



São Paulo, Rio de Janeiro, Brasília, Porto Alegre, Campinas, New York

NEWSLETTER

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the Law that creates the National

The Brazilian Federal Government, on October 15, 2021, sanctioned Law No. 14,222, responsible for creating the National Nuclear Security Authority (ANSN), an independent federal agency with its own assets and administrative, technical and financial autonomy. The new authority will have its headquarters and jurisdiction in the city of Rio de Janeiro and operate in the national territory, without budgetary impact, as it is the result of a spin-off of the National Nuclear Energy Commission (CNEN), using the budget, structure and personnel already provided for CNEN.

activities and installations, nuclear materials and radiation sources in the national territory, while CNEN will conduct research and development works in the sector. Furthermore, the new agency shall be responsible for regulating and controlling stocks and reserves of nuclear ores, as well as

ANSN will have the purpose of monitoring, regulating and inspecting nuclear safety and radiological protection of nuclear

granting licenses and authorizations for nuclear installations, nuclear reactor operators, researches, and for the internal and external trade of minerals, ores and their concentrates and metallurgical slags.

It is also worth mentioning that the law takes care of forbidding the exercise, by ANSN, of economic, commercial and industrial regulation activities or research and surveys for these purposes.

is approved

contracting of reserve energy

ANEEL and CCEE hold auction for the

(ANEEL) and the Energy Trading Chamber (CCEE) held the Simplified Competitive Procedure (PCS) No. 1/2021-ANEEL, an auction for the contracting of reserve energy from wind, photovoltaic solar and thermoelectric sources powered by diesel, fuel oil, biomass and natural gas, with connection in the Southeast/Midwest and South submarkets. The auction was established as part of the measures to optimize

On October 25, 2021, the National Electric Energy Agency

situation experienced by Brazil, the largest in 91 years. The PCS presented initial prices of BRL 347.00/MWh for the quantity product and BRL 1,619.00/MWh for the availability product. Of the total contracted energy, most will be provided by 14 thermoelectric power plants powered by natural gas. The

hydro energy resources and to face the current water crisis

auction also included 2 solar energy projects and one powered by biomass. Gas plants had a marginal cost of BRL 1,599.57/MWh (and

solar and biomass projects the value of BRL 343.22). At the end of the auction, ANEEL estimated that the PCS resulted in savings of BRL 474 million and that the investments moved around BRL 5.26 billion.

Eletrobras' privatization modeling

the Brazilian Federal Government, unanimously approved, on October 19, 2021, Resolution No. 203/21, which defines the privatization model of Eletrobras, a state-owned company under the shareholding control of the Federal Government. According to the privatization model approved by CPPI, the

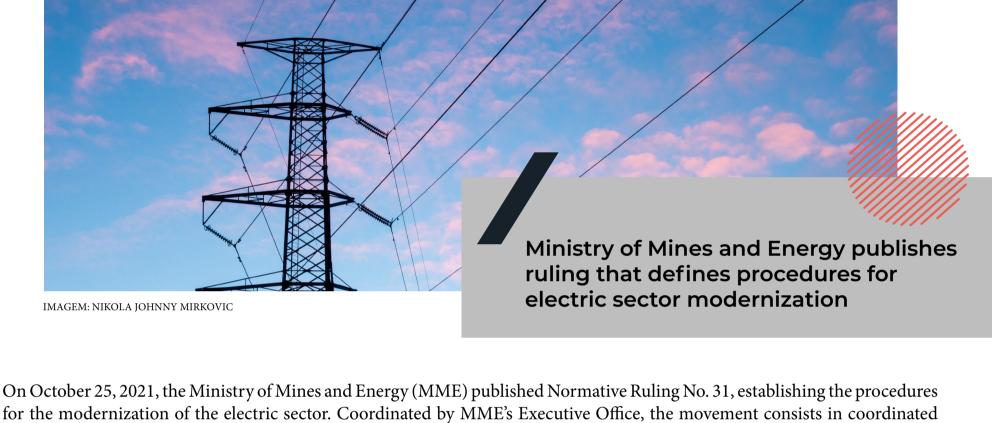
The Board of the Investment Partnership Program (CPPI), of

privatization will take place mainly in two stages. The first stage will be a capitalization process, in which Eletrobras shall issue new shares that can be purchased on the primary market until the Federal Government's participation in the company is diluted – which will not prevent the Federal Government from being Eletrobras' main shareholder in accordance with CPPI. The privatization's second stage will comprise the amendment

shares. Mechanisms will be included to prevent a single shareholder, or a group of shareholders, from exercising control over the company. To this end, the Company's management bodies will be strengthened, for example, in line with the model adopted by large energy companies abroad. Regardless the steps described above, the segregation of Itaipu Binacional and Eletronuclear will also undergo modeling,

to Eletrobras' By-laws for the pulverization of the Company's

which shall remain under the Federal Government's shareholding control, as set forth by the Brazilian Federal Constitution and Law No. 14,182/21, which authorized the privatization of Eletrobras.



