



ENERGY TRANSITION AND THE ROLE OF THE FEDERAL COURT OF ACCOUNTS - BRAZIL





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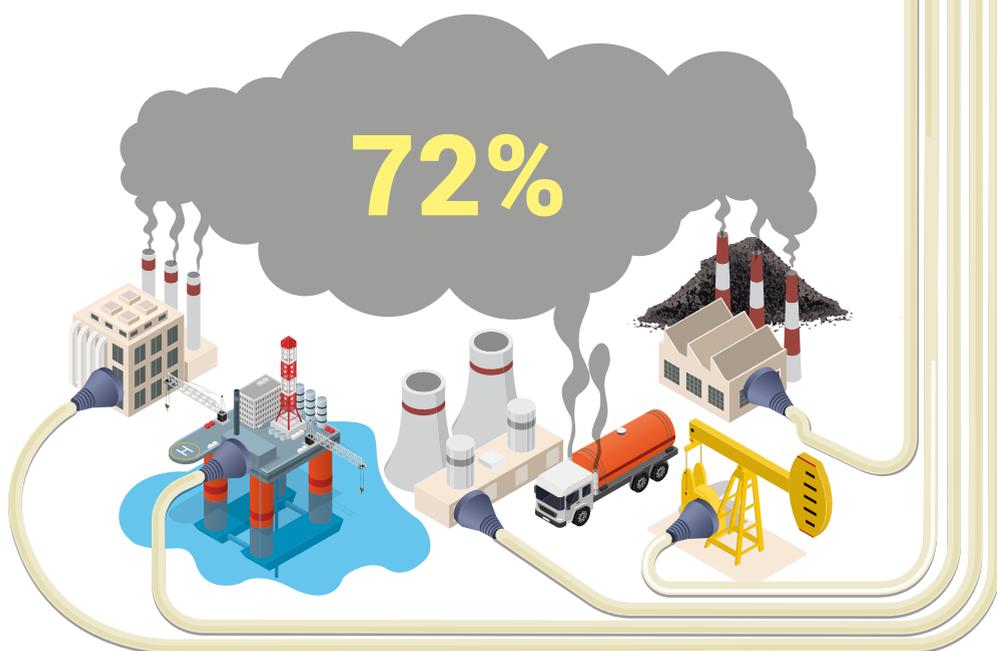
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1. THE CHALLENGES ARE NOT FEW

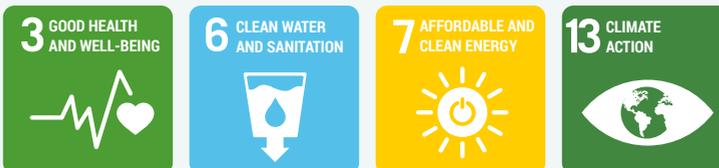
The **energy sector** contributes significantly to global greenhouse gas emissions. According to the Intergovernmental Panel on Climate Change (IPCC), in 2018, approximately **72%** of global emissions were attributed to this sector, which includes electricity generation, transportation, industrial processes, and other energy-related activities. The **burning of fossil fuels** such as coal, oil, and natural gas is the main cause of these emissions. As a result, reducing our dependence on these fuels and **transitioning to sustainable energy sources** such as solar, wind, hydroelectric, and biofuels is key to mitigating the effects of **climate change**.





The transition to a more sustainable energy system is a complex and comprehensive challenge, involving social, economic and environmental factors. The focus must remain on promoting **energy efficiency** at all stages of production and consumption, optimizing energy use and avoiding waste in order to guarantee **universal access** to electricity, especially for the most vulnerable populations.

The UN Sustainable Development Goals (SDGs) related to energy transition include access to clean and affordable energy (SDG 7), reducing air pollution (SDG 3.9), combating climate change (SDG 13), and sustainable water management (SDG 6).



Some of the key challenges in this transition and its impacts on sustainable development are **energy poverty, energy financing models, policy and institutional barriers, and environmental impacts.**



People experience **energy poverty** when they do not have adequate access to modern energy to meet their basic needs. Millions of people around the world still lack electricity and rely on traditional biomass for cooking. This has a negative impact on the health, education, food security, and economic opportunities of vulnerable populations.

