Reference Form
Base date: December 31, 2020

As per Annex 24 of CVM Instruction 480/09

CPFL Energia S.A.

Identification	CPFL Energia S.A., a corporation, enrolled at CNPJ 02.429.144/0001-93.
Headquarters	The headquarters is located at Rua Jorge de Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília 13087-397 – Campinas/SP
RI Board	The RI Board is located at Rua Jorge de Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília 13087-397 – Campinas /SP – Phone: 19 3756 8458. The Financial and Investors' Relations Vice-President-Director, YueHui Pan, is the current professional in charge of the Investors Relations area: email: ri@cpfl.com.br.

1. Identification of the persons in charge of the content of the Form

1.1 Individual Declaration of the President-Director, duly signed, attesting that (a) he reviewed the reference form; (b) all the information contained in the form fulfill the provision of CVM Instruction nr. 480, notably arts. 14 to 19; and (c) the set of information contained therein is a truthful, accurate and complete representation of the economic-financial status of the Company and of the risks inherent to the Company's activities and of the securities issued by it:

GUSTAVO ESTRELLA, Brazilian, married, Administrator, Identity Card bearer (RG) nr. 8.806.922, issued by SSP/SP, enrolled at the CPF/MF under nr. 037.234.097-09, with offices located at Rua Jorge de Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília, CEP 13087-397, Campinas, São Paulo State, Brazil, in the capacity as the President-Director of CPFL Energia S.A. ("Company") attests that:

(a) he reviewed the reference form;

(b) all the information contained in the form fulfill the provision in CVM Instruction nr. 480, notably articles 14 to 19; and

(c) the set of information contained therein is a truthful, accurate and complete representation of the economic-financial status of the Company and of the risks inherent to the activities of the Company and of the securities issued by it.

/s/ Gustavo Estrella
Gustavo Estrella
President-Director

1.2 Individual Declaration of the do Investors' Relations Director, duly signed, attesting that (a) he reviewed the reference form; (b) all the information contained in the form fulfill the provision in CVM Instruction nr. 480, notably arts. 14 to 19; and (c) the set of information contained therein is a truthful, accurate and comply representation of the economic-financial status of the Company and of the securities issued by:

YUEHUI PAN, Chinese, married, Accountant, Identity Card bearer RNE nr. V739928-Q (CGPI/DIREX/DPF), enrolled at the CPF/MF under nr. 061.539.517-16, with offices located at Rua Jorge de Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília, CEP 13087-397, Campinas, São Paulo State, Brazil, in the capacity as the Financial Vice-President Director and Investors' Relations of CPFL Energia S.A. ("Companhia") attests that:

(a) he reviewed the reference form;

(b) all the information contained in the form fulfill the provision in CVM Instruction nr. 480, notably articles 14 to 19; and

(c) the set of information contained therein is a truthful, accurate and complete representation of the economic-financial status of the Company and of the risks inherent to the activities of the Company and of the securities issued by it.

_/s/ YueHui Pan_____
YueHui Pan
Financial and Investors' Relations Vice-President-Director

2. Independent Auditors
2.1/2.2 Identification and Remuneration of the Auditors:

Auditors	
CVM Code national auditor	00418-9
Name/Company Name	KPMG Auditores Independentes
CPF/CNPJ	57.755.217/0001-29
Date the services were contracted	01/20/2017
Description of the contracted service	Audit of the Corporate Annual Financial Statement and limited review of the corporate quarterly information audit of the regulatory annual financial statements; and audit of the internal controls for *compliance Sox* (Sarbanes Oxley) for the years ended on 12/31/2017, 12/31/2018 and 12/31/2019. The other services rendered by KPMG and its remuneration relative to the last year-end social are described in section 2.3 of this Reference Form.
Total amount of the remuneration of the independent auditors segregated by service	The total amount of the remuneration of the independent auditors was R$ 3,112 thousand relative to the corporate, regulatory and Sox internal controls audit for the year ended on 12/31/2020 and R$ 378 thousand relative to other services.
Justification of substitution	Not applicable
Rationale presented by the auditor in case of disagreement of the issuer's justification	Not applicable.
Technicians In Charge	
Name of the professional in charge	Marcio José dos Santos
CPF	CPF: 253.206.858-23
Start of performance	01/01/2017
Mail address	Av. Coronel Silva Telles 977, 10º andar Cambuí – Campinas/SP – Brasil CEP 13.024-001 Telephone: (19) 3198-6708/ Fax: (19) 3198-6001 E-mail: marciosantos@kpmg.com.br

Auditors	
CVM Code national auditor	00287-9
Auditor type	National
Name/Company Name	Pricewaterhousecoopers Auditores Independentes
CPF/CNPJ	61.562.112/0001-20
Date the services were contracted	04/01/2022
Description of the contracted service	Audit of the Corporate Annual Financial Statement and limited review of the corporate quarterly information for the years ended on 12/31/2022, 12/31/2023, 12/31/2024, 12/31/2025 and 12/31/2026.
Total amount of the remuneration of the independent auditors segregated by service	There were no payments to Pricewaterhousecoopers Auditores Independetes related to such services in 2021.
Justification of substitution	In compliance with Art. 31 of CVM Instruction 308/99, which determines the limit for the provision of independent audit services in a period not exceeding five consecutive years, the Directors' Board if CPFL Energia, on November 30, 2021,

	approved the hiring of Pricewaterhousecoopers Auditores Independentes to perform CPFL Group's audit services for the years 2022 to 2026, continuing the services performed by KPMG Auditores Independentes, which end with the year 2021.
Rationale presented by the auditor in case of disagreement of the issuer's justification	*Not applicable.*
Technicians In Charge	
Name of the professional in charge	Adriano Formosinho Correia
CPF	CPF: 782.785.625-04
Start of performance	*01/01/2022*
Mail address	Av. Francisco Matarazzo, 9º, 10º, e 13º aos 17º andares, Torre Torino, Água Branca São Paulo/SP E-mail: adriano.correia@pwc.com

2.3 Provide other information that the issuer judges as relevant.

The Company's policies in the contracting of services of independent auditors aim at ensuring that there is no conflict of interests, loss of independence and objectivity of the referred services providers. For such, specific procedures for the contracting of those services have been set, among which: (i) the competence of the Fiscal Council to give opinion to the Board of Directors about the contracting, substitution and remuneration of the independent auditors, as well as to manifest about the contracting of independent auditors for the rendering of other services that have not been object of pre-approval by the Board of Directors; and (ii) the competence of the Board of Directors to deliberate about the selection or dismissal of the Company's independent auditors.

KPMG Auditores Independentes (KPMG) was contracted by CPFL Energia for the rendering of independent audit services related to the exams of the Company's financial statements. In order to comply with CVM Instruction nr. 381, as of January 14, 2003 ("CVM Instruction 381/03"), we inform that in 2019 KPMG rendered services that were not related to independent audit whose aggregate fees were higher than 5% of the total fees received by the accounting audit service (corporate, regulatory and *Sox*).

Related to the year-end December 31, 2020, KPMG rendered, in addition to the audit services of the corporate and regulatory financial statements, of review of the interim information and of *Sox* audit, the following services:

Type	Contracting	Duration
Assurance of financial co*venants*	12/28/2016	Year-ends from 2017 to 2021
Assurance of information to BNDES	10/23/2020	6 months
Tax *compliance* services – Accounting-Fiscal Records (ECF)	12/28/2016	Year-ends from 2017 to 2021
Other tax *compliance* services	08/31/2020	12 months

We contracted a total of R$ 378 thousand relative to the aforementioned services, which is equivalent to around 12% of the independent audit fees of the corporate and regulatory financial statements, of the interim information and of the Sox audit relative to the year-end 2020 of the Company and its subsidiaries.

The contracting of the independent auditors, as per the Articles of Association, is recommended by the Fiscal Council and the Boards of Directors shall deliberate about the selection or dismissal of the independent auditors.

As provisioned by CVM Instruction 381/03, KPMG declared to CPFL Energia management that, due to the scope and the executed processes, the aforementioned rendering of services do not affect the independence and objectivity that are necessary for the performance of independent audit services.

