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**The Alternative Energy Sources Incentive
Program - PROINFA**

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DEDICATION

First, I dedicate this paper to my children Talita, Pablo, Bruno and Marcela. Without their support, this time of the life experience would not be possible. Second, I dedicate to my Teacher Marly in Brazil. Thanks to the people at ELETROBRAS that give me this great opportunity lived. Finally, I thank my Director too.

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INTRODUCTION

Electric energy has a fundamental importance to society. It is a key component for social inclusion, sustainable development, increasing the quality of life quality for the people in the world.

For Brazilian economic growth, the energy industry has a challenge: to increase the electric energy supply, and to build new power plants, transmission lines and storage to improve the performance of the electric sector.

The marketplace for electric energy is changing to maintain a continuous electric energy supply during the whole year. This situation will offer on electric energy supply to all Brazilian regions through generation, transmission and distribution at prices compatible with sustainable economic development.

The Brazilian government intends to become the electric sector available in Brazil through public and private resources. On the other hand, it intends also to invest in other economic areas.

In this context, Brazil developed a major program called The Alternative Energy Sources Incentive Program - PROINFA.

This program intends to increase the production of electric energy using renewable sources like biomass, small hydro and wind plants.

The world population is growing and the energy consumption per capita is increasing in the developing countries creating a rapid increase in the electric energy demand on our planet.

Attending this increasing demand, the use of available electric energy sources is limited today by commercial competition. This situation has created geopolitical wars. These trends, prevail there would be a predictable world conflict, motivated by disputes for the control of limited sources of energy. This situation could be attenuated by using renewable alternative energy sources correctly throughout the world.

The PROINFA has the goal to increase the share of electric energy, in the National Interconnected System, generated by enterprises based on wind and small hydro and biomass plants.

Another important objective of this program is to reduce gas emissions contributing to global warming, in accordance with the Kyoto Protocol, and consequently, to contribute to clean development to the country. The incentives of the program are oriented to promote small producers, income distribution, the generation of local employment, a correct use of regional potential, the best technological capability and the development of factories of materials and equipments, and the public partnership.

The PROINFA also prioritizes the Independent Autonomous Producers - PIA, the small hydro, and biomass, but to the wind, permits equally sharing of the Independent Non Autonomous Producer – PIE.

Other relevant characteristics of this program are:

- Requesting a index of nationalization of the equipments and services at the 60%;
- Criteria of environmental installation license, considering the first to the last, in the selection of the enterprises;
- A distribution by state for 20% to biomass wind and 15% to small hydro;
- Economic value to each technology to the energy contracted, having the low levels 50%, 70% and 90% of the national mean tariff of the supplying to the final consumer in the last twelve months, to the developed production considering Biomass, small hydro and wind respectively;
- Assignment of the buying and selling contract of energy produced, with ELETROBRÁS considering twenty years, beginning at the planned date of the commercial operation starting, informed by the producer;
- Operation start must occur until December 30, 2008;
- Transfer the costs of the program to the final consumer of the SIN (excluded the low income consumers).

The responsibilities of ELETROBRÁS, established by the Decree 5025/04 are:

- exclusion of the Public Proclaim;
- qualification process;
- selection and assignment of the contracts;

- the representation of the undertaking in the Chamber of Electric Energy Trading – CCEE;
- the elaboration of the Annual Plans of the PROINFA – PAP and
- the management of the PROINFA account.

1 - HISTORY

The Law 10.438 of April 26, 2002 in its article 3º created the PROINFA to improve the share of the electric energy generated by wind, biomass and small hydro plants. These generation systems represented until the creation of PROINFA a small share in the Brazilian electric matrix where the most important was the hydroelectric energy.

Through the new National Energetic Policy, the PROINFA was modified in its legislation and objectives to be followed. Then it was necessary to revise the Law 10.438, by the Law 10.762 of November 11, 2003, when the PROINFA was performed and it was possible to get better results.

Due to the changes created by the New Brazilian Energetic Policy the PROINFA was changed in its own legislation and in objectives and orientations to be the Law 10.762 of November 11, 2003, when it was possible to advance and improve.

The project estimated increases 3,300 MW in the Brazilian electric energy system until December 31, 2008. This total 1,100 MW are referring to wind center, 1,100 MW to biomass and 1,100 MW to small hydro. It is been guaranteed by ELETROBRAS the buying of electric energy generated by the entrepreneurs that have conditions to attend the requesting described in the directories and have their projects approved in according of the procedures of the Law 10.438/02.

