

Sustainable Finance Report 2023

Eletrobras CGT Eletrosul

Eletrobras

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CHAPTER 1

Presentation



TPP Gov. Jayme Canet Junior - Photo: Publicity

Sustainable Finance Report

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Eletrobras is dedicated to making investments that advance value generation for society, the environment, and all of its stakeholders.

Influenced by the green finance agenda, Eletrobras CGT Eletrosul played a significant influence in the company's major advancements in the socioenvironmental sphere in 2023.

The purpose of this type of financing is to raise funds to invest in sustainable projects and initiatives that mitigate companies' environmental impacts and benefit the environment.

In this regard, in September 2021, Eletrobras CGT Eletrosul carried out its 3rd issuance of simple debentures, non-convertible to shares, divided into two series totaling BRL 400 million. The first series totaled BRL 185 million in green bonds, the first operation based on the company's *Green Bond Framework*. Eletrobras CGT Eletrosul's debenture was the first green bond issued by Eletrobras Companies.

The net funds were earmarked for the payment of costs related to the development, construction and operation of reinforcement projects at Eletrobras CGT Eletrosul's substations and electricity transmission lines.

To provide greater transparency to the issuance of the bond in question, was drawn up a Verification Report on the alignment of the 1st series of Eletrobras CGT Eletrosul Simple Debentures' 3rd issuance with the Eletrobras Green Bond Framework, which certified the allocation process for green projects backed by the Eletrobras Framework and their environmental benefits.

The purpose of this report is to demonstrate the allocation of the funds raised, ensuring greater transparency for investors.

BRL 185 million

1st series incentivized

IPCA + 5.3455%

8-year amortization period

Investment in transmission reinforcements and improvements

Listed as priorities by the Ministry of Mines and Energy

SDGs associated with the Green Bond

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The Sustainable Development Goals (SDGs) are 17 goals that make up the 2030 Agenda, defined by the United Nations (UN) with the purpose of engaging organizations around the world in overcoming the main challenges related to promoting development and sustainability.

Covering a range of topics, such as eradicating poverty, fighting climate change and preserving natural resources, the SDGs correlate business strategy with the global agenda.

Eletrobras Companies, in general, are connected to nine SDGs, which are considered priorities for the company's business (highlighted in the image).

The issuance of the green bond by Eletrobras CGT Eletrosul is connected to these goals, especially SDG 7 (Affordable and Clean Energy) and SDG 13 (Action against Global Climate Change).



Click here to find out more about the UN Sustainable Development Goals.

CHAPTER 2

Profile



Retracting cables in a transmission line tower - Photo: Marcelo Camargo Constante

About Eletrobras CGT Eletrosul

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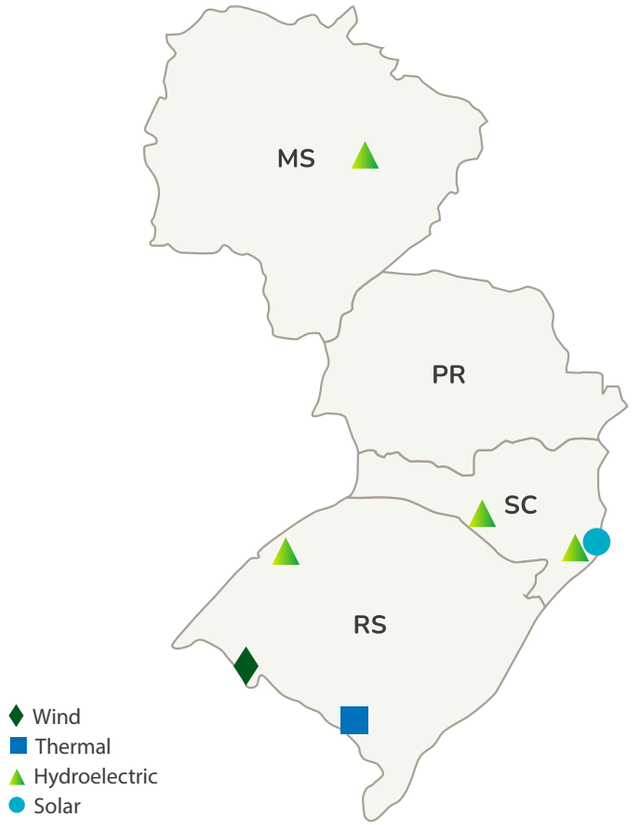
The Companhia de Geração e Transmissão de Energia Elétrica do Sul do Brasil (CGT Eletrosul) is a company controlled by Eletrobras, resulting from the corporate restructuring process of the subsidiaries Eletrosul and CGTEE.

Eletrobras CGT Eletrosul operates in the generation, transmission, energy trading and telecommunications areas.

Its energy matrix is diversified, coming from hydro, wind and solar sources, totaling 1.7 GW of installed capacity - enough energy to supply the consumption of 10 million people.

Headquartered in Florianópolis (SC), the company has operations in four Brazilian states: Rio Grande do Sul, Santa Catarina, Paraná and Mato Grosso do Sul. It also has additional operations via a stake in a Special Purpose Entity (SPE) in the states of Rondônia, Mato Grosso and Pará.

- **7 hydroelectric plants** (1.5 GW of installed capacity)[1];
- **2 wind farm complexes:** Cerro Chato (163.2 MW) and Coxilha Negra (302.4 MW)[2];
- **1 solar power plant** (1MWp);
- **11.9 thousand km of transmission lines**;
- **52 own facilities with transmission functions and 45 third-party substations; and**
- **34.8 thousand MVA of transformation capacity**.



[1] Own projects: HPP Passo São João, HPP São Domingos, HPP João Borges, HPP Barra do Rio Chapéu.
Joint ventures: HPP Gov. Jayme Canet Jr, HPP Jirau, HPP Teles Pires.

[2] Parque Coxilha Negra is currently being implemented.

