

Notice to the Market - 27/21

Copel Distribuição's grid market grows 12.2% in 2Q21

Companhia Paranaense de Energia – Copel (“Company”), a company that generates, transmits, distributes, and sells power, with shares listed on B3 S.A. – Brasil, Bolsa, Balcão (CPLE3, CPLE5, CPLE6, CPLE11), NYSE (ELP), and LATIBEX (XCOP, XCOPO, XCOPU), hereby informs its shareholders and the market in general of Copel’s energy market performance in 2Q21.

Grid Market (TUSD)

Copel Distribuição’s grid market, composed of the captive market, the supply of power to concessionaires and permissionaires in the State of Paraná, and all the free consumers in its concession area, recorded energy consumption growth of 12.2% in 2Q21, as shown below:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Jun-21	Jun-20	Var. %	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Captive Market	4,889,893	4,753,652	2.9	4,773	4,554	4.8	9,824	9,734	0.9
Concessionaires and Licensees ¹	7	7	-	241	214	12.6	463	430	8
Free Customers ²	2,128	1,600	33.0	2,936	2,319	26.6	5,704	4,760	19.8
Grid Market	4,892,028	4,755,259	2.9	7,950	7,087	12.2	15,991	14,924	7.1

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.

The result mainly arises from the 26.6% growth in consumption in the free market, led by the good performance of industrial production in Paraná, which increased by 54.1% in April and 23.7% in May, with the food and wood production sectors accounting the most for the increase in energy consumption. Furthermore, the positive variations also resulted from the low comparative base in 2020, due to the decrease of economic activity in several areas, caused by the effects of the Covid-19 pandemic after the second half of March. Considering 2Q19 as a comparative base, the grid market grew by 5.5% in 2Q21, with the free market increasing by 18.1% in the period.

	Energy Sold (GWh)					
	2Q21	2Q19	Var. %	1H21	1H19	Var. %
Captive Market	4,773	4,836	(1.3)	9,824	10,081	(2.5)
Concessionaires and Licensees ¹	241	210	14.7	463	414	11.8
Free Customers ²	2,936	2,487	18.1	5,704	4,828	18.1
Grid Market	7,950	7,533	5.5	15,991	15,323	4.4

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

Adjusted by removing consumers connected at 230 kV from Basic Grid.

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Captive Market

Energy sales to Copel Distribuição's captive market totaled 4,773 GWh in 2Q21, an increase of 4.8%. The following table shows captive market trends by consumption segment:

	Number of Customers			Energy sold (GWh)					
	Jun-21	Jun-20	Var. %	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Residential	3,995,886	3,868,967	3.3	1,973	1,891	4.3	4,081	3,914	4.3
Industrial	71,016	71,209	(0.3)	584	549	6.4	1,144	1,145	(0.1)
Commercial	416,889	405,506	2.8	1,000	928	7.8	2,101	2,171	(3.2)
Rural	345,768	348,758	(0.9)	629	597	5.3	1,318	1,292	2.0
Other	60,334	59,212	1.9	587	589	(0.4)	1,180	1,212	(2.6)
Captive Market	4,889,893	4,753,652	2.9	4,773	4,554	4.8	9,824	9,734	0.9

The residential segment consumed 1,973 GWh between April and June 2021, up by 4.3%, mainly reflecting the 165 kWh/month increase in the average monthly consumption, up by 1.0% over 2Q20, mainly led by the 3.3% growth in the number of consumers.

	Average Consumption (kWh/month)		
	2Q21	2Q20	Var. %
Residential	165	163	1.0

This segment accounted for 41.3% of the captive market consumption in 2Q21, totaling 3,995,886 consumers at the end of June 2021.

The industrial segment grew by 6.4% from April to June 2021, totaling 584 GWh, chiefly due to the gradual resumption of economic activities, mainly the manufacturing of metal products (except for machinery and equipment) and the manufacturing of rubber and plastic material products, which increased by 31.2% and 11.0% respectively. This result was partially offset by the migration of customers to the free market, who would account for average consumption of approximately 87 GWh in the quarter. The industrial segment accounted for 12.2% of the captive market consumption at the end of June 2021, with 71,016 consumers.

The commercial segment consumed 1,000 GWh in 2Q21, an increase of 7.8%, as a result of the gradual resumption in the economic activity with the progress of vaccination in the State. Retail (+6.6%) and food (11.3%) were the activities that impacted the most this result. At the end of 2Q21, this segment accounted for 21.0% of the captive market consumption, with 416,889 consumers.

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Energy consumption in the rural segment increased by 5.3% in 2Q21, totaling 629 GWh. Despite the 0.9% reduction in the number of consumers, average consumption grew by 6.2% (kWh/month). This segment accounted for 13.1% of the captive market consumption at the end of June 2021, with 345,768 consumers.