3. Selected financial information

3.1 Based on the financial statements, or whenever the issuer shall disclose consolidated financial information, based on the consolidated financial statements, elaborate the table informing:

CONSOLIDATED	12/31/2020	12/31/2019	12/31/2018
a) Net equity	14,235,778,000.00	13,283,238,000.00	12,532,383,000.00
b) Total assets	49,106,884,000.00	44,078,293,000.00	42,211,530,000.00
c) Net revenue	30,898,458,000.00	29,932,474,000.00	28,136,627,000.00
d) Gross profit	4,703,710,000.00	4,363,450,000.00	3,708,467,000.00
e) Net profit	3,706,986,000.00	2,748,297,000.00	2,165,995,000.00
f) Number of shares, ex-treasury	1,152,254,440	1,152,254,440	1,017,914,746
g) Share equity value (in R$ Unit)	12.354717	11.528042	12.311820
h) Basic income per share	3.16175	2.484463	2.021820
i) Diluted income per share	3.16	2.47	2.01
j) Other accounting information selected by the issuer	N/A	N/A	N/A

(Amounts presented in Thousand reais as from this section, except when referred to otherwise)

3.2 If the issuer has disclosed, during the last year-end, or wishes to disclose in this form the unaccounted measurements, i.e., Lajida (profit before interest, taxes, depreciation and amortization) or Lajir (profit before interest and income tax), the issuer shall:

a) inform the amount of the unaccounted measurements

The EBITDA (LAJIDA) amounts, in compliance with the provisions of CVM Instruction nr. 527, as of October 4, 2012 ("CVM Instruction 527/12"), were R$ 6,394,172, R$5,637,308 and R$ 4,863,856 in the years ended December 31, 2019, 2018 and 2017, respectively.

The Total Indebtedness represents the sum of the financial debts of the Company (loans and financing, debentures), and presented the total amount of R$21,279,883, R$18,909,574 and R$20,376,804 on December 31, 2020, 2019 and 2018, respectively. The Gross Indebtedness represents the sum of the financial debts of the Company (loans and financing, debentures and the net position of derivatives), and presented the total amount of R$19,196,465, R$ 18,294,038 and R$ 19,751,610 as of December 31, 2020, 2019 and 2018, respectively. The Net Indebtedness represents the total amount of the financial debts of the Company (gross indebtedness), net cash position and cash equivalents on each base date, and presented the total amount of R$15,277,679, R$16,356,875 and R$ 17,860,153 as of December 31, 2020, 2019 and 2018, respectively.

b) make the conciliations between the disclosed amounts and the amounts of the audited annual financial statements;

	Year-ended on December 31, 2019		
CONSOLIDATED (in thousand reais)	**2020**	**2019**	**2018**
Accounting net profit	**3,706,986**	**2,748,297**	**2.165.995**
Taxes on profit	1,090,356	1,237,996	773,982
Financial income	315,974	726,247	1,102,687
Depreciation and amortization	1,665,999	1,681,053	1,594,065
Amortization of asset appreciation	579	579	579
EBITDA	**6,779,894**	**6,394,172**	**5.637.308**

CONSOLIDATED (in thousand reais)	Balance on December 31, 2020	2019	2018
Loans and financing	11,422,035	10,363,296	11,435,959
Debentures	7,448,303	8,546,278	8,940,845
Intragroup loans	2,409,545	-	-
Total indebtedness	**21,279,883**	**18,909,574**	**20,376,804**
Derivatives	(2,083,418)	(615,536)	(625,194)
Gross indebtedness	**19,196,465**	**18,294,038**	**19,751,610**
Cash and Cash Equivalents	(3,918,786)	(1,937,163)	(1,891,457)
Net indebtedness	**15,277,679**	**16,356,875**	**17,860,153**

c) explain the reason by which it understands that said measurement is more appropriate for the correct comprehension of its financial status and of its operating income.

The EBITDA *(earnings before interest, taxes, depreciation and amortization)* is calculated based on the year-end net profit or loss, added by the tax on profit, financial income, depreciation and amortization of asset appreciation. The EBITDA provides a useful management measurement of the performance of the companies of CPFL Energia Group and the definition of the EBITDA used by the Company may not be comparable to those used by other companies. It should be highlighted that the EBITDA is not a measurement of the financial performance according to the Accounting Practices Adopted in Brazil, and neither by the International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB) and neither shall it be considered separately or as an alternative to other financial indicators, such as the net profit or its operational cash flows, or as a measurement of liquidity or performance of the Company or a base for the distribution of dividends. The EBITDA is being presented according to the CVM Instruction 527/12.

The Company's Management considers that the EBITDA is an interesting indicator to analyze the Company's economic-operational performance as it is not affected by (i) fluctuations in interest rates, (ii) changes to the income tax and social contribution tax burden, as well as (iii) by the depreciation and amortization levels, being usually used by investors and market analysts.

The Company's Management considers it is important to present the unaccounted measurement of the Total Indebtedness, Gross Indebtedness and Net Indebtedness, as (i) both the balances of debentures and of loans and financing are constituted by financial debts, with similar characteristics among themselves, and (ii) the transactions of derivatives are mostly contracted for exchange and interest protection of these same transactions and, therefore, the amounts should be analyzed jointly. In addition, the concepts of Gross Indebtedness and Net Indebtedness are used frequently in order to be the financial restrictive clauses of loans, financing and debentures contracts.

The total indebtedness is the result of the sum of the loans and financing with the debentures. The gross indebtedness is the total indebtedness, net of derivatives. The net indebtedness is the gross indebtedness decreased from cash and cash equivalents.

3.3 Identify and comment on any event subsequent to the last financial statements of the year-end social that substantially altered.

From January 1st, 2021 up to the approval date of these financial statements (March 15, 2021), the Company's controlled companies raised funds by means of loans and financing, with the following conditions and details:

In March 2021, subsidiary CPFL Piratininga raised borrowings in the amount of R$ 340,000, with interest to be paid on a semiannual basis and the principal in a lump sum in March 2024. The effective interest rate of the transaction is 6.1574%, for which a swap agreement was entered into, with cost pegged to CDI + 0.69% p.a.. The restrictive conditions of the operation will be determined in the consolidated financial statements of CPFL Energia every six months, being: (i) net debt divided by EBITDA less than or equal to 3.75 and (ii) EBITDA divided by the financial result greater than or equal to 2.25.

In May 2021, the subsidiaries CPFL Piratininga and RGE Sul raised funds through the issuance of new debentures in the amount of R $ 274,000 and R $ 680,000, respectively, as detailed below:

RGE Sul
Issuance: 11th
Issuance amount: R $ 680,000,000.00
Start date: 5/15/2021
Disbursement Date: 5/20/2021
Expiration Date: 5/15/2031
Term: 10 years - with amortizations over 8, 9 and 10 years
Remuneration: IPCA + 4.30%, with swap contracting at% CDI => 111.07% CDI
Interest: Semiannual, as of 11/15/2021

CPFL Piratininga:
Issuance: 12th
Issuance amount: R $ 274,000,000.00
Start date: 5/15/2021
Disbursement Date: 5/20/2021
Expiration Date: 5/15/2031
Term: 10 years - with amortizations over 8, 9 and 10 years
Remuneration: IPCA + 4.30%, with swap contracting at% CDI => 111.07% CDI
Interest: Semiannual, as of 11/15/2021

3.4 Describe the policy of destination of profits of the 3 latest year-ends, indicating:

	12/31/2020	12/31/2019	12/31/2018
a) Rules about profit retention	As per the Corporate Law and as per the Company's Articles of Association, the year-end net profit shall have the following destination: a) 5% (five percent) to set the legal reserve, until it reaches 20% (twenty percent) of the subscribed share capital; b) payment of obligatory dividend; c) the remaining profit, except as set otherwise by the General Meeting, will be destined to set the working capital reinforcement reserve, whose total shall not exceed the amount of the subscribed share capital. The Corporate Law sets that the General Meeting may, as per proposal by the Board of Directors, deliberate to retain a portion of the year-end net profit in capital budget previously approved by it. In case of loss, the constituted reserves may be used to absorb the remaining loss, the legal reserve being the last one to be absorbed.	As per the Corporate Law and as per the Company's Articles of Association, the year-end net profit shall have the following destination: a) 5% (five percent) to set the legal reserve, until it reaches 20% (twenty percent) of the subscribed share capital; b) payment of obligatory dividend; c) the remaining profit, except as set otherwise by the General Meeting, will be destined to set the working capital reinforcement reserve, whose total shall not exceed the amount of the subscribed share capital. The Corporate Law sets that the General Meeting may, as per proposal by the Board of Directors, deliberate to retain a portion of the year-end net profit in capital budget previously approved by it. In case of loss, the constituted reserves may be used to absorb the remaining loss, the legal reserve being the last one to be absorbed. In 2019, grounded on the Corporations' Act, considering the current scenario with an incipient economic recovery and also considering the uncertainties with regard to hydrology, the Company constituted Statutory Reserve – Working Capital Reinforcement.	As per the Corporate Law and as per the Company's Articles of Association, the year-end net profit shall have the following destination: a) 5% (five percent) to set the legal reserve, until it reaches 20% (twenty percent) of the subscribed share capital; b) payment of obligatory dividend; c) the remaining profit, except as set otherwise by the General Meeting, will be destined to set the working capital reinforcement reserve, whose total shall not exceed the amount of the subscribed share capital. The Corporate Law sets that the General Meeting may, as per proposal by the Board of Directors, deliberate to retain a portion of the year-end net profit in capital budget previously approved by it. In case of loss, the constituted reserves may be used to absorb the remaining loss, the legal reserve being the last one to be absorbed. In 2018, by means of the Extraordinary General Meeting, the Company extinguished the Statutory Reserve – Adjustments of the Concession Financial Asset and its accrued balance was transferred to the Accrued Profit account, forming the total amount to be distributed in 2018.