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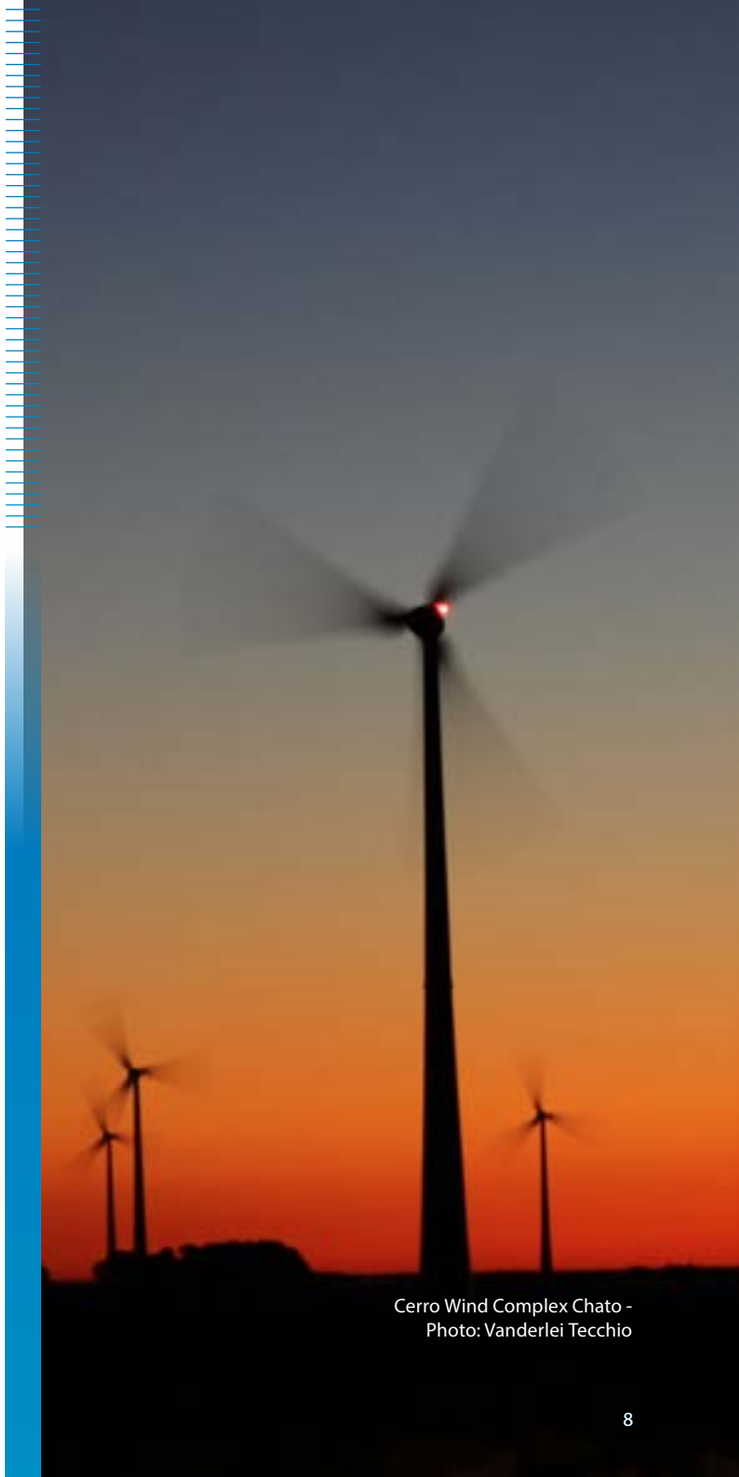
As far as the company's investments are concerned, there was a significant increase in CAPEX, which reached BRL 1.4 billion, 131% higher than in 2022 and 78% higher than in 2021.

Work continues on the Coxilha Negra wind farm, the company's largest investment in generation, with 72 wind turbines and 302.4 MW of installed capacity. Located in the state of Rio Grande do Sul, the farm has already started operating in the testing phase, with the machines due to be commissioned in 2024.

On September 7th, 2023, Eletrobras signed a contract to sell the Candiota Thermoelectric Complex, our only generation asset whose energy source is coal, to Âmbar Energia. After all the conditions were met, the sale of the plant was completed in January 2024.

Located in Candiota (RS), the thermoelectric plant has an installed capacity of 350 MW, which represents around a third of all Eletrobras' emissions. The conclusion of this operation represented another important milestone in Eletrobras' decarbonization journey, which has set the goal of zero carbon emissions by 2030.

By selling the Candiota thermoelectric plant, the company's only coal-fired project, our electricity matrix will become even cleaner.



Cerro Wind Complex Chato - Photo: Vanderlei Tecchio

Commitments

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In line with global sustainability guidelines, and aligned with the UN Sustainable Development Goals, Eletrobras CGT Eletrosul is committed to implementing and maintaining its operational assets in accordance with national law and the best environmental practices, while always respecting the populations covered by its projects.

There are five policies that underlie the social and environmental management of Eletrobras companies:

- Eletrobras Companies' Sustainability Policy;
- Eletrobras Companies' Environmental Policy;
- Eletrobras Companies' Sponsorship Policy;
- Eletrobras Companies' Social Responsibility Policy; and
- Eletrobras Companies' Communication and Stakeholder Engagement Policy.

