

INFRASTRUCTURE AND ENERGY NEWSLETTER

April 2022

Check out the April edition of our Infrastructure & Energy newsletter, featuring hot topics about Public Lighting bidding processes, outcome of the port auctions, new toll road projects, among others.

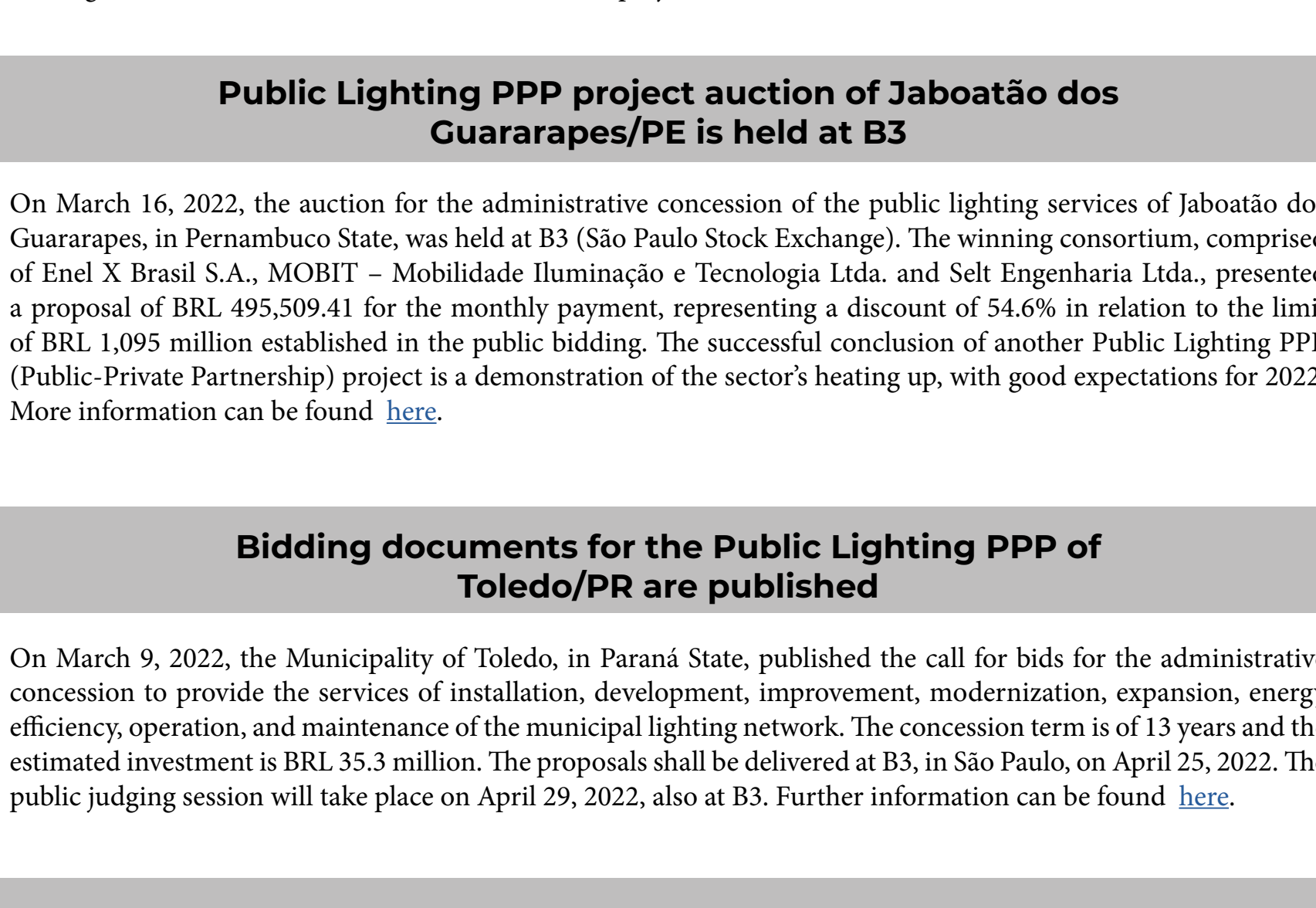


IMAGEM: LINH LE

PUBLIC LIGHTING

Barreiras opens public consultation and holds public hearing for the concession of Public Lighting services

On March 7, 2022, the Municipality of Barreiras, in the State of Bahia, opened a public consultation for the improvement of technical and legal documents related to the bidding process for the administrative concession of public lighting services. The project includes the modernization, efficiency, expansion, management, operation, and maintenance of the Municipal Public Lighting System. Contributions can be submitted until April 7, 2022. The bidding documents and other information about the project can be found [here](#).

Public Lighting PPP project auction of Jaboatão dos Guararapes/PE is held at B3

On March 16, 2022, the auction for the administrative concession of the public lighting services of Jaboatão dos Guararapes, in Pernambuco State, was held at B3 (São Paulo Stock Exchange). The winning consortium, comprised of Enel X Brasil S.A., MOBIT – Mobilidade Iluminação e Tecnologia Ltda. and Selt Engenharia Ltda., presented a proposal of BRL 495,509.41 for the monthly payment, representing a discount of 54.6% in relation to the limit of BRL 1,095 million established in the public bidding. The successful conclusion of another Public Lighting PPP (Public-Private Partnership) project is a demonstration of the sector's heating up, with good expectations for 2022. More information can be found [here](#).

Bidding documents for the Public Lighting PPP of Toledo/PR are published

On March 9, 2022, the Municipality of Toledo, in Paraná State, published the call for bids for the administrative concession to provide the services of installation, development, improvement, modernization, expansion, energy efficiency, operation, and maintenance of the municipal lighting network. The concession term is of 13 years and the estimated investment is BRL 35.3 million. The proposals shall be delivered at B3, in São Paulo, on April 25, 2022. The public judging session will take place on April 29, 2022, also at B3. Further information can be found [here](#).

Camaçari/BA publishes public bidding for its Public Lighting PPP

The Camaçari City Hall published, on March 10, 2022, the public bidding for the PPP for the provision of public lighting services for a term of 13 years. The documents and proposals shall be delivered on April 25, 2022, at B3, in São Paulo. The public session will take place on April 29, 2022, also at B3. The judging criterion will be the lowest monthly payment to be made by the Municipality to the Concessionaire. The bidding documents can be found [here](#).

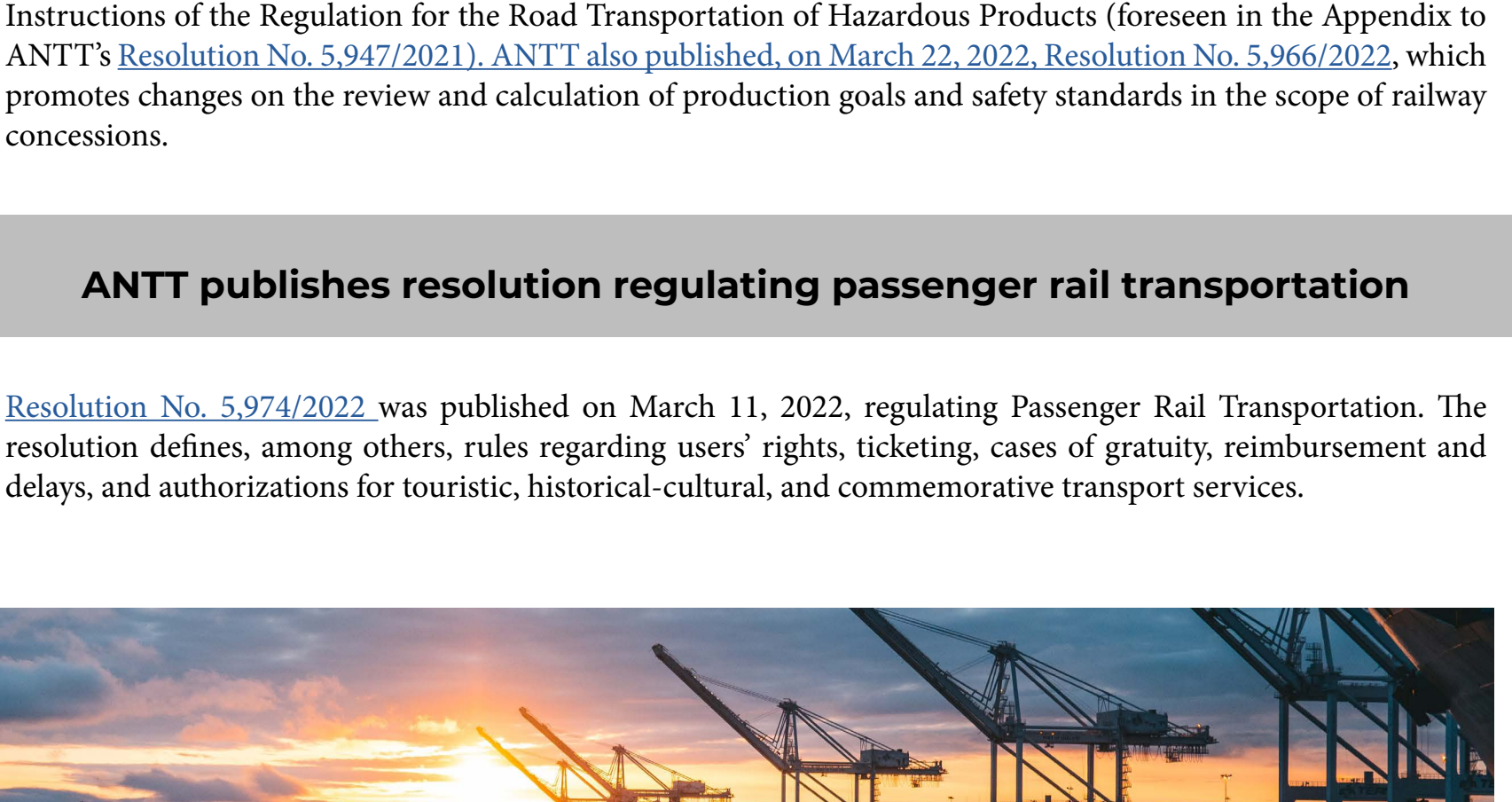


IMAGEM: MATTHEW HENRY

ENERGY

ANEEL approves new loan to distribution companies

The board of the National Electric Energy Agency (ANEEL) approved, on March 15, 2022, a new loan to the electricity sector, which will involve the amount of up to BRL 5.3 billion. Authorized by Provisional Measure No. 1,078/2021 and Decree No. 10,939/2022, these resources will be used to cover measures adopted with the objective of avoiding failures in the supply of energy in the year 2021, when Brazil faced a period of severe drought.

The Provisional Measure issued by the government also foresees a second transfer to the sector, estimated at BRL 5.2 billion, totaling a loan of up to BRL 10.5 billion. However, the amount has not yet been approved by ANEEL and will be submitted for public consultation – the date of which remains open. This portion will cover a percentage of the cost of the emergency purchase of energy, carried out last year.

ANEEL defines criteria for revision of photovoltaic projects implementation schedule

On February 8, 2022, ANEEL approved changes to the implementation schedule for certain photovoltaic plants. The changes do not alter the starting dates of the Transmission System Use Agreements (CUST) already signed by the plants. The effectiveness of the change in the schedule is conditional on evidence that construction has started and evidence of the performance bond – in a transfer of shareholder control scenario; issuance of the Installation License (LI), execution of the connection contracts, among others. This decision is a relevant precedent for future requests for schedule changes for power plants that are undergoing change of control.

