



TRANSMISSION AUCTION 2/2024

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ANEEL's Mission

“To provide favorable conditions for the electricity market to develop with balance among the stakeholders and for the benefit of society”

The 2nd Electric Power Transmission Auction of 2024 includes projects in 6 states in Brazil

On September 27, 2024, the Brazilian Electricity Regulatory Agency - ANEEL will hold the Electric Power Transmission Auction No. 2/2024 at B3 S.A. - Brasil, Bolsa, Balcão headquarters in São Paulo.

Initially, 4 lots of projects were planned to be auctioned. However, in light of the recent floods in the state of Rio Grande do Sul and to mitigate implementation risks and operational problems in the event of extreme events, the Ministry of Mines and Energy requested the withdrawal of Lot 2 to reassess the transmission line routes and the locations of substations to be implemented in that state. Thus, Lots 1, 3, and 4 remain in this auction, comprising 783 km of transmission lines and substations with a transformation capacity of 1,000 MVA, in addition to the continued provision of public service for existing projects (162.9 km of transmission lines and 300 MVA of transformation capacity in substations), located in the states of Bahia, Espírito Santo, Minas Gerais, Paraná, São Paulo, and Santa Catarina.

The transmission facilities to be auctioned are part of the Investment Partnerships Program of the Presidency of the Republic - PPI and involve investments of around R\$ 3.35 billion, with the prospect of generating about 7,000 jobs during construction of the projects. The deadline for commercial operation of the facilities varies from 42 to 60 months, for concessions of 30 years counted from the signing date of the contracts.

The total amount of the Allowed Annual Revenue (Maximum RAP) to be paid to entrepreneurs is R\$ 553 million approximately.

The Bidding Document and other documents related to the auction will be available in the Transmission Auctions section on ANEEL's website:

<https://www.gov.br/aneel/pt-br/empreendedores/leiloes>

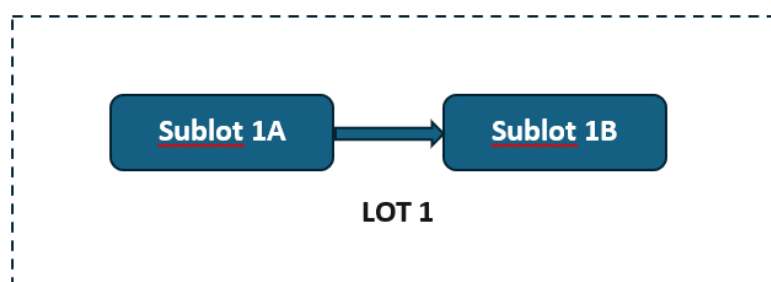
Auction Rules

All registered and eligible bidders must submit an envelope to the auction session director at the time of the event, containing either a financial proposal or a form declining the presentation of a proposal for those who may have lost interest in the bidding after registration. The bidder who presents the lowest value for the Allowed Annual Revenue (RAP), in reais per year (R\$/year), will be declared the winner.

Specifically for Lot 1, which is divided into two Sublots (1A and 1B), the bidders must simultaneously submit three sealed envelopes containing the bid or the declaration of no interest in submitting a financial proposal for the entire Lot and for each of the Sublots.

If there are valid proposals for Lot 1 and for all the Sublots, there will be a cross-competition to determine the contracting modality, that is, whether the concession will be granted as a single lot or divided into sublots. To this end, a comparison will be made between the lowest proposal submitted for Lot 1 and the sum of the lowest proposals submitted for the Sublots, with the modality offering the lowest RAP value being chosen.

Sublot 1B will only be auctioned if there are valid proposals for Sublot 1A.



The lots will be auctioned preferably in numerical order, from 1 to 4. If there is a difference greater than 5% between the lowest bid and the others, the bidder offering the lowest RAP value will win the auction. If the difference is equal to or less than 5% or if there is a tie between the lowest bids, a live bidding round will be opened with bids necessarily lower than the lowest proposal, with a minimum decrement to be set by the session director. If no bidder presents a live bid, the winner will be the one who submitted the lowest value in the proposals contained in the envelopes delivered to the auction session director. If there is still a tie, the winner will be determined by the tiebreaking criteria established in art. 15, § 4, of Law No. 8,987/1995 and art. 60 of Law No. 14,133/2021.