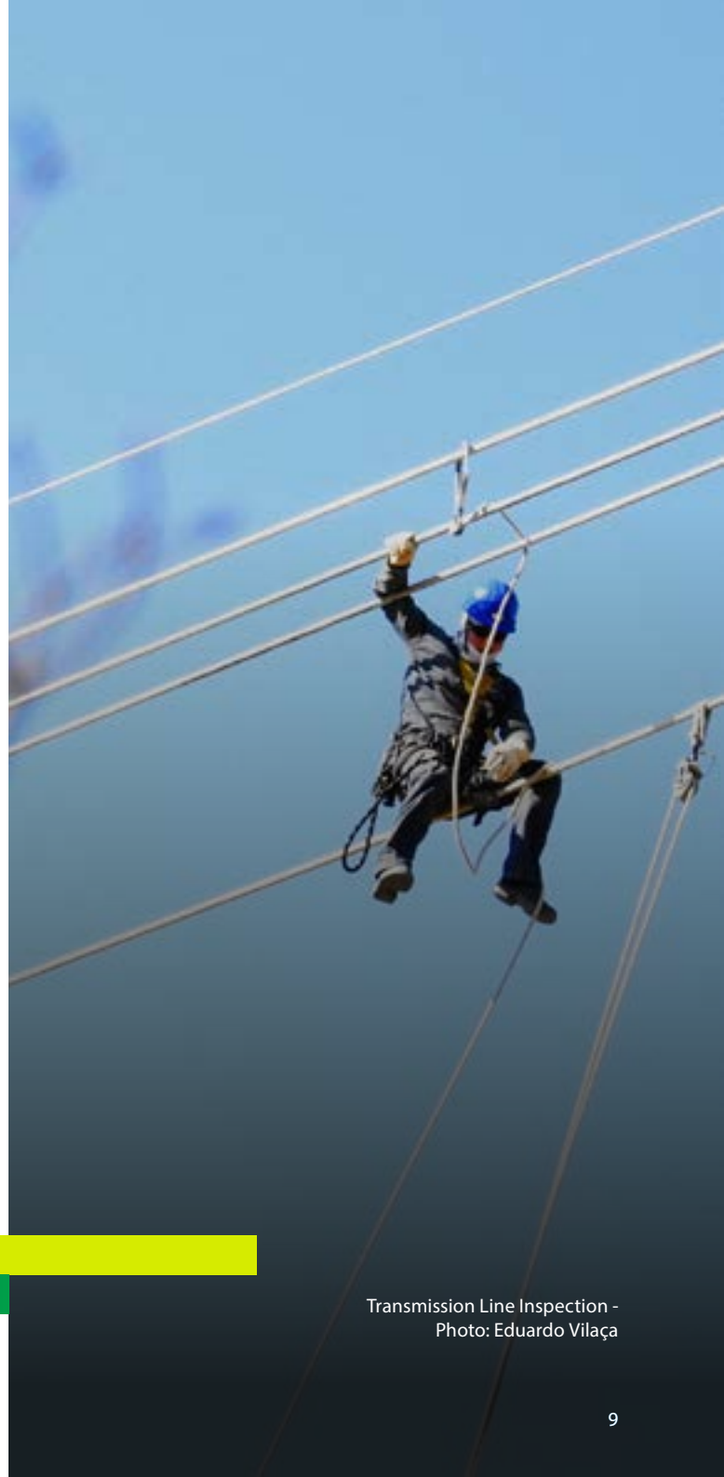
Participation in organizations and associations

Eletrobras companies have entered into a number of commitments and agreements that establish institutional guidelines for the company's sustainability approach.

As such, Eletrobras CGT Eletrosul acts in line with a number of external initiatives and commitments, among which the following stand out:

- Membership to the UN Global Compact;
- Membership to the UN Women Women's Empowerment Principles (WEPS);
- Membership to the Movimento Nacional pela Cidadania e Solidariedade – Nós Podemos Santa Catarina; and
- Membership to the Na Mão Certa Program.

Click here to access the Eletrobras Companies' Policies



Transmission Line Inspection - Photo: Eduardo Vilaça

Commitments to climate and biodiversity

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Eletrobras companies are committed to the world's future. We know that, in recent decades, human activities have brought the environment to a critical situation, with loss of biodiversity and worsening climate change that can already be felt by the population.

In 2023, the climate change theme was highlighted in the company's new Strategic Plan 2023-2030, one of the objectives of which is to consistently achieve a net-zero trajectory by 2030. This commitment is formalized in a letter sent to the Science Based Targets Initiative (SBTi), which defines scientific parameters for the net-zero trajectory of companies, in line with the needs of the planet.

Consistent with the strategic needs of the business and the restructuring of the Eletrobras companies, in 2023 we created a new Climate and Biodiversity Strategy Management, which reports to the Sustainability Board. By uniting the strategic vision of climate change and biodiversity themes, we aim to approach them in a complementary way, holistically impacting the planet and the environment.





Pact for a new Ethic between Humanity and Nature

With the aim of supporting a rapid and socially just energy transition, in 2023 we released a public document declaring that the path to climate adaptation needs to consider the 5Rs:

» **Reduce greenhouse gas emissions and impacts on biodiversity** as much as possible by 2030, and offset the remaining emissions with forest-based carbon credits.

» **Regenerate deforested areas and maintain existing forested areas,** contributing to the preservation of socio-biodiversity and the ways of life of traditional populations, valuing ecosystem services that benefit all stakeholders.

» **Re-educating society to use energy and the planet's resources more efficiently,** rethinking consumption, combating waste, promoting sustainable growth and adapting to the changes coming from an ever-changing world.

» **Reuse the most of what comes from business operations** and give priority to inputs from sustainable and traceable processes.