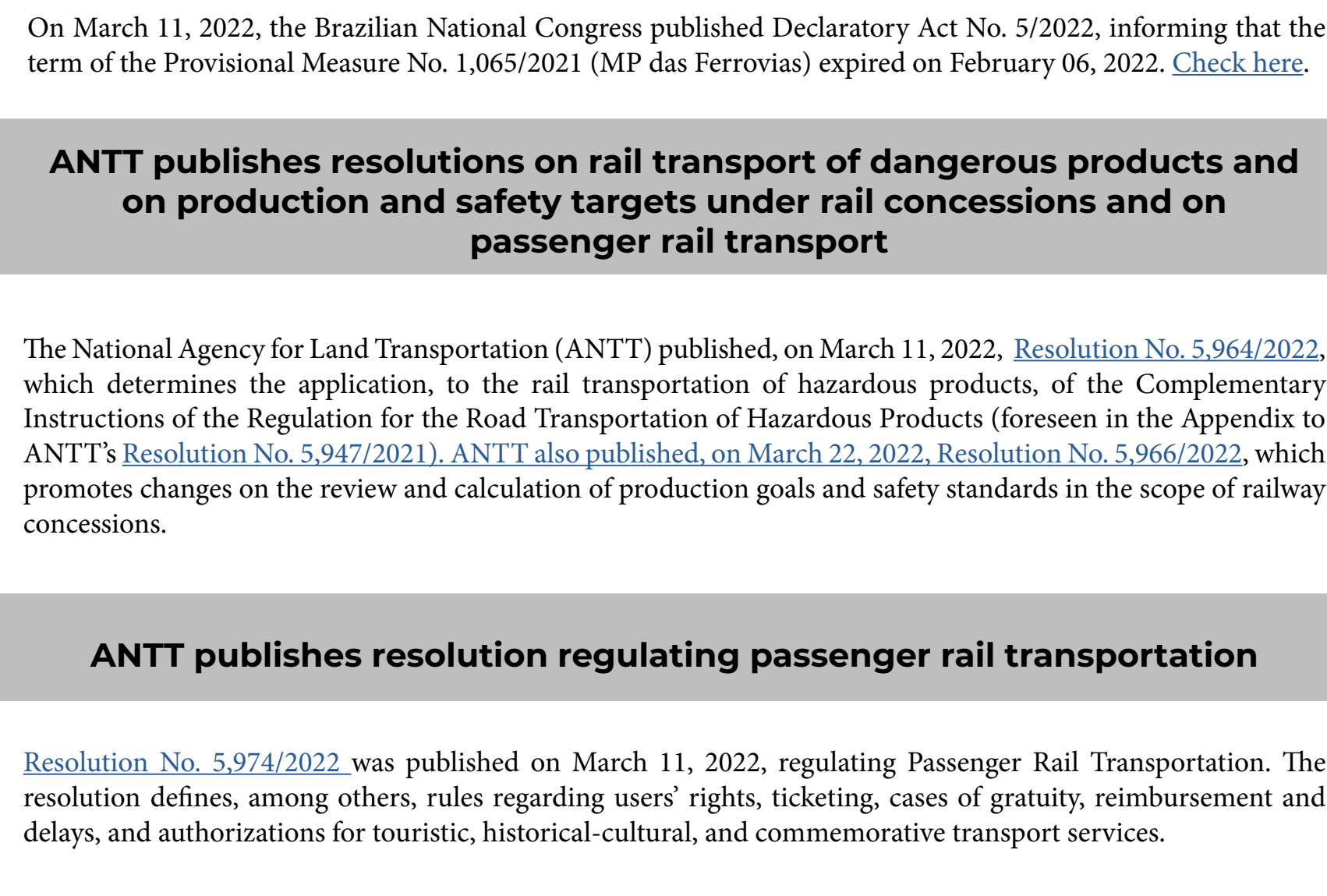


IMAGEM: JACK SLOOP

RAILROADS

Published Declaratory Act of the Brazilian National Congress on the termination of the Railways Provisional Measure