			In 2018, grounded on the Corporations' Act, considering the then adverse economic scenario, the Company constituted Statutory Reserve – Working Capital Reinforcement.
a.i) Amounts of Profit Retentions	R$ 1,756,879,740.89	R$ 518,794,902.71	R$ 1,466,353,723.21
a.ii) Percentages in relation to the total profits stated	50%	20%	75.00%
b) Rules about dividend distribution	The Company's Articles of Association sets the distribution, as dividend, of at least, 25% of the net profit adjusted as per the law, to the holders of its shares. The rules on the distribution of dividends presented refer to the three fiscal years.		
c) Periodicity of the dividend distributions	The Company's Articles of Incorporation sets that the obligatory dividend may be paid in advance in the course of the year-end and until the holding of the Ordinary General Meeting that deliberates about the respective amount. The amount of the advanced dividend will be offset with the one of the obligatory dividend of the year-end. The General Meeting will set the payment of the obligatory dividend balance, if any, as well as the reversion to that reserve of the amount paid in advance. We highlight that our Board of Directors will decide on the prerogative of declaring interim dividends to the profit account determined in the semester balance sheet or, the legal provisions being complied, determined in shorter periods than the semester, or also, to the accumulated profit account or profit reserves existing in the latest annual or semester balance sheet. The Board of Directors may also declare interest on own capital and impose them to the payment of the obligatory minimum dividend. The dividends, except as deliberated otherwise by the general Meeting, shall be paid within the maximum term of 60 (sixty) days, to count from the date of the deliberation of its distribution and, in any case, within the year-end. The periodicity of the presented dividend distribution refers to the three year-ends.		
d) Eventful restrictions to the dividend distribution enforced by the legislation or special regulation applicable to the issuer, as well as contracts, judicial, administrative or	The Company and its controlled companies are subjected to dividend distribution restrictions due to some loans, more specifically loans raised at Banco Nacional de Desenvolvimento Econômico Social - BNDES. There are three situations that deserve attention: (i) general rule; (ii) Centrais Elétricas da Paraíba S.A. ("EPASA"); and (iii) controlled companies and other controlled companies jointly with CPFL Geração. The general rule states that the companies may distribute dividends if (i) the restrictive obligations set in the contract are fully complied; and (ii) compliance with the maintenance of certain financial indices in pre-established parameters annually determined. Examples of those parameters may be: net financial indebtedness divided by the EBITDA and net financial indebtedness divided by the sum of the net financial indebtedness and the net equity, among others. For the loan of the business jointly controlled by CPFL Geração, EPASA (still effective), at BNDES – FINEM modality – in case of non-fulfillment of the financial restrictive clauses, then the distribution of dividends above the obligatory minimum is prohibited until the index is reestablished.		

arbitration decisions	In addition, the Corporations' Act allows the Company and its controlled companies, as applicable, to interrupt the distribution of obligatory minimum dividends in any year-end, if the Company's Board of Directors or the respective competent body of its controlled companies informs the shareholders about the incompatibility of said distribution with the financial status of the Company or of its controlled companies. In this case, the Company's shareholders may not receive dividends or interest on own capital.
e) If the issuer has a formally approved policy of disposal of income, informing the body that is responsible for the approval, the approval date, and if the issuer discloses the policy, the locations on the world wide web where the document may be consulted	The policy is disclosed in item3.9 of this reference form.

3.5 Distribution of dividends and net profit retention

	12/31/2020	12/31/2019	12/31/2018
a) Adjusted net profit for dividend purposes:	R$ 3,460,991,742.08	R$2,567,537,506.96	R$ 1,955,138,297.61
b) Distributed dividend:	R$ 1,730,495,871.10	R$2,075,179,610.86	R$ 488,784,574.40
Interest o own capital:	- 0 -	- 0 -	- 0 -
Obligatory dividend:	R$865.247.935.55	R$641.884.376.74	R$ 488.784.574.40
Priority dividend (fixed and minimum):	R$865,247,935.55	R$ 1,433,295,234.12	- 0 -
Other dividends:	- 0 -	- 0 -	- 0 -
c) Percentage of dividend distributed in relation to the adjusted net profit:	50.0000%	80.823731%	25.000000%
d) Dividend distributed per class and type of shares, highlighting interest on own capital, obligatory dividend and priority dividend, fixed and minimum:	The share capital is formed by ordinary shares only		
e) Dividend payment date:	N/A	N/A	N/A
f) Return rate in relation to the net equity – Issuer's PL:	26.142419%	20.798767%	20.053499%
g) Net profit retained:	R$1,730,495,870.98	R$492,357,896.10	R$ 1,466,353,723.21
h) Retention approval date:	AGO of 04/30/2021	AGO of 07/27/2020	AGO of 04/30/2019

3.6 Inform if, in the latest year-ends, dividends were declared to the retained profit account or constituted reserved in previous year-ends.

No dividends were declared in the retained profit account or constituted reserves in year-ends, for the latest three year-ends.

3.7 In table format, describe the issuer's indebtedness level, indicating:

Consolidated data	12/31/2020
a. Sum of the current liabilities and non-current liabilities	R$ 34,871.106.040,00
b. Indebtedness index	2,4495398

3.8 In table format, separating by liabilities (loans, financing and debt securities) with real guarantee, with floating and unsecured guarantees, or another type of guarantee or privilege, refer to the amount of the issuer's liabilities according to the maturity term:

Year-end (12/31/2020)						
	Type	**Shorter than one year**	**Longer than one year and shorter than three years**	**Longer than three years and shorter than five years**	**Longer than five years**	**Total**
Loans	**Real Guarantee**	-	-	-	-	**-**
	Floating Guarantee	-	-	-	-	**-**
	Unsecured	2.473.073.000	3.494.162.000	2.059.556.000	-	**8.026.791.000**
Financing	**Real Guarantee**	320.360.000	686.284.000	680.502.000	1.699.492.000	**3.386.638.000**
	Floating Guarantee	-	-	-	-	**-**
	Unsecured	4.292.000	4.314.000	-	-	**8.606.000**
Debt Securities	**Real Guarantee**	-	-	-	-	**-**
	Floating Guarantee	-	-	-	-	**-**
	Unsecured	1.093.203.000	3.835.642.000	2.215.893.000	98.680.000	**7.243.418.000**
Total		**3.890.928.000**	**8.020.402.000**	**4.955.951.000**	**1.798.172.000**	**18.665.453.000**

Notes: These amounts refer to the consolidated financial statements. The separation of the amount of the issuer's liabilities and its subsidiaries due to the attached guarantees used the real guarantee, floating guarantee, unsecured guarantee categories, as well as other type of guarantee or privilege:

Real guarantees: refer to receivables, attachment of revenues, credit rights, attachment of own assets, chattel mortgage, fiduciary assignment and pledge of shares;

Floating guarantees: they ate those that ensure the general privilege on the Company's assets, but do not obstruct the trading of assets that make up this asset. The Company and its subsidiaries have no liabilities with this category of guarantees;

Unsecured guarantees: they also cover the fidejussory guarantees that are the corporate guarantees and bonds given by the controlling company to its controlled companies, as well as the other liabilities without specific guarantee.

3.9 Provide other information that the issuer considers as relevant.

The Company has a Policy of Dividends, approved by the Board of Directors on May 21, 2019.

The referred policy sets that, at least 50% of the adjusted net profit is to be distributed as dividends, according to the Corporations' Act. In addition, the policy also sets the factors that will influence on the amounts of the distributions, among which, the Company's financial status is pointed out, its future perspectives, the macroeconomic conditions, tariff reviews and increases, regulatory changes and the Company's growth strategy, as well as other factors considered relevant by the Board of Directors and by the shareholders. This policy also highlights that certain liabilities contained in the Company financial contracts may limit the amount of the dividends and/or of interest on own capital that may be distributed, being that, according to the Company's tax planning, one may determine that the distribution of interest on own capital, in the future, is of its interest.