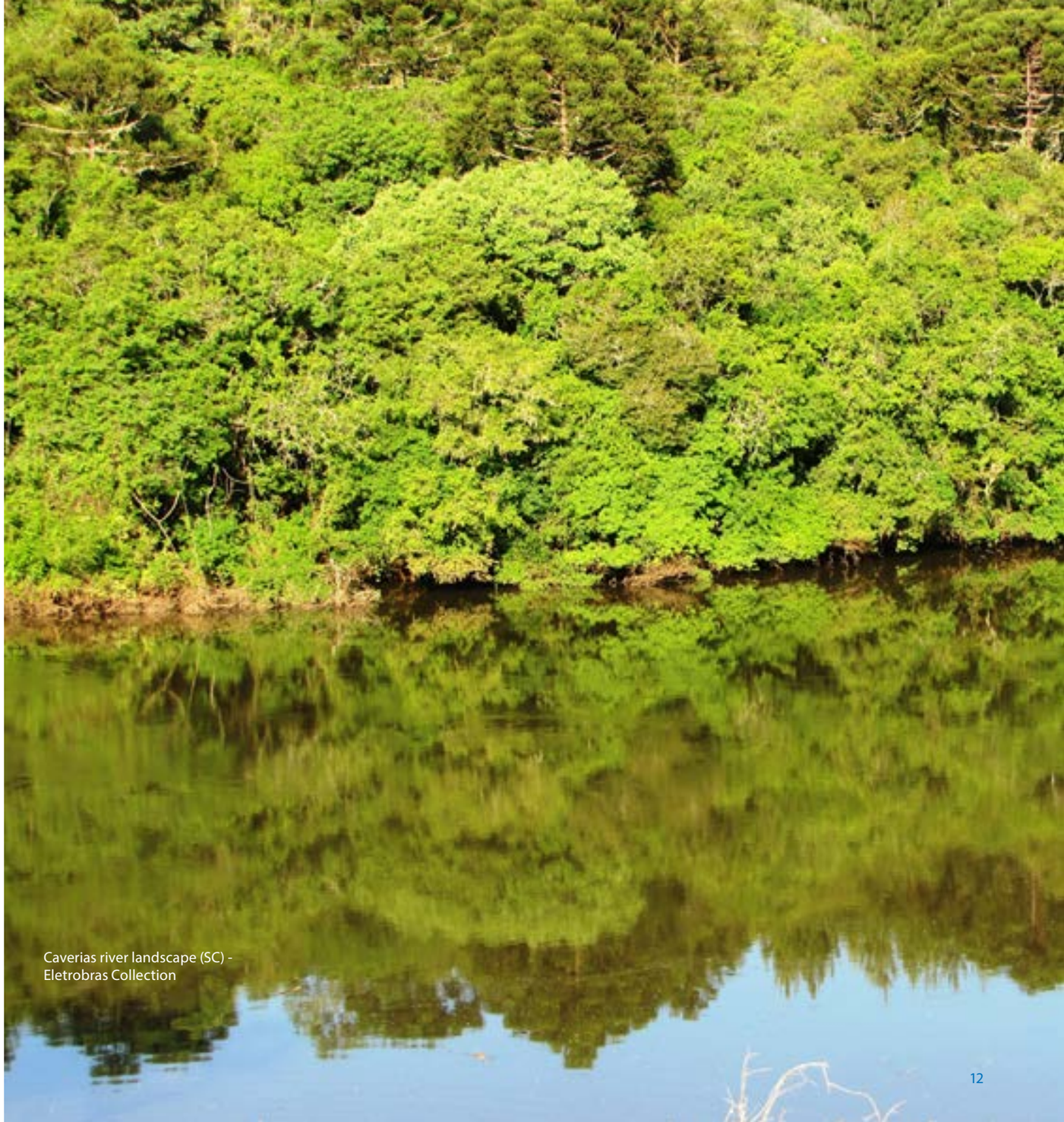
» **Redistribute and share earnings from business operations** in order to increase investments in socio-environmental projects that create value in the territories where we operate, contributing to a relationship of trust with communities and, consequently, a lasting social license to operate.

Click here to find out more about the Pact.

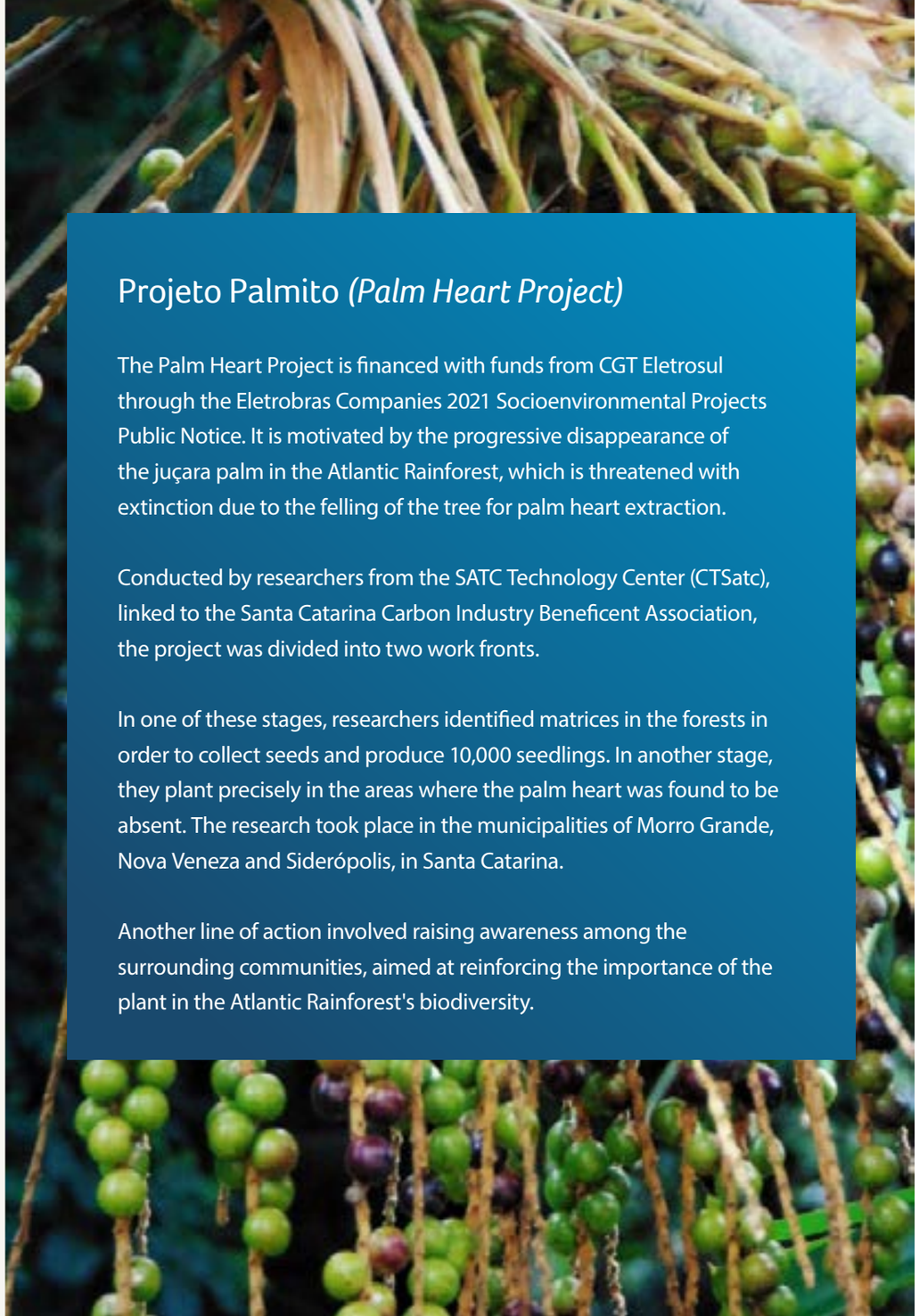
Eletrobras companies carry out their generation and transmission activities in terrestrial and aquatic ecosystems located mainly in the Atlantic Rainforest, the Caatinga and the Amazon Rainforest. By implementing projects in ecologically relevant areas, we are aware of our responsibility to preserve biodiversity and local ecosystem services, which are critical to the very survival of humanity and the planet.