2 – CONCEPTS

2.1 – WIND ENERGY

Electric energy generated by the wind is produced through a big fan connected to an electric generator. When several devices like these are connected in a electric energy transmission center, is denominated wind center. The quantity of the electric energy generated by a turbine depends on the size of the fans and the wind conditions in the region where the device is working. The wind center depends on the wind speed. It depends also on the regularity of the wind, no turbulence or no hurricane. Brazil has one of the most wind potential of the world. It has ambitions plans to exploit this wind energy source. The barrier to exploit this one is the high price to develop it.

The energy generated through wind costs 50% or more when compared with a electric energy generated by hydroelectric system.

On the other hand the wind has a great advantage of inexhaustible condition to generate electric energy, with a few negative impacts to the natural environment.

2.2 – Biomass

Is a clean energy generated through the organic materials. The advantages of the use of the biomass in the energy are the recuperation

of residual materials creating less pollution than others energy sources like petroleum and coal.

The residues used in PROINFA come from sugar cane bagasse and wood chips.

The characterizes of biomass are the high density energetic and the facility to store, transport and to be converted in electric energy. The similarity among motors using biomass and others one using fossil energies is another advantage.

2.3 – SMALL HYDRO

The SMALL HYDRO's have the specific characteristics referring to the maximum installed capacity of the water reservoir determined by the following ANEEL Resolutions:

- a) Power equal or more than 1,0 MW or smaller than 30,0 MW and fall between 25 and 130 meters.;
- b) Total area of the water reservoir equal or smaller than 13,0 Km²;
- c) Water quote associated of the flowing out in the high level with the recurrence time of 100 years.

3 - GOALS

- ? Supply until 10% of the current Brazilian demand of electric energy per year using the renewable energy sources (Law 10.438/02);
- ? Diversify the national electric matrix, inserting new technologies in Brazil, increasing the share of the electric energy generated by Autonomous Independent Producers (AIP), created and based on wind, biomass and Small Hydro sources, in National Interconnected Grid (NIG);
- ? Correct use of the available resources and the applied technologies;
- ? Reduce the environmental impact provoked by the emissions of greenhouse gas, increasing the global warming, in according of Kyoto Protocol;

3.1 FUNDAMENTAL CONCEPTS

To understand better the technical terms, included in the legislation, follow below the definitions used, in conformity with the Law 10.438 of 2002 and 10.762 of 2003 with the Decree 5025 of March 30,2004.

CCVE – Buying and selling Energy Contract: contract to be assign between ELETROBRAS and Energy Supplier and chosen in

according of the requesting of PROINFA, likewise by the conditions established in this Directory .

Official Proclaim: act of publicity to be adopted by ELETROBRAS to buy electric energy in relation of PROINFA, according to the applicable legislation and the rules of this Qualification Directory.

Energy of Reference: amount of energy in MWh/year, in condition to be generated by the generating center established in a ANEEL's specific resolution. It will be used as a base of contract with ELETROBRAS.

Energy Guaranteed: Is the energy determined in accord of the criteria established by Decree 9.648 of May 27, 1998, expressed in MWh per year.

CCEE – Electric ity Commercialization Chamber: The entity that will substitute the MAE, in according of the Article 4th of the Law 10.848 of March 15, 2004.

MRE: Procedure to Relocation the energy created by the Decree 2.655 of July 2, 1998.

PCM: Enterprise to generate electric energy that demonstrate the capable authorization of the ANEEL, in according of the incise 1, of the article 26 of the Law 9.427 of December 26, 1996, with the content established by the article 4th of the Law 9.648 of May 27, 1998 and the ANEEL Resolution.

