

ANEEL Launches Public Consultation on Brazil's First Energy Storage Auctions.

Brazil's National Electric Energy Agency (ANEEL) approved on Tuesday (July 28) the opening of a public consultation on the auction rules for the country's first tenders exclusively dedicated to Battery Energy Storage Systems (BESS).

The initiative marks a significant regulatory milestone for Brazil's electricity sector and aims to establish the framework for procuring energy storage capacity to enhance the reliability of the National Interconnected System (SIN). The public consultation will remain open from July 30 to September 14, 2026.

How to Participate

Contributions to Public Consultation No. 22/2026 (Auction No. 05/2026-ANEEL) and Public Consultation No. 23/2026 (Auction No. 06/2026-ANEEL) may be submitted between July 30 and September 14, respectively, via the following email addresses:

- cp022_2026@aneel.gov.br
- cp023_2026@aneel.gov.br

The consultation documents will be made available on July 30 in the Public Consultations section of ANEEL's official website.

What Did ANEEL Decide?

ANEEL's Board approved the launch of a public consultation to collect stakeholder feedback on the auction rules for Brazil's first energy storage procurement auctions.

The consultation documents cover the contractual framework, technical requirements, and financial guarantees that will apply to project developers.

The main elements include:

- The launch of Brazil's first auctions dedicated exclusively to battery energy storage systems;
- Definition of the contractual framework between buyers and successful bidders;
- Robust financial guarantee requirements for project developers;
- Restrictions on the transfer (sale) of projects before they enter commercial operation;

- A public consultation process aimed at refining the auction rules before the tenders are officially launched.

Background.

The rapid expansion of intermittent renewable generation—particularly solar and wind power—has significantly increased the need for technologies capable of storing electricity during periods of lower demand and injecting it back into the grid during peak consumption hours.

Energy storage systems are widely regarded as one of the key tools to:

- Increase the operational flexibility of the electricity system;
- Reduce curtailment risks;
- Improve grid stability;
- Facilitate greater integration of renewable energy sources.

Brazil has been discussing this regulatory framework for several years. The launch of the public consultation represents the most concrete step so far toward establishing a competitive energy storage market.

Issues Still Under Discussion.

Despite this important regulatory milestone, several key issues remain unresolved.

The most significant is the allocation of the Capacity Reserve Power Charge (ERCAP), which will finance the procurement of energy storage capacity.

According to ANEEL's technical staff, this issue may be addressed at a later stage without delaying the auctions.

Why Does This Matter for the Data Center Industry?

The public consultation is strategically important for Brazil's data center industry, particularly given the rapid increase in electricity demand driven by artificial intelligence applications.

1. Greater Energy Security.

Data centers require an uninterrupted electricity supply.



Expanding energy storage capacity is expected to improve the reliability of Brazil's power system by reducing outage risks and strengthening overall grid resilience.

2. Greater Integration of Renewable Energy.

Many new data center developments are designed to operate primarily with renewable electricity.

Battery storage systems help offset the intermittency of solar and wind generation, making renewable Power Purchase Agreements (PPAs) more reliable and predictable.

3. Curtailment Reduction.

Several renewable energy projects, particularly in Brazil's Northeast and Northern regions, have experienced operational restrictions due to curtailment.

Energy storage makes it possible to absorb surplus generation and inject it back into the system when needed, reducing energy waste and improving overall system efficiency.

This is particularly relevant for data center operators planning to secure renewable PPAs.

4. Supporting the Growth of Large Electricity Consumers.

The rapid expansion of hyperscale data centers and AI-related infrastructure is significantly increasing demand for firm capacity.

The deployment of energy storage systems could help accommodate this additional demand without relying exclusively on the construction of new generation facilities or transmission infrastructure.

5. Complementing the Ongoing Debate on Grid Access.

In recent months, ANEEL has adopted a stricter approach toward transmission grid access requests submitted by large electricity consumers, including data center projects.

Although the creation of a structured energy storage market will not eliminate existing transmission constraints, it can improve system flexibility and help reduce grid bottlenecks over the coming years. As such, this initiative complements ANEEL's recent regulatory decisions regarding the connection of large electricity loads.

Next Steps.

Once the public consultation closes, ANEEL will review the contributions submitted by stakeholders before approving the final auction rules.

Only after this process is completed will the agency publish the definitive regulations governing Brazil's first energy storage auctions.

TechReg Assessment.

The launch of this public consultation represents one of the most significant regulatory developments in Brazil's electricity sector in 2026. Although the auctions are specifically designed for the energy storage market, their effects are expected to extend directly to electricity-intensive industries, particularly the data center sector.

For companies planning long-term investments in Brazil—especially those related to artificial intelligence, cloud computing, and digital infrastructure—the development of a competitive energy storage market could improve energy predictability, expand firm capacity availability, and strengthen the reliability of Brazil's National Interconnected System.

TechReg will continue to monitor the public consultation, stakeholder submissions, and the final version of the auction rules, assessing their implications for investors, digital infrastructure developers, and data center operators.

Erich Decat, Director of Institutional Relations, TechReg Consulting.