Overcoming this challenge requires **expanding access to electricity** through the expansion of power grids or the decentralized use of renewable sources such as solar and wind power.

Financing models are also crucial in the energy transition. Investment in renewable sources requires high upfront costs but low operating costs over time. Fossil fuels, on the other hand, have low upfront costs but high operating costs and environmental costs related to emissions. **Financial incentives must be created**

to stimulate investment in renewable sources, both by the public and private sectors, through subsidies, tax exemptions, taxation of polluting projects, and international mechanisms such as the carbon market.





There are also **political and institutional barriers** that hinder the energy transition. Political or economic groups that benefit from fossil fuels may resist necessary changes in the economy, fearing loss of jobs or income. In addition, the **lack of coordination** between different levels of government

and sectors involved in energy production, consumption, distribution, regulation, and enforcement also represents a challenge. Overcoming these barriers requires a **participative dialogue** between the different social actors involved, with the goal of reaching consensus about the benefits of the energy transition for sustainable development.



The issue of **environmental impacts** is far from insignificant. Although renewable sources are less polluting than fossil fuels, they can also generate environmental impacts if they are not well planned and managed. Large hydroelectric dams can affect aquatic ecosystems, solar panel manufacturing can consume a lot of water, wind turbines can cause noise or collide with birds, and biofuels can compete with food crops or cause deforestation. It is therefore necessary to carefully **assess** the environmental impacts of different energy options and to take **mitigating measures** when necessary.

2. THE ROLE OF THE FEDERAL COURT OF ACCOUNTS - BRAZIL

The TCU has been playing a fundamental role in the **assessment and monitoring of public policies** related to the energy transition, with the objective of contributing to a **fair, inclusive, and sustainable** transition, ensuring benefits for current and future generations.

Based on a broad vision of the various governmental instances and actions involved, its **inspections**:

- Identify **challenges** and **opportunities** of the transition;
- Analyze, under criteria of legality, efficiency, and effectiveness:
 - the **public policies** adopted in the electric, mining, oil and gas sectors;
 - the **governance** and **management** of the energy sector;
 - the medium- and long-term **strategic planning** of these sectors;
 - the **programs and projects** implemented;



- **investments** in renewable energy;
 - other related **governmental actions**;
 - the **adequate application** of federal public **resources**; and
 - the achievement of the proposed **objectives**.
- promote greater:
 - **integration** between governmental bodies and civil society; and
 - **transparency** and **accountability** in the management of public resources for the transition.

In this performance, the Court has the potential to stimulate **energy efficiency**, the **diversification of the energy matrix** and the **expansion of access to renewable sources** in a scenario in which the expansion of renewable sources is fundamental not only to reduce greenhouse gas emissions, but also to promote the economic and social development of the country.

3. WORK DONE BY THE TCU THAT ADDRESS THE ENERGY TRANSITION



2016

**Structuring of large hydropower enterprises
(TC 029.192/2016-1)**

The TCU assessed the Brazilian government's process of **structuring large hydroelectric projects**. The proper structuring of this type of undertaking is important in the context of the Brazilian energy transition because, in addition to being a renewable source, it is also part of the solution to mitigate problems of **flexibility** in the operation of the interconnected energy system, derived from the **intermittent and uncontrollable nature of other renewable resources**, such as wind and solar.

The operational audit identified:

- **deficiencies** in this process, especially in relation to the adequate consideration of **socio-environmental variables**, with **failures of analysis by the organs responsible for structuring the undertakings**;
- the importance of the **governance** of the process by the structuring agencies in the scope of the Granting Authority; and
- the risk of **compromising the bidding process** for the construction

and granting of the right to exploit these large plants, in view of the **asymmetry of information** inherent to the structuring model and technical parameters of the projects.

In view of the deficiencies found, the TCU presented determinations and recommendations for **improvement**:

- in the **treatment of socio-environmental variables**; and
- in the **analysis of the adequacy of the technical and economic studies** that support the bidding for the power plants.

The work carried out contributed to the debate on the **sustainability** of hydroelectric undertakings in Brazil and was adopted by the authorities responsible for the sector in their future planning for energy expansion.