After the auction of the last lot is completed, at the discretion of the Permanent Auction Committee - CPL, live bids may be received for the lots that have not received any proposals.

The following table presents the maximum RAP values for each lot/sublot included in the auction:

LOT / SUBLLOT	Maximum RAP (R\$)
1	486,413,673.06
1A	283,905,121.04
1B	202,508,552.02
2 (withdrawn)	-
3	38,156,421.15
4	28,353,212.51

Who can participate?

The following entities may participate in the auction, either as individual bidders or as part of a consortium: business corporations, Private Equity Investment Funds - FIP, and national private pension entities, as well as foreign corporations. Business corporations organized in a consortium and those that are not yet transmission utilities must establish a Special Purpose Entity - SPE to sign the Concession Contract.

Legal participation impediments apply to electricity distribution utilities, as well as sectoral restrictions to companies with a history of contractual default.

Guarantees

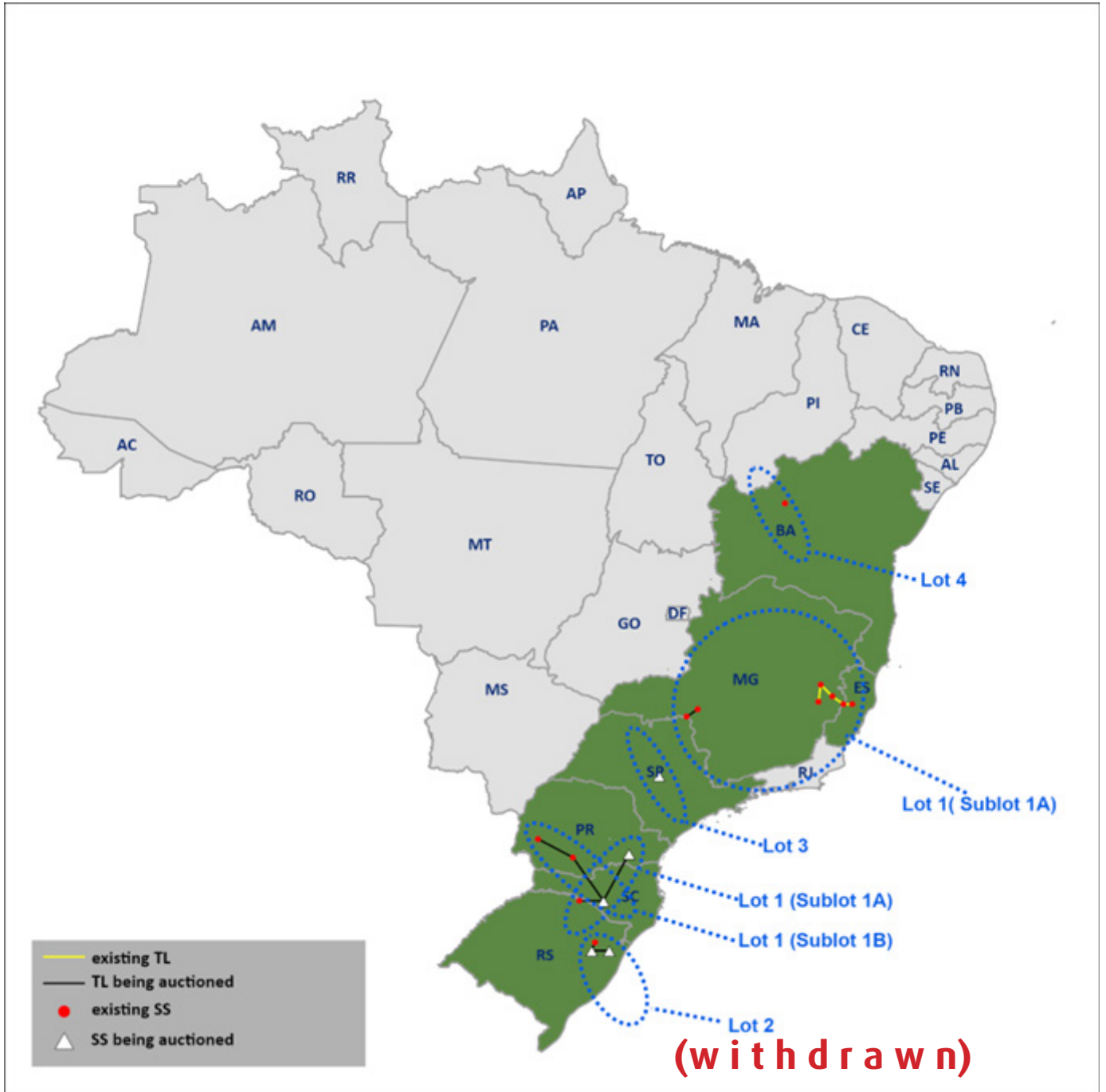
Bidders must provide a bid bond equal to 1% of the investment estimated by ANEEL, valid for at least 180 days (from the auction date), with the possibility of its validity being extended upon request from the CPL. Upon signing the concession contract, the winning bidder must provide a performance bond (replacing the previous guarantee), equivalent to 5%, 7.5%, or 10% of the estimated investment value, depending on the discount offered at the auction.

Summary of Lots

Lot	Project	State	Length (km)	Power (MVA)	Commercial Operation Deadline (months)	Estimated Investment (R\$)
1	Sublot 1A(*): New projects: <ul style="list-style-type: none"> - 525 kV Transmission Line Abdon Batista 2 - Curitiba Oeste C1, single circuit (258.7 km); - 525 kV Transmission Line Abdon Batista - Abdon Batista 2, C1 and C2, Double Circuit (2 x 4.7 km); - 345 kV Transmission Line Jaguará - Araxá 3 C1 (58 km). - 525 kV Substation Curitiba Oeste; - 525 kV Substation Abdon Batista 2; - Segments of 525 kV Transmission Line between the sectioning of the 525 kV Transmission Line Bateias - Ponta Grossa, C1, at the Substation Curitiba Oeste (18.3 km). Existing facilities for the continuity of public transmission service: <ul style="list-style-type: none"> - 230 kV Transmission Line Aimorés - Conselheiro Pena C1 (72 km); - 230 kV Transmission Line Aimorés - Mascarenhas C1 (13.6 km); - 230 kV Transmission Line Conselheiro Pena - Governador Valadares 6 C1 (71 km); - 230 kV Transmission Line Governador Valadares 2 - Governador Valadares 6 C2 (6 km); - 230/138 kV Substation Mascarenhas - 300 MVA; - 230 kV Substation Aimorés 	SC/PR/ MG/ SP/ES	363	-	60	1,712,262,173.59
	Sublote 1B: <ul style="list-style-type: none"> - 525 kV Transmission Line Abdon Batista 2 - Segredo C1, CS (230 km); - 525 kV Transmission Line Cascavel Oeste - Segredo C1 (187.2 km); 	SC/PR	417	-	60	1,221,350,753.35
2	<ul style="list-style-type: none"> - 230 kV Transmission Line Ivoti 2 - São Sebastião do Caí 2 (19.26 km); - 230 kV Transmission Line Caxias - São Sebastião do Caí 2 C1 (44 km); - 230/138 kV Substation São Sebastião do Caí 2 - 2 x 150 MVA; - 230/138 kV Substation Ivoti 2 - 2 x 150 MVA; - Segments of 230 kV Transmission Line between the Substation Ivoti 2 and the 230 kV Transmission Line Caxias - Campo Bom (1.2 km); - Segment of 230 kV Transmission Line between the Substation Ivoti 2 and the 230 kV Transmission Line Caxias - Campo Bom C2 (1.2 km). 	R	67	600	48	411,796,099.07
3	<ul style="list-style-type: none"> - 440/138 kV Substation Estância - (6+1R) x 100 MVA; - Segments of 440 kV Transmission Line between the Substation Estância and the sectioning of the 440 kV Transmission Line Bauru - Salto, C1 (2 x 1.2 km). 	SP	2	600	42	244,012,905.07
4	<ul style="list-style-type: none"> - 500/138 kV Substation Barra II - (6+1 spare unit) x 66,6 MVA and new 138 kV sector. 	BA	-	400	51	168,242,692.25

(*) Lot 1 (Sublot 1A) includes facilities nearing the end of their concession, for which the continuity of public transmission service will be the responsibility of the new Transmission Operator.

