

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Electricity Distribution Infrastructure Modernization Project
Country	The Federative Republic of Brazil
Type	Non-Sovereign
Area of Operation	Clean Energy & Energy Efficiency
Concept Approval Date	6 February 2024
Financing Approval Date	23 October 2024
Total Project Cost	BRL 5,098 million
Initial Limit of NDB Financing	USD 200 million equivalent
Current Limit of NDB Financing	RMB 1,425 million
Borrower	Companhia Paulista de Força e Luz
Project Entity	Companhia Paulista de Força e Luz
Project Context	Pursuant to a long-term concession awarded in 1997, Companhia Paulista de Força e Luz (“CPFL Paulista”) provides power distribution services in 234 municipalities in the State of São Paulo, covering an area of over 90 thousand km ² and a population of around 10.3 million. The implementation of the Project will help the Borrower to expand and upgrade the power distribution infrastructure, achieve efficiency gains and provide access to electricity to presently unserved households and thereby contribute to the goal of providing universal access to electricity in Brazil.
Project Description	The Project supplements the Borrower’s capital investments program, enabling expansion and modernization of its power distribution infrastructure and is aligned with the requirements of the concession agreement under which the Borrower operates. The Project components comprise High Voltage (HV) distribution lines and substations; Low Voltage (LV) distribution lines, automation equipment and transformers; and new home connection equipment, to be implemented in the state of São Paulo.
Project Objective	The Project will contribute primarily towards SDG 7: (i) ensure universal access to affordable, reliable, and modern energy services; (ii) double the global rate of improvement in energy efficiency; and (iii) expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries.

	<p>The Project will promote social inclusion by providing access to electricity to presently unserved households through new connections (the Project is expected to increase the connectivity to more than 370,000 homes); improve energy efficiency by reducing technical and commercial losses in the Borrower's electricity distribution grid, that will lead to economic savings for the end-users of energy and will also contribute to Green House Gas (GHG) emissions reduction; lead to service quality improvement through new equipment or modernizing existing equipment. Achievement of the Project's results will have a demonstration effect within the electricity distribution sector in Brazil.</p>	
Implementation Arrangements	<p>The project will supplement the ongoing capital investment program and will be implemented by the Borrower. The procurement will be carried out by CPFL Paulista in accordance with its existing procurement procedures and applicable Brazilian legislation.</p>	
Environmental and Social Information	<p>Project has been categorized as Category B in line with NDB's Environment and Social Framework. Potential adverse E&S impacts and risks are expected to be localized to the component's footprints, largely reversible and temporary. The Project will not require the physical resettlement of individuals nor cause adverse effects on Indigenous Peoples. The Project's E&S impacts and risks will be mitigated by following the country and corporate system requirements and management plans developed for the Project, including the Environmental and Social Impact Management Plan.</p>	
Financing		
	Source of Fund	Amount
	NDB	BRL 1,041 million (equivalent to RMB 1,425 million)
	Other borrowings, including debentures	BRL 2,653 million
	CPFL's own funds	BRL 1,404 million
Contacts	NDB	Borrower and Project Entity
	Private Sector and NSG Transactions	Companhia Paulista de Força e Luz
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