2018

Renewable Sources (TC 008.692/2018-1)

This operational audit assessed the **public policies for the insertion of renewable sources in the Brazilian electricity matrix**, including wind, solar, biomass, and hydroelectric power.

The work included the assessment of Brazil's **international commitments** to expand renewable energy, as well as **governmental guidelines** established in favor of the expansion and of several **public policies** to implement these guidelines.

According to the audit, despite the advances observed in the last decades, there are still challenges to be overcome for Brazil to reach its goals for the expansion of renewable sources. Among the issues discovered are:

- the **lack of integrated planning** among the various agencies involved in the implementation of public policies; and
- the **insufficient transparency in the disclosure of the socio-environmental** costs and benefits of the different electric power generation technologies.

To improve the efficiency and effectiveness of public policies, the TCU recommended the adoption of measures such as **strengthening the governance** of the electricity sector, with:

- **greater coordination among the agencies involved;**
- **establishment of clear and feasible goals** for expansion of renewable sources; and
- promoting **greater transparency** in the disclosure of the socio-environmental costs and benefits of the different electric power generation technologies.

Besides indicating points for improvement necessary to the theme, the work materialized an important alert for the need for the country to move forward in the transition to a **cleaner** and more **sustainable** electric matrix.



2019

Thermoelectric power plants
(TC 038.088/2019-3)

The participation of thermal plants in the national electricity matrix has always been a relevant theme for the development of the sector and to provide Brazil with **energy security**. In this audit, this participation was assessed, considering its effects on the **electricity tariff moderation** and on the **level of greenhouse gas emissions**.

Among the questions addressed was whether the increased

participation of thermal plants in the Brazilian electricity matrix was consistent with the principle of tariff moderation.

The audit results indicate that the computational models for planning and operation of the electric sector need to **adequately consider thermal** plants to ensure the security of the system with the increase of intermittent renewable energies. In addition, it concludes that it is necessary to assess whether the integration of the electricity sector with the natural gas sector cooperates with the expansion of thermal plants with safety and tariff moderation.

The work highlighted the importance of ensuring that the planned expansion of the share of thermal plants in the Brazilian electricity matrix is **adherent to the commitments to reduce greenhouse gas emissions of the Paris Agreement**.



2020

**Opening of the natural gas market
(TC 002.279/2020-7)**

The TCU's operational audit on the strategy of Petrobras in light of the opening of the gas market revealed several relevant aspects to Brazil's energy sector. The work showed the **benefits** of the opening of the gas market for the national economy, such as:

- increased **competition** in the industry, which can be fostered by:
 - more **transparency**;
 - less **asymmetry of information** among agents; and
 - Incentives for the **use of renewable sources**, such as biomass, biogas and green hydrogen;
- financial gains for Petrobras.

Another important aspect is the role of the opening of the gas market in the energy transition: natural gas can be used as a **low greenhouse gas emission energy source in thermoelectric plants**, supplementing the intermittent generation of renewables. The report highlighted that natural gas accounts for about **13%** of Brazil's greenhouse gas emissions.

The work was **motivated** by:

- the great influence of Petrobras in the opening of the natural gas market,
- the high relevance of natural gas to Brazil's energy matrix; and
- the risk that the market opening policy will not achieve the expected results.

In summary, the TCU emphasized the **importance of the opening of the gas market for the economy**, in addition to analyzing the **role of Petrobras** in this process. The TCU's inspection is an important step in ensuring that companies follow the rules and regulations in force, promoting a fairer and more transparent market.



2020

**Monitoring the opening of the natural gas market
(TC 030.375/2020-7)**

The Follow-up revealed the challenges faced in the process of opening the natural gas market in Brazil. The document, part of an ongoing inspection, highlights the need to identify **risks and opportunities for improvement in the conduct of the public policy of the New Gas Market (NGM)**.

The first report addresses specific issues related to the current **situation of the gas market in the country**, including:

- **market failures;**
- **conflicts of interest;** and
- **normative and regulatory gaps.**

Despite losing its legal monopoly over production, offloading, and processing links, Petrobras **retains significant control in these sectors**. However, the sale of Petrobras' stake in the country's main transportation companies has resulted in the **loss of its control over gas transportation**.

