

INFRASTRUCTURE AND ENERGY NEWSLETTER

May 2022

Check out the May edition of our Infrastructure & Energy newsletter, featuring hot topics about the Brazilian National Solid Waste Plan, news rules of the energy market, among others.

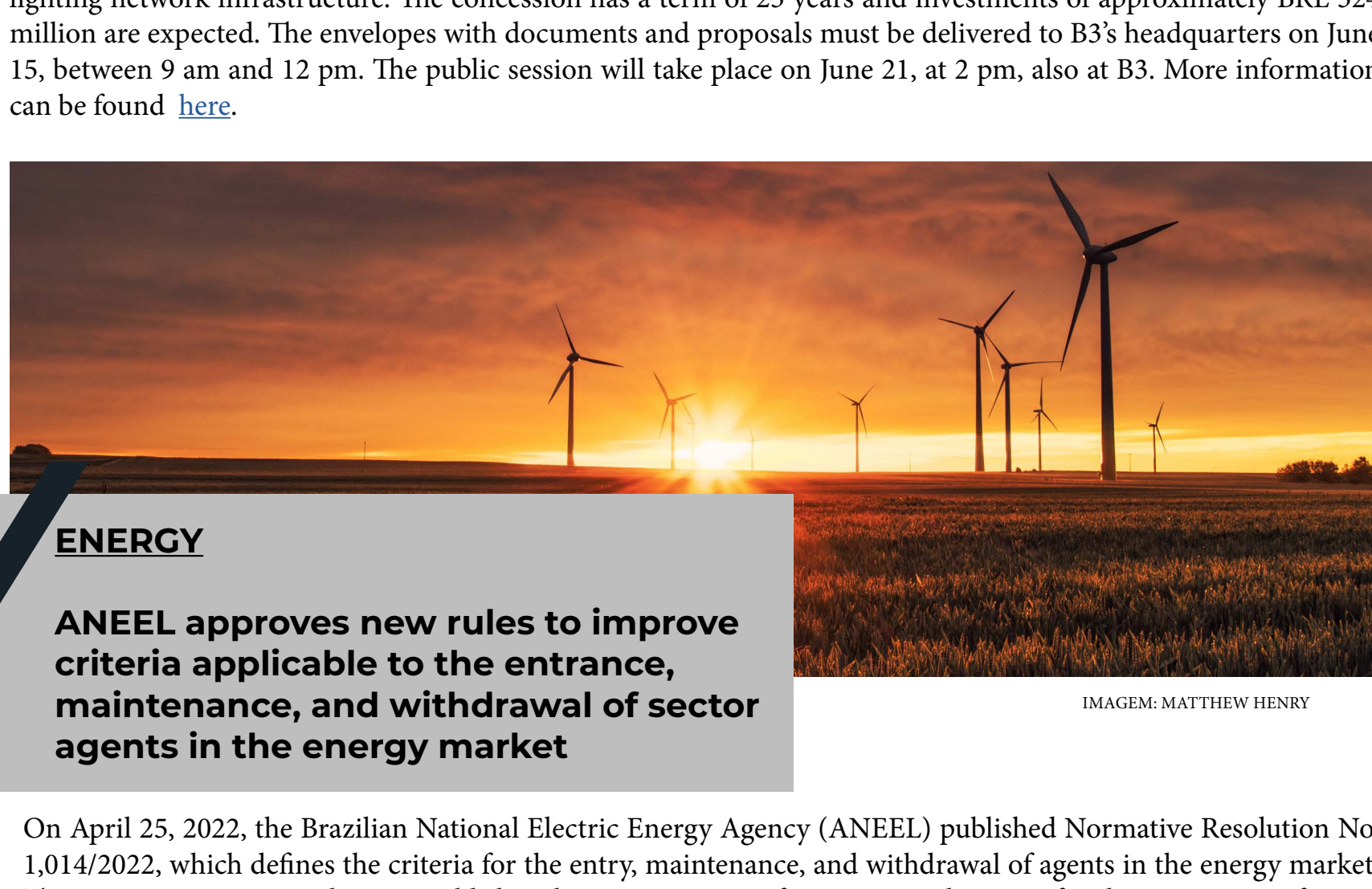


IMAGEM: MIKE KILCOYNE

PUBLIC LIGHTING

Curitiba City Hall releases bid invitation for public lighting concession

On April 25, 2022, the Curitiba City Hall published the bid invitation for the concession of the municipality's public lighting service. The project aims to modernize, improve efficiency, expand, operate, and maintain the municipal lighting network infrastructure. The concession has a term of 23 years and investments of approximately BRL 324 million are expected. The envelopes with documents and proposals must be delivered to B3's headquarters on June 15, between 9 am and 12 pm. The public session will take place on June 21, at 2 pm, also at B3. More information can be found [here](#).