Autonomous Independent Producer – AIP: an independent producer of electric energy is considered Autonomous when his society isn't concessionaire of anything isn't controlled or allied with any public service concessionaire or the public use generation transmission or distribution of electric energy, nor his holding or the other society controlled by or allied with the common holding, likewise the incise 1st of the article 3rd of the Law 10.438 of 2002;

Independent Producer of Electric Energy PIE: a company or a set of companies in consortium that receive a concession or authorization coming from the authority responsible to concede, to produce electric energy;

No Autonomous Producer: to the objective of this directory, is that independent producer that no attend the requests to the framing of the incise 1st of the article 3rd of the Law 10.438 of 2002;

National Revenue of Final Consumer Supplying: revenue received by the concessionaire, and authorized companies of distribution public service, in energy sales and service companies to final consumers;

National Mean Tariff of Final Consumer Supplying: quotient between National Revenue of Final Consumer Supplying in the last twelve months before the publication of the Law 10.762 of 2003, and the respective consumption, expressed in R\$/MWh;

VETEF – Economic Value corresponding to the Specific Technology of The source: Sale value of electric energy to the ELETROBRAS that becomes feasible economically and financially the standard project, using this source in a period of twenty years with specific levels of efficiency and attractiveness, in according with the premise in the article 3rd of the Decree 5.025 of 2004;

4. LEGISLATION

Law 8.631 of March 4, 1993. Describes the no accomplishment of the concessionaires and authorized companies in the parcel collecting of the annual quotes of PROINFA, the financial balancing by use of hydro resources of concessionaires, will create the impossibility to revising and the adjustment of the tariffs levels.

Law 10.438 of April 26, 2002. Regulates the growth of the emergency demand of energy, creates the PROINFA, and establishes the ratio conditions of administrative and financial costs and duty rates incurred by ELETROBRAS, among others arrangements.

Law 10.726 of November 11, 2003. Alters the article 10th of the Law 8.631 of March 4, 1993, article 3rd, incise (wholeness) and II (except items a, c, e, f, g and h) of the Law 10.438 of April 26, 2002 (attached II).

Authoritative Resolution 57 of March 29, 2004. Informs the value of the National Mean Tariff of the Final Consumer Supplying.

Decree 5.025 of March 30, 2004. Set up the first step of PROINFA. Discriminates the fundamental concepts overviewed. Determines the cash flow method adopted in the calculus of the economic values. Identifies the goals of the project, presenting the environmental benefits attained through the reduction of the emission of the global greenhouse gas. Describes the entities participants, their functions and contractual clauses. Describes the conditions presented in the Authoritative Directory created by the Ministry of Mines and Energy, in according of described in the article 3rd incise I, items d and e, and incise 2nd of the Law 10.438 of April 26, 2002. Describes the elaboration of the Year Plan of PROINFA, elaborated by ELETROBRAS where is approached the demonstrative of the costs, energy and no accomplishment. Defines creation of PROINFA Accounting to be managed by ELETROBRAS.

Order 45 of March 30, 2004 (MME). Describes the Authoritative Directory of electric energy generation, approaching the wind, biomass and Small Hydro.

Normative Resolution 56 of April 6, 2004 (ANEEL). Establishes procedures to access of the generating centers that participates of the PROINFA. Regulates the article 3rd, incise 5th, Law 10.438 of April 26, 2002, included by the Law 10.762 of November 11, 2003, and regulated by the Decree 5.025 of March 30, 2004.

Normative Resolution 62 of May 5, 2004. Establishes the procedures to calculate the amount corresponding of the energy of the reference, the undertaking of electric energy generation to participate in PROINFA. In the terms of the Decree 5.025 of March 30, 2004 and gives other arrangements.

Normative Resolution 65 of May 25, 2004. Establishes the energy guaranteed by the Small Hydro, energy of reference of wind and thermoelectric using biomass. Includes still the attached relation of the companies contracted, presenting their authoritative acts, likewise the energy guaranteed in MWh/year.

Law 11.075 of December 30, 2004: Article 4th items a and g of the incise I of the article, 3rd of the Law 10.438 of April 26, 2002, regulates the postponement of the assignment of the contracts by ELETROBRAS decided before with limit date of April 29, 2004 to June 30, 2004, likewise the limit date of the operational limit date of the working of the devices, of December 30, 2006 to December 30, 2008. Keep in mind still the postponement of the period caused by the no sufficient number of authorized projects of October 30, 2004, to December 28, 2004.

5 – ACTIVITIES AND RESPONSIBILITIES OF THE ENTITIES THAT ARE PARTICIPATING IN PROINFA

5.1 – BNDES – Banco Nacional de Desenvolvimento Econômico e Social.

BNDES has the responsibility to manage the Support Financial Program to the investment in the alternative electric energy sources in the area of PROINFA, in accordance with the Law 10.438 of April 26, 2002, in reference to the Laws 10.762 of November 11, 2003 and 11.075 of December 30, 2004.