Additionally, as per the Articles of Association, the Board of Directors may approve of the distribution of dividends and/or interest on own capital, based on the Company's annual or semester financial statements, as well as in the financial statements related to shorter periods. The distribution may also be based on registered earned profits or profits appropriated to non-profitable reserve accounts, entered in the annual or semester financial statements. With regard to the declaration of annual dividends, including dividends with higher value than the obligatory minimum value, will depend on the approval by the vote of the majority of the Company's shareholders.

The Company's policy of dividends is available for consultation on the website of the Stock Exchange Commission ("CVM") (http://sistemas.cvm.gov.br/?CiaDoc), and also on the website of the Company's Investors' Relations (www.cpfl.com.br/ri).

ICMS Exclusion from PIS and COFINS calculation base

Our distribution subsidiaries, the commercialization subsidiary CPFL Brasil and the service subsidiary CPFL Serviços are parties to lawsuits against the Federal Union with the aim of (i) excluding ICMS (a VAT type of tax on distribution of goods and services) from the tax base of the social related contributions of PIS [Profit Participation Contribution] and COFINS [Social Security Financing Contribution] (payable by those subsidiaries based on the revenues received) and (ii) to be refunded by the PIS and COFINS amounts previously paid.

For the year ended December 31, 2020, CPFL Santa Cruz recorded an asset of R$ 150.6 million under "compensable taxes", as a counterpart to a liability of R$ 134,635 in "other accounts payable – consumers", and of this amount, R$ 20.1 million has already been offset by the company throughout the year.

In 2019, several lawsuits originally initiated by four companies merged into Santa Cruz in December 2017 - CPFL Leste Paulista, CPFL Sul Paulista, CPFL Jaguari and CPFL Mococa - were finalized with a favorable decision. As a result, Santa Cruz recorded a tax credit of R$ 166.8 million, using the criterium of excluding the ICMS effectively paid from the calculation base of these contributions – in accordance with the calculation methodology provided for in "Federal Revenue Consultation Solution No. 13/2018" - and recognized as a liability, the corresponding PIS and COFINS tax credits that need to be refunded to the relevant Final Consumers within a maximum period of 10 years.

In addition, on February 9, 2021, the distribution subsidiary RGE Sul, obtained a final favorable decision that recognized the right of RGE Sul to exclude the invoiced ICMS (shown separately on the invoices) from the PIS and COFINS database.

Based on legal opinions, we understand that the amounts to be received by our distribution subsidiaries as compensable PIS and COFINS credits would have to be refunded to consumers, as soon as the Brazilian Internal Revenue Service approves such credit compensation, limited to the 10-year prescription period. However, it is possible that the total amount of these PIS and COFINS credits will be reimbursed to our Final Consumers.

In the case of CPFL Brasil and CPFL Serviços, considering that the PIS and COFINS credits related to the relevant lawsuits are not originated from charges made through regulated tariffs (and, as such,

passed on to our Final Consumers), we understand that the total amount of the tax credits of PIS and COFINS to be refunded by the Federal Revenue of Brazil belongs entirely to the companies.

No other amount was recognized in our financial statements in 2020 in relation to lawsuits involving other distribution subsidiaries, CPFL Brasil or CPFL Serviços, since the relevant lawsuits are still pending trial. Based on the advice of outside lawyers and on our best and most up-to-date estimates, pending lawsuits involving our other distribution companies will have results similar to those of the CPFL Santa Cruz and RGE Sul lawsuits.

Furthermore, due to subjective judgments, inherent uncertainties of estimates, and as these estimates are based on various assumptions, which are subject to significant uncertainties and contingencies that are beyond our control, there is no guarantee that these estimates or the conclusions derived from it will be achieved. The final amounts of tax credits, if any, will depend on the existence of the necessary documentation or other evidence confirming the undue payments of PIS and COFINS.

The amounts of our effective recoverable tax credits of PIS and COFINS may be significantly lower than the estimates described in the table below. Under no circumstances should the estimates set forth in this instrument be considered a statement, guarantee, or forecast that we will achieve or probably will achieve a specific future outcome and therefore one should not be unduly relying on such estimates. There is no guarantee that our future results or estimates will not vary significantly from those set forth herein. See "Item 3. Main information - Risk Factors - Changes in Brazilian tax legislation, tax incentives and benefits, or on the various interpretations of tax legislation or on jurisprudence may negatively affect our operating results."

The estimated values of PIS and COFINS credits in December 2020 in the CPFL Energia Group are:

Company	Sector	Date of Court Decision	Final Unappealable Decision	Potential benefit for CPFL ("Operational Revenue Deduction - PIS and COFINS") — R$ thousands	Potential Refund for Consumers ("Other Accounts Payable - Consumers") R$ thousands	Potential amount of PIS and COFINS unduly paid ("Recoverable Taxes) — R$ thousands
CPFL Services	Services	07/06/2010	-	2,030	-	2,030
CPFL Brazil	Marketing	07/06/2010	-	56,733	-	56,733
CPFL Paulista	Distribution	07/06/2010	-	1,162,664	1,907,452	3,070,116
CPFL Piratininga	Distribution	07/06/2010	-	534,969	1,006,029	1,540,998
RGE South	Distribution	29/06/2007	09/02/2021	764,950	1,355,980	2,120,930
RGE (merged)	Distribution	08/03/2017	-	-	687,301	687,301
CPFL Santa Cruz	Distribution	07/06/2010	21/01/2019	36,012	133,850	169,862
CPFL Santa Cruz (merged)	Distribution	07/06/2010	-	48,282	72,446	120,729
total				**2,605,639**	**5,163,059**	**7,768,698**

We do not expect to update or revise these estimates to reflect the circumstances that exist after the date of this Reference Form. These estimates do not constitute a guarantee that we will benefit from the PIS and COFINS tax credits described in the table above.

Lawsuits challenging Technical Notes No. 23/2003-SEM/ANEEL and 81/2003-SFF/ANEEL

In 2004, our commercialization subsidiary, CPFL Brasil, filed lawsuits to prohibit the retroactive application of the criteria set forth in Technical Notes No. 23/2003-SEM/ANEEL and 81/2003-SFF/ANEEL, so that the prices of the contracts for the purchase of electricity previously signed and the resulting transfer to the tariffs remain governed by the resolutions of the National Electric Energy Agency ("ANEEL"), governing the so-called "normative value" at the time of the conclusion of the purchase agreements.
The two lawsuits filed by CPFL Brazil dispute the so-called self-negotiation agreements signed with our distribution subsidiaries, CPFL Piratininga and CPFL Paulista, and there is a probability of loss for both processes. One of these cases is currently before the Court, awaiting a decision on the appeal. In the second case, a favorable decision has already been taken in relation to the plaintiff's appeal. At the time, the Court determined the re-establishment of the normative rule that was in force at the time of the conclusion of the contracts, allowing for the contracting and the corresponding transfer as agreed by the parties. Currently, this process is awaiting decision of the Superior Courts.

The table below shows the estimated amounts involved in relation to the two self-negotiation processes, as disclosed by ANEEL in the corresponding processes in 2020. These amounts were adjusted according to the General Index of Prices – Market, calculated and disclosed by the Getúlio Vargas Foundation ("IGP-M/FGV") and refer to the difference in the contractual revenue that would result from a favorable decision in the respective process that would eventually reinstate the original contractual price in its entirety, for the benefit of CPFL Brazil. If the favorable decision on such actions becomes final, the actual amounts of the contractual difference will be the subject of a specific judicial determination procedure for the calculation of the amount of the indemnity. **As a result, the values presented in the table below are merely illustrative and remain fully subject to review and eventual change until a final decision is made for each ongoing legal process.** Under no circumstances shall the estimates set forth in this instrument be considered a statement, warranty or forecast that we will achieve or probably will achieve a specific future outcome and therefore the reader shall not unduly rely on such estimates.

Process No.	Historical value disclosed by ANEEL	Adjusted value (IGP-M/FGV)
4975-46.2004.4.01.3400 (2004.34.00.004988-3) CPFL Brasil x CPFL Paulista	R$ 1,368,997,568.48	R$ 3,583,399,763.78 (December/2020)
14862-54.2004.4.01.3400 (2004.34.00.014895-2) CPFL Brasil x CPFL Piratininga	R$ 381,045,306.60	R$ 944,487,685.63 (December/2020)

We do not expect to update or revise these estimates to reflect the circumstances that exist after the date of this Reference Form. These estimates do not constitute a guarantee that we will succeed in the above lawsuits and benefit us from the amounts described in the table above.

