. [Check the full text](#)

End of the period to submit suggestions for Public Hearing No. 032/2018. [Check the full text](#)

05.16

Financial Settlement of Angra I and II for April/2019.

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05.17

Financial Settlement of the Physical Guarantee Quota Regime for April/2019.

End of the period to submit suggestions for Public Hearing No. 011/2019. [Check the full text](#)

05.20

Debit of the Financial Settlement of Reserve Energy for April/2019.

End of the period to submit suggestions for Public Consultation No. 006/2019. [Check the full text](#)

05.17

End of the period to submit suggestions for Public Hearing No. 004/2019. [Check the full text](#)

05.20

End of the period to submit suggestions for Public Consultation No. 005/2019. [Check the full text](#)

End of the period to submit suggestions for Public Consultation No. 008/2019. [Check the full text](#)

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05.21

Credit of the Financial Settlement of Reserve Energy for April/2019.

05.22

Deadline for the contribution of financial guarantees (except for distribution agents) for April/2019.

05.24

End of the period to submit suggestions for Public Hearing No. 014/2019. [Check the full text](#)

05.27

Financial Settlement of MCSD of Existing Energy for April/2019.

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■ **05.31**

End of the period to submit suggestions for
Public Consultation No. 003/2019. [Check
the full text](#)

End of the period to submit suggestions for
Public Consultation No. 009/2019. [Check
the full text](#)



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