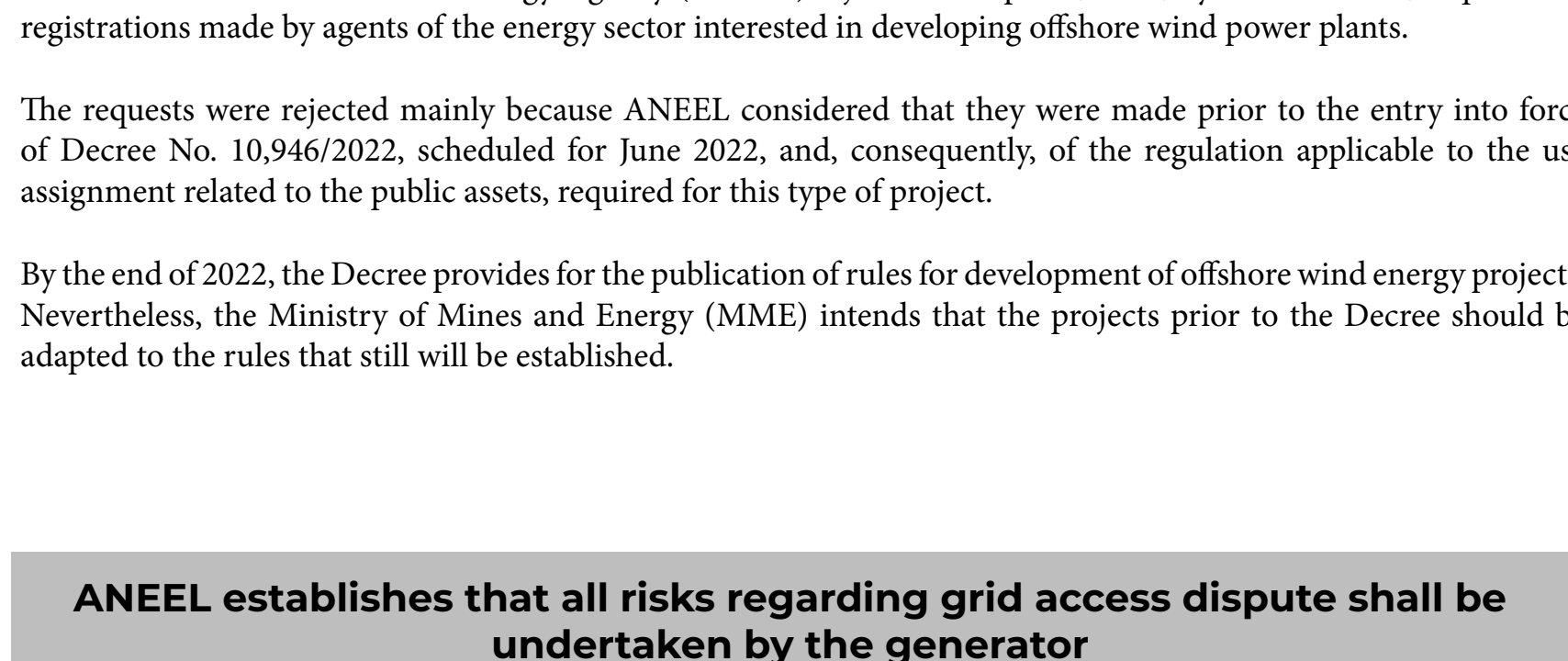


IMAGEM: MATTHEW HENRY

ENERGY

ANEEL approves new rules to improve criteria applicable to the entrance, maintenance, and withdrawal of sector agents in the energy market

On April 25, 2022, the Brazilian National Electric Energy Agency (ANEEL) published Normative Resolution No. 1,014/2022, which defines the criteria for the entry, maintenance, and withdrawal of agents in the energy market. The new Normative Resolution establishes the improvement of security mechanisms for the sector – reinforcing the approval process and the monitoring of trading companies throughout the period of their operations by means of periodic evaluations to assess the companies' good financial health.

The Normative Resolution defined that trading companies shall be classified into two types: (i) large-sized agents (Type 1), with no limitation for the registration of sales amounts in the Accounting and Settlement System (SCL) of the Energy Trading Chamber (CCEE), being required to prove net worth exceeding BRL 10 million, without, however, imposing entry barriers that could harm the sector competitiveness; and (ii) small-sized agents (Type 2), subject to the monthly limit of 30 MWav.

Referred rule came into effect on May 1, 2022. CCEE will have 60 days to send ANEEL the respective Trading Procedures that must be adapted to meet the regulation's requirements.

ANEEL rejects requests for registration order regarding offshore wind farms

The Brazilian National Electric Energy Agency (ANEEL) rejected on April 5, 2022, by unanimous vote, requests for registrations made by agents of the energy sector interested in developing offshore wind power plants.

The requests were rejected mainly because ANEEL considered that they were made prior to the entry into force of Decree No. 10,946/2022, scheduled for June 2022, and, consequently, of the regulation applicable to the use assignment related to the public assets, required for this type of project.

By the end of 2022, the Decree provides for the publication of rules for development of offshore wind energy projects. Nevertheless, the Ministry of Mines and Energy (MME) intends that the projects prior to the Decree should be adapted to the rules that still will be established.

ANEEL establishes that all risks regarding grid access dispute shall be undertaken by the generator

After the issuance of Decree No. 10,893/2021, which waived the submission of access information to licenses applications for renewable projects filed until March 2022 – in a context of termination related to benefits applicable to connection tariffs for referred undertakings –, the Brazilian National Electric Energy Agency (ANEEL) initiated a public hearing regarding grid access disputes.

In the public consultation, ANEEL aims to propose the conditioning of the licenses issuance to the entrepreneur's formal declaration of recognition of all risks assumed in the process.

ANEEL has been working, therefore, to guarantee the benefit only to those agents in the electricity sector that will actually implement the projects. ANEEL's regulation reinforces the legal provision that these projects must start commercial operation within 48 months after they are granted with licenses.

A-5 and A-6 New Energy Auctions

The Ministry of Mines and Energy (MME) published on April 18, 2022 the rules for the A-5 and A-6 auctions regarding the purchase of electricity from new generation projects, which will take place in September this year.

