COPEL
Pura Energia

Copel Distribuição's grid market down 5.9% in the second quarter

This report analyzes Copel's electricity market performance between April and June 2020 and compares it to the figures for the same period in 2019.

Grid Market (TUSD)

Copel Distribuição's grid market, comprising the captive market, concessionaires and licensees in the state of Paraná, and all free consumers in the Company's concession area, adjusted by removing consumers connected at 230 kV from the basis of comparison, shrank by 5,9% in terms of energy consumption in 2Q20, as illustrated in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Jun-20	Jun-19	Var. %	2Q20	2Q19	Var. %	1H20	1H19	Var. %
Captive Market	4,753,652	4,676,812	1.6	4,554	4,836	(5.8)	9,734	10,081	(3.4)
Concessionaries and Licensees [1]	7	7	-	214	210	1.9	430	414	3.9
Free Customers [2]	1,600	1,218	31.4	2,320	2,487	(6.7)	4,761	4,828	(1.4)
Grid Market	**4,755,259**	**4,678,037**	**1.7**	**7,088**	**7,533**	**(5.9)**	**14,925**	**15,323**	**(2.6)**

[1] Total grid supply in the captive market (concessionaires and licensees) and free market.

[2] All free customers served by Copel GeT, Copel Comercialização and other suppliers at the Copel Distribuição concession area.
Adjusted by removing consumers connected at 230 kV from Basic Grid, according to Aneel's Normative Resolution no. 722/2016.

The result is mainly due to the reduction of economic activity in several areas depending on the effects of the Covid-19 pandemic, which had a negative impact on the free market, with a 6.7% decline in 2Q20, reflecting the decrease in industrial production in the state of Paraná (down by 30.6%in April and 18.1% in May). This result was partially offset by the increased energy consumption by residential customers (5.2%) and rural costumers (3.3%).

The captive market

Copel Distribuição's captive market energy sales totaled 4,554 GWh in 2Q20, a reduction of 5.8%. The following table illustrates captive market behavior according to customer segment.

	Number of Customers			Energy sold (GWh)					
	Jun-20	Jun-19	Var. %	2Q20	2Q19	Var. %	1H20	1H19	Var. %
Residential	3,868,967	3,791,809	2.0	1,891	1,797	5.2	3,914	3,795	3.1
Industrial	71,209	72,621	(1.9)	549	676	(18.8)	1,145	1,334	(14.2)
Commercial	405,506	402,570	0.7	928	1,147	(19.1)	2,171	2,445	(11.2)
Rural	348,758	351,698	(0.8)	597	578	3.3	1,292	1,243	3.9
Other	59,212	58,114	1.9	589	638	(7.7)	1,212	1,264	(4.1)
Captive Market	**4,753,652**	**4,676,812**	**1.6**	**4,554**	**4,836**	**(5.8)**	**9,734**	**10,081**	**(3.4)**

The residential class consumed 1.891 GWh between April and June 2020, registering a growth of 5.2 %, which reflects principally the increase in average monthly consumption to 163kWh/month, a 3.1% variation in comparison to 2Q19, due mainly to social isolation measures adopted in the second half of March, which encouraged people to spend more time at home in the period.

Average Consumption (kWh/month)			
	2Q20	2Q19	Var. %
Residential	163	158	3.1

In the second quarter of 2020, this class accounted for 41.5% of captive market consumption, totaling 3,868,967 consumers at the end of June 2020.

The industrial class registered a drop of 18.8% in the period from April to June 2020, totaling 549 GWh, which is a reflection mainly (i) of the sharp drop in industrial energy consumption, due to the decrease in level of economic activity in several areas due to the effects of the Covid-19 pandemic, having the manufacture of non-metallic mineral products (-49.4%) and motor vehicles, trailers and semi-trailers (-38.4%) as the industry segments with the greatest impact on this result; and (ii) of the migration of customers to the free market, which would represent an average consumption of approximately 80 GWh in the quarter. At the end of June 2020, the industrial class represented 12.1% of captive market consumption, with 71,209 consumers.

The commercial class consumed 928 GWh in 2Q20, a reduction of 19.1%, resulting from the lower level of economic activity is due to the reduction in the level of economic activity due to the effects of the Covid-19 pandemic. The activities with the greatest impact on this result were services to buildings and landscape activities (-45.1%) and civil construction (-62.9%). At the end of the second quarter of 2020, this class represented 20.4% of captive market consumption, with 405,560 consumers.

The energy consumption of the rural class increased 3.3% in 2Q20, totaling 597 GWh, reflecting the good performance of agribusiness in Paraná, despite the negative effects of the Covid-19 pandemic. At the end of June 2020, the rural class represented 13.1% of captive market consumption, with 348,758 consumers.

The other classes (public authorities, public lighting, public services and own consumption) totaled 589 GWh consumed between April and June 2020, with a reduction of 7.7%, resulting mainly from the 28.7% drop in the public authorities class, motivated by the effects of the Covid-19 pandemic. Together, these classes represented 12.9% of captive market consumption, with 59,212 consumers at the end of the second quarter of 2020.