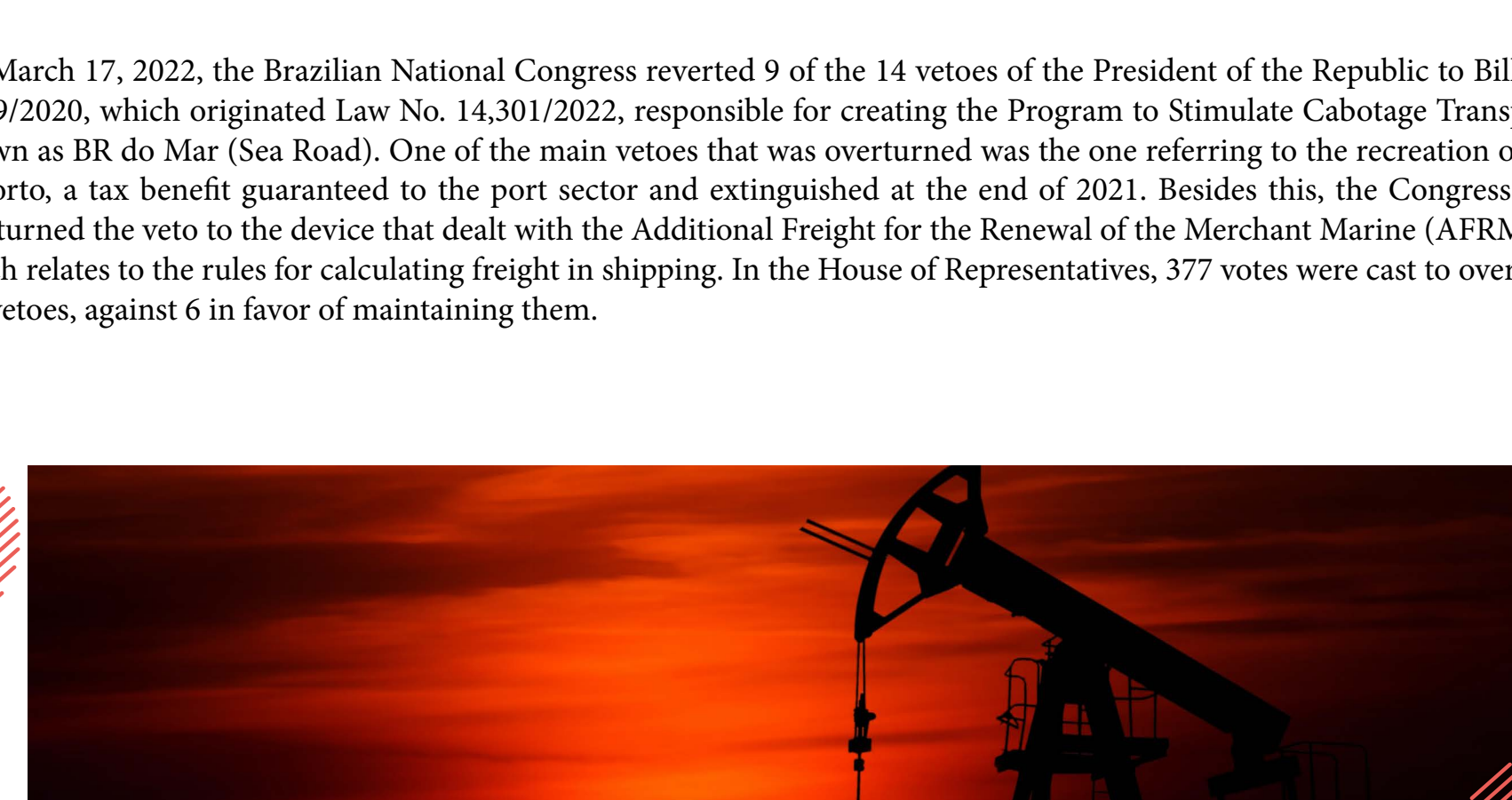
On March 11, 2022, the Brazilian National Congress published Declaratory Act No. 5/2022, informing that the term of the Provisional Measure No. 1,065/2021 (MP das Ferrovias) expired on February 06, 2022. [Check here](#).

ANTT publishes resolutions on rail transport of dangerous products and on production and safety targets under rail concessions and on passenger rail transport

The National Agency for Land Transportation (ANTT) published, on March 11, 2022, [Resolution No. 5,964/2022](#), which determines the application, to the rail transportation of hazardous products, of the Complementary Instructions of the Regulation for the Road Transportation of Hazardous Products (foreseen in the Appendix to ANTT's [Resolution No. 5,947/2021](#)). [ANTT also published, on March 22, 2022, Resolution No. 5,966/2022](#), which promotes changes on the review and calculation of production goals and safety standards in the scope of railway concessions.

ANTT publishes resolution regulating passenger rail transportation

[Resolution No. 5,974/2022](#), was published on March 11, 2022, regulating Passenger Rail Transportation. The resolution defines, among others, rules regarding users' rights, ticketing, cases of gratuity, reimbursement and delays, and authorizations for touristic, historical-cultural, and commemorative transport services.



PORTS

Auction of CODESA completes privatization of the ports of Vitória and Barra do Riacho, the first port privatization in the country

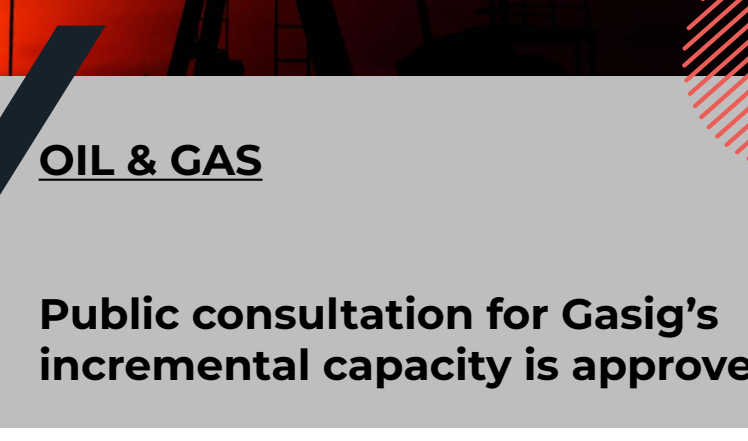


IMAGEM: RONAN FURUTA

Companhia de Docas do Espírito Santo (CODESA) was acquired at the auction that took place on March 30, 2022, at B3, in São Paulo, by the investment and participation fund (FIP) Shelf 119 Multiestratégias, managed by Quadra Capital. CODESA is the concessionaire of Ports of Vitória and Barra do Riacho. The winning bid was for BRL 160 million upfront, and the commitment to pay BRL 186 million in 25 annual concession payments. The price of acquisition of the company's shares was of BRL 326 million. Investments expected are of BRL 855 million over the 35 years of the concession. This is the first port privatization process carried out in Brazil. More information can be found [here](#) and [here](#).

The auction for the leasing of the PAR32 area of the Port of Paranaguá/PR has been carried out

Areas in the Port of Santos/SP and in the Port of Suape/PE are auctioned

Portos do Paraná held, on March 30, 2022, the auction of Terminal PAR32 of the Port of Paranaguá, in the State of Paraná, dedicated to handling general cargo, mainly sugar. The terminal, which has an area of 6,651 m², was granted to FTS PARTICIPAÇÕES S/A for the bid of BRL 30 million. The contract is valid for ten years. More information about the process can be found [here](#).

The National Agency for Waterway Transport (ANTAQ) and the Ministry of Infrastructure held, on March 30, 2022, the auction of the STS 11 Terminal of the Port of Santos, in São Paulo State, dedicated to handling and storage of solid vegetable bulks, and the SUA 07 Terminal of the Port of Suape (PE), dedicated to handling and storage of mineral bulks and general cargo. COFOPCO Internacional Brazil assumed STS 11 and the SUA 07 area was won by SUA Granéis Consortium (Agemar Transportes, Loxus and Marlog). Both leases have a term of 25 years and, jointly, have estimated investments of approximately BRL 825 million. For more information, [click here](#).

9 vetoes related to BR do Mar program have been overturned

On March 17, 2022, the Brazilian National Congress reverted 9 of the 14 vetoes of the President of the Republic to Bill No. 4,199/2020, which originated Law No. 14,301/2022, responsible for creating the Program to Stimulate Cabotage Transport, known as BR do Mar (Sea Road). One of the main vetoes that was overturned was the one referring to the recreation of the Reporto, a tax benefit guaranteed to the port sector and extinguished at the end of 2021. Besides this, the Congress also overturned the veto to the device that with the Additional Freight for the Renewal of the Merchant Marine (AFRMM), which relates to the rules for calculating freight in shipping. In the House of Representatives, 377 votes were cast to overturn the vetoes, against 6 in favor of maintaining them.

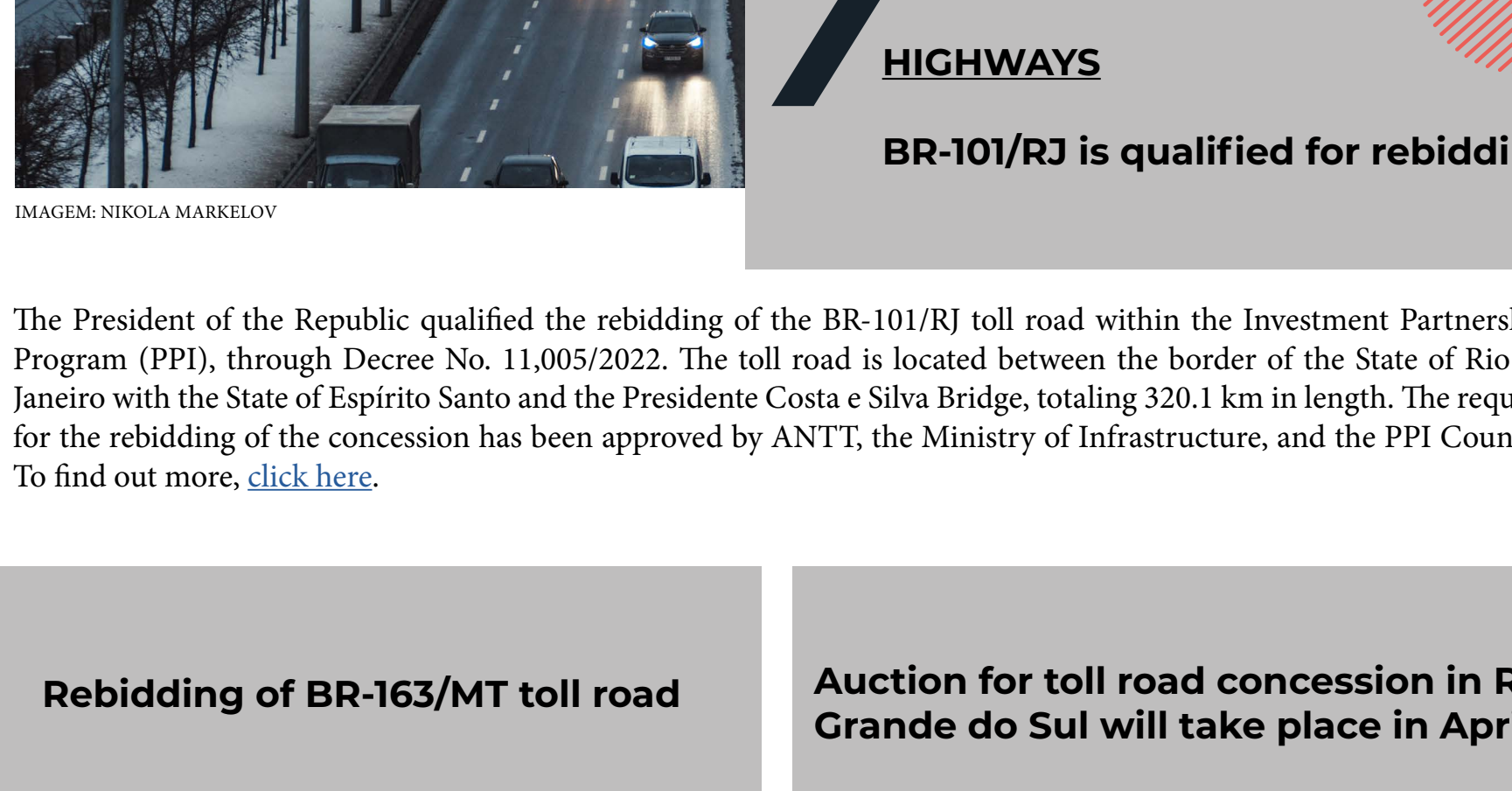


IMAGEM: ZRYNEK BURIVAL

OIL & GAS

Public consultation for Gasig's incremental capacity is approved

The National Petroleum, Natural Gas and Biofuels Agency (ANP) approved, on March 17, 2022, the public consultation for the Public Call Notice for contracting incremental natural gas transportation capacity in the laboratorial-Guapimirim gas pipeline, the so-called Gasig, to be built by Nova Transportadora do Sudeste (NTS). The project foresees an extension of 11 km and a nominal capacity of 18.2 million m³ per day, connecting the natural gas processed in Gaslub Itaboraí to the national network of gas pipelines. The period for contributions to the public consultation will be 15 days from March 25 to April 8, after which the Public Call will be conducted indirectly by NTS.