Interested distribution companies must declare their participation in the auction to the MME between July 20 and 29, 2022, and must consider supplying the totality of the market, as of January 1, 2027 for the A-5 auction, and January 1, 2028 for the A-6 auction.

For the A-5 auction, Energy Purchase Agreements in the Regulated Environment (CCEAR) will be negotiated in the modality by quantity, with a supply term of 20 years for Hydroelectric Generating Plants (CGH), Small Hydroelectric Power Plants (PCH), and Hydroelectric Power Plants (UHE), with power equal to or less than 50 MW, and expansion of these existing hydro plants with power equal to or less than 50 MW.

In the availability modality, with a 20-year supply term, CCEARs will be negotiated for the energy recovery projects of solid urban waste, biomass, national coal, and biogas-fueled thermoelectric plants.

The A-6 auction, in turn, will negotiate the same CCEARs, but will also include, in the availability modality, with a 20-year supply term, the natural gas-fueled thermoelectric plants (in open cycle, combined cycle, and expansion of existing enterprises, including, by means of closing of the thermal cycle).

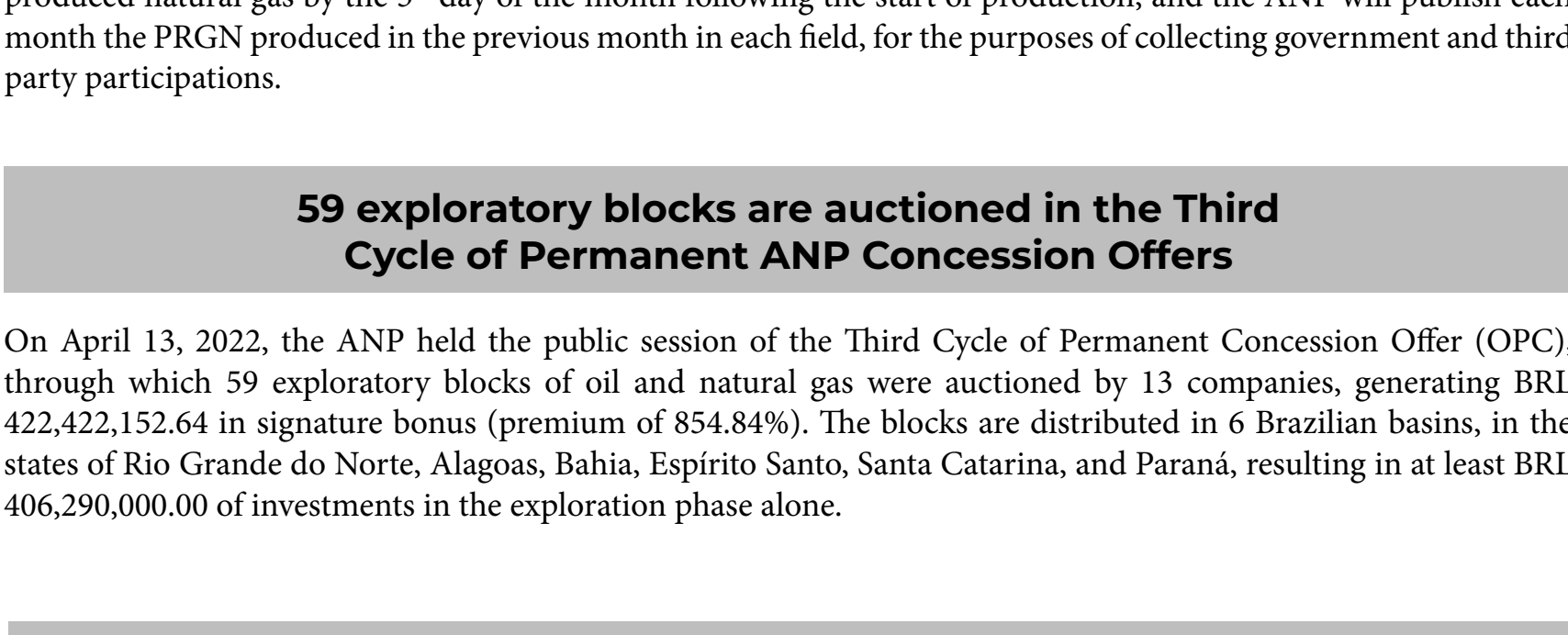


IMAGEM: CHRISTOPHER BURNS

RAILROADS

São Paulo Government proposes bill to exploit railroad infrastructure

The Government of the State of São Paulo sent [Bill No. 148/2022](#) to the Legislative Assembly, with the objective of structuring new railway concessions, regulating the organization of cargo and passenger rail transport, the use of the railway infrastructure, and the types of grants for indirect railroad exploitation.

SUFER conducts Subsidy Call No. 3/2022 for regulation of service provision in railway concessions

On April 19, 2022, the Superintendency of Rail Transportation (SUFER) concluded the gathering of subsidies to collect contributions and information for the regulatory impact analysis report, aimed at the project to regulate the provision of adequate service under the rail concessions. For further information, [click here](#).

Minas Gerais Government signs protocols of intention in the railway sector

On April 6, 2022, the Government of Minas Gerais signed a protocol of intentions with companies that have shown interest in expanding the railroad sector in the state. The protocols were signed with Macro Desenvolvimento and Petrópolis Ferrovias.