3 Information complementary to item 3.8

(i) Financing with unsecured guarantee essentially refers to the amounts presented as Measured at Cost, pre-fixed, lines of credit of Bank Loans in the explanatory note nr. 18 of the Company's Financial Statements for the year ended December 31, 2020;

(ii) Financing with real guarantee refers, essentially, to amounts presented as Measured at Cost, lines of credit of FINEM, FINAME and FINEP, and costs with funding, in explanatory note nr. 18 of the Company's Financial Statements for the year ended December 31, 2020;

(iii) Loans with unsecured guarantee refer to the loan contracts in foreign currency, as well as

the fair value adjustments and funding costs, presented in the explanatory note nr. 18 of the Company's Financial Statements for the year ended December 31, 2020; and

(iv) Debt securities with real and unsecured guarantees essentially refer to the amounts presented as Debentures in the explanatory note nr. 19 of the Company's Financial Statements for the year ended December 31, 2020.

The CPFL Group has certain financial contracts that set that any pecuniary default over R$ 50,000,000.00 (fifty million reais) in individual or added value, or equivalents in other currencies, may result in *cross-default* of its debts.

4.	4Risk factors
4.1	**Describe the risks factors that may influence on the investment decisions, notably, those listed:**

Investments in securities of our issuance involves exposure to certain risks. Our current and potential investors must consider and analyze, in details, the information contained in this Reference Form, the risks and uncertainties described in this section, in our financial information and the respective explanatory notes before they decide to keep or invest in securities of our issuance. Our businesses, our financial status, cash flow, liquidity and/or future businesses and our operating income may be, materially and negatively affected by any of the risks listed below. The share market price may decrease due to the occurrence of any of the risks factors listed below and other risks facts not estimated by use, cases in which there may be loss in the investment in the securities of our issuance to their holders. The risks described below are those that we are currently aware of and we believe that on the date of this Reference Form, they may adversely affect us. Additional risks that we are not currently aware of or which are judged as irrelevant by us may also affect our businesses, our financial status, our operating income, our cash flow, our future businesses and the market price of our shares.

In this section, we state that one risk, uncertainty or issue may or will have an adverse or negative effect on us, or similar expressions, it means that said risk, uncertainty or issue could or may adversely or negatively affect our businesses, our financial status, our operating income, our cash flow, liquidity, future businesses of our subsidiaries and the market price of our shares, as well as the price of other securities that may be issued by us. Similar expressions included in this section "4.1. Risk Factors" should be interpreted in this context.

The references contained in this item 4.1 to "us" should be interpreted as CPFL Energia S.A. and their direct and indirect subsidiaries (except if the context requires otherwise).

Notwithstanding the subdivision of this section "4.1. Risks Factors", it should be highlighted that certain risks factors that are in a sub-item may also apply to other sub-items of the same section.

a. to the issuer;

We can acquire other companies in the energy sector, in addition to expanding our performance in the sector by means of successful new businesses and participation in ANEEL auction, as we already did in the past, which could increase our leverage and adversely affect our consolidated performance.

We, on a regular basis, analyze the opportunities to acquire other companies that are dedicated to the activities of generation, transmission, and distribution of electric energy, such as when we acquired RGE Sul, in October, 2016, or even expand our performance in the electric sector by means of new businesses in activities in which we already perform or by means of successful participations in ANEEL auctions, in addition to making investments with no holding rights in companies of the sector. Said acquisitions involve risks and challenges related to the performance of the assumptions that were undertaken to project the future profitability of the business, including the execution of the integration of operations, systems, employees, equipment and clients among the acquired companies and the generation of the expected return on the investments and the exposure to the liabilities of those companies and new businesses. Thus, the integration of our businesses with the businesses of the acquired companies and the capturing of the synergies may also require more resources and time than initially expected.

These acquisitions may also require the approval by the Administrative Council of Economic Defense ("CADE"), of ANEEL and eventful creditor financial entities. The decisions of any of these bodies may damage our businesses and even annul the transaction.

If we acquire other electric energy companies, or if we start new businesses in the sector in which we perform, this may increase our leverage and reduce our profit. Moreover, we may not be able to efficiently implement new businesses or integrate the activities of the acquired companies aiming at

obtaining economies of scale and expected efficiency gains, which always guide those acquisitions. The failure of any of those measures may adversely affect our financial status and the income of our operations.

Our business is subjected to cyber-attacks and security and privacy violations.

Our business performs the collection, storage, processing and transmission of personal (PII) or sensitive (PSI) data of clients, suppliers and employees. And key systems (core) of information technology are used for the control of the commercial, energy, administrative and financial operations, which certainly involves the exposure to certain cybernetic risks. Although adequate protection measures are taken, one observes that an increasing number of corporations, including big companies, financial institutions and governmental institutions have been disclosing violations in their information technology systems, some of which involving sophisticated attacks and specific targets, including websites or infrastructure.

There are sophisticated techniques that are used to obtain credentials to access information of the business or clients, be it to compromise services or defraud systems, as they are sophisticated they make the immediate identification of the act more difficult, many of them unknown until the first attack occurs. The violation may occur not only directly in our systems but also by the invasion of systems of partners or suppliers. Social engineering is one of the most present techniques and involves the human factor, in an attempt to induce employees, partners or suppliers to disclose confidential information, such as credentials (user ID and passwords) of access to our information technology systems. Some efforts may be supported by significant financial and technological resources, making them even more sophisticated and difficult to be detected.

One security violation may interrupt our operations, result in the unavailability of our systems or services, in the improper disclosure of data, it may relevantly jeopardize our reputation and brand, result in a relevant legal and financial exposure, lead to the loss of trust from the client or reduction in the use of our products and services, with an adverse impact on our business and operational income.

Additionally, we do not keep specific insurance policies for cyber-attacks and our current policies may not be adequate to reimburse us for the losses caused by any security violations, and we may not gain full reimbursement, or any reimbursement, as per the terms of said policies. We cannot guarantee that the protections we have for the operational technology and information technology systems are sufficient for the protection against violations of privacy, in face of the expressive increase of the quantity and sophistication of the cybernetic attacks.

Security incidents involving our databases, which contain personal data of our clients, suppliers and employees, as well as the Brazilian General Data Protection Act, LGPD, which became effective in August, 2020 and other events involving the legal scenario of protection and privacy of personal data and civil framework could have a damaging effect on our business, in our financial status or operating income.

We keep a database of information about our clients, in which we can mainly include (but not only) data collected when the clients subscribe to our services and also by means of applications on mobile phones. A violation of our systems may affect the integrity of our database. Doubts or fears about the security or protection of our clients' data, stored in our systems or otherwise dealt by us, may affect our reputation and, therefore, may have a negative impact on our income. Unauthorized access to the personal data of our clients or any public perception that those data have been unduly disclosed, may subject us to administrative or legal proceedings, resulting in possible financial reimbursements, fines and damages to our reputation, notably, by the effectiveness of the LGPD law (as defined and described below).

Currently, the personal data processing in Brazil is ruled by a series of rules, such as, for example, the Federal Constitution, the Consumer Defense Code and the Internet Civil Framework. Efforts to protect the personal data which are entered and/or made available in our systems may not guarantee that those protections will be sufficient.

We cannot guarantee that we will have financial resources to comply with new regulations or to keep us competitive in relation to the data protection practices, in a context of a constantly changing regulatory environment.

In 2018, Law nr. 13.709/2018, the LGPD, was published, as amended by the Provisional Measure nr. 869/2019, or MP 869/2019, that became effective in August, 2020. The LGPD has a broad range of applications and is extended to individuals and to the public and private entities, regardless of the country where they are located or where the data are hosted, provided that (i) the data processing occurs in Brazil; (ii) the data processing activity is intended to offer or to provide goods or services or process data of individuals located in Brazil; or (iii) the data holders are located in Brazil by the time their personal data are collected. The LGPD will be enforced, regardless of the industry or business when dealing with personal data and is not restricted to data processing activities performed in digital media and/or on the internet.

The LGPD brings significant changes in the regulation when dealing with personal data in Brazil, with a set of rules to be complied, in activities, such as, collection, processing, storage, use, transfer, sharing and elimination of information about identified or identifiable individuals in Brazil, including with respect to the personal data of our clients, suppliers and employees. The LGPD sets, among other aspects, the principles, requisites and duties imposed to the data controllers and to data processors, several rights of the personal data holders, the legal bases applicable when dealing with personal data, requirements to obtain the consent from the data holders, obligations and requirements related to security incidents, obligations related to the international transfer of personal data, the obligation to appoint a person in charge for the data protection, corporate governance practices and civil liability regime and penalties in case of breach of the provisions. The MP 869/2019 also provided the authorization for the creation of the Data Protection National Authority, which will have powers and responsibilities that are similar to the ones of the European authorities concerning data protection, will be in charge of (i) investigating, understanding the power to issue norms and procedures, deliberating about the LGPD interpretation and requesting information from controllers and processors; (ii) the enforcement, in cases of breaches of the law, by means of an administrative proceeding; and (iii) education, with the responsibility to disseminate information and foster the knowledge of the LGPD and security measures, promoting standards of services and products that facilitate the control of data and elaborating studies about the national and international practices for the protection of personal data and privacy, to name a few.

