

## Brazil Needs to Invest US\$ 88 Billion in Energy Sector to Keep Growing

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The Brazilian Ten-Year Plan (2007/2017) announced this week by the EPE (Energy Research Company), a branch of the Brazilian Ministry of Mines and Energy, foresees the need to build seven new hydroelectric plants in Brazil, assuming a 4.9% yearly growth for the Brazilian economy from now until 2016.

The plan anticipates that hydric energy will be reduced from 84% to 76% in the Brazilian energy matrix. To make up for it the participation of energy originating from thermoelectric sources will raise, during the period, from 16% to 24%.

The viability studies conducted by the EPE have mapped the location of the seven new plants. Five should be built in the Teles Pires river, in Mato Grosso state while the other are planned for the Apicás river, also in Mato Grosso, and the Tocantins river, in the border between the states of Pará and Maranhão.

The Ten-Year Plan forecasts that Brazil will need to invest, during the period, 167.5 billion Brazilian reais (US\$ 87.7 billion) in power generation and transmission, in order to live up to the economic growth.

Out of that total amount, power generation projects should absorb 133.6 billion reais (US\$ 69.9 billion), and power transmission projects - including the construction of power lines and sub-stations - 33.9 billion reais (US\$ 17.7 billion).

If projects aimed at the oil, natural gas, and biofuels segments are taken into account, the Plan estimates that total investment in the power sector should reach 573.2 billion reais (US\$ 300 billion). The survey outlines two possible scenarios regarding the demand for electric power, considering the possibilities of annual economic growth rates at 4.2% and 4.9%.

The forecasts announced by the president at the EPE, Maurício Tolmasquim, indicate that during the next ten years the Brazilian population should increase by 32 million people, reaching 212 million.

During the period, he explained, using more advanced conservation techniques, Brazil should save approximately 15,600 megawatts (MW) of power - the equivalent of the entire forecasted power generation at the Santo Antônio plant, one of the two hydroelectric units to be built on the Madeira River, in the northern Brazilian state of Rondônia.

With regard to power consumption until 2017, the forecasted growth is 5.5%. The country's installed power capacity should leap from the current 92,400 MW of power, to 143,080 MW. These forecasts consider an economic growth scenario of 4.9%.

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