5.1.1 Clients – Including all the entrepreneurs, that have assigned buying and selling contracts of energy with ELETROBRAS in the area of PROINFA. In the cases of Small Hydro and wind energy the postulating companies to the financial support of BNDES will be Specific Proposal Societies – SPE's and formed by the condition of society by shares.

5.1.2 Resources – BNDES will offer a credit line until R\$ 5,5 billion.

5.1.3 Validity Time – Until December 30, 2005, having condition to alter to December 31, 2008, through the presentation of an authorizing document comfort letter declaration, contract amendment between ELETROBRAS and the entrepreneur.

5.1.4 Support Form - Direct – operation accomplished with BNDES or by mandatory (presenting the consult letter).

Indirect – Operation accomplished through the financial entity authorized, when is possible. Automatic, no automatic (necessary to presenting the consult letter) and BNDES card.

5.1.5 Financing Conditions – BNDES participates until 80% of the financing items;

5.1.6 Interest Rates

a) Direct Support: Financial cost plus BNDES commission.

=> Financing cost: Long Term Interest Rate – TJLP, and

=> BNDES commission – 3,5% p.y.

b) Indirect Support: Financing cost plus BNDES commission plus commission of Authorized Financial Entity

=> Financing Cost: Long Term Interest Rate – TJLP

=> BNDES commission: 2% p.y.

c) Commission of Authorized Financial Entity: negotiated between the financial entity and the client.

5.1.7 Terms

=> **Grace Period:** until 6 months after the operational start;

=> **Amortization:** until 12 years through the constant amortization system (SAC);

5.2 National Electric Energy Agency – ANEEL

=> Supervise and control the PROINFA account;

=> Record the buying and selling contracts assigned with ELETROBRAS
– record also in CCEE;

=> Control, during validity period of contracts, the accomplishment of the criteria of competence by the part of the PIA and PIE.

=> Control the buildings with special attention to the index of the nationalization permitted (60% in the first step, and 90% in the second step);

=> Publishing the values of Energy Values, with exception of the SMALL HYDRO that participate of the Energy Relocation Systematic – ERS.

=> Regulate, until September 30, 2004, the procedures to the ratio of the energy and costs of the PROINFA;

=> Ratify the year Plan of PROINFA, to be send to ELETROBRAS until October 30;

=> Calculate and Publish, until November 30 of every year, the quotes of energy and cost to be collected by the SIN's agents that attend the final consumer.

=> Record, internally, the buying and selling contracts of energy assigned with ELETROBRAS.

5.3 Ministry of Mines and Energy - MME

=> In according with article 6th of the Decree 5.025 of March 30, 2004, is designated to MME the function of PROINFA administration;

=> MME is responsible to edit and to publish the Qualifying Directories that intend the orientation to entrepreneurs of the projects, likewise defines the Law 10.438 of 2002;

=> Is also responsibility of MME the definition of the renewable energy amount to be contracted;

=> Likewise is defined in the Decree 5.025 of March 30, 2004, the economic values corresponding of the specific technologies and the down limits to each source will be established and published by the Governmental Decree;

=> Definition of the schedule of the Public Proclaim;

5.4 Centrais Elétricas Brasileiras S.A. - ELETROBRÁS

=> Realize the Public Proclaims defined before by MME, through the Governmental Decree 45, of March 30, 2004;

=> Select the enterprises, that attended the standards of the Qualifying Directories developed by MME, through the Governmental Decree 45, of March 30, 2004;

=> Assign and manage the buying and selling contracts – CCVE, asserting the buying of energy to be generated in the period of 20 years;

=> Elaborate the PROINFA Year Plan containing: demonstrative of contracted energy and the one generated by the program, demonstrative

of the administration, financial and tributary costs, demonstrative of no payments in the receiving of the quotes and the forecasting, suitable price in according of the parameter of the wind capacity.

=> Manage the PROINFA account, compound by:

= Revenues =

- ✍ Ratio quotes relative of the selling to the distributors (with the expiring time in the 10th day of the every month before the month of the operational month considered);
- ✍ Liquidation, in CCEE, the energy generated above the quote of the contracted energy;
- ✍ Financial Benefits (carbon credit) coming from the Clean Development Systematic – CDS;
- ✍ Financial Applications;
- ✍ Refund to ELETROBRÁS the administration, financial and tributaries costs;

= Expenses =

- ✍ Payment to the energy producers with maturity time for the days 20, 30 of the month subsequently of the operational month and day 10th of the 2nd month of the subsequently of the operational month;
- ✍ Acquisition of energy in the CCEE to complete of the quote ratio.