For this reason, we strive to boost biodiversity conservation and recovery actions, seeking a positive impact on the regions where our operations are located, whether in their planning, construction or operation. The topic is guided by the Eletrobras Companies' Environmental Policy, which presents specific guidelines for biodiversity, with the aim of including the topic in our decision-making processes.

We are signatories to the Brazilian Business Commitment to Biodiversity, launched by the Brazilian Business Council for Sustainable Development (CEBDS). It emphasizes the relevance of biodiversity and ecosystem services for companies, in line with national and global strategic agendas on the subject.



Caverias river landscape (SC) - Eletrobras Collection



Projeto Palmito *(Palm Heart Project)*

The Palm Heart Project is financed with funds from CGT Eletrosul through the Eletrobras Companies 2021 Socioenvironmental Projects Public Notice. It is motivated by the progressive disappearance of the juçara palm in the Atlantic Rainforest, which is threatened with extinction due to the felling of the tree for palm heart extraction.

Conducted by researchers from the SATC Technology Center (CTSatc), linked to the Santa Catarina Carbon Industry Beneficent Association, the project was divided into two work fronts.

In one of these stages, researchers identified matrices in the forests in order to collect seeds and produce 10,000 seedlings. In another stage, they plant precisely in the areas where the palm heart was found to be absent. The research took place in the municipalities of Morro Grande, Nova Veneza and Siderópolis, in Santa Catarina.

Another line of action involved raising awareness among the surrounding communities, aimed at reinforcing the importance of the plant in the Atlantic Rainforest's biodiversity.

The projects financed with the funds raised through the debenture (learn more on page 17) were not eligible for environmental compensation or social responsibility actions linked to environmental licensing, as they are one-off works on existing projects.

However, the Palm Heart Project has a positive impact on Eletrobras CGT Eletrosul assets that pass through the municipalities where it is developed.

TRANSMISSION LINE	MUNICIPALITY	STATE
LT 230kV Forquilhinhas - Lajeado Grande C1	Morro Grande	SC
LT 230kV Forquilhinhas - Lajeado Grande C1	Nova Veneza	SC
LT 230kV Forquilhinhas - Siderópolis C1	Nova Veneza	SC
LT 230kV Forquilhinhas - Siderópolis C1	Siderópolis	SC
LT 230kV Jorge Lacerda B - Siderópolis C1	Siderópolis	SC
LT 230kV Jorge Lacerda B - Siderópolis C2	Siderópolis	SC

CHAPTER 3

Green bonds



Jirau HPP - Photo: Publicity

About green bonds

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Green Bonds are fixed-income bonds used to raise funds for the implementation or refinancing of new or existing projects or assets that have a positive environmental or climate impact.

Eletrobras CGT Eletrosul was the first Eletrobras company to issue a green bond through a debenture - a fixed-income debt bond issued by a non-financial company to carry out specific projects.

Globally, the issuance of green bonds is based on the International Capital Market Association's Green Bond Principles, made up of voluntary guidelines divided into four main components:

1. Use of resources

Defines the categories of eligible projects for using resources such as renewable energy and energy efficiency.

2. Project evaluation and selection process

Demonstrates the process for determining how projects to be financed qualify as Green Projects.

3. Resource management

Design the management and allocation of resources.

4. Reporting

Refers to the publication of updated information on the use of resources.

Eletrobras' Green Bond Framework is intended to facilitate the transparency, integrity and quality of the company's green bond issuances, ensuring their alignment with the Green Bond Principles. Moreover, the document is aimed at ensuring compliance with the company's sustainability strategy and commitments, including the mitigation of climate change and the protection of biodiversity.

Transparency

Committed to increasingly promoting transparency in the business and in the allocation of green bond resources, in February 2022, Eletrobras CGT Eletrosul joined the Green Bond Transparency Platform (GBTP), developed by the Inter-American Development Bank (IDB) to disclose information in a standardized fashion about the use of resources, impacts, methodologies and standards used in the issuance of green bonds.

Click here for additional information on the **International Capital Market Association (ICMA).**

Click here for additional information on the Green Bonds Principles (GBP).



Barra Rio do Chapéu SHP

Second-Party Opinion (SPO)

To offer investors greater security in terms of transparency and standardization in the issuance of green bonds, as well as the management of the funds raised in line with Eletrobras' Green Bond Framework pillars, a consultancy was hired to provide a Second-Party Opinion (SPO) on the bond.

This process includes a comprehensive assessment of the environmental aspects of green financing, in line with the most recent guidelines of the Green Bond Principles (GBP). To this end, the SPO considers:

1. Consistency between the Framework and the issuer's commitments with the bond's potential contribution to sustainability aspects and the four pillars of the GBP; and

2. The issuer's ESG performance, taking into account its processes and policies for managing the issue both institutionally and with other stakeholders.

The report with the opinion was issued and made publicly available in April 2021, verifying the compliance of the bond and its alignment with the Green Bond Principles.

Clicke here to access the SPO of the Eletrobras CGT Eletrosul debenture.

Profile of funded projects

The issuance of the green bond enabled Eletrobras CGT Eletrosul to finance nine reinforcement and improvement projects at substations and energy transmission lines, with positive socio-environmental impacts, especially in renewable energy generation and energy efficiency.

The total investment to be made in the projects is estimated at BRL 196 million, of which BRL 185 million corresponds to the amount financed by the 3rd issuance of debentures by Eletrobras CGT Eletrosul. Therefore, the remaining BRL11 million will be paid with the company's own capital.

BRL 196 million
Total investment

BRL 185 million
Amount financed by the debenture

BRL 11 million
Own capital

By December 31, 2023, over BRL169 million had already been invested, leaving just under BRL 27 million in investments to be made.

BRL 169 million
Invested until 12/31/2023

BRL 26.6 million
Investment to be made



Foz do Chapecó HPP

Financial aspects of funded projects

In accordance with the Green Bond Principles (GBP), the disclosure of information regarding resource use management is a critical part of a green financing process. To this end, we present below the amounts invested in each of the projects until December 2023.

Project	MME Ordinance	Document	Estimated project investment	Estimated allocation of debentures for the project	Percentage of investment covered by debentures	Investment made until 12/31/2023	Allocation of debentures for the project	Realization of estimated debenture allocation	Environmental licensing
Project 1	Project 7 Ordinance MME 389/2020	ANEEL Authorizing Resolution n 7,152/2018	34,48	32	92,8%	33,86	32	100,0%	LO 07458/2020
Project 2	Project 5 Ordinance MME 389/2020	ANEEL Authorizing Resolution n 7,576/2019	50,18	48,6	96,9%	52,77	48,6	100,0%	OFÍCIO N° 193/2019/ SERAD/COTRA/CGLIN /DILIC OFICIO N° 63/2020/DILIC
Project 3	Project 4 Ordinance MME 389/2020	ANEEL Authorizing Resolution n 7,529/2018	45,21	43,2	95,6%	42,1	42,1	97,5%	OFÍCIO N° 680/2020/ CGLIN/DILIC OFÍCIO N° 161/2019/CODUT/ CGLIN/DILIC
Project 4	Project 8 Ordinance MME 389/2020	CCT N 40003881	1,34	1,2	89,6%	1,75	1,2	100,0%	LO 07458/2020
Project 5	Project 1 Ordinance MME 850/2021	CCT N 1013150004	4,73	4	84,6%	5,42	4	100,0%	LPIA 00252/2021
Project 6	Project 2 Ordinance MME 850/2021	CCT N 40004833	2,74	2,35	85,8%	3,59	2,35	100,0%	LPIA 00251/2021
Project 7	Project 3 Ordinance MME 850/2021	CCT N 40005867	2,74	2,35	85,8%	4,5	2,35	100,0%	OFÍCIO N 299/2021/ CODUT/CGLIN/DILIC
Project 8	Project 4 Ordinance MME 850/2021	ANEEL Authorizing Resolution n 9.655/2021	25,35	23,3	91,9%	15,33	15,33	65,79%	OFÍCIO N 215/2023/ CODUT/CGLIN/DILIC
Project 9	Project 5 Ordinance MME 850/2021	ANEEL Dispatch n 1,425/2021	29,49	28	94,9%	10,09	10,09	36,04%	Not applicable
TOTAL (MM R$)			**196,27**	**185**	**94,3%**	**169,67**	**158,07**	**85,44%**	

CHAPTER 4

Socioeconomic benefits



Jirau HPP - Photo: Publicity

Positive impacts of green bonds

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According to Eletrobras' Green Bond Framework the company issues green bonds with the aim of leveraging its projects to expand and consolidate the country's renewable energy generation and transmission matrix.

Currently, 96.5% of Eletrobras' installed capacity comes from renewable energy sources and from low-emission sources of greenhouse gases (solar, wind and hydroelectric). The company's goal is to further increase this share in the coming years.

The economic benefits of expanding the renewable energy matrix in Brazil include increased energy security, decentralization and a reduction in greenhouse gas (GHG) emissions, contributing to climate change mitigation.

Investments in transmission assets therefore contribute to the flow and transmission of renewable energy in the National Interconnected System (SIN), reducing the loss rate and increasing the system's reliability and safety.

Investing in a resilient, low-carbon energy grid therefore positively impacts the environment:

- Favoring the dispatch of power plants with lower emissions;
- Transporting electricity over long distances, favoring consumption centers that would use high-carbon sources;
- Respect construction criteria aimed at reducing environmental impact; and
- Interconnecting systems with complementary generation features from the seasonality perspective, such as wind and hydroelectric plants in Brazil.

The following is the average emission factor for the SIN, which reflects the amount of CO_2 associated with the country's electricity generation process over the last five years, as well as the figures for Eletrobras' total emissions and the total emitted as a result of transmission losses.

