# **Presidency of the Republic**

# **Civil House**

**Special Secretariat for Legal Affairs** 

### LAW NO. 14.993, OF OCTOBER 8, 2024

Provides for the promotion of sustainable low-carbon mobility and the capture and geological storage of carbon dioxide; establishes the National Program for Sustainable Aviation Fuel (ProBioQAV), the National Green Diesel Program (PNDV), and the National Program for Decarbonization of Natural Gas Producers and Importers and Incentives for Biomethane; amends Laws No. 9,478, of August 6, 1997, 9,847, of October 26, 1999, 8,723, of October 28, 1993, and 13,033, of September 24, 2014; and repeals provisions of Law No. 10,438, of April 26, 2002.

**THE PRESIDENT OF THE REPUBLIC** I hereby make known that the National Congress decrees and I sanction the following Law:

CHAPTER I

**GENERAL PROVISIONS** 

Art. 1 This Law:

- I institutes the National Program for Sustainable Aviation Fuel (ProBioQAV), the National Program for Green Diesel (PNDV), and the National Program for Decarbonization of Natural Gas Producers and Importers and Incentives for Biomethane;
- II changes the maximum and minimum limits for the content of anhydrous ethanol in gasoline C sold to end consumers, and the content of biodiesel in diesel sold to end consumers;
- III provides for the regulation and supervision of activities involving the capture and geological storage of carbon dioxide and the production and sale of synthetic fuels;
- IV integrates initiatives and measures adopted under the National Biofuel Policy (RenovaBio), the Green Mobility and Innovation Program (Mover Program), the Brazilian Vehicle Labeling Program (PBEV) and the Vehicle Emissions Control Program (Proconve).
  - Art. 2 For the purposes of this Law, the following are considered:
- I certifying agent of origin: an organization or company accredited by the National Petroleum, Natural Gas and Biofuels Agency (ANP) to certify the biomethane producer to be issued the Biomethane Guarantee of Origin Certificate (CGOB);
- II life cycle assessment: a comprehensive and internationally standardized methodology for quantifying all greenhouse gas (GHG) emissions and energy consumption of a product or service, incorporating all relevant resources consumed and the impacts generated up to the use of the product or service produced;
- III carbon dioxide capture: a physical-chemical or biological process for removing carbon dioxide from the atmosphere and stationary emission sources;
- IV Certificate of Guarantee of Biomethane Origin (CGOB): a traceability certificate based on the biomethane volume produced and marketed by the biofuel producer, issued by a certifying agent of origin accredited by the ANP, which attests to the characteristics of the production

process, and which must include at least the origin of the raw material for biomethane production and the location of production, in addition to other items set out in regulations;

- V life cycle: consecutive and chained stages of a product system used for mobility, from the production of the raw material or its generation from natural resources to its final disposal;
- VI well-to-burn cycle: life cycle that accounts for GHG emissions from the processes of resources cultivation and extraction, and the production of liquid or gaseous fuels or electricity, their distribution and use in aircraft;
- VII well-to-wheel cycle: life cycle that accounts for GHG emissions from the processes of resources cultivation and extraction, and the production of liquid or gaseous fuels or electricity, their distribution and use in light and heavy passenger and commercial vehicles;
- VIII cradle-to-grave cycle: a life cycle that takes into account the GHG emissions incorporated in the well-to-wheel cycle, plus those generated from the resources extraction and the auto parts manufacturing, in the assembly and disposalof light and heavy passenger and commercial vehicles:
- IX tank-to-wheel cycle: life cycle that accounts for energy consumption involved in the use of light and heavy vehicles within a standardized use cycle;
- X energy consumption: the ratio between the energy measured in the tank-to-wheel cycle expended to move a vehicle over a defined distance, expressed in megajoules per kilometer (MJ/km) for light vehicles or in megajoules per ton transported per kilometer (MJ/t.km) for heavy vehicles;
- XI CO<sub>2</sub> emissions and in the vehicular well-to-wheel cycle: the ratio between the amount of GHG measured in CO<sub>2</sub> and in the well-to-wheel cycle emitted by a vehicle when moving over a distance of 1 km (one kilometer), expressed in grams of carbon dioxide equivalent per kilometer (qCO<sub>2</sub> e/km):
- XII geological carbon dioxide storage: the process of injecting carbon dioxide into geological reservoirs;
- XIII carbon dioxide equivalent ( $CO_2$  e): GHG expressed on a carbon dioxide equivalent basis;
- XIV greenhouse gases (GHG): gaseous constituents, natural or anthropic, which absorb and re-emit infrared radiation into the atmosphere and contribute to an increase in the average global temperature;
- XV Energy Source Carbon Intensity (ESCI): the ratio between GHG emissions, based on life cycle assessment, computed in the production process of the fuel or energy source and its use, expressed in grams of carbon dioxide equivalent per megajoule (gCO<sub>2</sub>e/MJ);
- XVI air operator: a company that operates or proposes to operate aircraft to provide scheduled and non-scheduled air transport services;
- XVII carbon dioxide geological storage operator: a legal entity that carries out the activities of injecting carbon dioxide into a geological formation or removing it for reuse.
  - Art. 3 These are guidelines for promoting sustainable low-carbon mobility and ProBioQAV:
- I integration of public policies to increase the production efficiency of liquid or gaseous fuels or electricity and power generation devices such as combustion engines, electric motors, turbines and fuel cells;
  - II valuing the national potential for renewable and low-carbon energy sources;
- III use of capture and geological storage of carbon dioxide to reduce the average carbon intensity of energy sources;