6 – QUALIFICATION

In accordance with described before, the Qualification Directory intends to orient the interested people to participate in PROINFA, informing and describing the documents needed to have the projects qualified.

The one will must be presented to ELETROBRÁS attending to the Public Proclaim. After this, the entrepreneurs interested, receivers of the authoritative act of ANEEL, answered the Public Proclaim by the Mail Order informing their intention to participate of the PROINFA, recording in ELETROBRÁS, jointly with the Mail Order, all documents to the qualification process, described as follow:

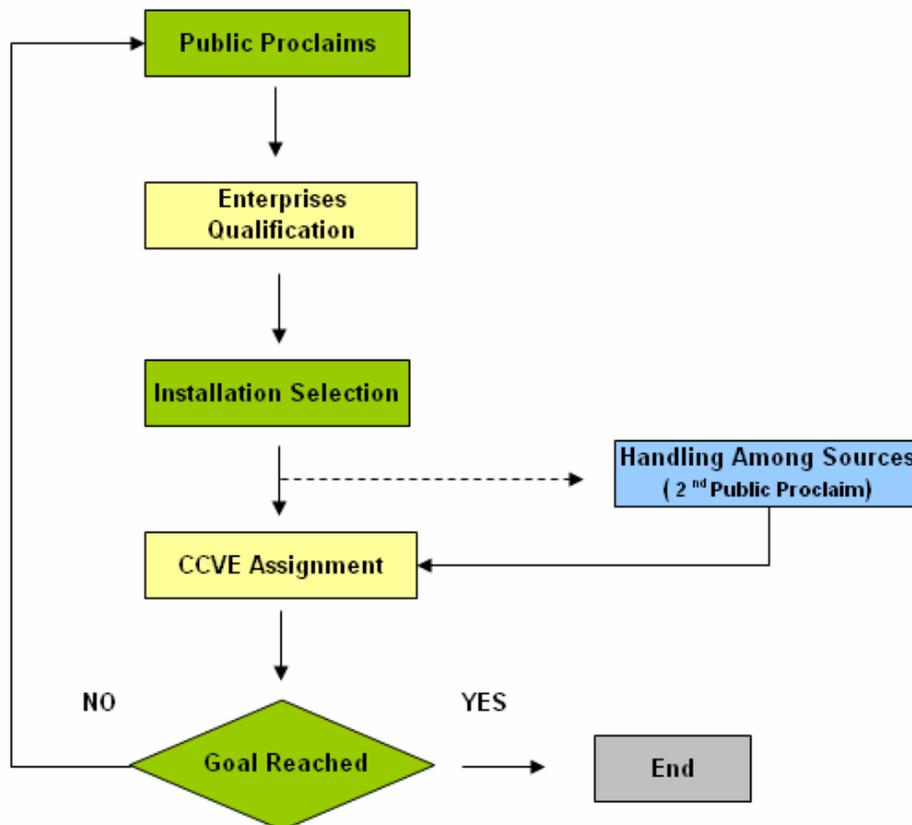
- Legal qualification;
- Fiscal qualification;
- Financial and economic qualification;
- Technical qualification

Note 1: The receiving of the documents, by the part of the ELETROBRÁS, didn't involve obligated entail between the entrepreneur and this Company, presenting only that it enterprise would be analyzed in accordance the qualification to the possible selection. In some cases, the ELETROBRÁS asked the presentation of the supplementary documents to the assigning of the CCVE.

Note 2: It's important to emphasize that the documentation demanded by the Qualification Directory is directly joined to the type of the energy source where the entrepreneur desire to be qualified.

6.1 - Selective Process of the PROINFA Projects

The flowcharts showed below, presents the contracting process of the PROINFA's enterprise like a global form, including the first and the second Public Proclams.



PUBLIC PROCLAIMS

The first Public Proclaim of PROINFA had it beginning in April 5, 2004 and it had it finishing in May 11, 2004. The entrepreneurs interested presented their projects that involved 6,774 MW, being this amount, 96 enterprises of wind energy (1,924 MW) and 53 of biomass (1,129 MW).