Bill that aims to change the Budget Guidelines Law does not unburden gasoline

The bill sent in March by the Federal Government to the Brazilian National Congress, seeking to amend the Budget Guidelines Law (LDO) of 2022, aims to enable the reduction of taxes on domestic sales and imports of biodiesel, diesel fuel, liquefied petroleum gas, natural gas and aviation kerosene, but did not include gasoline. In addition, the proposal also exempted the exemption of fuels from the obligation to demonstrate absence of harm to the achievement of fiscal targets.

Bill aims at inserting hydrogen in gas pipelines

Senator Jean Paul Prates (PT/RN) presented, in the last week of March, the Bill No. 725/2022, which aims to include hydrogen as the Brazilian energy matrix and establishes goals for the insertion of this source in the national pipelines. The newest bill foresees that by 2032 a minimum of 5% of hydrogen will be incorporated into the gas pipelines network, with 10% as the minimum percentage by 2050. The project adds hydrogen to the Petroleum Law (No. 9,478/1997) and passes the regulation of the fuel to the ANP. It is also worth mentioning that 60% should be sustainable hydrogen, increasing to 80% from 2050 on.

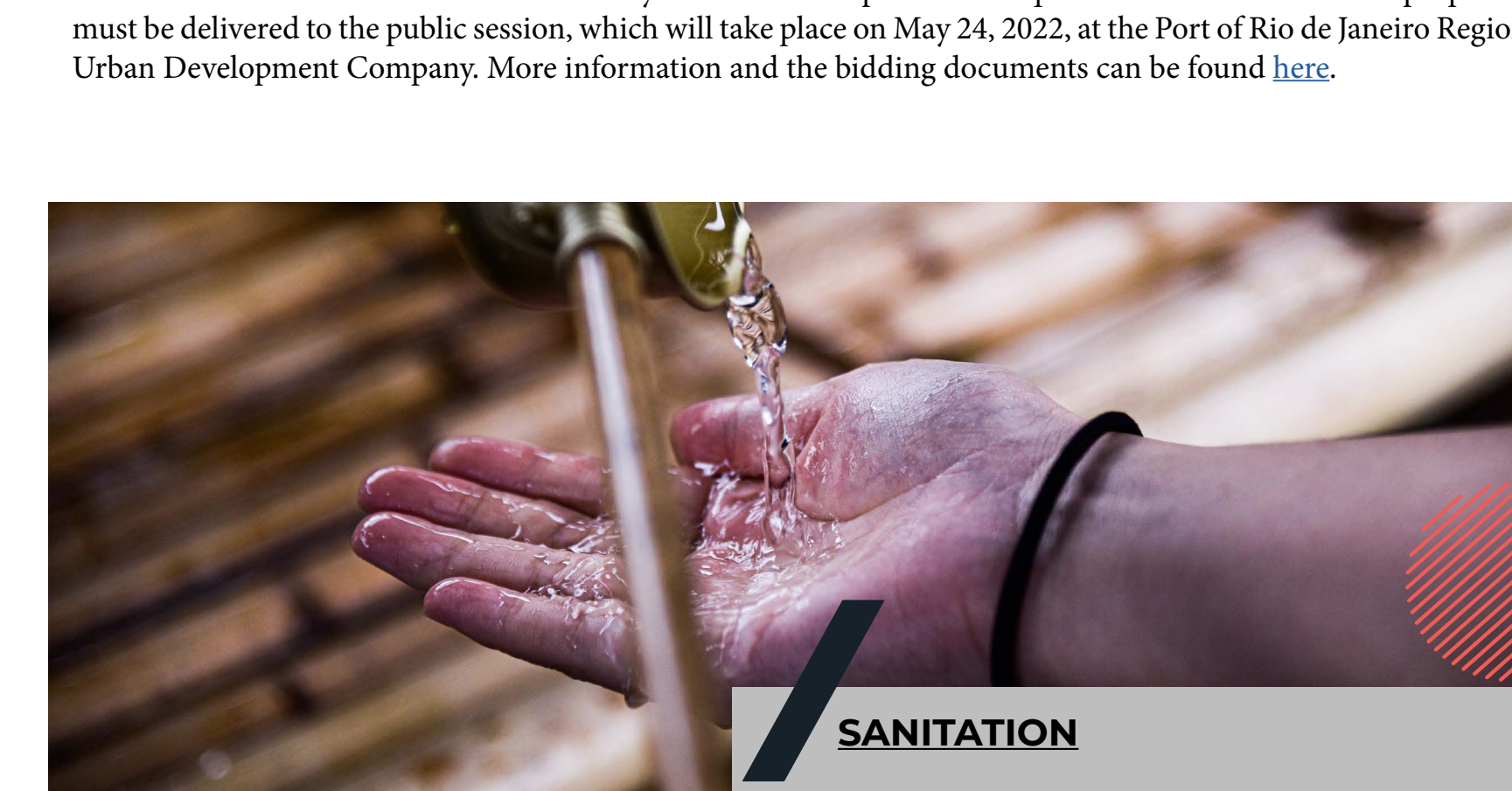


IMAGEM: PASCAL MEIER

AIRPORTS

Rebidding of Viracopos Airport

On March 8, 2022, the Brazilian National Civil Aviation Agency (ANAC) approved the drafts of the public notice and concession contract for the rebidding of Viracopos Airport in Campinas and submitted the documents with the respective studies for evaluation by the Federal Audit Court. The next step will be the publication of the public notice and the definition of the auction date, which is foreseen for the third quarter of 2022. The new concession will have a 30-year term, and investments of approximately BRL 4.25 billion are expected. To know more, [click here](#).