Lots Overview



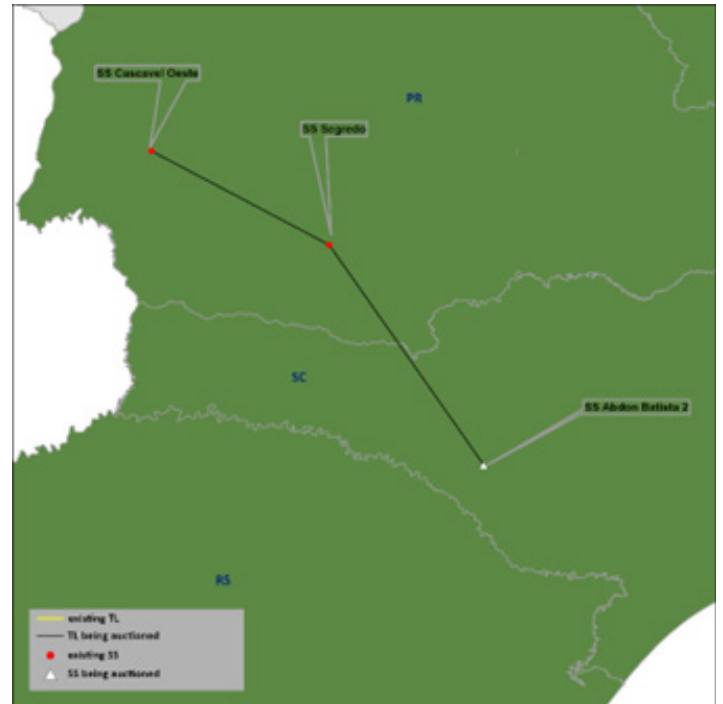
Lots Details

Lot 1

Sublot 1A



Sublot 1B



Length: 780 km

Deadline: 60 months

Jobs Creation Estimate: 5,866

States / Cities:

PR: Lapa; Palmas; Reserva do Iguçu; Foz do Jordão; Candói; Laranjeiras do Sul; Nova Laranjeiras; Guaraniçu; Diamante do Sul; Campo Bonito; Ibema; Cascavel; Porto Amazonas; Coronel Domingos Soares.

SC: Abdon Batista; Bela Vista do Toldo; Brunópolis; Curitibanos; Frei Rogério; Lebon Régis; Mafra; Major Vieira; Papanduva; Santa Cecília; Timbó Grande; Vargem; Campos Novos; Ibiam; Tangará; Ibicaré; Salto Veloso; Água Doce.

MG: Araxá; Sacramento; Tapira; Tumiritinga; Resplendor; Aimorés, Itueta; Conselheiro Pena; Governador Valadares.

SP: Rifaina.

ES: Baixo Guandu.

Purpose:

- Reinforcements to the electrical system of the states of Paraná and Santa Catarina.
- Continuity of public transmission service to the state of Espírito Santo and the eastern area of Minas Gerais.
- Service to the Triângulo Mineiro and Alto Paranaíba regions in the state of Minas Gerais.

Details dos Lots

Lote 2



Length: 67 km

Power: 600 MVA

Deadline: 48 months

Jobs Creation Estimate: 1,029

States / Cities:

RS: Nova Petrópolis; Presidente Lucena; Feliz; Linha Nova; Caxias do Sul; Lindolfo Collor; Ivoti; São José do Hortêncio; São Sebastião do Cai; Portão; Vale Real; Dois Irmãos; Estância Velha; Novo Hamburgo; São Leopoldo.

Purpose:

Service to the metropolitan region of Porto Alegre - RS.