The established goals to the projects of the biomass source didn't be reached in the first Public Proclaim.

Then, it was necessary to realize a second Public proclaim, based on a limit date to the contracting in December 28, 2004.

7 – CONTRACTED ENTERPRISES RELATION

After the accomplishment of the qualification and selection process, it was contracted 144 enterprises of alternative energy source generating the growing of 3,300 MW to the brazilian electric energy generating system, in according previewed by the Law 11.075 of December 30, 2004. Of this amount 54 companies are wind energy, generating 1.423 MW (43% of the contracted energy), 63 SMALL HYDRO's, generating

1.191 MW (36% of contracted energy) and 27 companies of biomass energy, generating 686 MW (21% of the energy contracted). Follow the relation of the companies contracted by ELETROBRÁS.

Based on the order of the PROINFA, were contracted 144 enterprises, as the below related.

	TYPES OF PLANTS	NUMBER OF CCVE	ENTREPRISES
1	Biomass	001/2004	Iolando Leite
2	Biomass	002/2004	Mandu
3	Biomass	003/2004	Goiasa
4	Biomass	004/2004	Santa Terezinha / Tapejara
5	Biomass	005/2004	Nova Geração
6	Biomass	006/2004	Cerradinho
7	Biomass	007/2004	Ecoluz
8	Biomass	008/2004	Sonora
9	Biomass	009/2004	Santa Olinda / Sidrolândia
10	Biomass	010/2004	Brasilândia
11	Biomass	011/2004	Energia Ambiental
12	Biomass	012/2004	Giasa II
13	Biomass	013/2004	Winimport
14	Biomass	014/2004	Jitituba Santo Antônio
15	Biomass	015/2004	Água Bonita
16	Biomass	016/2004	Canaã
17	Biomass	017/2004	Jalles Machado
18	Biomass	018/2004	Usaciga
19	Biomass	019/2004	Pioneiros
20	Biomass	020/2004	Usina Caeté (Volta Grande)
21	Biomass	021/2004	Ruette
22	Biomass	022/2004	DISA
23	Biomass	023/2004	Nova América (Maracai)
24	Biomass	024/2004	JB
25	Biomass	025/2004	Coruripe
26	Biomass	026/2004	São Luiz
27	Biomass	027/2004	Fatura

	TYPES OF PLANTS	NUMBER OF CCVE	ENTREPRISES
28	Wind	001/2004	Central Nacional (Água Doce)
29	Wind	002/2004	Canoa Quebrada
30	Wind	003/2004	Pirauá
31	Wind	004/2004	Praia de Parajuru
32	Wind	005/2004	Praia do Morgado
33	Wind	006/2004	Volta do Rio
34	Wind	007/2004	Ventos do Sul (dos Índios)
35	Wind	008/2004	Ventos do Sul (Sangradouro)
36	Wind	009/2004	Ventos do Sul (Osório)
37	Wind	010/2004	Enacel
38	Wind	011/2004	Enerbrasil (RN 15 - Rio do Fogo)
39	Wind	012/2004	Beberibe
40	Wind	013/2004	Salto
41	Wind	014/2004	Pulpito
42	Wind	015/2004	Elebras Cidreira
43	Wind	016/2004	Alhandra
44	Wind	017/2004	Rio do Ouro
45	Wind	018/2004	Campo Belo
46	Wind	019/2004	Amparo
47	Wind	020/2004	Aquibatã
48	Wind	021/2004	Bom Jardim
49	Wind	022/2004	Cruz Alta
50	Wind	023/2004	Millennium
51	Wind	024/2004	Albatroz
52	Wind	025/2004	Coelhos II
53	Wind	026/2004	Camurim
54	Wind	027/2004	Coelhos IV
55	Wind	028/2004	Presidente
56	Wind	029/2004	Coelhos III
57	Wind	030/2004	Atlântica
58	Wind	031/2004	Mataraca
59	Wind	032/2004	Coelhos I
60	Wind	033/2004	Caravela
61	Wind	034/2004	Praia Formosa
62	Wind	035/2004	Gargáú
63	Wind	036/2004	Pedra do Sal
64	Wind	037/2004	Mandacaru
65	Wind	038/2004	Xavante
66	Wind	039/2004	Gravatá Fruitrade
67	Wind	040/2004	Vitória
68	Wind	041/2004	Santa Maria
69	Wind	042/2004	Quintanilha Machado I
70	Wind	043/2004	Foz do Rio Choró
71	Wind	044/2004	Alegria II
72	Wind	045/2004	Cascata
73	Wind	046/2004	Santo Antônio
74	Wind	047/2004	Palmares
75	Wind	048/2005	Icaraizinho
76	Wind	049/2005	Paracuru
77	Wind	050/2005	Taiba Albatroz
78	Wind	051/2005	Bons Ventos
79	Wind	052/2005	Alegria I
80	Wind	053/2005	Canoa Quebrada
81	Wind	054/2005	Lagoa do Mato

	TYPES OF PLANTS	NUMBER OF CCVE	ENTREPRISES
82	SMALL HYDRO-MRE	001/2004	Linha Emilia
83	SMALL HYDRO-MRE	002/2004	Cotiporã
84	SMALL HYDRO-MRE	003/2004	Caçador
85	SMALL HYDRO-MRE	004/2004	Jararaca
86	SMALL HYDRO-MRE	005/2004	Tudelândia
87	SMALL HYDRO-MRE	006/2004	Mosquitão
88	SMALL HYDRO-MRE	007/2004	Mambai II
89	SMALL HYDRO-MRE	008/2004	Cachoeira Grande
90	SMALL HYDRO-MRE	009/2004	Cocais Grande
91	SMALL HYDRO-MRE	010/2004	Alto Irani
92	SMALL HYDRO-MRE	011/2004	Plano Alto
93	SMALL HYDRO-MRE	012/2004	São Pedro
94	SMALL HYDRO-MRE	013/2004	Carangola
95	SMALL HYDRO-MRE	014/2004	Calheiros
96	SMALL HYDRO-MRE	015/2004	São Simão
97	SMALL HYDRO-MRE	016/2004	Funil
98	SMALL HYDRO-MRE	017/2004	São Joaquim
99	SMALL HYDRO-MRE	018/2004	Fumaça IV
100	SMALL HYDRO-MRE	019/2004	Ludesa
101	SMALL HYDRO-MRE	020/2004	Esmeralda
102	SMALL HYDRO-MRE	021/2004	Alto Sucuriú
103	SMALL HYDRO-MRE	022/2004	Jataí
104	SMALL HYDRO-MRE	023/2004	Retiro Velho
105	SMALL HYDRO-MRE	024/2004	Irara
106	SMALL HYDRO-MRE	025/2004	Zé Fernando
107	SMALL HYDRO-MRE	026/2004	Nhandú
108	SMALL HYDRO-MRE	027/2004	Rochedo
109	SMALL HYDRO-MRE	028/2004	Areia Branca
110	SMALL HYDRO-MRE	029/2004	Santa Rosa II
111	SMALL HYDRO-MRE	030/2004	Flor do Sertão (Mauê S.A.)
112	SMALL HYDRO-MRE	031/2004	CJ Energética (São Bernardo)
113	SMALL HYDRO-MRE	032/2004	Cachoeira da Lixa
114	SMALL HYDRO-MRE	033/2004	Colino I
115	SMALL HYDRO-MRE	034/2004	Colino II
116	SMALL HYDRO-MRE	035/2004	Campo Novo (Carlos Gonzatto)
117	SMALL HYDRO-MRE	036/2004	Areia
118	SMALL HYDRO-MRE	037/2004	Água Limpa
119	SMALL HYDRO-MRE	038/2004	Aquarius
120	SMALL HYDRO-MRE	039/2004	Serra Negra(Piranhas)
121	SMALL HYDRO-MRE	040/2004	Pouso Alto(Buriti)
122	SMALL HYDRO-MRE	041/2004	Bonfante
123	SMALL HYDRO-MRE	042/2004	Monte Serrat
124	SMALL HYDRO-MRE	043/2004	Santa Fé I
125	SMALL HYDRO-MRE	044/2004	Ilha
126	SMALL HYDRO-MRE	045/2004	Sete Quedas Alta
127	SMALL HYDRO-MRE	046/2004	Santa Laura
128	SMALL HYDRO-MRE	047/2004	Salto das Flores
129	SMALL HYDRO-MRE	049/2005	Cidezal
130	SMALL HYDRO-MRE	050/2005	Rondon
131	SMALL HYDRO-MRE	051/2005	Sapezal
132	SMALL HYDRO-MRE	052/2005	Parecis
133	SMALL HYDRO-MRE	053/2005	Telegráfica
134	SMALL HYDRO-MRE	054/2005	Figueirópolis
135	SMALL HYDRO	001/2004	Amper(Canoa Quebrada)
136	SMALL HYDRO	002/2004	Lagoa Grande
137	SMALL HYDRO	003/2004	Porto Franco
138	SMALL HYDRO	004/2004	Boa Sorte
139	SMALL HYDRO	005/2004	Riacho Preto
140	SMALL HYDRO	006/2004	Caeté (Sen. J. Pinheiro)
141	SMALL HYDRO	007/2004	São Tadeu I
142	SMALL HYDRO	008/2004	Eng. José Gelásio da Rocha (Hidropower)
143	SMALL HYDRO	009/2004	Rondonópolis
144	SMALL HYDRO	010/2004	Ponte Alta