IMAGEM: DIMITRY ANISIKIN

PORTS

ANTAQ holds a public hearing on the bidding process for the STS10 Terminal at Port of Santos

The Brazilian National Agency for Waterway Transport (ANTAQ) held, on April 19, 2022, a public hearing to gather contributions about the bidding process for Terminal STS10, located in the Sabão region, on the right bank of the Port of Santos. The area is dedicated to handling and storing cargo with containers. The project foresees investments of BRL 3,285 billion and expects to generate 34,000 jobs.

ANTAQ closes public consultation on the concession of the Port of Itajaí/SC

The Brazilian National Agency for Waterway Transport (ANTAQ) closed, on April 15, 2022, the public consultation to obtain contributions, subsidies, and suggestions for technical and legal improvement of documents relating to the bidding contest for the concession of the Port of Itajaí/SC. The auction is scheduled for the fourth quarter of 2023.

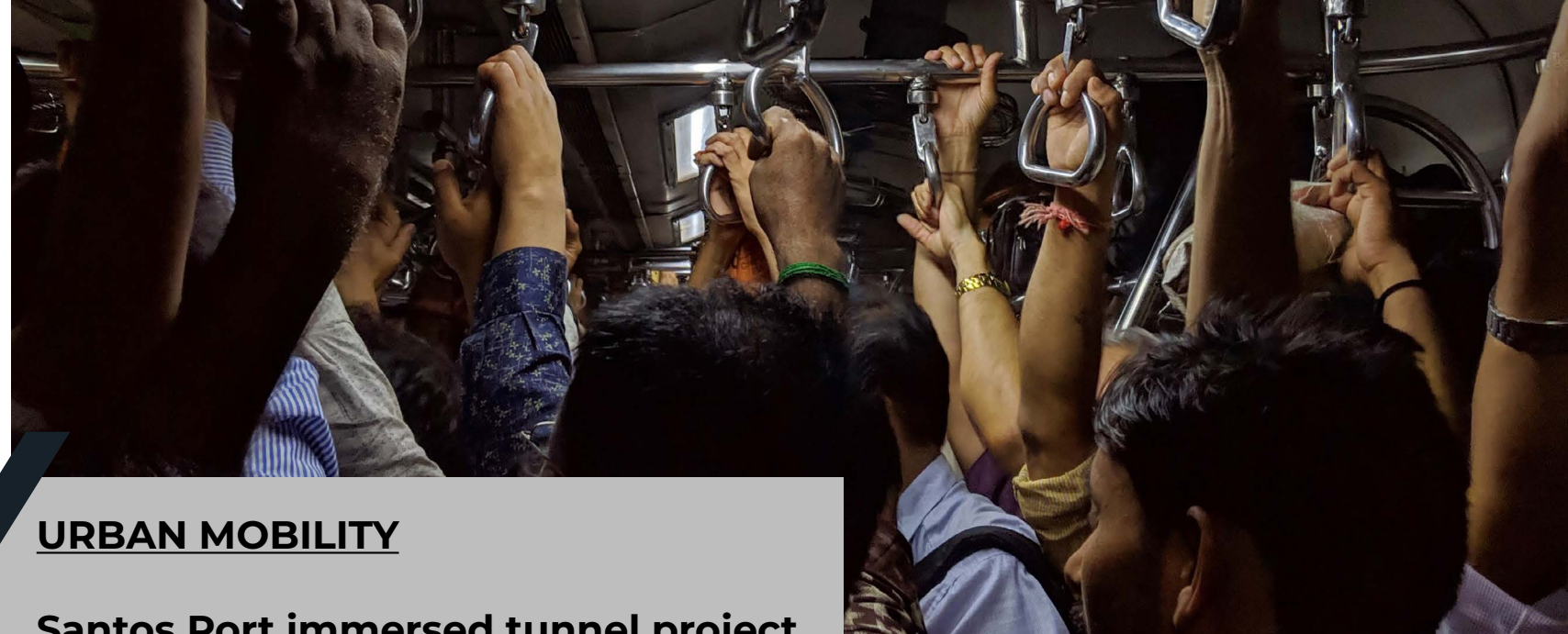


IMAGEM: MARCIN JODZIAK

OIL & GAS

ANP publishes a Resolution establishing criteria for setting the reference price of natural gas

The Brazilian National Petroleum, Natural Gas and Biofuels Agency (ANP) published, on April 18, 2022, [Resolution ANP No. 875](#) establishing the criteria for setting the reference price of natural gas (PRGN). The criteria will be adopted for purposes of calculating the governmental participations referred to in Law No. 9,478/1997, in the cases established by Decree No. 2,705/1998. This resolution decided to apply the PRGN also in the event the concessionaire fails to submit to the ANP, by the 15th day of the month following the sale of natural gas, the sales report accompanied by the respective invoices. In addition, the concessionaire must send the ANP the compositional analysis of its produced natural gas by the 5th day of the month following the start of production, and the ANP will publish each month the PRGN produced in the previous month in each field, for the purposes of collecting government and third party participations.

59 exploratory blocks are auctioned in the Third Cycle of Permanent ANP Concession Offers

On April 13, 2022, the ANP held the public session of the Third Cycle of Permanent Concession Offers (OPC), through which 59 exploratory blocks of oil and natural gas were auctioned by 13 companies, generating BRL 422,422,152.64 in signature bonus (premium of 854.84%). The blocks are distributed in 6 Brazilian basins, in the states of Rio Grande do Norte, Alagoas, Bahia, Espírito Santo, Santa Catarina, and Paraná, resulting in at least BRL 406,290,000.00 of investments in the exploration phase alone.