Among the main aspects addressed in the report, the following stand out:

- the conflict between the **development of a free gas market at the federal level** and the **state monopoly of distribution companies;**
- the **lack of legal clarity in the distinction between transportation, marketing and distribution services** represents an obstacle to market opening: although the New Gas Law has defined clearer boundaries between these spheres, progress depends on **updating the legal-regulatory framework, harmonizing guidelines with the states, and resolving administrative and judicial conflicts;** and
- the **regulatory gaps** that require revision by the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (Brazil) (ANP), whose critical points on its regulatory agenda are **expansion of pipeline capacity, regulation of marketing, tariffs and autonomy in transportation.**

To address these challenges, actions taken or planned by the entities involved have been identified, including:

- the **publication of the Manual of Good Regulatory Practices for local piped gas services**; and
- the **creation of the Monitoring Committee for the Opening of the Natural Gas Market (CMGN)**, composed of several bodies, which closely monitors the market opening process.

While the report has highlighted points of attention and actions underway, the importance of **continued follow-up** and **addressing challenges** to achieve full market opening for natural gas in Brazil is highlighted, such that the follow-up was approved for a second report. The analyses undertaken provide input for the development of policies and strategies aimed at the transition to renewable energy in the natural gas sector.



2020

Electricity sector R&D
(TC 036.882/2020-8)

This operational audit assessed the **research and development (R&D) program** of the Brazilian electricity sector, provided for in Law N°. 9,991/2000.

The work revealed that:

- the governance and management of the organs responsible for R&D **do not guarantee the efficiency of the application of public policy resources** in the midst of the energy transition underway in the country, with failures in the management of these resources in the face of new disruptive technologies necessary for this transition;
- R&D projects financed with funds paid by electricity consumers **are not accessible to society**, and there is a **lack of transparency** in access to research results, which **hinders**

the technological evolution necessary to achieve measures aimed at least three dimensions of the energy transition:

- decarbonization (reduction of greenhouse gas emissions)
- decentralization (more active participation of the consumer); and
- digitalization of the sector (employment of technology in the electric system).

Despite the shortcomings noted, the report highlighted two **good practices**:

- the Strategic Calls of the R&D Program of Brazilian Electricity Regulatory Agency (ANEEL), which allowed a greater volume of resources to be applied to objects relevant to the entire; and
- the use of company resources directed to ANEEL's R&D Program to assess the program itself.

The conclusion was that it is **important** that companies in the electricity sector invest in R&D to develop new technologies that can contribute to the energy transition, and that there be **greater transparency** in the disclosure of the results of this research.

Although the energy transition is a complex and challenging process, it represents a great opportunity for Brazil to become a **world leader in clean and renewable energy**. For this to happen, the work concluded that it is essential to have **investments in R&D** and **efficient governance of the resources** allocated to this area in order for the country to move towards a more sustainable future.



2021

Biofuels

(TC 015.561/2021-6)

The TCU conducted an operational audit to analyze the **federal public policies for biofuels** and to verify whether they are fulfilling their purposes and whether they are in harmony with other public initiatives involving different areas. This assessment was done under three dimensions:

- **energy security;**
- the **environmental aspect;** and
- the **economic impacts** of its implementation.

The result showed some **risks**, such as:

- the absence of a national strategy for the biofuels sector;
- the lack of a plan to diversify the sources used in the production of these fuels; and
- the low coordination among the agencies responsible for implementing public policies.

Other problems encountered were:

- **The inadequate way to define the obligatory mixture of ethanol to gasoline**, which does not consider aspects such as the country's energy, environmental and economic security; and
- **The lack of transparency** in the definition of biofuel prices, which can affect competition in the market and harm consumers.

RenovaBio is a federal program that aims to increase biofuel production and consumption in the country. In it, **Cbios** (Decarbonization Credits) are used to prove the reduction of

greenhouse gas emissions by biofuel producers. Their ballast is a financial guarantee that producers need to present to prove the production of biofuels.

