



SDG7 Energy Compact of Neoenergia

A next Decade Action Agenda to advance SDG7 on sustainable energy for all, in line with the goals of the Paris Agreement on Climate Change

SECTION 1: AMBITION

1.1. Ambitions to achieve SDG7 by 2030. [Please select all that apply, and make sure to state the baseline of each target]

(Member States targets could be based on their NDCs, energy policies, national five-year plans etc. targets for companies/organizations could be based on their corporate strategy)

<input checked="" type="checkbox"/> 7.1. By 2030, ensure universal access to affordable, reliable and modern energy services.	<p>Target(s): Neoenergia's goal to contribute to universalize access to energy in the Bahia State Time frame: 2030 Context for the ambition(s): According to data from the last Demographic Census of the Brazilian Institute of Geography and Statistics (IBGE), two million Brazilians are not yet connected to the national electricity grid or to isolated systems. In the State of Bahia, 0.6% of the population, from isolated communities, still does not have access to energy.</p>
<input checked="" type="checkbox"/> 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.	<p>Target(s): Neoenergia's goal is to contribute to bring the intensity of the Iberdrola's global direct emissions below 50 g CO2 per kWh generated by 2030, with the goal of achieving carbon neutrality by 2050 Time frame: 2030 and 2050 Context for the ambition(s): According to the Energy Research Company (EPE), energy consumption is expected to triple in 2050. The increase in supply to attend this demand should be driven by the expansion of renewable sources. Neoenergia's climate commitment guides the expansion of its energy generation capacity to renewable sources, contributing to scaling up the clean energy services in Brazil.</p>
<input type="checkbox"/> 7.3. By 2030, double the global rate of improvement in energy efficiency.	<p>Target(s): Time frame: Context for the ambition(s):</p>
<input type="checkbox"/> 7.a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	<p>Target(s): Time frame: Context for the ambition(s):</p>
<input type="checkbox"/> 7.b. By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support.	<p>Target(s): Time frame: Context for the ambition(s):</p>

1.2. Other ambitions in support of SDG7 by 2030 and net-zero emissions by 2050. [Please describe below e.g., coal phase out or reforming fossil fuel subsidies etc.]

Target(s):
 Time frame:
 Context for the ambition(s):

SECTION 2: ACTIONS TO ACHIEVE THE AMBITION

2.1. Please add at least one key action for each of the elaborated ambition(s) from section 1. [Please add rows as needed].

<p><i>Description of action (please specify for which ambition from Section 1)</i> Universalize access to energy Investments (negotiation phase with Eletrobrás) in the order of R\$100 million in the Light for All Program to establish 70,574 new connections. R\$349.3 million are from Neoenergia COELBA distribution In 16 years of the Light for All Program, 669,124,000 customer connections to the electricity grid in 415 Bahia cities were carried out by Neoenergia. In 2022, with the universalization, 716,479 thousand connections will have been made by Neoenergia during the period of the Light for All Program.</p>	<p><i>Start and end date</i> 2021 to 2022</p>
<p><i>Description of action (please specify for which ambition from Section 1)</i> Universalize access to energy To reach the most remote locations, through a Research and Development (R&D) project, Neoenergia implemented the installation of a microgrid that will be supplied by a centralized system with solar energy and storage by batteries. This solution was adopted in the Xique-Xique community, in the municipality of Remanso (BA). The generation will have the capacity to supply 103 consumer units and the batteries will guarantee supply for 48 hours when there is not enough solar radiation for the maximum efficiency of the plates.</p>	<p><i>Start and end date</i> 2021 to 2022</p>
<p><i>Description of action (please specify for which ambition from Section 1)</i> Climate target to reduce emissions</p> <ul style="list-style-type: none"> - Increasing renewable production in the portfolio <ul style="list-style-type: none"> o Completion of the works on the Oitis (12 parks) and Chafariz (15 parks) wind farms, totaling 1,037.7 MW of installed capacity, almost double the current 515.8 MW in operation. o Solar park Luzia, in Paraíba State (149,3 MWp). o Energy Solutions offered to end customers through distributed generation systems (Bom Jardim, Pernambuco State) - Increased efficiency in energy production. 	<p><i>Start and end date</i> 2020 to 2022</p>

SECTION 3: OUTCOMES

3.1. Please add at least one measurable and time-based outcome for **each** of the actions from section 2. [Please add rows as needed].

<p><i>Outcome</i></p> <ul style="list-style-type: none"> - New connections until 2022 through Light for All Program - Emission intensity measured in grams of CO2 equivalent for each kilowatt hour (gCO2/kWh) 	<p><i>Date</i> 2022 2030</p>
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SECTION 4: REQUIRED RESOURCES AND SUPPORT

4.1. Please specify required finance and investments for **each** of the actions in section 2.

- 998.3 million of reais from the Light for All Program, with 349.3 million of reais from Neoenergia COELBA's own resources
- In 2020, 882 million reais were invested in Neoenergia's renewable businesses

4.2. [For countries only] In case support is required for the actions in section 2, please select from below and describe the required support and specify for which action.