We may find it difficult to adapt to the new legislation, and also related to the inadequacy to what is set by the LGPD, we may be liable to the penalties that include the publication of the breach, the elimination of the personal data object of the breach and a fine, as well as an administrative fine.

The LGPD and similar laws and regulations that may be passed in the future may be interpreted and enforced in different ways along the time and, from one jurisdiction to another one, being possible that they will be interpreted and enforced in ways, which will substantially and damagingly affect our business. Any noncompliance, whether real or perceived, from our part, with any current norms related to personal data protection or any requirements or administrative or judicial decisions or other federal, state or international laws and regulations related to personal data protection may substantially and damagingly affect our business.

Due to the COVID-19 pandemic, our employees were allocated to the telework modality, as well as our partners and suppliers.

The unavailability and confidentiality that are two of the basic principles of information security, were compromised after the sudden change of the work model, which we had to apply due to the pandemic and that was faced as from March, 2020 on. The main cause of this commitment is that we specifically depend on the human factor and their level of awareness of information security in order to keep the protection level at least adequate. Although we constantly act in order to make all the engaged individuals aware and also guide them, and we also increased the controls to eliminate or mitigate threats, yet, the risk remains and is beyond our control and our actions.

Although we have timely implemented mechanisms for information protection, we still have the possibility of unauthorized disclosures or security violations, which would cause filing of suits, administrative sanctions, bringing losses to our business.

The identified risks related to the human factor are the non-compliance with the corporate policies and norms, lack of ethics and misconduct, fraudulent or negligent actions, unintentional actions due to carelessness or lack of knowledge, not limited to the provided examples. As a consequence, we would have the interruption or the compromise of our rendered systems and services, information leakage, unavailability of systems, causing relevant and negative impacts to the business

We can substantially be affected by violations to our Code of Ethical Conduct, to the Anti-Corruption Law and similar laws.

The non-compliance by our directors, administrators and employees, as well as by our controlled companies, controlling company or associated companies jointly, with our Code of Ethical Conduct and with the applicable anti-corruption legislation may expose us to sanctions as provisioned in the referred normative acts. This way, our Compliance guidelines may not be sufficient to prevent or to detect inappropriate practices, frauds or breaches to the law by any employee, controlled company, controlling company, associated company or by any third party which acts on behalf of said parties, interest or benefit and we may in the future, find some case in which failure to abide by the laws, regulations or applicable internal controls has occurred, which may result in fines and/or other sanctions and may adversely affect our reputation, our financial status and our strategic objectives.

Law nr. 12.846, as of August 1st, 2013, as amended ("Anti-Corruption Act") introduced the concept of objective liability to corporations engaged in acts that are harmful to the public administration, the offender being liable to civil and administrative penalties. Similar to the *Foreign Corrupt Practice Act* of the United States of America ("United States"), the Anti-Corruption Act considers that administrative sanctions shall be enforced due to a harmful act to the public administration. Failure to comply with the laws that fight corruption or any investigations of misconduct or filing of suits against us may lead to fines, cancellation of operation permits and damages to the reputation, as well as other penalties, and this may adversely affect us. We cannot guarantee that our Compliance guidelines are sufficient to prevent or detect all the inappropriate practices, frauds or breaches to the Anti-Corruption Act and similar acts by any of our administrators, employees or representatives.

Our internal controls may be insufficient to prevent or detect all breaches to the applicable legislation or to our internal policies.

Our internal controls may not be sufficient to prevent or detect all misconducts, frauds and/or breaches of the applicable laws by our employees and members of our administration. If our employees or other people related to us engage in fraudulent, corrupt or unloyal practices or are in breach of the applicable laws and regulations or our internal policies, we may be liable to any of those breaches, which may result in penalties, fines or sanctions that may substantially and adversely affect our businesses and our image.

Eventful liquidation process of the Company or of its controlled companies may be conducted under consolidated bases.

The Brazilian Judiciary or the Company's creditors themselves and/or the creditors of our economic group may determine the way to conduct the eventful company's liquidation process of its economic group as if they were a single corporation (Substantive Consolidation Theory). If this occurs, the Company's shareholders may be adversely impacted by the loss of value of the Company in case of appropriation of its equity for the payment of creditors of other companies of Company's economic group.

Unfavorable decisions in legal suits, administrative proceedings or arbitration procedures may cause adverse effects in the reputation, businesses, financial status and operation income of the Company.

The Company and its administrators are or may become defendants in legal suits, administrative and arbitration proceedings in the civil, criminal, tax, labor, regulatory and environmental scope, whose results may not be favorable to them. The provisions recorded may be insufficient to face the total cost incurred from the suits. Additionally, the Company and its administrators may be subjected to contingencies due to other reasons that forces it to spend significant amounts, that affect the regular running of its businesses or, even, result in the suspension or disqualification of its administrators to perform their job posts. Decisions contrary to the Company's and its administrators' interests may cause an adverse effect in its reputation, businesses, financial status and operating income.

The occurrence of a natural disaster, generalized health epidemics, pandemic or other surges may significantly damage our businesses, financial status and operating income. Moreover, the dissemination of transmissible diseases on a global level, such as the COVID-19 pandemic, may affect the feeling of investment, reduce our workforce temporarily, may cause interruptions and may result in sporadic volatility in the global markets. As a result, the economy and the Brazilian outlook may be affected and, as a consequence our businesses, the financial status and the price of transactions o four ordinary shares may be adversely affected.

Natural disasters, such as fires and floods, the surge of a health epidemic or generalized pandemic, such as the COVID-19 pandemic or other events, such as wars, terrorist acts, political events, environmental accidents, power outage or interruptions in communications may significantly damage our businesses. The occurrence of a disaster or a similar event may significantly affect our businesses and operations. Those events may also force us to, temporarily, close our operational facilities, which would seriously damage our operations and would seriously damage our businesses, financial status and operating income. In addition, our net sales may be significantly decreased as a natural disaster, epidemics or health pandemic or another important event damages the Brazilian economy and of other jurisdictions where we operate. Our operations may also be seriously interrupted see our consumers, services providers or other stakeholders are affected by natural disasters, epidemics or generalized health pandemic, pandemic or other important events.

In addition, the dissemination of transmissible diseases on a global level, such as the COVID-19 pandemic, may affect the feeling of investment, may cause interruptions and result in volatility in the global markets, potentially affecting the economy and the Brazilian outlook. In December, 2019, a new variant of coronavirus appeared in Wuhan, China, and cases of infected patients were reported in other jurisdictions, including cases registered in Brazil, including in São Paulo State, where our headquarters is located, among other locations. On March 11, 2020, the World Health Organization ("WHO") declared COVID-19 as pandemic. The dissemination of this virus caused certain interruptions in the businesses, in the market and in trips worldwide and particularly in the infected regions.

On the date of this Reference Form, COVID-19 pandemic is still much present in Brazil, despite the restriction measures such as the working hours of public offices, incentive to social distancing and vaccination program in course in Brazil. Increases in the number of infected patients in Brazil adversely affected the Brazilian and global economies, as well as the financial markets, New increases in the number of infected patients in Brazil or the enforcement of public policies with the purpose of fighting or restricting the dissemination of the virus may make those impacts more serious and, thus, increasingly affecting the Brazilian economy and the financial markets, and consequently, negatively affecting our financial status, operating income and the negotiation price of our ordinary shares. For example, the Brazilian residents, including our employees, who are suspected to have been infected with a transmissible disease like the COVID-19, are subjected to be quarantined. This may cause a temporary reduction of the staff, that is essential to provide assistance to commercial and emergency services, which may affect our regulated term indicators and consequently, will affect our financial income. The entire Brazilian society is subjected to more serious or milder levels of quarantine, and so the commerce and industry sectors have reduced the activities and operations. In the commercial scope, this may adversely affect our revenues and our operating income. We count on third parties to supply the equipment used in our installations, as well as to conduct part of our activities and, failure from one or more suppliers may adversely affect our activities, the financial status and the operational income. Any

additional surge could restrict the economic activities in general in the affected regions in Brazil, resulting in a reduced volume of businesses, temporary shutdown of our facilities or of other companies, or, in other way, interrupt our commercial operations. In addition, we usually observe in times of economic crises like the one the country is facing, also due to the COVID-19 pandemic, an increase in the electric energy illegal installations ('hitch') and also in the default rates of the clients.

