

TECHREG ALERT | REGULATORY INTELLIGENCE.**ANEEL Approves Battery Storage Auction Rules.**

Subject: The decision confirms the December auction schedule and lowers financial requirements for participants. However, the allocation of costs among electricity sector participants remains a key source of regulatory uncertainty.

1. What has changed?

On October 27, Brazil's National Electric Energy Agency (ANEEL) approved Auction Notices No. 05/2026 and No. 06/2026 for the procurement of capacity from new Battery Energy Storage Systems (BESS).

The auctions remain scheduled for December 2 and 4, 2026, with a 15-year contract term and electricity capacity delivery beginning on August 1, 2028.

The main financial change was a reduction in the reference investment value from BRL 9.8 million/MW to BRL 6 million/MW, representing a decrease of approximately 39%. This adjustment serves as the basis for recalculating participants' financial requirements.

The decision was unanimously approved and considered contributions submitted during the public consultations for both auctions.

2. Key Approved Conditions.

Parameter	Approved Conditions
Auction 05/2026 — National	December 2, 2026
Auction 06/2026 — General	December 4, 2026
National Auction Price Cap	BRL 1.76 million/MW/year
General Auction Price Cap	BRL 1.58 million/MW/year
Bid Guarantee	BRL 60,000/MW
Performance Guarantee	BRL 600,000/MW
Minimum Net Worth	BRL 600,000/MW
Contract Duration	15 years
Supply Commencement	August 1, 2028

Guarantee and minimum net worth requirements are calculated according to the applicable capacity references for bidding and contracting.

The price caps represent maximum auction prices, not final contracted remuneration.

3. Other relevant provisions.

Local content requirements: Auction 05/2026 requires compliance with domestic manufacturing requirements. Auction 06/2026 does not impose equivalent requirements.

Operational requirements: Battery systems must provide four hours of power delivery per cycle, with up to two cycles per day and a maximum of 366 cycles annually. They must also allow full recharging within six hours.

Remuneration: Winning bidders will receive fixed annual revenue, paid in 12 monthly installments, subject to reductions based on operational performance.

Corporate participation: ANEEL has relaxed certain rules governing consortium participation by companies belonging to the same economic group, establishing mechanisms to prevent double-counting when demonstrating financial capacity.

4. Why does it matter?

The approval of the auction rules represents an important step toward establishing Brazil's utility-scale energy storage market.

Lower financial guarantee requirements may encourage broader participation, while the distinction between the two auctions creates different opportunities for domestic manufacturers, international suppliers, project developers, and investors.

However, the main regulatory uncertainty remains unresolved: how battery storage procurement costs will be allocated.

Under current legislation, these costs are allocated to electricity generators.

The issue remains under discussion on two fronts:

- National Congress: Bill No. 3,716/2026, which has been granted urgent consideration in the Chamber of Deputies, proposes changing the statutory cost allocation framework.
- ANEEL: Public Consultation No. 37/2026, open for contributions until November 6, addresses the methodology for allocating the Capacity Reserve Charge associated with Energy Storage Systems (Ercap-SAE).

ANEEL has also adjusted the wording of the auction documents and contracts to provide greater flexibility in the event of legislative changes.

This does not mean that a new cost allocation mechanism has already been approved.

5. Who Is Affected?

Stakeholder	Potential Impact
Battery manufacturers	Equipment market opportunities and domestic manufacturing requirements
Project developers	Qualification requirements, grid connection, and execution risks
Infrastructure funds and investors	Lower financial entry requirements and contractual risk assessment
Electricity generators	Potential financial exposure to capacity reserve charges
System integrators and suppliers	Commercial opportunities and compliance with technical requirements

6. How can TechReg help?

TechReg Consulting specializes in political, regulatory, and institutional intelligence, monitoring decisions made by Brazil's Executive Branch, National Congress, and regulatory agencies that may affect investments in the energy sector.

In the context of the upcoming battery storage auctions, TechReg can support manufacturers, investors, system integrators, and project developers across four strategic areas.

1. Legislative and Regulatory Monitoring

Tracking Bill No. 3,716/2026, ANEEL Public Consultation No. 37/2026, and potential regulatory changes affecting cost allocation, auction requirements, and contracting conditions.

2. Institutional Intelligence and Stakeholder Mapping

Identifying key decision-makers at the Ministry of Mines and Energy (MME), ANEEL, Energy Research Office (EPE), National Electric System Operator (ONS), Brazilian Development Bank (BNDES), and National Congress.

This includes analyzing stakeholder positions, institutional interests, and potential regulatory developments.

3. Local Manufacturing and Industrial Requirements

Monitoring domestic manufacturing criteria, BNDES accreditation procedures, and project qualification requirements to identify regulatory risks and opportunities for international manufacturers and suppliers.

4. Regulatory Risk Assessment and Scenario Analysis

Preparing strategic reports and regulatory alerts addressing rule changes, litigation risks, schedule adjustments, and government decisions that may affect project feasibility and competitiveness.

TechReg can also support institutional engagement strategies and the technical preparation of submissions to regulatory proceedings, working alongside companies' legal and engineering teams.

7. TechReg Assessment.

ANEEL's decision provides greater certainty regarding the auction schedule while reducing financial barriers to participation.

However, approval of the auction rules does not conclude the regulatory decision-making process affecting investors.

Outstanding decisions concerning cost allocation, implementation of domestic manufacturing requirements, and developers' ability to comply with technical and grid connection standards remain critical.

Market participants should closely monitor upcoming decisions by ANEEL and the National Congress, particularly given the proximity of the December auctions.

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Sources: ANEEL. Auction Notice Approval, October 27, 2026; ANEEL Public Consultation No. 37/2026; CNN Brasil. Approved Auction Conditions.