Public Consultation and Public Hearing on the proposed resolution aimed at extending the exploration phase deadlines

The ANP board of directors, on April 14, 2022, decided to approve the holding of a public consultation and hearing on a proposed resolution that gives oil and gas explorers and producers the possibility of extending the terms of the exploration phase of their respective contracts by 18 months. This norm will meet the demand made by the industry and aims to mitigate the impacts caused by the uncertainties in the sector brought by the COVID-19 pandemic. It is worth mentioning that this normative only became plausible in view of Resolution CNPE No. 12/2021, responsible for recommending the adoption of measures to extend the first phase of the concession and production sharing contracts in effect, i.e., exploration.

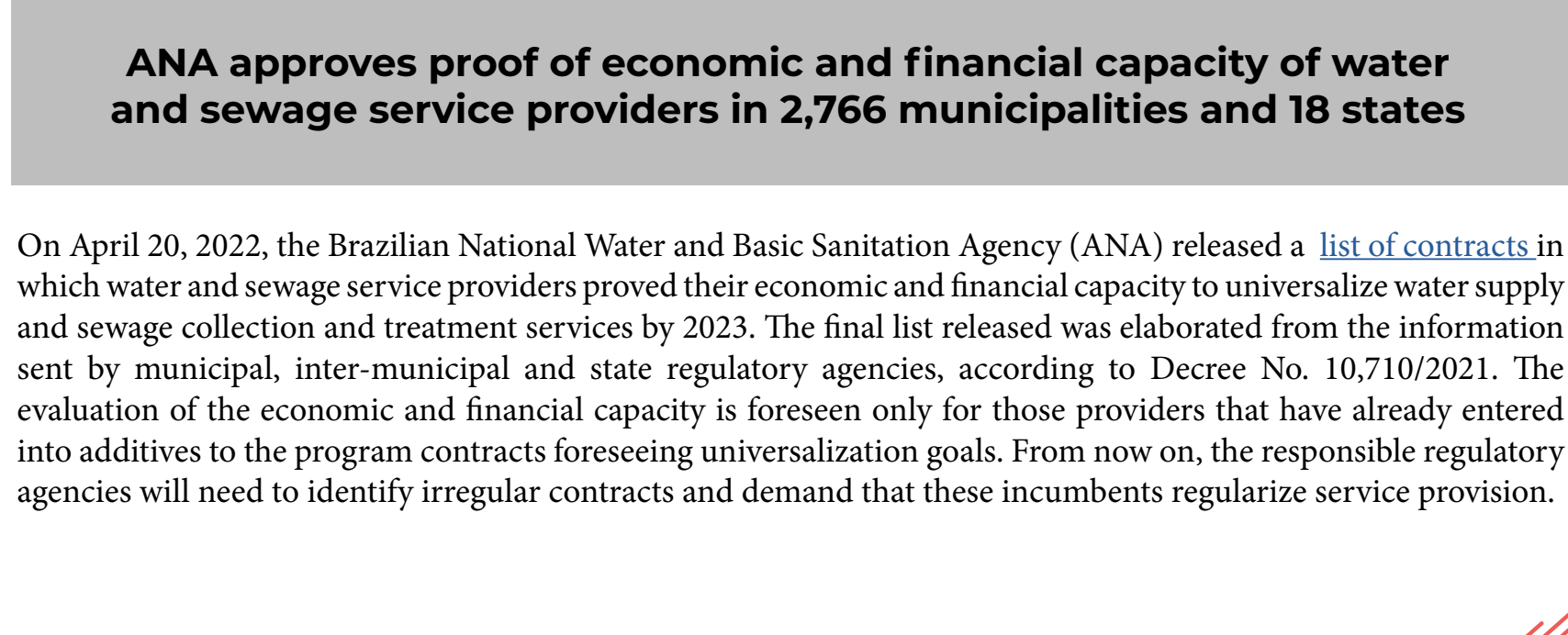


IMAGEM: OLIVIA ANNE SNEYDER

AIRPORT

Bid invitation for technical studies for the concession of the Galeão and Santos Dumont airports has been published

On April 14, 2022, the Official Gazette published a public bid invitation for interested parties to submit economic, environmental and technical feasibility studies on the modeling of the concession of the Galeão and Santos Dumont airports. Those interested must submit the necessary documentation to the Brazilian National Civil Aviation Secretariat (SAC) within 30 days from the publication of the bid invitation. To find more, [click here](#).

Ministry of Infrastructure issues Ordinance No. 455/2022 to regulate federal airport infrastructure concessions

The Ministry of Infrastructure issued, on April 21, 2022, the [Ordinance No. 455](#), which establishes minimum parameters for the analysis of processes of advance payment of fixed contributions that are provided for in the concession contract of federal airport infrastructure. The advance payment claim must start with the installments of the fixed contribution located at the end of the payment schedule foreseen in the concession contract. To calculate the present value of the fixed contributions to be advanced, the current marginal cash flow rate adopted by ANAC for extraordinary review processes applicable to the respective concession contract should be used, plus 5 percentage points. The anticipated fixed grants will be considered for purposes of calculating the compensation in the event of early termination of the Concession Agreement, except in the case of termination.