Consolidated energy market at Copel

Electricity Sales

Copel's electricity supply, which is the volume of energy sold to final customers, is comprised by sales in Copel Distribuição's captive market and free market sales by Copel Geração e Transmissão and Copel Comercialização, decreased 2.4% between April and June 2020.

The breakdown of energy sales by segment is illustrated below:

Segment	Market	Energy Sold (GWh)					
		2Q20	2Q19	Var. %	1H20	1H19	Var. %
Residential		**1,891**	**1,797**	**5.2**	**3,914**	**3,795**	**3.1**
Industrial	**Total**	**2,227**	**2,252**	**(1.1)**	**4,613**	**4,370**	**5.6**
	Captive	549	676	(18.8)	1,145	1,334	(14.2)
	Free	1,678	1,576	6.5	3,468	3,036	14.2
Commercial	**Total**	**1,069**	**1,265**	**(15.5)**	**2,465**	**2,693**	**(8.5)**
	Captive	928	1,147	(19.1)	2,171	2,445	(11.2)
	Free	141	118	19.5	294	248	18.5
Rural		**597**	**578**	**3.3**	**1,292**	**1,243**	**3.9**
Other		**589**	**638**	**(7.7)**	**1,212**	**1,264**	**(4.1)**
Energy Supply		**6,373**	**6,530**	**(2.4)**	**13,496**	**13,365**	**1.0**

Total Energy Sold

Total energy sold by Copel in all markets, comprising sales by Copel Distribuição, Copel Geração e Transmissão, Wind Farm Complexes and Copel Comercialização totaled 12,943 GWh in the second quarter of 2020, a increase of 8,0%.

The following table illustrates the total energy sales by Copel, distributed among Copel Distribuição, Copel Geração e Transmissão, Wind Farms and Copel Comercialização:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Jun-20	Jun-19	Var. %	2Q20	2Q19	Var. %	1H20	1H19	Var. %
Copel DIS									
Captive Market	4,753,652	4,676,812	1.6	4,554	4,836	(5.8)	9,734	10,081	(3.4)
Concessionaries and Licensees	2	3 -	33	20	65	(69.2)	39	129	(69.8)
CCEE (Assigments MCSD EN)	244	204	20	171	280	(38.9)	342	447	(23.5)
CCEE (MVE)	12	6	100	109	82	33	218	82	166
CCEE (MCP)	-	-	-	888	433	105.1	970	814	19.2
Total Copel DIS	**4,753,910**	**4,677,025**	**1.6**	**5,741**	**5,696**	**0.8**	**11,303**	**11,553**	**(2.2)**
Copel GeT									
CCEAR (Copel DIS)	3	3	-	28	30 -	6.7	60	61	(1.6)
CCEAR (other concessionaries)	101	101	-	535	541	(1.1)	1,103	1,087	1.5
Free Customers	35	50	(30.0)	779	1,029	(24.3)	1,611	2,003	(19.6)
Bilateral Agreements (Copel Comercialização)	30	17	76.5	1,773	1,237	43.3	3,555	2,351	51.2
Bilateral Agreements [1]	47	38	23.7	683	918	(25.6)	1,404	1,728	(18.8)
CCEE (MCP) [2]	-	-	-	216	-	-	634	483	31.3
Total Copel GeT	**216**	**209**	**3.3**	**4,014**	**3,755**	**6.9**	**8,367**	**7,713**	**8.5**
Wind Farms Complex									
CCEAR (Copel DIS)	6	6	-	8	8	-	16	16	-
CCEAR (other concessionaries)	328	328	0.0	320	319	0.3	640	636	0.6
CER	10	10	0.0	228	227	0.4	456	453	0.7
Total Wind Farm Complex	**344**	**344**	**0.0**	**556**	**554**	**0.4**	**1,112**	**1,105**	**0.6**
Copel Comercialização									
Free Customers	777	321	142.1	1,040	665	56.4	2,150	1,281	67.8
Bilateral Agreements (Group Companies)	-	- -		-	2	(100.0)	-	61	(100.0)
Bilateral Agreements	104	117	-11.1	1,497	1,292	15.9	3,284	2,531	29.8
CCEE (MCP) [2]	-	-	-	95	25	280	103	25	312.0
Total Copel Comercialização	**881**	**438**	**101.1**	**2,632**	**1,984**	**32.7**	**5,537**	**3,898**	**42.0**
Total Copel Consolidated	**4,755,351**	**4,678,016**	**1.7**	**12,943**	**11,989**	**8.0**	**26,319**	**24,269**	**8.4**

Note: Not considering the energy from MRE (Energy Relocation Mechanism).

[1] Includes Short Term Sales Agreements and CBR

[2] Assured Power allocated in the period, after impact of the GSF.

CCEE: Electric Power Trade Chamber / CCEAR: Energy Purchase Agreements in the Regulated Market / MCP: Short Term Market / CER: Agreements Reserve Energy / MCSD EN - Mechanism for Compensation of Surpluses and Deficits of New Energy / MVE - MVE - Sale of energy to the free market through the Surplus Selling Mechanism.

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