Copel Distribuição's Grid Market incrase by 0.3% in September 2020, but 3Q20 accumulates a 2.8% reduction

This report analyzes Copel's electricity market performance between July and September 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, presented a 0.3% growth in energy consumption in September 2020. Despite this, the third quarter average decreased by 2.8%, as illustrated in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep-20	Sep-19	Var. %	2Q20	2Q19	Var. %	1H20	1H19	Var. %
Captive Market	4.797.523	4.693.981	2,2	4.445	4.667	(4,8)	14.179	14.748	(3,9)
Concessionaries and Licensees [1]	7	7	-	214	215	(0,4)	643	629	2,3
Free Customers [2]	1.756	1.293	35,8	2.476	2.460	0,7	7.237	7.288	(0,7)
Grid Market	**4.799.286**	**4.695.281**	**2,2**	**7.135**	**7.342**	**(2,8)**	**22.059**	**22.665**	**(2,7)**

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

[2] All free customers served by Copel GeT, Copel Mercado Livre 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.

Energy consumption recorded in September 2020 indicates a positive trend, recovering to pre-pandemic levels, after successive monthly falls.

However, the result observed in 3Q20 was influenced by the negative results of the months of July and August, mainly due to the reduction of economic activity in several areas due to the effects of the Covid-19 pandemic, partially offset by the increase in consumption of the class residential and rural areas, as detailed below.

The captive Market

Copel Distribuição's captive market energy sales totaled 4,445 GWh in 3Q20, a reduction of 4.8%. The following table illustrates captive market behavior according to customer segment.

	Number of Customers			Energy sold (GWh)					
	Sep-20	Sep-19	Var. %	3Q20	3Q19	Var. %	1H20	1H19	Var. %
Residential	3.911.289	3.808.092	2,7	1.878	1.776	5,7	5.793	5.571	4,0
Industrial	70.936	72.171	(1,7)	574	655	(12,4)	1.719	1.989	(13,6)
Commercial	407.324	404.704	0,6	909	1.083	(16,1)	3.080	3.528	(12,7)
Rural	348.453	350.595	(0,6)	537	522	2,9	1.828	1.765	3,6
Other	59.521	58.419	1,9	547	631	(13,3)	1.759	1.895	(7,2)
Captive Market	**4.797.523**	**4.693.981**	**2,2**	**4.445**	**4.667**	**(4,8)**	**14.179**	**14.748**	**(3,9)**

The residential class consumed 1.878 GWh between July e September 2020, registering a growth of 5.7 %, which reflects principally the increase in average monthly consumption to 160kWh/month, a 3.0% variation in comparison to 3Q19, 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)			
	3Q20	3Q19	Var. %
Residential	160	155	3,0

In the third quarter of 2020, this class accounted for 42.2% of captive market consumption, totaling 3,911,289 consumers at the end of September 2020.

The industrial class registered a drop of 12.4% in the period from July to September 2020, totaling 574 GWh, mainly due to (i) the strong reduction in energy consumption by industries, due to the decrease in the level of economic activity in several areas due to the effects of the Covid-19 pandemic, with the segments of food products manufacturing (-24.7%), chemical products manufacturing (-17.6%) and rubber and plastic products manufacturing (-17.2%) were the ones that most impacted this result; and (ii) the migration of customers to the free market, which would represent an average consumption of approximately 85 GWh in the quarter. At the end of September 2020, the industrial class represented 12.9% of consumption in the captive market, with 70,936 consumers.

The commercial class consumed 909 GWh in 3Q20, a reduction of 16.1%, and the drop in commercial class consumption is also due to the reduction in the level of economic activity due to the effects of the Covid-19 pandemic, with activities wholesale trade (-21.0%), food (-20.6%) and retail trade (-11.1%) were the ones that most impacted this result. At the end of the third quarter of 2020, this class represented 20.4% of consumption in the captive market, with 407,324 consumers.

The energy consumption of the rural class increased 2.9% in 3Q20, totaling 537 GWh, reflecting the good performance of agribusiness in Paraná, despite the negative effects of the Covid-19 pandemic. At the end of September 2020, the class represented 12.1% of Copel's captive market consumption with 348,453 consumers.