The report showed that:

- there are risks related to the achievement of the program's expected results due to **insufficient Cbio generation**; and
- the inspection of Cbio certifications is **not based on materiality and risk analyses**, which can compromise the program's effectiveness; and
- there is **incoherence between federal public policies** related to biofuels and those that encourage the automotive sector.

We identified **weaknesses in federal public policies** related to biofuels in a context of energy transition and recommended measures to improve their effectiveness.



2021

Hydro-energy crisis of 2021

(TC 016.319/2021-4)

The TCU monitored the actions related to the **electroenergetic service of the National Interconnected System (SIN)** in the face of the unfavorable hydrological scenario in the year 2021. The objective was to verify the **efficiency, timeliness** and **sufficiency** of the measures adopted to face the **hydroelectric crisis** in the country.

The work highlighted:

- the need to implement an **energy transition agenda** to ensure the **sustainability** of the Brazilian electricity sector, through investments in **renewable sources** of energy and **modernization of the energy matrix**;

- the importance of **thermoelectric** plants as a way to compensate for the intermittency of wind farms and increase power generation in times of water shortage;
 - the relevance of **recomposing the water reservoirs of power plants** to guarantee the supply of electricity in the country. The measure would require:
 - **correct failures in the planning and operation of the SEB** (Brazilian Electric System);
 - **assess the measures adopted** during the hydroelectric crisis to identify lessons learned; and
 - seek ways to **reduce the cost of electricity** to Brazilian consumers, **without compromising the quality and security** of supply;
- the importance of **evaluating the structural causes that contributed to the risk of shortage situation**, in addition to unfavorable hydrology, to enable the implementation of **effective measures** to ensure the country's energy security and promote the transition to a more sustainable and renewable energy matrix; and
- the importance of **cooperation between the agencies responsible** for the Brazilian electricity sector, such as the Ministry of Mines and Energy (MME), the Brazilian Electricity Regulatory Agency (ANEEL) and the National Electric System Operator (ONS), to ensure an **efficient and integrated management** of the Brazilian electricity system.



2021

Petrobras Divestments (TC 016.559/2021-5)

Petrobras' divestments were analyzed within the scope of a representation made by the technical area, in which they identified problems in the methodology adopted by the state-owned company, due to:

- **non-compliance with the legal system in force**, with the use of a decree as an instrument to innovate in bidding matters; and
- **lack of transparency was the main issues raised**, such as the choice of the Financial Advisor without consulting the market and the possibility of arbitrary restriction of the number of participants.

At that time Petrobras had a large debt incurred in recent years and, from the divestment of its assets, sought to reduce its indebtedness. However, it was found that the methodology used by the company had **irregularities**.

In view of this, the TCU recommended that Petrobras **reformulated its divestment methodology**, seeking conformity with the constitutional principles of Public Administration and with the applicable legislation. In addition, it proposed the suspension of the signing of new contracts for the sale of companies and assets until the issues were resolved.

Petrobras then **updated** its divestment system, **adapting it** to the notes made. The company **provides** the TCU with its updated control spreadsheet for divestments on a **monthly** basis and, according to the evolution of the projects, **all** the supporting documentation for the decisions made. Based on this information, the TCU monitors the company's asset divestments and, if it finds any risk, requests

additional clarification, which may result in a specific inspection of the identified asset.

Among the assets divested by Petrobras that have already been the target of detailed study by the technical area, several divestments directly affect the context of the transition that seeks a more sustainable, low-carbon energy matrix:

- thermoelectric units: Petrobras allows other companies to take over the management of these plants and **to implement cleaner and renewable technologies** to generate energy;
- natural gas distribution companies and natural gas transportation companies: it contributes to **market diversification** and encourages the **expansion of infrastructure that enables the use of cleaner energy sources**, such as renewable natural gas;
- hydrogenated fertilizer units: encourages the **development of more sustainable technologies** in fertilizer production, reducing the environmental impact of this industry; and
- stakes in power generation companies and oil and gas production assets: it allows the **entry of new players and investments in the sector**, driving the **growth of renewable sources** and the development of **more efficient and less polluting oil and gas extraction technologies**.