- IV maintaining recognition of the country's leadership in the Energy Transition theme at the United Nations High-Level Dialogue on Energy;
- V compliance with the guidelines for a National Strategy for Climate Neutrality presented by the country at the United Nations Conference on Climate Change;
- VI alignment of the CO<sub>2</sub> and life cycle reduction targets applicable to transportation by light and heavy vehicles with the international commitments made by the country under the Paris Agreement under the United Nations Framework Convention on Climate Change; and
- VII strengthening national technological development, making economical use of available raw material, scientific knowledge, and its application.

#### CHAPTER II

# SUSTAINABLE LOW-CARBON MOBILITY

Art. 4 The initiatives and measures adopted within the scope of RenovaBio, the Mover Program, PBEV, and Proconve must be integrated in order to promote sustainable low-carbon mobility.

Sole paragraph. The integration between RenovaBio, the Mover Program, and PBEV will be carried out by adopting the life cycle analysis methodology to mitigate CO<sub>2</sub> equivalent emissions with better cost-benefit, using the concepts of:

- I wheel-well-cycle until December 31, 2031; and
- II cradle-to-grave cycle from January 1, 2032.
- Art. 5 The National Energy Policy Council (CNPE) will set the ESCI values and the share of liquid or gaseous fuels or electricity to determine compliance with the Mover Program targets.
- § Paragraph 1 The Ministry of Development, Industry, Trade, and Services will define the Mover Program's targets for energy consumption in MJ/km and CO<sub>2</sub> emissions and in the corporate life cycle in CO<sub>2</sub> e/km and will monitor compliance, based on the ESCI values, under the terms of this article's heading.
- § Paragraph 2 Vehicle manufacturers and importers cannot be held responsible for failing to meet their targets due to divergences between the average ESCI values and the share of liquid or gaseous fuels or electric energy, as mentioned in this article's *caput*, and those actually observed over the period for which the targets were set.
- § Paragraph 3 New types of fuel can only be considered after the applicable life cycle emissions have been certified for the purposes of calculating the Mover Program's targets.
- Art. 6 PBEV will disclose information to consumers on the GHG emissions of each vehicle based on the applicable life cycle analysis and on energy consumption based on the tank-to-wheel cycle, per vehicle.

Sole paragraph. The information discussed in this article's *caput* must use measurement units that make it easier for the consumer to understand.

### CHAPTER III

# THE NATIONAL SUSTAINABLE AVIATION FUEL PROGRAM (PROBIOQAV)

Art. 7 ProBioQAV aims to encourage research, production, marketing, and energy use in the Brazilian energy matrix of *Sustainable Aviation Fuel* (SAF), which is mentioned in item XXXI of the caput of art. 6 of Law No. 9,478, of August 6, 1997.

Art. 8 The ANP will establish the values of the total equivalent emissions per unit of energy computed in the cycle from the well to the burning of each technological route of SAF production to account for decarbonization in relation to fossil aviation kerosene.

Sole Paragraph. In addition to the provisions of RenovaBio, the ANP must observe the following guidelines when preparing the well-to-fire cycle analysis:

- I recognition of the importance of utilizing SAF produced and used in the country for the fulfillment of international decarbonization commitments by air operators; and
- II seeking methodological alignment with the International Civil Aviation Organization in relation to eligibility and certification requirements for the SAF.
- Art. 9 The marketing, logistics and energy use of SAF in the country will be governed by the following guidelines:
  - I logistical optimization in the SAF distribution and use; and
  - II seeking the adoption of market-based mechanisms.
- Art. 10: Air operators are obliged to reduce GHG emissions in their domestic operations through the SAF use, according to the following minimum reduction percentages:

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I - 1% (one percent), as of January 1, 2027;II - 2% (two percent), as of January 1, 2029;III - 3% (three percent), as of January 1, 2030;IV - 4% (four percent), as of January 1, 2031;
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V - 5% (five percent), as of January 1, 2032;

VI - 6% (six percent), as of January 1, 2033;

VII - 7% (seven percent), as of January 1, 2034;

VIII - 8% (eight percent), as of January 1, 2035;

IX - 9% (nine percent), as of January 1, 2036;

X - 10% (ten percent), as of January 1, 2037.

- § Paragraph 1 The calculation basis on which the emission reduction obligations referred to in the *caput of* this article will be computed will be given by the volume of emissions resulting from domestic operations carried out by the airline in the corresponding year, assuming that all operations used fossil fuels.
- § Paragraph 2 Alternative means of meeting the target we are discussing in this article's caput may be allowed under the regulation's terms.
- § Paragraph 3 CNPE may change the percentages mentioned in this article's caput at any time for justified reasons of public interest, and once the conditions that motivated the change have normalized, these percentages will be re-established.
- § Paragraph 4 The public interest referred to in paragraph 3 of this article shall be monitored through a methodology, periodicity and publicity established by the CNPE, observing the environmental effectiveness and economic efficiency of ProBioQAV.
- § Paragraph 5 The National Civil Aviation Agency (ANAC), in exercising the powers provided for in <u>item X of the caput of Article 8 of Law No. 11,182 of September 27, 2005,</u> shall be responsible for:

- I establish the calculation methodology for verifying the reduction of emissions associated with the SAF use and other alternative means referred to in § 2 of this article; and
  - II to monitor compliance by air operators with the obligations set out in this article.
- § Paragraph 6 Anac may exempt air operators from complying with the obligation set out in this article's head:
  - I with annual emissions lower than those defined in Anac regulations;
  - II without access to SAF at any of the airports at which they operate.
- § Paragraph 7 The provisions of this article do not prejudice or cumulate with sectoral agreements or specific regulations that provide for other GHG emission reduction targets.
- Art. 11 In case of the imposition by other countries or foreign states' groups about obligations relating to the SAF use on national air operators, the obligation mentioned in article 10 of this Law, or an obligation similar to the one imposed by those countries, may be extended to flights of international air operators passing through national territory, based on the principle of reciprocity, upon determination by the CNPE and subsequent regulation by Anac.

Sole Paragraph. The provisions of this article's *caput* shall not apply to cases in which obligations and other measures relating to the SAF use are adopted as part of the implementation of norms, standards, or agreements established within the multilateral civil aviation regime framework.

#### **CHAPTER IV**

## THE NATIONAL GREEN DIESEL PROGRAM (PNDV)

- Art. 12 The National Green Diesel Program (PNDV) aims to encourage research, production, marketing and energy use of green diesel, established in ANP regulations, in the Brazilian energy matrix.
- Art. 13 The CNPE will establish, each year, the minimum mandatory volumetric participation of green diesel, produced from raw materials derived exclusively from renewable biomass, in relation to diesel sold to the final consumer, in aggregate form in the national territory.
- § Paragraph 1 The mandatory minimum volumetric share of green diesel in relation to diesel sold to the end consumer may not exceed the limit of 3% (three percent), voluntary addition of green diesel above this limit being permitted, and the interested party must notify the ANP of its use.
- § Paragraph 2 In order to define the minimum mandatory volume share of green diesel, the CNPE shall observe:
- I the supply conditions for green diesel, including the availability of raw materials, production capacity and location;
- II the impact of the mandatory minimum volumetric participation on the price to the end consumer; and
  - III the competitiveness of domestically produced green diesel on international markets.
- § Paragraph 3 The ANP shall be responsible for defining the mandatory percentage of green diesel added, in volume, to the diesel sold to the end consumer to guarantee the minimum mandatory participation in aggregate format.
- § Paragraph 4. When defining the percentage of mandatory addition of green diesel, in volume, to diesel oil sold to final consumers, the ANP must observe the following guidelines:
  - I logistical optimization in the distribution and use of green diesel; and

- II seeking the adoption of market-based mechanisms.
- § Paragraph 5 Distributors must be duly registered and authorized by the ANP, and only those who meet the requirements established by the ANP may blend green diesel with diesel oil, ensuring the legality and quality of the fuel sold to the end consumer.

#### CHAPTER V

# NATIONAL DECARBONIZATION PROGRAM FOR NATURAL GAS PRODUCERS AND IMPORTERS AND INCENTIVES FOR BIOMETHANE

- Art. 14 The National Program for Decarbonization of Natural Gas Producers and Importers and Incentives for Biomethane aims to decarbonize the natural gas sector by encouraging research, production, marketing, and the use of biomethane and biogas in the Brazilian energy matrix.
- Art. 15. The guidelines of the National Program for Decarbonizing Natural Gas Producers and Importers and for Encouraging Biomethane are:
- I recognition of the importance of using biomethane and biogas produced and used in the country to meet international decarbonization commitments;
- II recognition of the life cycle assessment methodology as the most accurate for measuring the reduction of GHG emissions and the environmental benefits of each technological route, quantifying the associated environmental impact from the production of its inputs to its disposal and recycling or reuse, where applicable.
- Art. 16. The objectives of the National Program to Decarbonize Natural Gas Producers and Importers and to Encourage Biomethane are:
- I stimulate the production and consumption of biomethane and biogas through projects related to the biomethane and biogas production chain;
- II to encourage the manufacture, sale, purchase, and use of heavy vehicles, agricultural machinery, and other methane-powered vehicles, as well as the conversion of vehicles powered by other fuels to methane and the replacement of diesel engines used in vehicles with new methane-powered engines approved by certifying bodies;
- III to promote infrastructure projects that allow biomethane production plants to be connected to natural gas distribution and transportation networks, provided they are economically viable.
- Art. 17 The CNPE shall set an annual target for reducing GHG emissions in the natural gas market traded, self-produced or self-imported by natural gas producers and importers, to be met through the participation of biomethane in natural gas consumption under the regulation terms.
- § Paragraph 1 The obligation mentioned in this article's *caput* shall come into force on January 1, 2026, with an initial value of 1% (one percent) and may not exceed 10% (ten percent) reduction in emissions.
- § Paragraph 2 CNPE may, exceptionally, change the annual percentage reduction in GHG emissions, including to a value lower than 1% (one percent), for justified reasons of public interest or when the volume of biomethane production makes it impossible or excessively burdens compliance with the target, and must re-establish this value after normalization of the conditions that motivated its change.
- § Paragraph 3 The obligation discussed in this article's *caput* shall be evidenced by the purchase or use of biomethane in the calendar year, or by the annual registration of the acquisition of CGOB, in line with the guidelines established by the CNPE.

- § Paragraph 4. In determining the compulsory annual target for reducing GHG emissions in the natural gas market, the CNPE must carry out a regulatory impact analysis, as provided for in <u>Law No. 13,874</u>, of <u>September 20, 2019</u>, observing:
  - I the current or future availability of biomethane, biogas, and CGOB;
- II the capacity of the biomethane production and handling infrastructures and facilities required over time;
  - III GHG emissions resulting from the biomethane transportation and distribution;
- IV the benefits of decarbonization from biomethane and other alternative sources to reduce GHG emissions:
  - V preserving the competitiveness of biomethane and natural gas compared to other fuels;
  - VI the consumer interests' protection concerning to products' price, quality, and supply;
- VII the price's impact of natural gas and biomethane on the national industry competitiveness;
  - VIII the evolution of natural gas, biogas and biomethane national consumption;
- IX the international commitments to reduce GHG emissions made by Brazil and the sectoral actions within the scope of these commitments;
- X the integration and compatibility of the National Natural Gas Producer and Importer Decarbonization and Biomethane Incentive Program with other policies and initiatives aimed at reducing GHG emissions, especially with the National Climate Change Policy (PNMC), which is discussed in <a href="Law No. 12.187">Law No. 12.187</a>, of <a href="December 29">December 29</a>, <a href="2009">2009</a>, and the Brazilian Emissions Reduction Market (MBRE), or any other that may replace it.
- § Paragraph 5. The CGOB acquired under the terms of this article may be freely marketed until retirement but may only be used once to meet the target discussed in this article's caput.
- § Paragraph 6. The CGOB retirement is optional for producers and importers of natural gas. It may be carried out by any agent interested in incorporating the environmental attribute into their product or process.
- § Paragraph 7. To define the target referred to in this article's caput, the ten-year average natural gas supply from domestic production and imports shall be considered.
  - Art. 18: The ANP, in exercising its powers, shall be responsible for:
- I establish the calculation methodology for verifying the reduction of emissions associated with the biomethane use;
- II to define the obligated agents based on the total volume of natural gas traded to guarantee that the reduction of GHG occurs with the best cost-effectiveness;
- III to supervise compliance by producers or importers of natural gas with the obligations set out in Article 17 of this Law.
- Sole Paragraph. When exercising the powers provided for in item II of this article's caput, small producers and small importers of natural gas shall be excluded from the obligation under the terms of ANP regulations.
- Art. 19 The CGOB will be granted to the biomethane producer or importer that individually meets the parameters defined in the regulation.
- Sole paragraph. The biomethane volume used for burning in flares or ventilation will not be eligible for the CGOB.

- Art. 20 The CGOB's regulations must guarantee traceability, transparency, credibility and fungibility with other certificates, where appropriate, ensuring that the environmental attribute is not double-counted.
- Art. 21 The regulations shall provide for the issuance, maturity, intermediation, custody, bookkeeping, trading, retirement, and other aspects of the CGOB.
- Art. 22 The CGOB, when traded on the capital market, is a security subject to the regime established in Law No. 6385, of December 7, 1976.
- Art. 23 Gains arising from the sale of CGOBs shall be subject to income tax following the applicable rules:
- I to the regime in which the taxpayer falls under, in the case of persons who initially issued such assets;
- II net gains, when earned on transactions carried out on stock, commodities and futures exchanges and organized over-the-counter markets; and
  - III capital gains, in other situations.
- § Paragraph 1. Administrative or financial expenses necessary for the issuance, bookkeeping, registration, and negotiation of the CGOB may be deducted from the basis for calculating Corporate Income Tax (IRPJ) based on actual profit.
- § Paragraph 2. In the case of a legal entity with taxable income, the gain discussed in item III of this article's *caput* will be computed in the IRPJ calculation base.
- § Paragraph 3. In the case of a legal entity with a presumed profit or arbitrated profit calculation falling under item III of the *caput of* this article, the capital gain shall be computed in the IRPJ calculation base in the manner outlined in item II of the *caput of* article 25, item II of the *caput of* article 27 or item II of the caput of article 29 of Law No. 9430, of December 27, 1996.
- § Paragraph 4 The provisions of this article apply to the Social Contribution on Net Profits (CSLL) in the case of legal entities calculated on actual, presumed or arbitrated profits.

# Art. 24 (VETOED).

Art. 25. Failure to meet the annual GHG reduction target referred to in the main body of article 17 of this Law shall subject the agent producing or importing natural gas to a fine greater than the benefit gained from non-compliance, without prejudice to the other administrative and pecuniary sanctions provided for in <u>Law no. 9847</u>, of <u>October 26</u>, 1999, and other applicable civil and criminal sanctions.

Sole paragraph. The fine referred to in this article's caput may vary, under the regulation terms, between R\$ 100,000.00 (one hundred thousand reais) and R\$ 50,000,000.00 (fifty million reais).

# CHAPTER VI

# THE ACTIVITIES OF THE CARBON DIOXIDE CAPTURE AND GEOLOGICAL STORAGE INDUSTRY

- Art. 26 Carbon dioxide capture activities for geological storage purposes, its transport through pipelines and geological storage will be carried out with authorization from the ANP.
- § Paragraph 1. Companies or consortia of companies incorporated under Brazilian law, with headquarters and administration in the country, may apply for authorization to carry out the activities discussed in the *context of* this article. These activities will take place at the interested party's own risk.