YEAR	SIN AVERAGE EMISSION FACTOR (GCO_2/KWH)
2019	75,0
2020	61,7
2021	126,4
2022	42,6
2023	38,5
Average (2019 - 2023)	**68,8**

* **Source:** MCTI, 2023. Average factor - Inventories corporativos

YEAR	TRANSMISSION LOSSES – (TCO_2E)	TOTAL GHG EMISSIONS (TCO_2E)
2019	110.673	118.048
2020	100.609	1.393.508
2021	162.273	2.692.933
2022	57.629	1.914.023
2023	50.023	2.056.070

* **Source:** Eletrobras, 2022. Climate Strategy - Greenhouse Gas Emissions Inventory

Socioeconomic benefits of investments

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Investments made with the funds raised by green financing were directed towards projects to reinforce and improve substations and electricity transmission lines interconnected to the National Interconnected Electricity System (SIN), contributing directly to improving energy transmission in the country. The works covered were authorized by the National Electricity Agency (Aneel) and considered a priority by the Ministry of Mines and Energy (MME).

As well as having a positive impact on the economy, the projects have positive socioenvironmental impacts, such as:

» **Additional creation of 421 direct jobs and 266 indirect jobs with the works; and**

» **Encouraging job and income generation in the industrial and commercial sector.**



SE - Alegrete

Municipalities benefited

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The works that received investment from green financing bring direct and indirect benefits to the population of the 17 municipalities in which they are located, spread across four Brazilian states: Rio Grande do Sul, Paraná, Santa Catarina and Mato Grosso do Sul.

MUNICIPALITIES BENEFITED AND THEIR POPULATION* (IBGE, 2022)	
RIO GRANDE DO SUL (RS)	**941.693**
São Luiz Gonzaga	34.752
Caxias do Sul	463.501
Farroupilha	70.286
Ijuí	84.780
Gravataí	265.074
Nova Petrópolis	23.300
PARANÁ (PR)	**2.329.683**
Curitiba	1.773.718
Londrina	555.965
SANTA CATARINA (SC)	**2.091.928**
Siderópolis	13.714
Blumenau	361.261
Joinville	616.317
Biguaçu	76.773
Itajaí	264.054
Florianópolis	537.211
Palhoça	222.598
MATO GROSSO DO SUL (MS)	**267.481**
Dourados	243.367
Anastácio	24.114
TOTAL	**5.630.785**

* **Source:** IBGE, 2022. Demographic Census.

Details of socioeconomic benefits

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In total, the funds raised by the debenture issuance made it possible to finance nine projects, whose objectives and socioeconomic benefits arising from their implementation are described below.

Project 1
Projects SS Londrina - Expansion "M" and SS Ijuí 2 - Expansion "A"

The purpose of the SS Londrina - Expansion "M" project is to install the 1st and 2nd bank of 525 kV bar reactors to enable voltage control of the 525 and 765 kV transmission network, in the South and Southeast interconnection, which makes it possible to optimize the dispatch of hydroelectric plants in the Paraná, Paranapanema and Iguaçu river basins, among others.

The SS Ijuí 2 - Expansion "A" project led to the installation of the 3rd 230/69-13.8 kV, 83 MVA three-phase transformer and the respective 230 kV and 69 kV connection modules, in the double-bar and four-switch and main-bar and transfer configurations, at the Ijuí 2 230/69 kV substation. This installation increases service reliability for the loads in the northwestern region of Rio Grande do Sul and allows for a better flow of energy generated at the hydroelectric plants in the Jacuí River basin.

After the project was handed over for commercial operation on December 5, 2020, the electricity transmission capacity was increased by 83 MVA, providing greater security and reliability in the Transmission System.

Jobs created (total): 148 direct jobs and 96 indirect during construction.

Project 2
Sectioning of the TL 230 kV Assis - Londrina Eletrosul at the Londrina COPEL Substation, and Joinville Substation - Expansion "L"

The SS Londrina Copel - Eletrosul Expansion project enabled:

- The installation of two 230 Kv Line Entrances;
- The sectioning of the TL Londrina - Assis, at SS Londrina Copel;
- The installation of two 230 kV line modules; and
- The sectioning of the TL 230 kV Assis - Londrina, at the Londrina Copel substation.

The project made it possible to expand the service to the loads of the Londrina Copel substation, lines that interconnect the electrical systems of the South and Southeast regions, adding security to the dispatch of hydroelectric plants in the Paranapanema and Tibagi river basins, among others.

By handing over the project for commercial operation on December 14, 2020, we avoided undervoltage in the 230 kV electrical network of the SS Londrina (COPEL-GT) and, consequently, power cuts in the region during the daytime in the event of a shutdown of the TL 230 kV Londrina (CGT ESUL) - Londrina (COPEL-GT).

The work at SS Joinville - Expansion "L" was aimed at replacing TF3 and TF7 (230/138-13.8 kV with 100 and 75 MVA respectively) and TF8 (230/69-13.8 kV with 100 MVA) with three units of 150 MVA each and TF5 (138/69-13.8 kV with 33 MVA) with another of 66 MVA.

Click here to find out more about the project description.

The expansion L of the SS Joinville provides greater reliability and stability for the electricity grid, allowing better service to loads and the flow of generation from renewable sources - solar, wind and small hydroelectric plants.

After it was handed over for commercial operation on January 28, 2022, it was possible to increase the electricity transmission capacity by 208 MVA, adding greater security and reliability to the region's electricity transmission system.

Jobs created: 38 direct jobs and 24 indirect jobs

Project 3
Desterro Substation - Expansion "B", Palhoça Substation - Expansion "I" and Palhoça Substation - Expansion "J"

The Desterro SS - Expansion "B" project led to the installation of the 1st and 2nd banks of 230 kV three-phase bar reactors - 50 MVAr each - at the Desterro substation and their respective connection modules, in a double-bar, four-switch configuration.

After the project was handed over on December 23, 2020, it became possible to avoid overvoltages in the power grid at night, due to the implementation of the two new 230 kV circuits from the Biguaçu substation (mainland) to the new Ratones substation (Santa Catarina island), providing operational flexibility for voltage control in the system that serves the Florianópolis Metropolitan region.