Although the focus of the divestment process is to reduce the Company's debt, Petrobras' divestments have the potential **to contribute to the diversification of the energy matrix**, encouraging the adoption of renewable sources and cleaner technologies, and potentially promote the emergence of a more competitive and innovative market.

Given this scenario, should Petrobras proceed with the divestments, it is important that the TCU continues to monitor them, ensuring that they are conducted transparently, in compliance with the law and in a way that is advantageous to the Company, inducing, where possible, as a side effect of such divestments, the search for more sustainable energy solutions that are aligned with the objectives of global energy transition.



2022

Modernization of the Brazilian electricity sector (TC 003.336/2022-0)

The TCU analyzed the government actions for the **modernization of the Brazilian electricity sector**, pointing out some challenges and the importance of energy transition for the future of the Brazilian electricity matrix.

According to the study, the federal government's program of actions for the Modernization of the Power Sector is **timid in relation to the challenges of energy transition**: only **one** of the actions contemplated in the program is related to the theme: the "Study of a plan for the valorization of environmental benefits related to low carbon emission energy sources".

Among the **challenges** that need to be faced in order to modernize the electricity sector is, for example, the case of **planning and operation**. It can be observed that for a long-time energy was contracted without concern for the supply of power and the hourly profile of demand. Besides this, the Free Contracting Environment (ACL) was expanded based on subsidies and exemptions, and the cost of adequacy and reliability was allocated mainly in the Regulated Contracting Environment (ACR).

The inspection concluded that it is essential that concrete **measures be adopted** to promote the modernization of the electricity sector and ensure a **sustainable** future. This includes investments in **renewable sources**, as well as the implementation of public policies that encourage **energy efficiency**.

Among the warnings derived from the work are the statement that it is necessary that **the government and the companies in the electric sector work together** to guarantee a sustainable future.

Green Hydrogen

An initial study was also carried out to gather information about the **green hydrogen market and its possible impacts on the electric energy sector**,

mapping related themes that could be subject to control actions by the Court. The hydrogen economy is seen as part of a new paradigm, replacing non-renewable sources, mainly oil and its derivatives.

One of the main conclusions is that the energy transition to a hydrogen-based economy **will take decades**, because there are **economic, institutional, and technical barriers** to be overcome.

The study also concluded that this transition will not be easy, will require **significant investments in infrastructure and technology**, as well as **overcoming regulatory and institutional barriers** to enable the **production and distribution of green hydrogen**.





2022

Electroenergetic Operation Planning of the Electricity Sector (TC 003.585/2022-0)

The water crisis of 2021 brought to light the importance of energy transition in Brazil. With the country's dependence on hydroelectric plants, the lack of rainfall directly affected the supply of electricity in several regions. In this context, the TCU carried out an Operational Audit on the **Electroenergetic Operation Planning of the Electricity Sector**, which brought important reflections on the need for **changes** in the Brazilian energy **matrix**.

The work reinforced the fact that the energy transition is one of the great current challenges of the Brazilian electricity sector.

- **combating deforestation and wildfire;**
- **technologies** to minimize greenhouse gas (GHG) emissions, including by **replacing fossil fuels with other clean sources;** and
- **changes in cultural and consumption habits**, given the high energy dependence of Brazilian society.

The report identified:

- **the lack of technical solutions** for the challenges expected with the energy transition and climate change; and
- several **uncertain issues** as to their impact on the sector, but with potentially profound consequences, that deserve due attention for operation planning when looking at the **short, medium and long term**.

The paper also ranked them among the issues that can bring major changes in the operational dynamics of the power sector:

- **climate change;**
- **conflicts over the multiple use of water;** and
- **distributed electricity generation.**

There are still no consolidated technical solutions to deal with all these challenges, which **can affect security of supply** and **increase electricity costs**.

Finally, recommendations were made **to improve the decision-making process** regarding generation outside the merit order (GFOM), which can contribute to a fairer and more sustainable energy transition in Brazil.



2022

Risks of fuel shortages
(TC 011.221/2022-4)

The TCU monitored government actions in the oil and natural gas sector aimed at mitigating the **risks of fuel shortages**, especially diesel oil, due to geopolitical issues, such as the conflict between Russia and Ukraine. The objective was to analyze the **measures adopted by the government to manage this risk and its contribution to the energy transition in the country**.