Studies for the expansion of Americana Airport are authorized

On March 14, 2022, the Ministry of Infrastructure authorized the studies to enable the expansion and renovation of the Augusto de Oliveira Salvação Regional Airport, located in Americana, in São Paulo State. The studies will be financed by the Federal Government, through resources from the National Civil Aviation Fund. For more information, [click here](#).



IMAGEM: NIKOLAI MARKELOV

HIGHWAYS

BR-101/RJ is qualified for rebidding

The President of the Republic qualified the rebidding of the BR-101/RJ toll road within the Investment Partnership Program (PPI), through Decree No. 11,005/2022. The toll road is located between the border of the State of Rio de Janeiro with the State of Espírito Santo and the Presidente Costa e Silva Bridge, totaling 320.1 km in length. The request for the rebidding of the concession has been approved by ANTT, the Ministry of Infrastructure, and the PPI Council. To find out more, [click here](#).

Rebidding of BR-163/MT toll road

Auction for toll road concession in Rio Grande do Sul will take place in April

On March 10, 2022, ANTT approved the rebidding of BR-163/MT, a toll road used to transport Mato Grosso commodities. The concessionaire Rota do Oeste filed for the return of the concession in 2014. The rebidding process is now under analysis by the PPI Council. For more information, [click here](#).

The auction for the concession of the 271.5 km of toll roads – block 3, in the State of Rio Grande do Sul, is scheduled for April 13, 2022. The concession will be awarded to the bidder that offers the lowest tariff. The expected investment in the concession is of BRL 3.4 billion. The public notice and the draft contract can be seen at this [link](#).

Auctions for the first two lots of the Minas Gerais State Highway Concession Program are postponed

On March 15, 2022, the Minas Gerais Secretary of State for Infrastructure and Mobility postponed the dates for the auction: of Lot 1 – Triângulo Mineiro and Lot 2 – Sul de Minas, to July 21, 2022. The concessions have a total of 1,100 km in length, covering 38 municipalities. According to studies, investments for the two lots are estimated to be around BRL 4.5 billion over the 30-year concession period. For more information about the project, access [link1](#) and [link2](#).

Public Hearing for the Concession of the Arco Rodoviário Metropolitano de Fortaleza

A public hearing was held on March 11, 2022, to gather contributions on the proposed concession for the Arco Rodoviário Metropolitano de Fortaleza. The highway connects BR-116 highway, to the Port of Pecém, in São Gonçalo do Amarante. The auction will take place through a public bidding process with a minimum concession payment of BRL10 million. For more information, [click here](#).

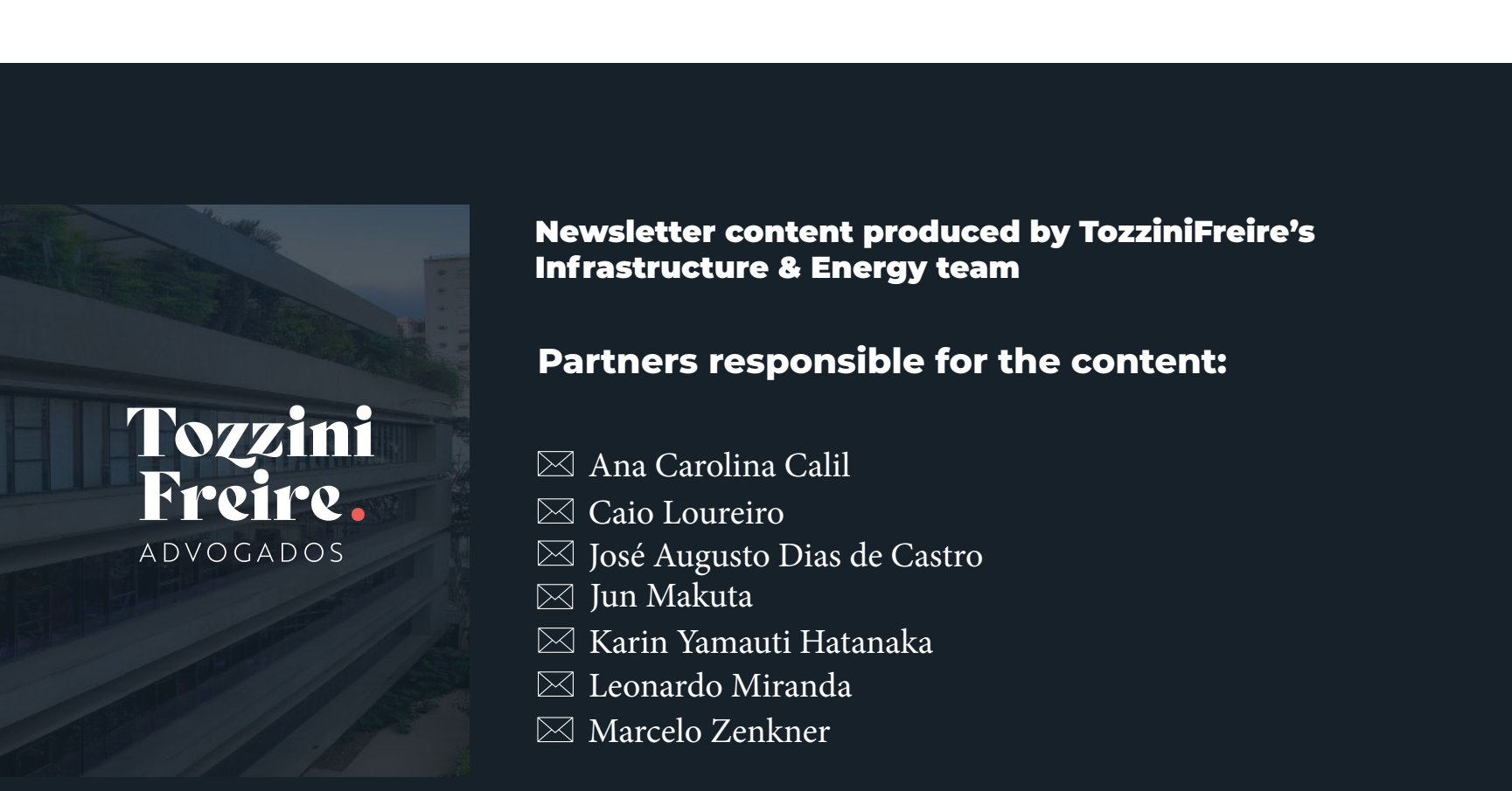
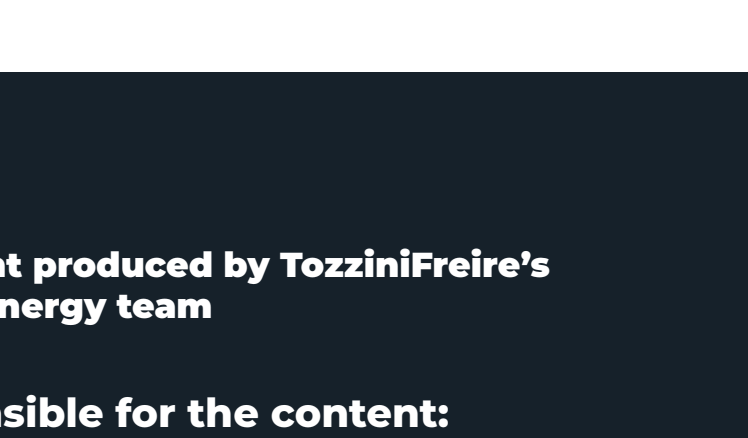