- § Paragraph 2. The ANP shall issue rules on the qualification of interested parties to carry out the activities discussed in this article's caput, the conditions for authorization, and the eventual transfer of ownership of the authorization.
- § Paragraph 3. The authorization discussed in the *caput of* this article will have a term of 30 (thirty) years, extendable for an equal period in the event of compliance with the conditions established in the agreement between the parties. The Executive may change this term due to relevant public interest.
- § Paragraph 4. The activity of injecting and storing carbon dioxide for advanced recovery of hydrocarbons from a geological reservoir under a contract for the exploration and production of hydrocarbons under concession, production sharing, and onerous assignment regimes is not subject to the provisions of the *caput* of this article.
- § Paragraph 5. In the event that it is impossible to simultaneously develop the storage discussed in the *caput of* this article in a storage block and the hydrocarbon exploration, production, and mining activities that are the subject of a contract or authorization signed previously, priority use will be decided by the Minister of State for Mines and Energy after hearing the interested parties.
- § Paragraph 6. The authorization process for the capture stage discussed in Paragraph 1 of this article must ensure that, once all the elements necessary for the instruction have been submitted, the applicant is informed of the maximum period for analysis and deliberation under the terms of <a href="https://linear.com/item-ix-of-the-caput-of-Article-3-of-Law No. 13,874">item-ix-of-the-caput-of-Article-3-of-Law No. 13,874</a>, of <a href="https://september.20">September 20</a>, <a href="https://september.20">2019</a>.
- Art. 27: The execution of carbon dioxide capture activities for geological stockpiling and its stockpiling must comply with the following guidelines:
  - I economic efficiency and sustainability:
- II adoption of methods, techniques, and processes that consider local and regional peculiarities and best industry practices; and
- III integration of infrastructures, services, and geological and geophysical information for efficient management of the natural resources involved in the activity's development.
- Art. 28 -The ANP is responsible for regulating carbon dioxide capture activities for geological storage purposes, including transportation through pipelines and geological storage.
- § Paragraph 1. In the case of areas under contract, the ANP shall hear the holder of exploration and production rights before granting the authorization referred to in the *caput of* Article 26 of this Law.
- § Paragraph 2. Failure to comply with the rules established by the ANP shall subject the offenders to the revocation of the authorization referred to in the *caput of* Article 26 of this Law, without prejudice to other applicable sanctions under the regulations terms.
- § Paragraph 3. The ANP will give interested parties access to public technical data on Brazilian sedimentary basins for analysis, studies, and identification of areas with potential for geological storage of carbon dioxide.
  - Art. 29: The obligations of the carbon dioxide geological storage operator are:
- I ensure that the storage of carbon dioxide takes place safely and effectively, following all the parameters defined in the monitoring plan and contingency plan or the environmental license relevant to the storage operations;
- II identify, alert and take appropriate action in the case of undesirable events, including any signs of potential leakage, to initiate preventive and corrective measures;
- III keep any tools and equipment capable of identifying and preventing undesirable events calibrated, gauged, and in working order;

- IV keep in a database, for a period determined by the ANP, records duly validated by a competent professional of all reports issued in connection with the operation of permanent storage of carbon dioxide, including the monitoring plan and the contingency plan components;
- V carry out an inventory of carbon dioxide storage and leakage, comparing the quantities of storage and leakage planned and carried out to:
  - a) to assess the effectiveness of the approved project;
  - b) guaranteeing compliance with the obligations laid down; and
- c) obtain carbon credit certification, if international agreements and national legislation so allow;
- VI to monitor the activities discussed in the *caput of* Article 26 of this Law, in accordance with the regulations' provisions;
- VII allow and support audits and inspections of its research facilities, injection facilities, and activities, as well as essential infrastructure for activities, monitoring records, or other documents requested.

Sole Paragraph. The carbon credit certificate discussed in subparagraph *c* of item V of the *caput* of this article may be the subject of a long-term contract following regulations.

### **CHAPTER VII**

#### FINAL AND TRANSITIONAL PROVISIONS

Art. 30 <u>Law No. 9.478</u>, of <u>August 6, 1997</u>, shall come into force with the following changes, the sole paragraph of art. 7 being numbered as § 1:

" <i>P</i>	Art. 1
	VIII - mitigate emissions of greenhouse gases and pollutants in the energy and transport including through the use of biofuels and the capture and geological storage of carbon
	" (NR)
" <i>P</i>	Art. 2
	/- establish guidelines and targets, where applicable, for specific programs, such as those use of natural gas, coal, thermonuclear energy, biofuels, solar energy, wind energy,

biogas, biomethane, and energy from other alternative sources;

XII - to establish the technical and economic parameters of the bids for electricity generation, transmission and distribution concessions discussed in Article 8 of Law No. 12.783, of January 11, 2013;