[Examples of support for Member States could include: Access to low-cost affordable debt through strategic de-risking instruments, capacity building in data collection; development of integrated energy plans and energy transition pathways; technical assistance, etc.]

<input type="checkbox"/> Financing	Description
<input type="checkbox"/> In-Kind contribution	Description
<input type="checkbox"/> Technical Support	Description
<input type="checkbox"/> Other/Please specify	Description

SECTION 5: IMPACT

5.1. Countries planned for implementation including number of people potentially impacted.

- To connect 716,479 thousand households to power grid in Brazil
- Reduction of emissions in Brazil

5.2. Alignment with the 2030 Agenda for Sustainable Development – Please describe how **each** of the actions from section 2 impact advancing the SDGs by 2030.

[up to 500 words, please upload supporting strategy documents as needed]

Universalize access to energy

From 2004 to 2022, through the Light for All Program, Neoenergia will have been carried out 716,479 thousand family connections to the electricity grid in 415 cities in Bahia.

To reduce emissions intensity to 50 gCO₂/kWh by 2030:

The energy sector is an important player, responsible for over 75% of CO₂ emissions, for which reason its contribution is essential to achieving the Paris Agreement's decarbonization targets, and neutrality by 2050. According to the IPCC, achieving this goal will require a 45% reduction in emissions by 2030 compared to those in 2010 and achieving zero net emissions by 2050. Neoenergia is committed to SDG 13, understanding that the private sector has its role in the fight against climate change. A strategic pillar to achieve this relies on the Neoenergia's investment plan, supported by innovation initiatives, focused on decarbonization of the energy mix (SDG 7.2) and increasing efficiency (SDG 7.3), increasing its resiliency and strengthening its leadership in renewable energy, smart grids and clean technology.

5.3. Alignment with Paris Agreement and net-zero by 2050 - Please describe how **each** of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050. [up to 500 words, please upload supporting strategy documents as needed]

Brazil, through its NDC, has committed to reducing its emissions by 37% in 2025 and 43% in 2030 (base year 2010) and to be carbon neutral in 2050. The Brazilian electricity sector, despite being low carbon intensive (2.5% of total GHG emissions in Brazil) has its role to play in the decarbonization and electrification of the economy. Renewable energy also contributes to Brazilian products having a low carbon footprint. Neoenergia invests in the expansion of new renewable sources (wind and solar) and in the expansion of the network to connect an increasingly decentralized generation.

SECTION 6: MONITORING AND REPORTING

6.1. Please describe how you intend to track the progress of the proposed outcomes in section 3. Please also describe if you intend to use other existing reporting frameworks to track progress on the proposed outcomes.

Universalize access to energy in the Bahia State

- 100% of households connected to the network through Light for All Program

To reduce emissions intensity to 50 gCO₂/kWh by 2030

- gCO₂/kWh

Internally monitored target by Iberdrola and annual public follow-up reported in the Sustainable Development Plan and GHG Emissions Inventory

SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

I. Stepping up ambition and accelerating action - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

I. 1. Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks?

Yes No

I.2. Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? Yes No

I.3. Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defined by latest global analysis and data including the outcome of the Technical Working Groups? Yes No

II. Alignment with the 2030 agenda on Sustainable Development Goals – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1. Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? Yes No

II.2. Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? Yes No

II.3. Has the Energy Compact considered a timeframe in line with the Decade of Action? Yes No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1. Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? Yes No

III.2. Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? Yes No

III.3. Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? Yes No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1. Does the Energy Compact include socio-economic impacts of measures being considered? Yes No

IV.2. Does the Energy Compact identify steps towards an inclusive, just energy transition? Yes No

IV.3. Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? Yes No

V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1. Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? Yes No

V.2. Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? Yes No

V.3. Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data and technology)? Yes No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact

Neoenergia leveraging the human right to access renewable energy in Brazil

8.2. Lead entity name (for joint Energy Compacts please list all parties and include, in parenthesis, its entity type, using entity type from below)

Neoenergia

8.3. Lead entity type

Government

Local/Regional Government

Multilateral body /Intergovernmental Organization

Non-Governmental Organization (NGO)

Civil Society organization/Youth

Academic Institution /Scientific Community

Private Sector

Philanthropic Organization

Other relevant actor

8.4. Contact Information

Head of Innovation and Sustainability - Francisco de Assis Diniz Carvalho Junior - francisco.carvalho@neoenergia.com
Manager of Sustainability and Climate Change – Renata Akemi Koga – renata.koga@neoenergia.com

8.5. Please select the geographical coverage of the Energy Compact

Africa Asia and Pacific Europe Latin America and Caribbean North America West Asia Global

8.6. Please select the Energy Compact thematic focus area(s)

Energy Access Energy Transition Enabling SDGs through inclusive just Energy Transitions Innovation, Technology and Data Finance and Investment.

SECTION 9: ADDITIONAL INFORMATION (IF REQUIRED)

Please provide additional website link(s) on your Energy Compact, which may contain relevant key documents, photos, short video clips etc.

- Sustainability report

<https://www.neoenergia.com/pt-br/sustentabilidade/modelo-negocio-energia-sustentavel/relatorios-sustentabilidade/Paginas/relatorios-neoenergia.aspx>

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