Although it is currently expected that any interruption caused is temporary, there is uncertainty with regard to the duration or magnitude of those interruptions, the possibility of any intervention of the government or other measures, or the possibility of other economic effects in the stock market, exchange rates and others. In addition, the COVID-19 pandemic has already interrupted the consumption and trade standards, the supply chains and production processes on a global level. The main impacts that the energy distributors may face in this context are the decrease of the collection level, with the consequent increase of default and the decrease in electric energy consumption the former, influenced by the economic scenario combined with the impossibility that the distributors may interrupt the electric energy supply, as set in Normative Resolution nr. 878/2020, and the latter, directly related to the social distancing as decreed by the executive power, which is necessary to fight the COVID-19 pandemic.

And how much the consequences of the COVID-19 pandemic will affect our results, including the ones of our consumers, will depend on the highly uncertain future developments and which cannot be estimated.

b. to its holding, direct or indirect, or holding group;

The interests of our holding companies may face conflicts of interests with those of the other shareholders.

On January 23, 2017, State Grid Brazil Power Participações S.A., or State Grid, concluded the acquisition of the ordinary shares representing 54.6% of our capital with voting right, by means of which it acquired the main shareholding of our Company. State Grid Brazil Power Participações S.A. is an indirect subsidiary of State Grid Corporation of China, a state company of the People's Republic of China. In November, 2017, State Grid made a public offer for the acquisition of our shares. After the closing of the referred offer on December 5, 2017, State Grid, jointly with ESC Energia S.A., held 964.612.351 of ordinary shares, equivalent to 94.75% of our total share capital. On May 30, 2019, we announced the entry of our subsequent offer of primary shares, or the Subsequent Offer, that was ended on June 28, 2019. After the closing of the Subsequent Offer, State Grid direct and indirect interest in our share capital decreased to 83.71%.

Our controller shareholder will take measures that may be contrary to the interests of the other shareholders, and may impede other shareholders from obstructing those measures. Particularly, our controller shareholder controls the decisions of our meetings and may appoint the majority of members of our Board of Directors.

Our controlling shareholder may conduct our actions in areas such as business and financial strategies, distribution, acquisition and disposal of assets or businesses. The decisions of our controlling shareholder related to those matters may diverge from the expectations or preferences of our non-controlling shareholders. For additional information about State Grid acquisition, see "Item 15.7" of this Reference Form.

c. to its shareholders;

The development and risk perception in other countries, including in the United States and in the developing countries, may negatively affect the market price of the Brazilian securities, including of our ordinary shares.

The market value of securities of the Brazilian transmission companies is affected by the economy and by the market conditions of other countries, including of the United States, European Union, and of developing countries. The global financial crisis that began in 2008 led to significant consequences, including volatility of the share and credit markets, credit unavailability, high interest rates, downturn

in the economy in general, volatile exchange rates and inflationary pressures. Recovery from this crisis on a global level has been slower than expected in the latest years, with results of the biggest emerging economies of China, Brazil and India lower than expected. The European Union also continues to present low growth of its Gross Domestic Product ("GDP").

On March 11, 2020, the WHO declared COVID-19 as a pandemic. The dissemination of this virus caused interruptions in the businesses, in the market and in the travel business all over the world and mainly in the infected regions. Although, currently, it is expected that any interruption is temporary, there is uncertainty in relation to the duration of those interruptions, the possibility of any intervention by the government or other measures, or the possibility of other economic effects in the share market, in the exchange rate and others. To obtain additional information about the risks related to COVID-19, consult the item "— The occurrence of a natural disaster, a health generalized epidemic, pandemic or other surges may significantly damage our businesses, financial status and operating income. In addition, the dissemination of transmissible diseases on a global level, such as the COVID-19 pandemic, may affect the felling of investment, may cause interruptions and result in sporadic volatility in the global markets. As a result, the economy and the Brazilian outlook may be affected and, consequently, our businesses, financial status and trading price of our ordinary shares may be adversely affected" of this Reference Form.

Even if the financial statuses in other countries significantly vary in relation to the economic status in Brazil, the reaction of the investor in face of the development of those countries, including the dissemination of the COVID-19 pandemic and its economic effects in other countries may have an adverse effect on the market value of the securities of the Brazilian energy transmission companies. The crises in the United States, in the European Unit, in China or in emerging markets may reduce the investor's interest in securities issued in Brazil, including in relation to ours. This could adversely affect the trading price of our ordinary shares, as well as to increasingly hinder our access to the capital market and financing of our transactions in the future, in acceptable terms or anyhow.

d. to its controlled companies and associated companies;

The tariffs we charge to supply electric energy to Captive Consumers and the tariffs of use of the distribution system that we charge from Free and Special consumers are set by ANEEL in compliance with the concession contracts entered into with the Brazilian government, and may negatively affect our operating revenue if ANEEL sets tariffs in a way that would not be favorable to us.

Our tariffs are set according to the concession contracts entered into with the Brazilian government and in compliance with the ANEEL regulations and decisions, these being set, discretionarily by ANEEL, as set in the concession contract and in the current legislation.

Our concession contracts and the Brazilian legislation set a mechanism that admits three types of tariff increases: (i) annual tariff increase, or RTA; (ii) periodic tariff review, or RTP; and (iii) extraordinary tariff review, or RTE. We have the right to request, every year, the annual increase, that is intended to compensate certain effects of inflation on tariffs and transmit to consumers certain changes in our cost structure that are beyond our control, such as the cost of the electric energy that we buy and certain regulatory charges, including charges of use of the transmission and distribution network. Additionally, ANEEL is used to doing the periodic tariff review at every four or five years (as per the terms of each concession contract). This way, it aims to identify the variation of our costs, as well as to determine a decrease factor based on our operational efficiency that will be applied in comparison with the index of our current annual tariff increases. The extraordinary reviews of our tariffs may be performed at any time, or may be claimed by us. The extraordinary reviews may adversely affect our operating income or financial status. In the past, all the reviews of methodologies were approached in set cycles, such as the ones occurred in 2008-2010 and 2010-2014. In 2015 ANEEL changed this procedure, to enable the review of methodologies applicable to the electric sector from time to time, item by item. Periodic tariff reviews did not occur in 2020 to our Distribution. Periodic reviews of tariffs to CPFL Piratininga were made in October, 2019, resulting in an average change of -7.80%, to CPFL Paulista, to RGE Sul, in April, 2018 and to RGE in June, 2018, resulting in average adjustments of 16.90% (CPFL Paulista), 22.47% (RGE Sul) and 20.58% (RGE). We cannot foresee if ANNEL will set tariffs that would benefit us.

Moreover, we currently have ongoing legal suits that address the tariff review. An eventful unfavorable result of these suits may result in the change of the currently applied tariffs, having an adverse impact in our businesses and in the results of our operations.

We are a holding and a significant portion of our cash comes from the distributions of income of our controlled companies. Some financial contracts entered into by our controlled companies impose restrictions on the distribution of dividends

We are a shareholding Corporation with the main purpose of acting as a holding, participating in the capital of other corporations that are dedicated to activities of distribution, transmission, generation, trading and rendering of services in the energy sector.

A significant portion of our cash flow originates from the distributions of dividends and interest on own capital paid by our controlled companies. This way, events that cause decreases in the profits of the referred companies or suspensions in the payment of dividends may affect our financial status. Our subsidiaries have financing contracts that hinder the distribution of dividends above the legal minimum and statutorily set and by means of the occurrence of default events, the payment of any dividends and/or interest on own capital. Our decision to distribute dividends will be dependent upon, among other factors, our capacity to generate profits, profitability, financial status, investment plans, contractual limitations and restrictions imposed by the applicable legislation and regulation.

Our distribution business may be required to reimburse clients for up to ten years in case of imprecise billing.

The regulations applicable to incorrect billing, notably those related to prescription periods, as set in Article 113, II, of ANEEL Normative Resolution nr. 414, as of September 9, 2010, 7 were suspended by an injunction ordered on December 18, 2018, and enforced by ANEEL on January 4, 2019. The original text of Article 113, II, limited to the period during which the Distribution companies had to reimburse the consumers, as required by ANEEL, in case of incorrect billing of up to 36 months. The new period of prescription to be applied by ANEEL is ten years. If the injunction continues to be in force, we will have to reimburse the clients in case of incorrect billing for a period of ten years, which could represent a significant costs and negatively affect our financial income.

We may not be able to fulfill the terms of our concession contracts and authorizations, which may bring about fines, other penalties and, depending on the seriousness of the non-fulfillment, the cancellation of our concessions or authorizations, and neither can we guarantee that we will obtain, keep or renew all the implementation and operation permits that are necessary to conduct our business.