The Palhoça Substation - Expansion "I" was designed to replace the TF1 230/138 kV, with 84 MVA, with another of 150 MVA. Upon delivery for commercial operation on July 28, 2021, the power transmission capacity was increased by 66 MVA, providing greater security and reliability in the region's Electricity Transmission System.

The Palhoça Substation - Expansion "J" was designed to replace the TF2 and TF3 230/138 kV, 75 MVA each, with two units of 150 MVA each. Upon delivery of the project for commercial operation on December 15, 2021, the reinforcement increased the electricity transmission capacity by 150 MVA.

Expansions at the Desterro and Palhoça substations will provide greater reliability and stability for the power grid, allowing for better load service and the flow of generation from renewable sources - solar, wind and small hydroelectric plants.
Jobs created (total): 53 direct jobs and 28 indirect jobs

Project 4
Ijuí 2 Substation - Expansion "B"

The work on the Ijuí 2 substation - Expansion "B" aims to implement a 69 kV line entry module, main bar and transfer configuration, relating to LI Ceriluz 3 - Ijuí 2. Positively, the project aims to provide greater reliability and stability for the power grid, enabling better service to loads and the flow of generation from renewable sources.

The work, together with the 69 kV Ijuí 2 - Ceriluz 3 line, allowed the permissionaire CERILUZ to migrate the supply of its captive market from RGE Sul's distribution network to the Basic Network, as well as allowing SHP Sede II access to the Ceriluz 3 substation.

Jobs created: 7 direct jobs and 4 indirect jobs

Project 5
Caxias 6 Substation - Expansion "B"

The SS Caxias 6 - Expansion "B" project aimed to install two 69 kV line entry modules, main bar and transfer configuration, in order to provide greater reliability and stability for the power grid, allowing better service to loads and the flow of generation from renewable sources.



Retracting cables in a transmission line tower Photo: Marcelo Camargo

The work, together with the 69 kV Caxias 6 - Caxias 7 C1 and C2 lines, aims to improve load service in the Caxias do Sul region by reducing the load on the Caxias 1, Caxias 2 and Caxias 3 substations.

Jobs created: 14 direct jobs and 9 indirect jobs

Project 6
Missões Substation - Expansion "D"

The purpose of the Missões Substation - Expansion "D" project is to install a 69 kV line entry module, main bar and transfer configuration, in order to provide greater reliability and stability for the power grid, allowing better service to loads and the flow of generation from renewable sources.

The work, together with the 69 kV São Luiz Gonzaga - Missões C2 line, increases the reliability of the São Luiz Gonzaga substation's load service by preventing power cuts in the event of the disconnection of the only 69 kV circuit serving the substation.

Jobs created: 9 direct jobs and 6 indirect jobs

Project 7
Siderópolis Substation - Expansion "N"

The Siderópolis Substation - Expansion "N" project aimed to install a 69 kV line entry module, main bar and transfer configuration, relating to the Cocal do Sul - Siderópolis LI. This project provides greater reliability and stability for the power grid, allowing better service to loads and the flow of generation from renewable sources.

The work, together with the 69 kV Siderópolis - Cocal do Sul line, allows permissionaire COOPERCOCAL to migrate the supply of its captive market from CELESC's distribution network to the Basic Network.

Jobs created: 14 direct jobs and 9 indirect jobs

Project 8

Recapacitation of the 230 kV Blumenau - Joinville North Transmission Line; Recapacitation of the 230 kV Blumenau - Joinville Transmission Line; and Recapacitation of the 230 kV Joinville - Joinville North Transmission Line.

The integration of the new Joinville Sul 525/230/138 kV substation entails overloading stretches of the existing 230 kV TLs in the Joinville region, with the risk of power cuts during the day if any circuits in the region are disconnected. To avoid this, the stretches of existing TLs between the sectioning point (to integrate the new Joinville Sul substation) and the Joinville and Joinville North substations were recapacitated.

As a result, the recapacitation of the TL 230 kV Blumenau - Joinville North (17.26 km), the TL 230 kV Blumenau - Joinville (12.35 km) and the TL 230 kV Joinville - Joinville North (0.2 km) provided greater reliability and stability for the power grid, allowing better service to loads and the flow of generation from renewable sources.

Jobs created: 50 direct jobs and 33 indirect jobs

Project 9

Small-scale reinforcements to several facilities belonging to the CGT Eletrosul Transmission System

This project was aimed at reinforcing the facilities under the responsibility of Eletrobras CGT Eeltrosul, replacing 123 pieces of yard equipment:

- 46 Switches;
- 3 Circuit Breakers;
- 5 Digital Disturbance Loggers; and
- 69 Current Transformers.

These reinforcements were distributed in the following SSs: Anastácio, Biguaçu, Blumenau, Caxias 6, Curitiba, Dourados, Farroupilha, Itajaí, Ijuí 2, Gravataí 2, Joinville, Londrina Esul and Nova Petrópolis 2.

The replacement of the equipment in these substations provides greater reliability and safety for the operation of the power grid, allowing better service to loads and the flow of generation from renewable sources.

The project also allows for an increase in the SIN's transmission capacity, offering greater availability, reliability and flexibility to CGT Eletrosul's transmission system. The implementation of the project has improved the system's reliability and flexibility, as well as supporting regularity, continuity and safety in the provision of the public transmission service and in the system's recovery processes should failures occur.

Jobs created: 88 direct jobs and 57 indirect jobs

Conclusion

This report describes the allocation of the funds raised through the 3rd issuance of Eletrobras CGT Eletrosul Debentures up to the date of December 31, 2023, in the respective projects authorized by MME Ordinance No. 389/2020, of October 27, 2020 and MME Ordinance No. 850 - SPE/MME 2021, of August 20, 2021, used as backing for said issuance.

More information about Eletrobras CGT Eletrosul's ESG journey can be found on the company's website:

https://www.cgteletrosul.com.br/sustentabilidade/framework-green-bonds



Ivaiporã transmission line - Salto Santiago - Photo: Danilo Deni Alves


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