IMAGEM: CICI HUNG

URBAN MOBILITY

Rio de Janeiro's Municipality opens bidding for public transportation ticketing



SANITATION

Deadline for submission of the results of the evaluation of the evidence of economic-financial capacity of service providers has expired

On March 11, 2022, the National Water and Sanitation Agency (ANA) published a rectification of the Notice No. 03/2022 in the Official Gazette of the Union. The amendment aims to inform that the subnational regulatory entities should send the evidence, by March 31, a copy of the evaluation process for proving the economic and financial capacity of water supply and sanitary sewage providers.



IMAGEM: CLAUDIO SCHWARTZ

SOLID WASTE

Ceará's solid waste State Policy is discussed in public hearing

The Secretary of Environment of the State of Ceará (SEMA) presented, in a public hearing held on March 28, 2022, the guidelines of the State Policy for solid waste. A further 11 public hearings are scheduled in various municipalities of Ceará, to discuss the "Public Policies for Solid Waste Management". To learn more, [click here](#).

Protocol of intent signed for technical cooperation in the State of São Paulo

The Secretariat of Infrastructure and Environment of the State of São Paulo (SIMA) has signed a Protocol of Intent with Fundação Euzete for technical cooperation in solid waste management. The agreement was signed on March 23, 2022 and has the objective of structuring Concessions and Public-Private Partnerships (PPPs) for inter-municipal consortia in São Paulo. To know more, [click here](#).

IMAGEM: MIKE BENNA

SOCIAL INFRASTRUCTURE

Consórcio Novo PNI wins Iguazu National Park concession

In an auction held at B3, on March 22, 2022, the New Iguazu National Park Consortium, comprised of Cataratas Group and Construcap, won the concession for tourism services in the Iguazu National Park. According to the Ministry of the Environment, the site has an average of more than 2 million tourists per year, and the project is one of the largest in the sector. The concession provides for investments of more than BRL 500 million in new infrastructure and another BRL 3 billion in the park's operation over the next 30 years.

Rio Grande do Sul State holds road show to present PPP project for the Erechim Prison Complex

Auction of the Urban Parks concession - Água Branca, Villa-Lobos and Cândido Portinari

The State of Rio Grande do Sul held, between March 22 and March 23, 2022, a roadshow with potential domestic and foreign investors. The project covers the concession of support services to the operation, including construction, equipping and maintenance of the Prison Complex. TozziniFreire Advogados is part of the consortium of consultants hired by BNDES to help structure the PPP pilot project of the Erechim Prison Complex.

The auction for the concession of the Água Branca, Villa-Lobos, and Cândido Portinari Parks, located in the city of São Paulo, took place on March 31, 2022, at B3, in São Paulo. The winner, with an offer of BRL 62.7 million, was the Consórcio Novos Parques Urbanos, formed by 7 companies, among which the current operators of the Zoo, Zoo Safari, and the Botanical Garden, which will be responsible for the cleaning, surveillance, operation, maintenance, and economic exploitation services of the Parks for a period of 30 years. The concessionaire will not be able to charge admission fees to the parks, but will be allowed to commercially exploit the site with real estate rental, events, and revenue from food kiosks. In addition, the new administration must follow master plans and preserve the historical characteristics of the spaces, especially in the case of Água Branca.

IMAGEM: JOSHI APPEL

FUNDS

Public Call for the manager selection of the Development Fund for Sustainable Regional Infrastructure

The Council of the Development Fund for Sustainable Regional Infrastructure submitted to public consultation, between March 14 and March 21, 2022, a draft of the Public Call Notice for the selection of the manager of the fund. The fund aims to support the structuring and development of concession projects and public-private partnerships, to provide risk coverage, among others; also, it will prioritize projects in the North, Northeast and Center-West regions.