and National Grid Operator (ONS). Aiming at bringing together these agents and taking future plans for the sector, the MME's Executive Office will promote regular monitoring and evaluation meetings, in a tactical and strategic level. The tactical decisions will be evaluated with the involved technicians, while the strategic decisions will be debated with the public and private institutions coordinators who compose the

action by different industry agents, not only by the Ministry but also by ANEEL, CCEE, the Energy Research Company (EPE)

ANEEL rejects the request to Senate installs the energetic crisis constrained-off rules review evaluation committee

On October 28, 2021, the Brazilian Senate installed a temporary committee to investigate the hydro energetic crisis effects and causes in the country. The new committee will have a 180 days term and it will be responsible, among other functions,

sector's summit, in monthly evaluation meetings.

solutions to guarantee the energetic safety in the Brazilian electric system context. The committee will be formed by 11 members and an equal number of substitutes, having the Senators Jean Paul Prates and Veneziano Vital do Rêgo for the positions of President and Vice-President, respectively, and Senator José Anibal as reporting member.

On the very same day of the Committee's creation, the senators

approved a requirement inviting the Mines and Energy

Minister, Bento Albuquerque, for a series of public audiences

to be performed within the next weeks.

to monitor the activities of the Chamber of Exceptional Rules

for Hydro Energetic Management (CREG) and to propose

ANEEL rejected a review request of Resolution No. 927/2021, responsible for establishing the criteria and procedures associated with the configuration of constrained-off events

involving wind power plants.

generated for the System Service Charge (ESS) evaluation ends. The Agency considers that the Resolution is a result of a discussion initiated years ago, in a process in which the interested parties had the opportunity to present their contributions. Therefore,

the decision only confirms the understanding that rules of

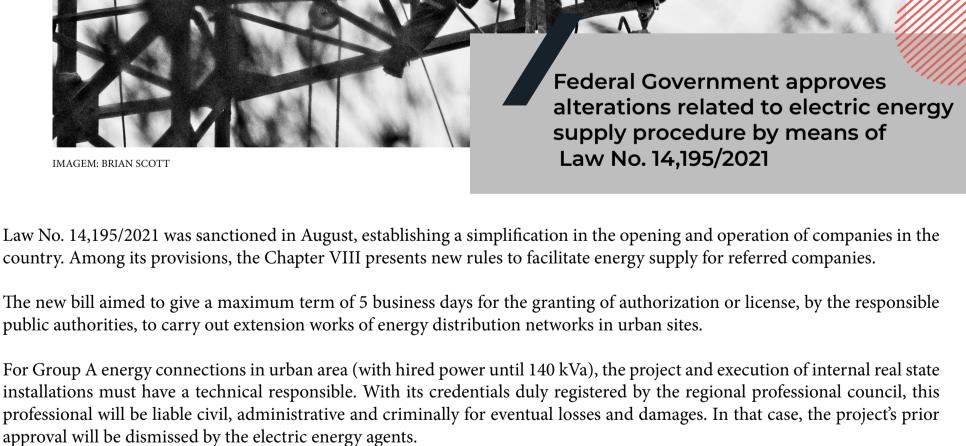
general nature approved after public consultation cannot suffer

alterations in a process without previous discussion.

The plaintiff, an energy producer, argued that the Resolution

establishes criteria for specific situations and required changes in particular dispositions, as, for example, the transition

rule and the calculation method of the amount that was not



For Group A energy connections in urban area (with hired power until 140 kVa), the project and execution of internal real state installations must have a technical responsible. With its credentials duly registered by the regional professional council, this

of the necessary procedures for Group A consumer's connection to distribution networks in urban sites (with hired power until 140 kVA). This last provision will produce effects within the next three years from the bill's publication, with the possibility of anticipating the effects in accordance with ANEEL's determination. As to the other provisions regarding the electric energy supply, the bill

The new bill also aims to boost the procedure of the new energy connections, once it establishes a 45 days term for the execution



will produce effects as its official publication.



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