

MONTHLY BRAZILIAN MARKET BRIEF

Energy & Renewable Opportunities

Prepared by CP Consulting

EXECUTIVE SUMMARY

Brazil's energy sector is experiencing unprecedented transformation as the country positions itself as a global leader in renewable energy ahead of hosting COP-30 in 2025. With \$1.3 trillion in low-carbon energy investment opportunities through 2050 and the world's cleanest electricity matrix at 89% renewables, Brazil presents exceptional opportunities for sophisticated American investors.

KEY INVESTMENT HIGHLIGHTS

- \$1.3 trillion low-carbon energy investment opportunity (2024-2050).
- COP-30 hosting in Brazil creates international spotlight (November 2025).
- 6.4% CAGR growth in renewable energy capacity through 2030.
- World's sixth-largest renewable energy investment destination.
- Government committed to 60 GW renewable capacity by 2030.

Contact CP Consulting for strategic execution.

 contato@cpconsultoria.adv.br

 +55 61 99952-8550

1- REGULATORY LANDSCAPE & RECENT DEVELOPMENTS

Current Energy Leadership Position

Global Renewable Energy Leadership. Brazil leads the G20 with 89% of its power derived from renewables, creating a strong foundation for continued expansion. The country's electricity matrix is among the cleanest globally, with renewable energy accounting for 83% of the Brazilian electricity matrix, while the global average is around 25%.

Government Investment Commitment (2025). The Brazilian government recently announced an investment package in renewable energy of BRL 50 billion, inspired by successful hybrid projects combining wind and solar technologies.

Green Hydrogen Legislation. In August 2024, Brazil passed its eagerly anticipated clean hydrogen law, with projections that the country could produce the lowest-cost green hydrogen globally.

COP-30 Hosting Opportunity. COP-30 will take place in Brazil in 2025, in Belém, Pará, between November 10 and 21, providing a unique opportunity for the country to strengthen its leadership role in combating climate change.

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2- MARKET OPPORTUNITY & INVESTMENT POTENTIAL

Total Investment Opportunity. Brazil will need to invest over \$1.3 trillion in its low-carbon energy supply across 2024-2050, including \$0.5 trillion in renewables, representing significant opportunities for private-sector investment.

Infrastructure Investment Pipeline. Brazil is expected to invest US\$ 20 billion in the electricity transmission sector until 2029, of which US\$ 14 billion in transmission lines and US\$ 6 billion in substations.

Overall Sector Growth. Investments in the Brazilian electricity sector are expected to reach over \$100 billion by 2029, including utility-scale generation, distributed generation, transmission, and distribution projects.

Renewable Energy Capacity. The Brazil Renewable Energy Market size is expected to reach 235.62 gigawatt in 2025 and grow at a CAGR of 6.40% to reach 321.31 gigawatt by 2030.

International Investment Attraction. Brazil attracted nearly \$35 billion in renewable energy investment in 2023, the sixth-highest figure globally and the highest among emerging markets outside of China.

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3- SECTOR-SPECIFIC OPPORTUNITIES

Solar Energy Dominance:

Technology Preferences. Bifacial modules lead Brazil's solar industry and are used in 97.22% of projects, offering up to 27% more energy production than traditional panels.

Solar Growth Trajectory. In 2023, solar power, when including distributed generation, became the second largest source of electricity in Brazil, surpassing wind power.

Major Project Developments. In June 2024, Solatio announced plans to build a 4 GW solar project in Brazil to support hydrogen production, with \$1.94 billion investment.

Wind Energy Expansion:

Onshore Wind Growth. Brazil is the world's third-largest wind and solar market, having commissioned a record 5 gigawatts of onshore wind projects in 2023.

Offshore Wind Development. Brazil announced expansion of offshore wind energy with plans to develop five offshore wind farms with total capacity of 6,000 MW, targeting the country's potential of over 700 GW of offshore wind.

Green Hydrogen Leadership:

Global Cost Advantage. Brazil could produce the lowest-cost green hydrogen globally, positioning the country as a potential market leader in this emerging sector.

Biomass Integration. Brazil could have the cheapest net-zero-emissions steel globally by 2030, thanks to abundant availability of biomass and very low electricity prices.

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4- FOREIGN INVESTMENT CLIMATE

Investment Attractiveness:

Private Sector Focus. In Brazil, private investments are made almost entirely in renewable energy, with private banks and funds usually promoting renewable energy development.

International Player Presence. Large international companies operating in this market include Spanish firm Iberdrola and Italian company ENEL, with annual investment of around \$4 billion per year.

Development Bank Support. The BNDES, BNB and public banks provide loans at low interest rates to finance renewable energy projects, along with tax incentives and benefits.

Market Access Advantages:

Consumer Base. Brazil generates and transports electricity to over 88 million residential, commercial, and industrial consumers, more than the power produced by all other South American countries combined.

Regional Leadership Position. Brazil is the largest electricity market in Latin America and the world's sixth-largest consumer electricity market.

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5- OPPORTUNITY WINDOWS

Primary Investment Themes:

- 1. COP-30 Spotlight Effect:** The international focus on Brazil as COP-30 host creates unprecedented visibility for renewable energy investments and potential policy acceleration.
- 2. Grid Modernization Requirements:** Brazil, with a large and complex grid system that has not fully kept up with the demands of the energy transition, loses about 16% of the power it generates, creating infrastructure investment opportunities.
- 3. Technology Integration Leadership:** Trackers dominate Brazil's utility-scale solar sector, with 94.85% of installations opting for this technology, demonstrating market sophistication and technology adoption.
- 4. Energy Storage Solutions:** Growing demand for battery energy storage systems (BESS) to support intermittent renewable sources and grid stability.

Market Catalysts:

Policy Support:

- Government commitment to 60 GW renewable capacity by 2030.
- BRL 50 billion investment package announcement.
- Established renewable energy auction system since 2004.

Natural Resource Advantages:

- Brazil's ample natural resources like high solar irradiance and favorable wind conditions provide strong foundation for renewable energy projects.
- Extensive biomass availability from agricultural sector.

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6- RISK CONSIDERATIONS

Market Challenges:

Regulatory Environment: Regulatory frameworks governing the energy sector are often inconsistent and subject to abrupt changes, creating uncertainty for stakeholders.

Infrastructure Requirements: Grid integration issues and rising need for substantial investments in infrastructure present ongoing challenges.

Economic Factors:

- Currency fluctuation impacts on international investments.
- Competition for financing in growing market.

Operational Considerations - Grid Integration:

Need for advanced energy storage solutions:

- Transmission infrastructure development requirements.
- Integration of intermittent renewable sources.

Geographic Challenges:

- Remote location of some renewable resources.
- Infrastructure development in less accessible areas.

CONCLUSION

Brazil's energy sector represents a transformative investment opportunity as the country leads global renewable energy transition. The combination of massive investment requirements (\$1.3 trillion through 2050), world-class renewable resources, and upcoming COP-30 international spotlight creates exceptional conditions for strategic investors.

The convergence of policy support, market demand, and international attention makes 2025 a pivotal year for energy sector investment positioning.

American investors who establish strong market positions during this critical period will be optimally positioned to capitalize on Brazil's emergence as the global renewable energy superpower.

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For detailed investment strategy consultation and market entry planning, contact our specialized team.

This document is prepared for informational purposes only and does not constitute legal advice. Specific investment decisions should be made in consultation with qualified legal and financial advisors familiar with Brazilian law and regulations.

Document prepared by: CP Consulting.

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