

Green Bond Fact Sheet

Taesa		Date: 20/06/2019	
Issue date: 24-05-2019 Maturity date: 15-05-2044 (43 tranches starting in 2023) Tenor: 25			
Issuer Name	Taesa (Transmissora Aliança de Energia Elétrica)	Amount Issued	BRL210m/USD52m
Country of risk	Brazil	CBI Database	Included
Issuer Type ¹	Non-financial corporate	Bond Type	Sr unsecured
Green Bond Framework	N/A	Second party opinion	Sitawi
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting	The issuer commits to disclosing the allocation of proceeds (confirming they have been spent on the selected projects) and some environmental impact indicators, annually until full allocation. This will be provided on Taesa's website and Sitawi (SPO provider) will evaluate this disclosure up to one year after issuance.		
Company information	<p>Taesa – Transmissora Aliança de Energia Elétrica – is one of the largest electric power transmission companies in Brazil. It is majority owned by Belo Horizonte-based CEMIG, but the Colombia-based Interconexión Eléctrica is the second largest shareholder.</p> <p>Taesa is dedicated to the construction, operation and maintenance of transmission assets, with almost 10,000km of lines in operation and 3,000km under construction.</p>		
Firsts, records and certifications	First Brazilian bond reviewed by Sitawi in 2019		
Proceeds description	<p>To finance or refinance investments in energy transmission infrastructure projects. Whilst these are not limited to transmitting renewable energy, only 16% of energy transmitted in Brazil's national system was from fossil fuels (below the 25% limit CBI uses). In any case, Taesa gives several other reasons why the projects will support the development and generation of renewable energy in Brazil.</p> <p>Specifically, the green bond will finance the following transmission projects: Mariana (Minas Gerais State), Miracema (Tocantins State), Sant'ana (Rio Grande do Sul State). More details about these can be found in the SPO.</p>		
Climate Bonds view	<p>We believe the projects financed by this bond will further support the growth of renewable energy production and distribution in Brazil, which is a clear positive.</p> <p>In addition, Brazil – and more broadly LatAm – issuance was very weak in 2018, especially compared to 2017. It is good to see 2019 issuance picking up, and we hope this continues. However, it would also be good to see more issuance from other sectors, as three of Brazil's four bonds issued in 2019 only financed energy. This is especially important in Brazil, where a significant share of energy is already from renewable sources and other sectors have a high contribution to GHG emissions and other negative environmental impacts.</p>		
Underwriters			
Deal comments			
Credit Rating			

Pricing summary	
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign