

MARKET ANNOUNCEMENT

CENTRAIS ELÉTRICAS BRASILEIRAS S/A

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PUBLIC COMPANY

Centrais Elétricas Brasileiras S/A ("Company" or "Eletrobras") (B3: ELET3, ELET5 & ELET6; NYSE: EBR & EBR.B; LATIBEX: XELT.O & XELT.B) hereby informs its shareholders and the market in general, that the Executive Board of the National Electric Energy Agency - Aneel, in its 47th Ordinary Public Meeting of 2020, held on December 15, 2020, unanimously decided to authorize the opening of a Public Consultation with a view to collecting subsidies and additional information related to the amendment of the energy purchase and sale contracts of the plants of the Independent Energy Producers - PIEs in Manaus, which will take place between December 16, 2020 and January 8, 2021, Process No. 48500.005142/2020-19.

The proposal for a contractual amendment to the PIEs (TPP Cristiano Rocha, Tambaqui, Manaura, Jaraqui and Ponta Negra) aims to adapt the ordinance of these plants to the electrical needs of the Manaus System, allocating more appropriately the costs of energy supply in the region, bringing benefits to the reduce the over-contracting of energy from Amazonas Energia, as well as reducing the distributor's current default with Amazonas G&T, in addition to reducing the overall cost of operating these projects and the expenditure on the Fuel Consumption Account (CCC).

Currently, the five Electricity Purchase and Sale Contracts - CCVEEs in force preserve the original characteristics of the contracts entered into within the scope of the Isolated System where the plants were contracted in quantity mode (100% inflexible with CVU equal to zero), with total contracted volume 305 average MW, where the entire generation cost, including gas, is borne by Amazonas G&T, leaving the company exposed to the distributor's default risk, without any remuneration for this operation (pass-through contracts). It should be noted that the default of Amazonas Energia in relation to the five CCVEEs of the PIEs represents approximately 75% of the distributor's total debt with Amazonas G&T.

Accordingly, Amazonas G&T proposed to change these CCVEEs from the quantity modality (100% inflexible with CVU equal to zero), for availability contracts (100% flexible with declared CVU), maintaining the total fixed revenue. Thus, the plants, basically, would only operate by electrical restriction due to the high CVU value. It will be necessary to revise the physical guarantee of these plants, in order to adjust the volume of contracted energy, reducing it to 75.4 average MW.

Rio de Janeiro, December 16, 2020

Elvira Cavalcanti Presta
CFO and Investor Relations Officer