

# The Renewable Private PPA market in Brazil

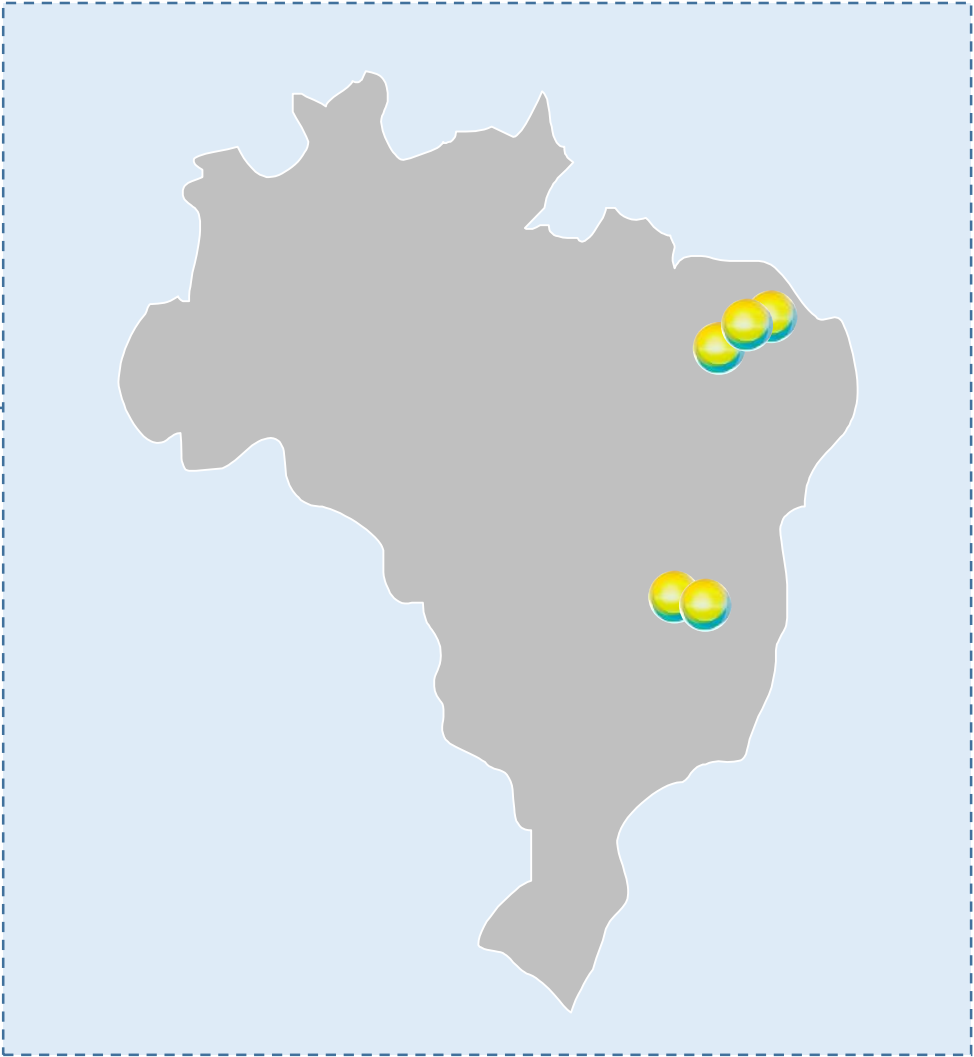
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2

# Enerside in LATAM. Brazil Track Record



- Piauí Project  
322 MW
- Ceará Project I  
143 MW
- Ceará Project II  
277 MW
- Minas Gerais I  
500 MW
- Minas Gerais II  
270 MW

## Strengths:

- ✓ Market with great potential. Increasing energy demand
- ✓ Good energy regulation for GD and Utility-Scale
- ✓ Great solar irradiation and wind resource
- ✓ Land availability at a low price
- ✓ Well-trained professionals. Successful Track-Record (+20 GW Wind and +3 GW Solar)

## Challenges:

- Improve infrastructure conditions
- Interconnection between North/North-East with South/South-East

	Auctions	Private PPA
Financial Risk	Low	Medium*
Tenor	20	Up to 15**
Window Opportunity	Public Auctions are published	Bilateral Negotiations are open
Size (MW)	60 – 150 MW (average)	No limit
Negotiation	Reverse Auction	Curve Prices vs. COD Calendar
Others	Depending on the production curve: PLDs not needed	Sometimes is necessary deliver energy on a flat basis***

\* Depending on the off-taker risk

\*\* Long term Merchant risk is normally considered to cover the Tenor in the financial structure

\*\*\* Could exist differences between wind and solar. “Sazonalização” and “Modulação”

## Advantages:

- ✓ Ensured fix sale price indexed to the IPCA
- ✓ Contract signed with an energy acknowledged off-taker. Focused-driven in deal-closing
- ✓ Avoids having to take part in competitive auctions with many participation requirements
- ✓ Customized COD deliveries

## Challenges and issues to consider:

- More complex financial structuring: due to lack of assets and no credit risk evaluation
- Focus on companies with big customer base (avoid default and contract resolutions)
- Inputs in negotiations: MW, contract period, present and futures prices, penalties, planning, measure and point of delivery of energy, environmental and social issues,...



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