8 – IMPLANTATION SITUATION

8.1 Operational Enterprises

ELETROBRÁS started to trade in the CCEE, the energy in more than six entrepreneurs jointly PROINFA. The PROINFA already with 16 energy plants and a total installed capacity of the 456.54 MW.

TABLE 1 – Map of the source types and contracted Power (operational enterprises – until October 2006

Sources	Nº of Enterprises	Contracted Power (MW)
Small Hydro	2	24,00
Wind	3	108,3
BIOMASS	11	324,22
TOTAL	16	456,54

TABLE 2 – Map of the source types and contracted Power (undertaking in implementing and conclude in the period of November 2006 to December 2007)

Sources	Nº of Enterprises	Contracted Power (MW)
Small Hydro	43	850,34
Wind	2	100
BIOMASS	9	190,08
TOTAL	54	1.140,42

TABLE 3 – Map of the source types and contracted Power (forecasting of the enterprises in implementing and concluded in 2008)

Sources	Nº of Enterprises	Contracted Power (MW)
Small Hydro	18	316,66
Wind	49	1214,7
BIOMASS	7	171,69
TOTAL	74	1.703,05

8.2 Sale Energy Produce

In according that ELETROBRAS assumed the role of the trader to all energy to be produced by the energy plants belong to PROINFA. Then all electric energy generated by the entrepreneurs established in PROINFA must be acquired by ELETROBRAS and resale to the own clients.

9 – CONCLUSION

In relation of the analysis of the Brazilian electric industry, it's possible to conclude that is essential a suitable institutional environment to support the changing of the global energetic economic structure and to permit the Brazilian economic structure and consequently progress of the nation.

The lack of financial resources to generate electricity is concerning, overall when is detected, the weakness of the future of the electric energy supplying, considering the evidences of the continual demand growing.

To the country, new elements was determined to the energetic policy, caused by the crisis of 2001. The necessity of investments to the continuation of the technologic program, having the objective to reach more energetic efficiency likewise to improve conventional technology to reduce the pollution created. The introduction and more participation of the new sources of renewal energy in the Brazilian electric energy matrix, and the creation of instruments to orient the demand, through awareness to the companies and society about the harmful characteristics of the uncontrolled consume of energy and their consequences upon the future supplying, and also, Brazil, to ratify the Kyoto Protocol, must be preoccupied with the direction of it actual and future energetic policy, and recognize that the decisions taken now will create energetic problems in use of the resources and in the position in front the other countries participants of the Kyoto Protocol.

The crisis of the lack of electric energy occurred in 2001 in Brazil showed that every crisis can stimulate and gives opportunity to reflect about the direction to be followed until the moment, moreover to define the necessity to review the Brazilian energetic matrix and to get more capacity to the production, distribution structure and consume of energy."

The strategy adopted by Brazilian government, in the first moment of the crisis, to increase the installed capacity, through the Priority Program of Thermoelectricity using natural gas.

This strategy presents many environmental and exchanging long term problems.

Brazil, in front of the supplying crisis of electricity, supported the development of the electric industry in direction of a impacted solution in the environment to the energetic matrix, facilitated in the first instant by the installation speed of the thermoelectrics and by the knowing and available technology, but the PROINFA will can promote a return to the new renewable sources, considering the renovating and clean base of the national energetic matrix, always it has been a factor of proud and promotion to the country, in front of the social, economic and environmental benefits that confer to the nation.

Then, the PROINFA is a promising alternative to change the direction defined in the first moment caused by the Priority Program of Thermoelectricity.

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