

# BRAZIL ADVANCES BATTERY STORAGE INTEGRATION THROUGH NEW CAPACITY AUCTIONS

## LRCAP BESS 2026 GUIDELINES

MME<sup>1</sup> Normative Ordinance No. 136, dated June 1, 2026, establishes the guidelines and framework for holding the following Capacity Reserve Auctions in the form of Power, through new battery energy storage systems ("BESS"):

### 1 LRCAP 2026 — NATIONAL STORAGE

- Auction date: December 2, 2026
- Product: Storage Power 2028 A
- Minimum local content requirements:
  - In accordance with the BESS regulations under the Finame Accreditation system (Credenciamento Finame – "CFI") of the Brazilian Development Bank ("BNDES"), which provides 4 accreditation routes, each requiring a minimum of 15% local content.
  - Execution of the Capacity Reserve Agreement ("CRCAP") will be conditional upon submission of documentation evidencing accreditation under the CFI system.

### 2 LRCAP 2026 — STORAGE (OPEN)

- Auction date: December 4, 2026
- Product: Storage Power 2028 B
- No minimum local content requirement
- Sellers awarded contracts in the National Storage LRCAP may not participate in this auction.

## TECHNICAL REQUIREMENTS



MINIMUM INSTALLED CAPACITY  
30 MW



DAILY CYCLES  
Up to 2 complete cycles



FULL RECHARGE TIME  
Up to 6 hours, including rest time



VARIABLE COST (CVU)  
= Zero



OPERATIONAL SAFETY  
In accordance with applicable technical safety standards and EPE registration instructions



COMMITMENT OF MAXIMUM POWER AVAILABILITY  
4 hours per complete cycle



ANNUAL CYCLES  
Up to 366 complete cycles



ROUND-TRIP EFFICIENCY (RTE)  
Min. 85%



ONS/EPE TECHNICAL REQUIREMENTS  
As per the joint ONS<sup>2</sup> and EPE<sup>3</sup> Technical Note, including grid-forming capability requirements



ONS DISPATCH  
Partial or complete cycles, up to 12 hours per day, with proportional reduction of available power/energy

<sup>1</sup> MME: Ministry of Mines and Energy (Ministério de Minas e Energia)

<sup>2</sup> ONS: National Electric System Operator (Operador Nacional do Sistema)

<sup>3</sup> EPE: Energy Research Company (Empresa de Pesquisa Energética)

## OTHER APPLICABLE RULES

- **CRCAP supply term:** 15 years
- **Start of supply:** August 1, 2028
- **Fixed revenue:** Expressed in BRL/year, paid in 12 monthly installments, annually adjusted by the IPCA (Brazil's official consumer price index)
- **Location Bonus:** BESS projects connected at specific grid points listed in the Ordinance (located in the northeastern states of Alagoas, Bahia, Ceará, Minas Gerais, Paraíba, Pernambuco, Piauí, and Rio Grande do Norte), where the ONS has identified the greatest need for storage capacity, will receive a 10% reduction on their offered fixed revenue
- **Environmental Licensing:** No environmental licenses (Preliminary License ("LP"), Installation License ("LI"), or Operating License ("LO")) will be required for technical qualification in the LRCAP
- **Access Season:** In the event of competition at the same grid connection point, the first phase of the LRCAP will select the winning bidder based on the lowest fixed revenue offered. In case of a tie, chronological order of bid submission applies. This phase is treated as equivalent to an Access Season under Brazil's National Policy for Access to the Transmission System ("PNAST"), and winning sellers must register in the subsequent Access Season to obtain a Preliminary Access Diagnosis from the ONS
- **ONS Dispatch risk:** The risk associated with uncertainty of dispatch instructions from the ONS is borne entirely by the developer/project owner.
- **Early Commercial Operation Date ("COD"):** Permitted, but subject to evaluation and approval by the CMSE<sup>4</sup>, the inter-ministerial body responsible for monitoring electricity supply conditions in Brazil
- **Penalties:** The CRCAP will include penalties for: (i) failure to meet contracted power availability delivery commitments; and (ii) failure to comply with centralized dispatch instructions (both for charging and injection), under conditions defined by the ONS

<sup>4</sup> CMSE: Power Sector Monitoring Committee (Comitê de Monitoramento do Setor Elétrico).

## SCHEDULE



**JUNE 3, 2026**

Publication of MME Normative Ordinance No. 136



**JUNE 15 – JULY 31, 2026**

Registration period and document submission to EPE



**BY SEPTEMBER 30, 2026**

Publication of the Technical Note on Remaining Capacity Quantities (joint ONS/EPE)



**DECEMBER 2, 2026**

LRCAP 2026 — National Storage auction



**DECEMBER 4, 2026**

LRCAP 2026 — Storage (Open) auction



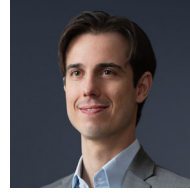
**AUGUST 1, 2028**

Start of CRCAP supply period (both products)

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