Press release
22 October 2026

Neoenergia and EIB sign BRL 857 million green loan, guaranteed by Cesce, to modernise electricity grids in Brazil

- *The green loan is the second agreement between Neoenergia and the EIB in less than a year and will support Neoenergia Elektro's programme to expand and modernise electricity distribution grids in São Paulo and Mato Grosso do Sul*
- *The investment will increase the grid's reliability, capacity and climate resilience, while enabling new connections for households and renewable energy producers*

Neoenergia, a company of the Spanish Iberdrola Group, and the European Investment Bank (EIB), through EIB Global, have signed an R$857 million financing agreement to expand and modernise the electricity distribution grid operated by Neoenergia Elektro in the states of São Paulo and Mato Grosso do Sul. The EIB loan is guaranteed by Cesce, the Spanish export credit agency.

The programme will finance the refurbishment and modernisation of distribution lines, substations, control and protection systems, grid automation and measures to reduce technical losses. The investments will enhance the grid's reliability and resilience, expand and modernise its capacity and facilitate the connection of new users, including low-income households and renewable energy generators.

"We are celebrating a significant step forward in our record investment plan for Neoenergia Elektro by accelerating the modernisation and improvement of the distribution grid. As the electrification of the economy requires modern, digital and resilient electricity grids, this financing reinforces Neoenergia's commitment to preparing the grid for new energy demands while keeping customers at the heart of our operations. Our priority is to provide an increasingly reliable, efficient and high-quality service," said **Eduardo Capelastegui, CEO of Neoenergia**.

"Modern and resilient electricity grids are essential for the green transition and for ensuring reliable access to energy. This financing will help improve the quality of electricity supply for communities and businesses in São Paulo and Mato Grosso do Sul, while enabling the connection of renewable energy sources and supporting Brazil's long-term climate goals. The operation also reflects the European Union's commitment, through Global Gateway, to sustainable infrastructure and stronger partnerships in Latin America," said **EIB Vice-President Ioannis Tsakiris.**

"Cesce is proud to support Neoenergia's investment projects in Brazil, which demonstrate the leadership of our companies. This project shows how long-term partnerships with institutions such as the European Investment Bank can channel sustainable investment into projects that benefit local communities, strengthen economic growth and promote renewable energy for the future," said **Pablo de Ramón-Laca, CEO of Cesce.**

"This investment is a strong example of how the European Union's Global Gateway strategy is turning our shared climate ambitions with Brazil into concrete action. By modernising electricity grids in São Paulo and Mato Grosso do Sul, the project will support a more reliable, resilient and inclusive energy system, facilitate the integration of renewable energy and deliver tangible benefits for people and businesses," concluded **Francisco André, European Union Ambassador to Brazil.**

Benefits for Neoenergia Elektro's concession area

Neoenergia Elektro serves more than 3 million customers across 223 municipalities in São Paulo and five municipalities in Mato Grosso do Sul. The company's grid investments aim to improve service quality, expand automation and make electricity distribution more efficient and resilient to extreme weather events.

The operation will contribute to Brazil's Ten-Year Energy Expansion Plan, which prioritises energy efficiency, grid modernisation and the integration of renewable energy. By increasing grid flexibility and reducing losses, the programme will help accommodate greater renewable energy generation and support a more reliable, efficient and inclusive electricity system.

The project is fully dedicated to climate action and supports the European Union's Global Gateway Investment Agenda for Latin America and the Caribbean. The initiative will promote infrastructure aligned with climate goals, contribute to sustainable and inclusive growth and strengthen the strategic partnership between the European Union and Brazil.

The EIB financing provides stable, long-term funding for capital-intensive grid investments. It will help Neoenergia Elektro implement a broader modernisation programme, reduce refinancing risk and mobilise complementary funding from commercial banks and capital markets. The investment programme is expected to increase women's participation in the energy sector, including in technical roles, professional training and leadership positions.

Second financing agreement between the parties

This is not the first financing agreement between the EIB and Neoenergia. In November 2025, during COP30, the parties signed a R$1.7 billion green financing agreement to modernise Bahia's electricity grid. Neoenergia Coelba, the state's electricity distributor, serves more than 6 million customers across 415 municipalities in Bahia.

The financing also supported the expansion of the electricity grid, the construction of new connections and investments in automation equipment. Granted on competitive commercial terms, the financing underwent a rigorous technical and environmental assessment process. The operation represented a strategic opportunity available only to a select group of Brazilian companies that meet the highest international standards.