



VEIRANO
ADVOGADOS

ENVIRONMENT

CLIENT ALERT

JUNE/2019

ENVIRONMENTAL - NEW BIOFUEL POLICY (RENOVABIO):
INDIVIDUAL GOALS TO REDUCE GHG AND PENALTIES

On June 14, 2019, the Ministry of Mines and Energy and the Oil & Gas Agency published Resolution No. 791/2019 ("Resolution"), foreseeing the methodology to individualize the goals to reduce emissions of greenhouse gases ("GHGs") applicable to fuel distributors, as provided by the National Biofuels Policy ("RenovaBio").

Among the main provisions of the Resolution, the following stand out:

- Individual annual goals to reduce GHG emission per fuel distributor, considering its market share;
- The criteria to calculate the individualized annual goals to reduce GHGs emission;
- The responsible party to comply with the goals in cases of mergers, spinoffs and acquisitions of fuel distributors.

In addition, the Resolution foresees penalties due to partial or complete failure to comply with the goals:

- Fine from R\$ 100,000 to R\$ 50 million, according to the decarbonization credit (CBIO) that was not proved, regardless of imposition of other administrative, civil and criminal penalties;
- Temporary suspension, partial or total, of fuel distributor's operations if the fine does not correspond to the benefit obtained by not complying with the goal.
- Pending goals will be added to the goal stipulated for the following year.

Resolution is valid as of June 14, 2019.

Veirano's environmental team is available to provide further clarification.

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