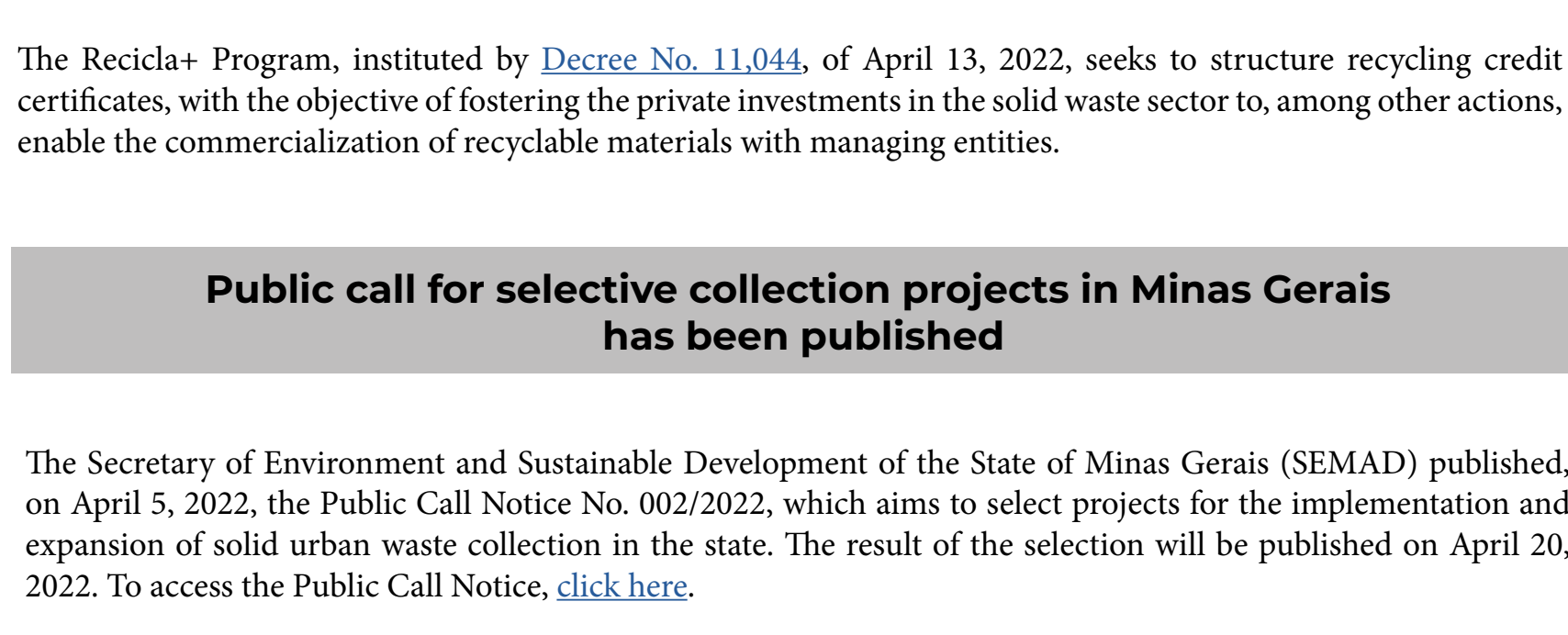


IMAGEM: JOYCE FOU

HIGHWAYS

ANTT sets auction date for BR-116/465/493/RJ/MG highway

The Brazilian National Land Transport Agency has scheduled for May 20, 2022 the auction about the [BR-116/465/493/RJ/MG](#) highway concession that will take place at the São Paulo Stock Exchange (B3). The concession that links Rio de Janeiro/RJ to Governor Valadares/MG will have a term of 30 years, in which approximately BRL 8.8 billion will be invested, and the winner will be the one who presents the lowest tariff. Bids must be submitted by May 16, when the auction will take place.

The auction for the concession of the Northern Stretch of the Rodoanel Metropolitano de São Paulo is postponed

The auction for the concession of the Northern Stretch of the Rodoanel Metropolitano de São Paulo, which was scheduled to take place on April 27, 2022, was postponed. The concession aims to complete the construction of the ring road and will last 31 years.

The auction for the concession of the Rodoanel section of the Belo Horizonte Metropolitan Region is postponed

On April 5, 2022, Relevant Notice No. 005/2022 was published informing the new bidding schedule for the project. The auction, which was scheduled to take place on April 28, 2022, was postponed to July 28, 2022. According to the State Secretariat of Infrastructure and Mobility (SEINFRA), the justification for this postponement was to allow more time for international companies to have access to the documents necessary to participate in the auction. For more information about the project, [click here](#).