The other segments (governments, public lighting, public services, and own consumption) totaled 587 GWh consumed between April and June 2021, a decrease of 0.4%, mainly due to the 3.1% decline in the “public lighting” segment. Together, these segments accounted for 12.9% of consumption in the captive market, with 60,334 consumers at the end of 2Q21.

Copel’s Consolidated Market

Electricity Supply

Copel’s electricity supply, which represents the volume of energy sold to end consumers and is composed of Copel Distribuição’s sales in the captive market and Copel Geração e Transmissão’s and Copel Mercado Livre’s sales in the free market, grew by 11.1% between April and June 2021.

The following table shows the breakdown of energy by consumption segment:

Segment	Market	Energy Sold (GWh)					
		2Q21	2Q20	Var. %	1H21	1H20	Var. %
Residential		1,973	1,891	4.3	4,081	3,914	4.3
	Total	2,575	2,227	15.6	5,104	4,613	10.7
Industrial	Captive	584	549	6.4	1,144	1,145	(0.1)
	Free	1,991	1,678	18.7	3,960	3,468	14.2
	Total	1,314	1,069	22.9	2,741	2,465	11.2
Commercial	Captive	1,000	928	7.8	2,101	2,171	(3.2)
	Free	313	141	122.3	639	294	117.5
Rural		629	597	5.3	1,318	1,292	2.0
Other		587	589	(0.4)	1,180	1,212	(2.6)
Energy Supply		7,078	6,373	11.1	14,424	13,496	6.9

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Total Energy Sold

Total energy sold by Copel, composed of sales in all markets by Copel Distribuição, Copel Geração e Transmissão, Wind Farms, and Copel Mercado Livre totaled 15,917 GWh in 2Q21, an increase of 25.3%.

The following table shows Copel's total energy sales, broken down by Copel Distribuição, Copel Geração e Transmissão, Wind Farms, and Copel Mercado Livre:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Jun-21	Jun-20	Var. %	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Copel DIS									
Captive Market	4,889,893	4,753,652	2.9	4,773	4,554	4.8	9,824	9,734	0.9
Concessionaries and Licensees	2	2	-	23	20	15.0	43	39	10.3
CCEE (Assignments MCSD EN)	396	244	62	175	172	1.7	349	342	2.0
CCEE (MVE)	11	12	- 8	103	109	(6)	206	218	(6)
CCEE (MCP)	-	-	-	602	888	(32.2)	728	970	(24.9)
Total Copel DIS	4,890,302	4,753,910	2.9	5,676	5,743	(1.2)	11,150	11,303	(1.4)
Copel GeT									
CCEAR (Copel DIS)	3	3	-	30	28	7.1	61	60	1.7
CCEAR (other concessionaries)	101	101	-	525	535	(1.9)	1,113	1,103	0.9
Free Customers	15	35	(57.1)	303	779	(61.1)	631	1,611	(60.8)
Bilateral Agreements (Copel Mercado Livre)	130	37	251.4	3,035	1,527	98.8	6,349	3,309	91.9
Bilateral Agreements ¹	12	47	(74.5)	154	683	(77.5)	348	1,404	(75.2)
CCEE (MCP) ²	-	-	-	-	218	-	-	640	-
Total Copel GeT	261	223	17.0	4,047	3,770	7.3	8,502	8,127	4.6
Wind Farms Complex									
CCEAR (Copel DIS)	6	6	-	8	8	-	15	15	-
CCEAR (other concessionaries)	328	328	-	321	320	0.3	639	643	(0.6)
CER	10	10	-	228	228	-	454	456	(0.4)
Total Wind Farm Complex	344	344	-	557	556	0.2	1,108	1,114	(0.5)
Copel Mercado Livre									
Free Customers	1,275	777	64.1	2,002	1,040	92.5	3,969	2,150	84.6
Bilateral Agreements (Group Companies)	46	-	-	999	-	-	1,310	-	-
Bilateral Agreements	197	104	89.4	2,636	1,497	76.1	5,521	3,284	68.1
CCEE (MCP) ²	-	-	-	-	95	-	36	103	(65.0)
Total Copel Mercado Livre	1,518	881	72.3	5,637	2,632	114.2	10,836	5,537	95.7
Total Copel Consolidated	4,892,425	4,755,358	2.9	15,917	12,701	25.3	31,596	26,081	21.1

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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TPP Araucária

Furthermore, TPP Araucária was dispatched in 2Q21 due to the worsening hydrological conditions and lower energy available in the system. The amount of energy produced by the thermal power plant in the same period of 2020 is as follows:

	GWh					
TPP Araucária - UEGA	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Own Generation ¹	507	-	-	1,194	-	-

Font: CCEE

¹ Value of generation accounted for with losses from the CCEE.

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