

Proposed Project Summary for Public Disclosure
(concept review stage)

Project Name	Power Distribution Infrastructure Upgrade and Expansion Project, São Paulo State, Brazil
Country	The Federative Republic of Brazil
Type	Non-Sovereign
Area of Operation	Clean Energy & Energy Efficiency
Concept Approval Date	6 February 2024
Total Project Cost	USD 930 million
Proposed Limit of NDB Financing	USD 200 million equivalent in RMB
Borrower	Companhia Paulista de Força e Luz (“CPFL Paulista”)
Project Entity	CPFL Paulista
Project Context	Pursuant to a long-term concession awarded in 1997, 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, meet electricity demand, and achieve efficiency gains. The Project is targeted at ensuring that residents and enterprises based in the concession area continue to have access to quality and reliable electricity services.
Project Description	The Project’s main components include: (a) Expansion of existing low and medium voltage distribution network, construction of new substations, and installation of new transformers; (b) Modernization of existing substations, and installation of more efficient transformers; (c) Installation of smart consumer meters in select municipalities, investments in distribution automation technologies including reclosers and automated switches, outage management systems, data analytics and management systems, IT systems targeted at communications infrastructure, terminal equipment and related software; and (d) Purchase of software and operating vehicles.
Project Objective	The Project will contribute primarily towards SDG 7 (ensuring access to clean and affordable energy) and will support the Borrower to meet its sustainable commitments, which include: (i) invest at least BRL 580 million in intelligent energy solutions by 2027; (ii) refurbish at least 70,000 equipment of the electricity network by 2030; and (iii) reach 90% digitalization rate of customer service. The Project is also expected to contribute to the Borrower’s increased operational

	<p>efficiency, which will be achieved via reduction in technical and commercial losses, improvements in system reliability quantified through reduced duration and frequency of power outages and reduced operating costs because of automation technologies.</p>
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