Details dos Lots

Lote 3



Length: 2 km
Power: 600MVA
Deadline: 42 months
Jobs Creation Estimate: 697

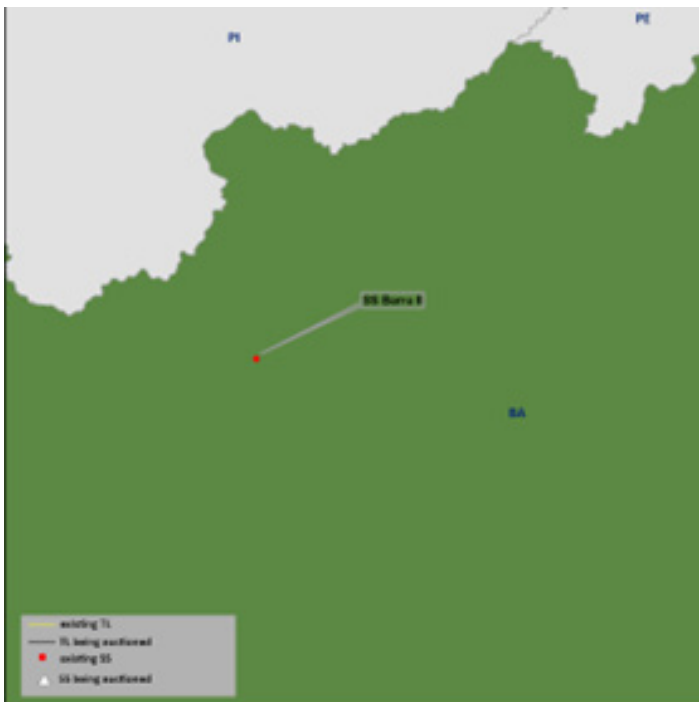
States / Cities

SP: Bariri; Barra Bonita; Bauru.

Purpose:

Service to the Jaú region.

Lote 4



Power: 400 MVA
Deadline: 51 months
Jobs Creation Estimate: 395

States / Cities:

BA: Barra.

Purpose:

Service to the Barra region (São Francisco Valley).

Schedule

EVENTS	DATE
Publication of the Invitation to Tender and disclosure of Bidding Document, as well as the Annexes and Relevant Announcement referred to in item 10.9.6 of the Bidding Document	August 28, 2024
Deadline to request clarification about the Bidding Document	September 6, 2024
Deadline for responses to clarifications about the Bidding Document	September 16, 2024
Deadline to request and conduct a visit to existing facilities	
REGISTRATION (online) From 8 AM of September 16, 2024 to 2 PM of September 17, 2024	September 16 and 17, 2024
Submission of Bid Bond (online) From 8 AM of September 16, 2024 to 4 PM of September 17, 2024	
Filing, at B3 S.A., of the bid bonds without qualified electronic signature (ICP-Brasil standard) and submission to ANEEL of the bid bonds provided through an escrow account, until 4 PM, as detailed in the INSTRUCTION MANUAL	September 17, 2024
Deadline for filing objections to the Bidding Document	September 24, 2024
AUCTION Public Session, at 10 AM, at B3 S.A., located at Rua XV de Novembro, 275, Centro, São Paulo, SP, Brazil	September 27, 2024
Filing, at B3 S.A., of the Qualification Documents of the winning BIDDERS	October 11, 2024
Estimated date for publication of the Qualification result	October 25, 2024
Deadline for filing an appeal against the Qualification result	October 31, 2024
Estimated date for AUCTION Approval and Award	November 12, 2024
Filing, at ANEEL, of the schedule and budget relating to the construction of the Transmission Facilities	November 28, 2024
Submission to ANEEL of the documents from the Special Purpose Entity (SPE) or the TRANSMISSION UTILITY required for the signing of the CONCESSION CONTRACTS.	
Filing, at ANEEL, of the applications contained in Appendixes H and I	
Submission to B3 S.A. of the Performance Bonds	December 3, 2024
Submission to ANEEL of the reimbursement proof for the studies.	
Estimated date for signing the CONCESSION CONTRACTS	December 13, 2024

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