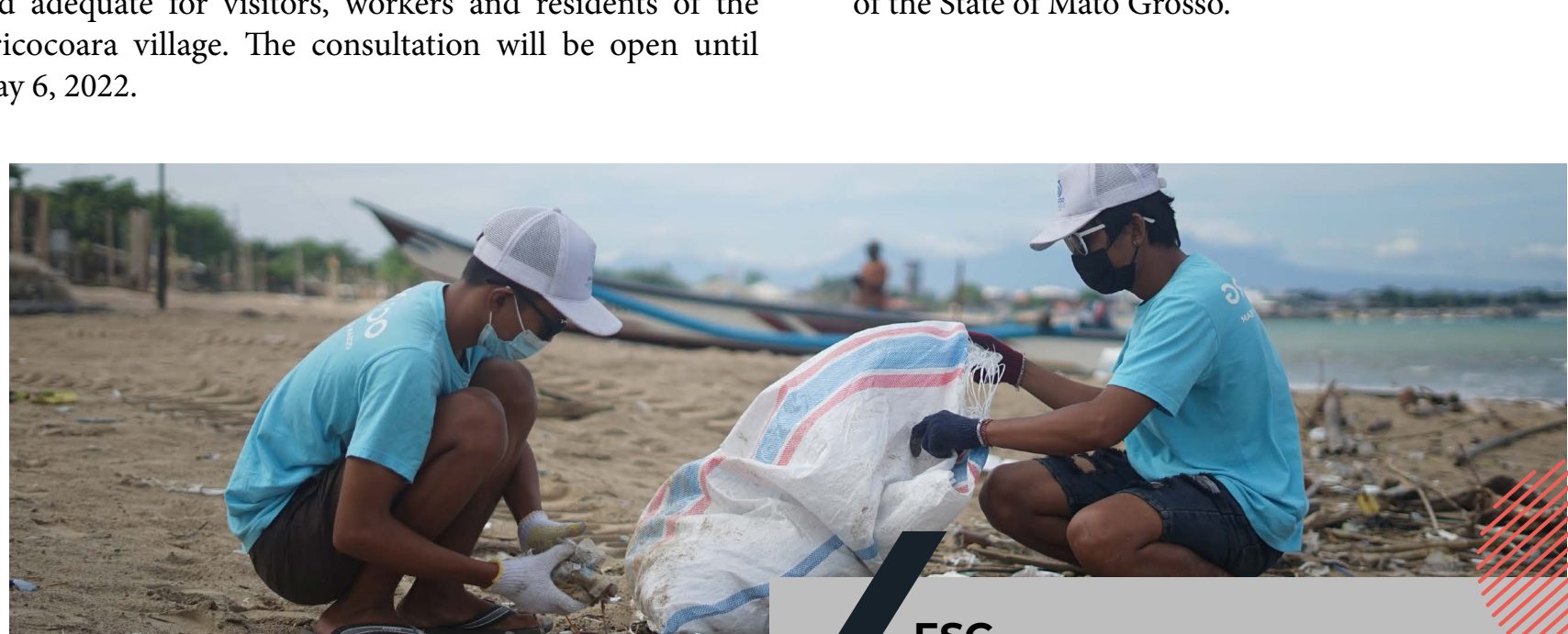


IMAGEM: HARI MENON

URBAN MOBILITY

Santos Port immersed tunnel project is qualified at PPI

Through Decree No. 11,025, dated March 31, 2022, the President of the Republic qualified the studies of the Port of Santos' immersed tunnel project under the scope of the Partnership and Investment Program. The scope of the project is to solve the Port's operational and urban mobility problems between Santos and Guarujá, in order to minimize the commuting time between the municipalities. It is estimated that the project, which should be auctioned in the fourth quarter of 2022, will receive investments of BRL 4 billion. The resources for the construction of the tunnel will come from the concession of the Port of Santos itself, but both the construction and the operation of the tunnel will occur through a new concession.

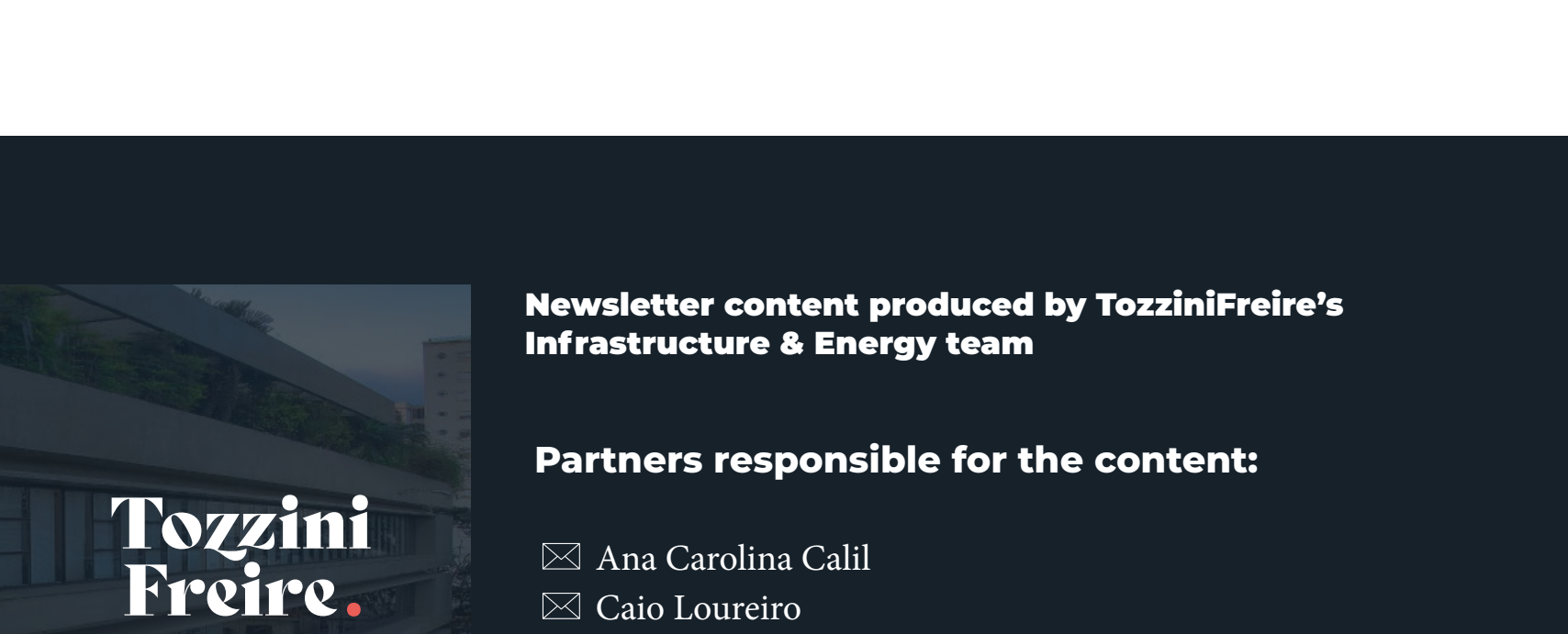


IMAGEM: NATHAN DUMALAO

SANITATION

Federal Government issues Decree No. 11,030/2022 to encourage regularization of sanitation services

On April 1, 2022, the Brazilian Federal Government issued [Decree No. 11,030](#), which aims to encourage states and municipalities to adapt to the Legal Framework for Sanitation. The Decree changed the rules for regularization of sanitation operations and technical and financial support, also providing new rules on the allocation of federal resources. The Decree establishes the commitment to regularize the provision of services as a condition for receiving federal resources.

STF validates rule that waives plebiscite for CORSAN

The Brazilian Federal Supreme Court (STF), on April 22, 2022, ruled constitutional the provision of the State Constitution of Rio Grande do Sul that revokes the obligation of a plebiscite for the privatization process of Companhia Riograndense de Saneamento (CORSAN), in ADI No. 6,965. In the vote of the Reporting Justice Alexandre de Moraes, it was emphasized that the determination of a plebiscite is an eminently political and not an administrative option, there being no determination in the Federal Constitution of a fundamental right to direct democracy. [Read more](#).

ANA approves proof of economic and financial capacity of water and sewage service providers in 2,766 municipalities and 18 states

On April 20, 2022, the Brazilian National Water and Basic Sanitation Agency (ANA) released a [list of contracts](#) in which water and sewage service providers proved their economic and financial capacity to universalize water supply and sewage collection and treatment services by 2023. The final list released was elaborated from the information sent by municipal, inter-municipal and state regulatory agencies, according to Decree No. 10,710/2021. The evaluation of the economic and financial capacity is foreseen only for those providers that have already entered into additives to the program contracts foreseeing universalization goals. From now on, the responsible regulatory agencies will need to identify irregular contracts and demand that these incumbents regularize service provision.

IMAGEM: JUSTIN WOODHOUSE

SOLID WASTE

Decree introduces the National Solid Waste Plan (PLANARES)

The Brazilian Federal Government, through Decree No. 11,043/2022, published on April 13, established the [National Solid Waste Plan](#) (PLANARES), which presents in its content diagnoses, goals, guidelines, and actions aimed at improving the management of solid waste in Brazil. It is a long-term strategy for the operationalization of public policies nationwide, with the objective of materializing the forecasts of the National Policy for Solid Waste (PNRS), established by Law No. 12,305/2010. The plan will be published on the website of the [National Solid Waste Management Information System](#) (SINIR), a platform that presents maps, panels, and layers of information on solid waste management in the country.

Federal Government presents the Recicla+ Program

The Recicla+ Program, instituted by [Decree No. 11,044](#), of April 13, 2022, seeks to structure recycling credit certificates, with the objective of fostering the private investments in the solid waste sector to, among other actions, enable the commercialization of recyclable materials with managing entities.

Public call for selective collection projects in Minas Gerais has been published

The Secretary of Environment and Sustainable Development of the State of Minas Gerais (SEMAD) published, on April 5, 2022, the Public Call Notice No. 002/2022, which aims to select projects for the implementation and expansion of solid urban waste collection in the state. The result of the selection will be published on April 20, 2022. To access the Public Call Notice, [click here](#).

IMAGEM: MATT ARTZ

SOCIAL INFRASTRUCTURE

Public bid invitation for the concession of Amana National Forest is issued

The Brazilian Forest Service released the public bid invitation for the concession of the Amana National Forest, located in Pará, in the interfluve of the Madeira and Tapajós rivers. The competition is composed of a lot with three Forest Management Units with an area of approximately 230 thousand hectares to be granted for the practice of sustainable forest management for the exploitation of timber and non-timber forest products.

Opening of a Public Hearing on the concession of tourism services in the Jericoacoara National Park

The Ministry of the Environment opened on April 7, 2022 public consultation on the project for the concession of support services for tourism in the National Park of Jericoacoara, located in Ceará. The project foresees investments of BRL 120 million that will be destined to physical structures essential to the visitation planning and adequate for visitors, workers and residents of the Jericoacoara village. The consultation will be open until May 6, 2022.

Public Consultation for the concession of tourism services in the Chapada dos Guimarães National Park

The Public Consultation regarding the concession of visitation support, ecological tourism, environmental interpretation, and recreation services in the Chapada dos Guimarães National Park is opened on April 28, 2022 and will remain open until May 27, 2022. The Park is the only Federal Conservation Unit located in the plateau area of the State of Mato Grosso.

IMAGEM: OG SAYING THE OCEAN

ESG

European Union presents Proposal for a Directive on Due Diligence in Sustainability Matters

On February 23, 2022, the European Commission presented a Proposal for a Directive that aims to promote sustainable and responsible business conduct in the dimensions of human rights, the environment, and climate change throughout the global value chain. The proposal provides for the duty of sustainable due diligence, with the adoption of measures for prevention, monitoring, identification and mitigation of actual, potential, direct and indirect negative impacts related to the activities of large companies, requiring mechanisms for listening to stakeholders, as well as reporting and remediation in case of violations.