

Regulatory Alert.**Battery Storage Auctions – Remaining Grid Connection Capacity.****Executive Summary.**

A new technical reference has been released for Brazil's battery storage auctions scheduled for December 2026.

Technical Note **NT-ONS DPL 0095/2026** sets out the remaining grid connection capacity available in the Brazilian Interconnected Power System, or SIN, for new energy storage projects.

This is a material development because project viability will depend not only on auction rules, qualification requirements, national manufacturing conditions and pricing, but also on whether sufficient grid connection capacity is available at the project's intended connection point.

For manufacturers and investors assessing market entry and local manufacturing strategies in Brazil, this creates an important additional filter for evaluating the effective project pipeline.

What changed?

The new technical note provides quantitative information on the remaining connection capacity available for new storage systems.

The assessment covers different types of grid infrastructure, including:

- The Basic Grid;
- Other Transmission Facilities – DIT;
- Shared Generation Connection Facilities – ICG; and
- Indirect connections through distribution systems.

Until now, the market had mainly been following the methodology, assumptions and criteria used to assess connection capacity.

The publication now provides a more concrete indication of how much additional storage may be connected at different points of the system.



Why it matters?

The main implication is that grid connection capacity becomes an additional filter for projects seeking to participate in the December auctions.

A project may be commercially attractive, technically structured, and compliant with auction requirements, but still face restrictions if there is insufficient capacity at its intended connection point.

For international manufacturers considering entry into Brazil, this matters because the announced project pipeline may overstate the amount of demand that will effectively reach the auction stage.

A more realistic market assessment should now combine three dimensions:

Project pipeline → grid connection capacity → national manufacturing and qualification requirements.

This can help identify which projects have stronger technical conditions to move forward and which developers may represent more relevant commercial opportunities.

Impact on market entry and manufacturing strategy.

The new information should be incorporated into any assessment of local manufacturing, assembly, integration or supply strategies in Brazil.

For manufacturers, the analysis can help answer key questions such as:

- Which projects have sufficient grid connection capacity?
- Which developers have the most credible pipeline?
- Which regions concentrate the strongest technically viable demand?
- Which projects may require equipment compliant with national manufacturing or BNDES-related requirements?

This is particularly relevant for companies evaluating whether to establish a local legal entity, assembly operation, system integration capability or broader manufacturing footprint in Brazil.

Additional point: National Storage Auction.

The issue is especially relevant for the **National Storage Auction**, where additional local manufacturing and qualification requirements may apply.

In this case, companies need to assess the project opportunity through an integrated framework combining: **grid connection capacity + project qualification + industrial requirements + BNDES accreditation conditions.**

The interaction among these elements will directly affect which projects are able to move forward and which manufacturers are best positioned to supply them.

What deserves attention now?

The immediate priority should be to analyze the technical note on a connection-point-by-connection-point basis and cross-reference the results with:

- Projects expected to participate in the auctions;
- Their respective connection points;
- Project developers and investors;
- Local manufacturing requirements;
- BNDES accreditation conditions; and
- Potential industrial strategies in Brazil.

This exercise would allow companies to build a more realistic view of the addressable battery storage market and to identify where commercial and manufacturing efforts should be concentrated.

TechReg View.

The publication does not, by itself, change the official December 2026 auction schedule.

Its importance lies in adding a concrete technical filter to the qualification and market assessment process.

For companies considering entry into the Brazilian battery storage market, the key question is no longer only how large the announced project pipeline is, but **how much of that pipeline is technically connectable, eligible and compatible with the applicable industrial requirements.**

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