The other classes (public authorities, public lighting, public services and own consumption) totaled 547 GWh consumed between July and September 2020, with a reduction of 13.3%, resulting mainly from the 30.7% drop in the public authorities class, motivated by the effects of the Covid-19 pandemic. Together, these classes represented 12.3% of captive market consumption, with 59,521 consumers at the end of the third 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 Mercado Livre, increased 0.6% between July and September 2020.

The breakdown of energy sales by segment is illustrated below:

Segment	Market	Energy Sold (GWh)					
		3Q20	3Q19	Var. %	9M20	9M19	Var. %
Residential		**1.878**	**1.776**	**5,7**	**5.793**	**5.571**	**4,0**
Industrial	**Total**	**2.443**	**2.325**	**5,1**	**7.056**	**6.695**	**5,4**
	Captive	574	655	(12,4)	1.719	1.989	(13,6)
	Free	1.869	1.670	11,9	5.337	4.706	13,4
Commercial	**Total**	**1.092**	**1.204**	**(9,3)**	**3.557**	**3.897**	**(8,7)**
	Captive	909	1.083	(16,1)	3.080	3.528	(12,7)
	Free	183	121	51,2	477	369	29,3
Rural		**537**	**522**	**2,9**	**1.828**	**1.765**	**3,6**
Other		**547**	**631**	**(13,3)**	**1.759**	**1.895**	**(7,2)**
Energy Supply		**6.497**	**6.458**	**0,6**	**19.993**	**19.823**	**0,9**

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 Mercado Livre totaled 13,914 GWh in the third quarter of 2020, a increase of 8.7%.

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

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep-20	Sep-19	Var. %	3Q20	3Q19	Var. %	9M20	9M19	Var. %
Copel DIS									
Captive Market	4.797.523	4.693.981	2,2	4.445	4.667	(4,8)	14.179	14.748	(3,9)
Concessionaries and Licensees	2	2	-	17	17	2,4	56	146	(61,4)
CCEE (Assigments MCSD EN)	244	204	20	174	304	(42,8)	517	751	(31,2)
CCEE (MVE)	12	6	100	110	276	(60)	328	358	(8)
CCEE (MCP)	-	-	-	773	477	62,1	1.743	1.291	35,0
Total Copel DIS	**4.797.781**	**4.694.193**	**2,2**	**5.519**	**5.741**	**(3,9)**	**16.823**	**17.294**	**(2,7)**
Copel GeT									
CCEAR (Copel DIS)	3	3	-	30	30	-	90	91	(1,1)
CCEAR (other concessionaries)	101	101	-	546	558	(2,2)	1.649	1.645	0,2
Free Customers	35	50	(30,0)	851	1.081	(21,3)	2.462	3.084	(20,2)
Bilateral Agreements (Copel Mercado Livre)	39	17	129,4	2.029	1.405	44,4	5.338	3.756	42,1
Bilateral Agreements [1]	46	38	21,1	815	1.038	(21,5)	2.219	2.766	(19,8)
CCEE (MCP) [2]	-	-	-	-	-	-	634	483	31,3
Total Copel GeT	**224**	**209**	**7,2**	**4.271**	**4.112**	**3,9**	**12.392**	**11.825**	**4,8**
Wind Farms Complex									
CCEAR (Copel DIS)	6	6	-	8	8	-	24	24	-
CCEAR (other concessionaries)	328	328	-	325	325	-	965	961	0,4
CER	10	10	-	231	231	-	687	684	0,4
Total Wind Farm Complex	**344**	**344**	**-**	**564**	**564**	**-**	**1.676**	**1.669**	**0,4**
Copel Mercado Livre									
Free Customers	870	400	117,5	1.201	710	69,2	3.351	1.991	68,3
Bilateral Agreements (Group Companies)	21	1	2.000	318	155	105,2	318	216	47,2
Bilateral Agreements	117	127	-7,9	1.918	1.506	27,4	5.202	4.037	28,9
CCEE (MCP) [2]	-	-	-	123	18	583	227	43	427,9
Total Copel Mercado Livre	**1.008**	**528**	**90,9**	**3.560**	**2.389**	**49,0**	**9.098**	**6.287**	**44,7**
Total Copel Consolidated	**4.799.357**	**4.695.274**	**2,2**	**13.914**	**12.806**	**8,7**	**39.989**	**37.075**	**7,9**

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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