The outlook for fuel supply and demand plays a fundamental role in the transition to a cleaner energy matrix. However, it is crucial to guarantee the national fuel supply without compromising the energy policy objectives.

Throughout the follow-up, the following were examined:

- the measures taken by the government to mitigate the risks of shortages,
- public policies aimed at the growing demand for better quality diesel, such as *S10*; and
- the alternatives to diesel, such as green biodiesel and co-processed biodiesel, in the context of energy transition.

The work highlighted:

- the importance of guaranteeing the supply of diesel amidst geopolitical uncertainties and the challenges of energy transition;
- the need for governmental actions **to increase the supply of complementary fuels to diesel**, in addition to measures **to increase the energy efficiency of heavy vehicles**; and
- the relevance of closely following governmental actions, such as the creation of **contingency plans for supply shortage risks** and **public policies to meet the growing demand for better quality diesel**.

By compiling relevant information about the diesel fuel sector, the TCU contributes to a better understanding of the importance of this derivative for the Brazilian economy and the challenges faced in the energy transition.

The contribution of this work to the energy transition lies in the careful analysis of government actions related to the oil and natural gas sector. The report points out **ways to guarantee the national supply of derivatives**, while seeking **to reduce dependence on fossil fuels**. This analysis is essential to guide future inspections and to monitor the results achieved with the policies in progress.



2022

Petrobras' investment strategies in the Energy Transition (TC 010.232/2022-2)

An audit is in progress to assess **Petrobras' strategic positioning in relation to the transition scenarios** and to verify **the transparency of the investment strategies** chosen.

The main aspects of analysis are:

- the **rationale for the studies that support Petrobras' investment strategy in relation to the energy transition**. The contribution of this work is to **provide subsidies for a possible reassessment of the company's medium- and long-term strategy**, in order to adapt to the challenges and opportunities of the energy transition; and
- the **integration between Petrobras' strategic positioning and the National Energy Policy planning**, conducted by the National Energy Policy Council and by the Ministry of Mines and Energy.

This work aims to ensure that Petrobras is aligned with the goals and guidelines of the energy transition, contributing to the sector's sustainability and to meet the international commitments made by Brazil.



2022

Energy Efficiency (TC 012.738/2022-0)

The TCU is executing an audit of Operational nature whose objective is to assess the **public policies** and **programs** aimed at **energy efficiency** in the electricity sector, including aspects related to **governance** and the **scope** and **effectiveness** of actions.

The increase in energy efficiency, together with the decrease in the participation of fossil sources in their matrixes, is one of the main pillars of the energy transition.

4. **NEXT STEPS**

Given the challenges and opportunities of the energy transition, the TCU reaffirms its **commitment to contribute to the effectiveness of public policies and the achievement of the Sustainable Development Goals** related to the theme.

In this sense, the Brazilian Court of Audit (TCU) is preparing to conduct an important operational audit on the **public policies for energy transition in Brazil**.

In order to contribute to the improvement of the energy transition process in the country, the audit will assess:

- established **governance**;
- **consistency of Brazil's positioning in the global energy transition movement**;
- the **level of maturity of these policies**;
- the **coherence among the different governmental interventions**;
- and
- the legal, infra-legal, regulatory framework and other related actions related to the energy transition, seeking to understand the effectiveness of the measures adopted.

It is expected that the audit may induce the **application of best practices** in the cycle of public policies related to the energy transition, promoting the improvement of the formulation, implementation and assessment process. In addition, it seeks to contribute to the **governance consistency** and to a **coordinated environment** among the various institutions involved in the energy transition.



The expected benefits include:

- the **reduction of greenhouse gas emissions**;
- a **socially fairer energy transition**; and
- the construction of a sense of **taking advantage of economic opportunities** and
- the **fulfillment of the international climate commitments** assumed by Brazil.

Through this audit, the TCU reinforces its commitment to promote efficiency, effectiveness and sustainability of government actions in the energy sector. With impartial and independent work, the Court seeks to contribute to a more sustainable and resilient future for Brazil, aligned with the global challenges of energy transition.

CONTENT RESPONSIBILITY

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