Net Metering scheme in Brazil

Marco Aurélio Lenzi Castro
Senior Regulatory Specialist
Superintendency of Distribution Services Regulation - SRD

October 12th 2020
ANEEL Resolution 482/2012

- Renewables and cogeneration (Energy efficiency >75%)
  - Micro (up to 75 kW) and Mini (75 to 5,000 kW)
  - Connected to the grid through a consumer’s facility
- Net Metering – energy trade is not allowed
Business Models

Local net metering
Common area

Virtual net metering
Same consumer
Same utility
Community
Main Outcomes

• 5035 cities – 90%

• 307 k connections/395 k consumers
• 39% comercial and 36% residential (MW)
• 79% < 75 kW (low voltage)
What are the main drives in Brazil?

- Energy exported:
  - 4.3 to 5.8 kWh/m²/day
  - 4.4 years (2020)
  - 9 years (2016)

- Funding:
  - 2016: 47%
  - 2020: 26%
How about the challenges?

Net metering with volumetric tariff ($/kWh)

- No fixed charges for residential/commercial
- Compensation of all tariff components

Distribution system (27%)
Transmission system (7%)
Charges (14%)
Losses (9%)
Energy (43%)

Utilities revenue reduction
Cost-shift to other customers

U$ 10 billion by 2035  U$ 2 billion by 2025
Addressing the problem
Proposal submitted to Public Hearing 25/2019

Net Metering

- Avoiding cost-shift
- Sustainable value
- Addressing fixed costs

Net Billing

When
How
How future is going to be?

Source: PDE 2030 (EPE, 2020)
Positive impacts on job market

Source: Renewable Energy and Jobs (IRENA, 2020)

Source: https://www.americadosol.org/fornecedores/
Preparing the regulatory framework for full deployment of DER
Thank you!

Marco Aurélio Lenzi Castro
Senior Regulatory Specialist
mcastro@aneel.gov.br

ADDRESS: SGAN 603 Módulos I and J - Brasília/DF, Brazil
Zip Code: 70830-110
GENERAL PHONE: +55 61 2192 8790
SECTOR OMBUDSMAN:167