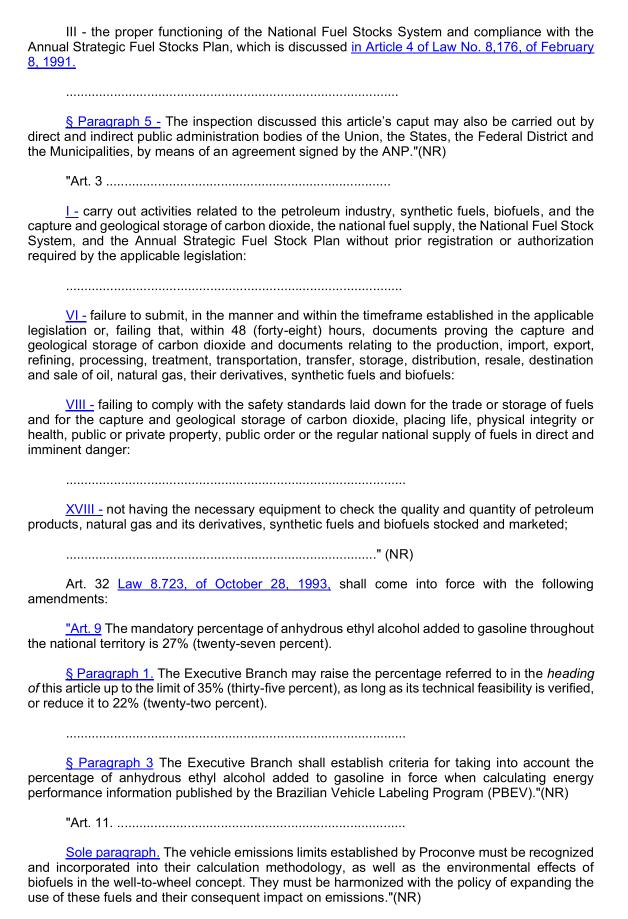
XIII - to define the strategy and policy for the technological development of the electricity sector;

 $\underline{\text{XIV}}$  - establish guidelines for the supply of natural gas in situations characterized as contingencies under the terms established by law;

XV - to establish guidelines for the regulation and supervision of the capture and geological storage of carbon dioxide; and;
XVI - (VETOED).
§ Paragraph 2-A To meet the objectives referred to in items III, IV, and XVIII of the <i>caput of</i> Article 1 of this article, the CNPE may extend the application of the traceability system referred to in Paragraph 3 of Article 1 of Law No. 13.033, of September 24, 2014, to the other energy sources discussed in this Law.
" (NR)
"Art. 6
XXIV - Biofuel: substance derived from renewable biomass, such as biodiesel, ethanol, biomethane, and other substances established in ANP regulations, which can be used directly or through alterations in internal combustion engines or for other types of energy generation and can partially or totally replace fossil fuels;
XXX - Ethanol: liquid biofuel derived from renewable biomass, whose main component is ethyl alcohol, which can be used, directly or through alterations, in internal combustion engines with spark ignition, in other forms of energy generation, or in the petrochemical industry, and can be obtained through different technological routes, as specified in regulations;
XXXI - Sustainable Aviation Fuel (SAF): alternative fuel to aviation fuel of fossil origin, produced from any raw materials and processes that meet sustainability standards, as defined by the International Civil Aviation Organization (ICAO), which can be used pure or in a mixture with the fuel of fossil origin, according to the technical specifications of the applicable standards, and which promotes environmental benefits when considering its complete life cycle;
XXXII - Biogas: raw gas whose composition contains methane obtained from renewable raw materials or organic waste;
XXXIII - Biomethane: gaseous biofuel consisting essentially of methane, derived from the purification of biogas;
XXXIV - Synthetic Fuel: fuel synthesized using technological routes such as thermochemical and catalytic processes and which can partially or totally replace fossil fuels;
XXXV - Uncontracted Area: an area that is not the subject of a concession contract, onerous transfer contract, or production sharing contract; and
XXXVI - Area under Contract: block or field subject to a concession contract, onerous assignment contract, or production sharing contract."(NR)
"Art. 7
§ Paragraph 1. The ANP has its headquarters and jurisdiction in the Federal District and central offices in the city of Rio de Janeiro. It may also establish regional administrative units.
§ Paragraph 2. The ANP will also act as a regulatory body for the synthetic fuels industry and for carbon dioxide capture and geological storage."(NR)

<u>"Art. 8</u> The purpose of the ANP is to promote the regulation, contracting, and inspection of economic activities that are part of the oil, natural gas, synthetic fuels, biofuels and carbon dioxide capture and geological storage industry:

<u>I</u> — to implement, within its sphere of competence, the national policy on oil, natural gas, fuels, and biofuels, contained in the national energy policy under the terms of Chapter I of this Law, with emphasis on guaranteeing the supply of oil derivatives, natural gas and its derivatives, synthetic fuels, and biofuels, throughout the national territory, and on protecting the interests of consumers concerning the price, quality, and supply of products;
VII - to supervise directly and concurrently, under the terms of <u>Law No. 8.078</u> , of <u>September 11, 1990</u> (Consumer Protection Code), or through agreements with state and Federal District bodies, the activities of the oil, natural gas, synthetic fuels, biofuels and carbon dioxide capture and geological storage industry and to apply the administrative and pecuniary sanctions provided for by law, regulation or contract;
<u>IX -</u> to enforce good practices for the conservation and rational use of oil, natural gas, their derivatives, synthetic fuels, and biofuels and for the environment preservation;
XI — to organize and maintain the information and technical data collection relating to regulated activities in the oil, natural gas, synthetic fuels, biofuels and carbon dioxide capture and geological storage industries;
XVIII - to specify the quality of oil derivatives, natural gas and its derivatives, synthetic fuels and biofuels;
<u>XXXV</u> – to establish basic principles for drawing up codes of conduct and practices for access to Liquefied Natural Gas (LNG) terminals and natural gas flow, treatment and processing infrastructures; and
XXXVI - (VETOED);
" (NR)
<u>"Art. 61-A.</u> Petrobras is hereby authorized to include energy-related activities in its corporate purpose, and activities related to the movement and storage of carbon dioxide, the energy transition, and the low-carbon economy."
Art. 31 Law No. 9847, of October 26, 1999, shall come into force with the following changes:
"Art. 1 The National Agency for Petroleum, Natural Gas and Biofuels (ANP) will carry out inspections:
I - industrial activities:
a) oil, natural gas, and their derivatives;
b) synthetic fuels;
c) biofuels; and
d) the capture and geological storage of carbon dioxide;
II - the national fuel supply; and



Art. 33 - Arts. 1 and 1C of Law 13.033, of September 24, 2014, shall come into force with the following changes, the sole paragraph of article 1 being numbered as § 1:

- <u>"Art. 1</u> The following targets are established for the mandatory addition, in volume, of biodiesel produced through processes exclusively dedicated to this purpose to diesel oil sold to the final consumer, in any part of the national territory:
  - I 15% (fifteen percent), as of March 1, 2025;
  - II 16% (sixteen percent), as of March 1, 2026;
  - III 17% (seventeen percent), as of March 1, 2027;
  - IV 18% (eighteen percent), as of March 1, 2028;
  - V 19% (nineteen percent), as of March 1, 2029;
  - VI 20% (twenty percent), as of March 1, 2030.
- § Paragraph 1 The National Energy Policy Council (CNPE) will assess the feasibility of the targets discussed in the *caput of* this article and will set the mandatory percentage of biodiesel added, by volume, to diesel oil sold throughout the national territory between the limits of 13% (thirteen percent) and 25% (twenty-five percent).
- § Paragraph 2. A mandatory percentage of biodiesel addition higher than 15% (fifteen percent) may be established, provided its technical feasibility is verified.
- § Paragraph 3. Establishes a traceability system for diesel fuels, recording all transactions in the production chain to ensure the quality of these fuels, following regulations."(NR)
- "Art. 1°-C The voluntary addition of biodiesel to diesel oil over the mandatory percentage and the voluntary use of the mixture in public transport, rail transport, inland and maritime navigation, in captive fleets, in equipment and vehicles for mineral extraction and the generation of electricity, in tractors and other self-propelled devices designed to pull or drag agricultural machinery or to carry out agricultural work are allowed, and the interested party must notify the National Petroleum, Natural Gas and Biofuels Agency (ANP) of their use."(NR)
- Art. 34: The Executive Branch may establish mechanisms to encourage the participation of raw materials produced by family farmers in producing the biofuels discussed in this Law.
  - Art. 35 is hereby repealed:
  - I articles 1-A and 1-B of Law 13.033, of September 24, 2014; and
  - II art. 26 of Law no. 10.438, of April 26, 2002.
  - Art. 36 This Law shall enter into force on the date of its publication.

Brasilia, October 8, 2024; 203rd of Independence and 136th of the Republic.

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