ANEEL may impose penalties on us if we fail to comply with any provision of our concession contracts or authorizations. Depending on the seriousness of the non-compliance, the penalties may include:

- Fine due to default, limited to the maximum of 2.0% of the annual revenue generated in the scope of the concession or authorization, or if the concession or authorization is not operational, to the maximum of 2.0% of the estimated amount of the energy that would be generated in the period of twelve months prior to the occurrence of the default;
- embargoes to construction activities;
- restrictions to the operation of existing installations and equipment;
- obligations of additional contributions by the shareholders that are the concessionaire holders (not applicable to authorizations);
- temporary suspension to participate in new biddings, which may also be extended to the holding shareholders of the company that is liable to penalty;
- ANEEL intervention in the administration of the breaching concessionaire; and
- Extinction of the concession or the authorization.

The Brazilian government may also extinguish any of our concessions or authorizations by means of expropriation, if they see there are reasons of public interest. In addition, we may be a party in legal suits, which eventfully result in restrictions for having contracts with the public power, which could affect us financially and in reputational aspects.

We cannot guarantee to the investor that we will not be incurred into penalties by ANEEL due to eventful non-compliance with our concession contracts or authorizations, or that our concessions or authorizations will not be revoked in the future. The indemnity that we are entitled to in the occurrence of an advance eventful rescission or revoking of our concessions or authorization may not be sufficient for us to recover the full amount of certain assets. In addition, if any of our concession contracts or authorizations is terminated for reasons enforced to us, the actual amount of the indemnity by the granting power may be significantly reduced by means of enforcement of fines or other penalties. Therefore, if fines or penalties are imposed on us, or if revoking of any of our concessions or authorizations occurs, our financial status, our operating income and our capacity to pay our contractual obligations may be incurred into a relevant adverse effect.

The distribution concessions held by our former subsidiaries CPFL Santa Cruz, CPFL Jaguari, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista (currently incorporated by CPFL Santa Cruz) were originally granted in 1999, for a period of 16 years, this period having been recently extended until July, 2045. The referred extensions were granted now under the new laws and regulations that address the distribution concessions, specifically, Decree nr. 7.805/12, Law nr. 12.783/13 and Decree nr. 8.461/15, therefore being subjected to new targets and new standards set by the Brazilian authorities. These new targets and norms are included in the amendments to the concession contracts. There is not a precedent yet that enables us to assess how the Brazilian authorities will act under those new laws and regulations, that include certain variables that are beyond our control and which may affect our capacity to fully achieve those targets. If we are unable to achieve those targets, our distribution concessions and, therefore, our revenues and our capacity to pay our contractual obligations may be relevantly affected.

The licenses, permits and authorizations demanded and applicable to our activities are issued by the public bodies and by the environmental agencies and must be kept as valid. Whenever necessary, those licenses and authorizations must be renewed before the competent public authorities.

We cannot guarantee that we will obtain and/or keep as valid and/or timely renew all the authorizations, real estate and environmental licenses for the development of our activities. The delay or rejection, by the licensing bodies, to issue or renew said documents, as well as the eventful impossibility or our compliance with the requirements set by said bodies in the course of the licensing process, may adversely affect our operating income. Failure to obtain, maintain or renew those licenses and/or authorizations may result in the enforcement of fines and in the interdiction of our irregular facilities, with the total or partial interruption of our activities. And also, the possibility or closing or temporary interruption of any of our units, our businesses and the results may be adversely affected.

In our Distribution business, we are obliged to forecast the demand for energy in the market. If the effective demand is different from that one estimated by us, we may be forced to buy or sell energy in the spot market at prices that may generate additional costs, which we may not be able to fully pass on to the consumers.

As per the terms of the Law of the New Model of the Electric Sector, a distributor of electric energy must contract in advance, by means of public biddings, 100% of the electric energy that was estimated for their respective areas of concessions and is authorized to pass up to 105% of the costs of this energy to the consumers. The overestimated or underestimated demand may generate adverse impacts. If we underestimate the demand and buy electric energy in advance in a quantity that is lower than our needs, in a way that we will be considered liable as per the terms of the Law of the New Model of the Electric Sector and of the applicable legislation, we may be forced to buy additional energy in the *spot* market at volatile prices and which may be substantially higher than those ones estimated in the long term purchase contracts. We may be hindered from fully passing those additional costs to the consumers and we would also be liable to penalties, as per the terms of the applicable regulation. On the other hand, if we overestimate the demand and buy electric energy in a quantity that is higher than our needs

(for example, if a significant portion of our Potential Free Consumers migrate to the purchase of energy in the Free Market), we may be forced to sell the exceeding energy at substantially lower prices than those set in the terms of our concessions. In any circumstance whatsoever, if there are significant differences between our estimated needs and the actual energy demand, our results of the operations may be negatively affected. Since August, 2017, Decree nr. 9.143/17 allows the distribution companies to negotiate the exceeding of energy with Free Consumers and other agents of the Free Market (generators, traders and auto-producers). To obtain additional information about the risks related to natural disasters or pandemics, see item "The occurrence of a natural disaster, generalized health epidemic, pandemic or other surges may significantly damage our businesses, financial status and operating income. Moreover, the dissemination of transmissible diseases on a global level, such as the COVID-19 pandemic, may affect the feeling of investment, may cause interruptions and may result in sporadic volatility in the global markets. As a result, the economy and the Brazilian outlook may be affected and, as a consequence, our businesses, financial status and the price of transactions of our ordinary shares may be adversely affected" of this Reference Form.

ANEEL is reviewing the regulation about general conditions for the access of micro generation and mini generation distributed to the electric energy distribution systems and said reviews could adversely affect our distribution.

As set by ANEEL Normative Resolution nr. 482, as of April 17, 2012, the regulation allows the Captive Consumers to generate energy and inject any excess of energy in the distribution system, in exchange to energy credits that may be used to compensate the future consumption within the next 60 months. This resolution was amended in 2015 to allow the shared generation of energy, according to which a group of consumers could generate energy in a location within the same area of distribution concession and share the energy credits among its members. Currently, ANEEL is executing public hearings to review ANEEL Normative Resolution nr. 482, as of April 17, 2012, notably in relation to parcels to be paid to the distribution concessionaires on the energy net values. The reviewed regulation may be in force in 2021. If ANEEL reviews the regulation in a way that is unfavorable to us, our results of operations may be adversely affected.

In addition, the Captive Consumers classified as Group B are currently subjected to the payment of distribution tariffs that include the energy consumption and also the use of the distribution system. ANEEL is performing public hearings to assess the regulatory impacts of a possible change in the tariff structure of those consumers to a binomial structure, that would segregate the tariffs paid by the energy consumption and the tariffs paid by the use of the distribution system. If this binomial structure is implemented in a way that would be unfavorable to us, our results of operations could be adversely affected.

The trading activities are subjected to potential losses due to the short-term variations in the energy prices in the spot market. Additionally, we may not be able to buy energy in sufficient quantity to honor our sales contracts, which may expose us in the spot Market with substantially high prices in relation to our long-term contracts.

In our energy trading activities we may not be able to buy electric energy that we need to fulfill our sales contracts, which may expose use to short term market prices, that are significantly higher than our mid term and long term contract prices. In general, all the agents of the Free Market are subjected to possible differences between the generated and acquired energy volumes (supply) and the sold or consumed energy volumes (demand). These volume differences are settled by the Chamber of Electric Energy Commercialization ("CCEE") for the Settlement Price of Differences ("PLD"). The PLD is calculated for each sub-market and charge level on a weekly level, and is based on the Marginal Cost of Operation ("CMO"), limited to minimum and maximum amounts defined by ANEEL, which are reviewed and set every year by the regulatory agency.

CPFL has in its portfolio several plants whose sales contracts are directly executed to the free market companies. Therefore, if generation lower than it was initially contracted occurs, due to the low incidence of wind on the wind farms, there is not any adjustment or compensation mechanism, which increases the risks that those plants will be exposed to PDL in CCEE liquidation.

The same occurs to the other plants of the group, if the generated energy of the plants at biomass is lower than the sales contract. And in the case of the hydro plants (PCHs or UHEs), that belong to the Energy Reallocation Mechanism (MRE), the exposure to PLD also occurs as the entire set of plants of MRE do not generate the corresponding volume to the total of their Physical Guarantees, also causing exposure to GSF, pointed out with more details in a further item in this form.

The variations in the short-term market prices may lead to potential losses in our trading activity. The factors that may affect the PLD include (i) variations in the estimated and identified charge; (ii) variations in the levels of the reservoirs of hydropower plants; (iii) reduction/ increase of the estimated and verified affluence; (iv) advance or delays of the start of operations of new generators and/or transmitters; and (v) variations in the estimated and verified generation of small plants. The occurrence of any of these factors may lead to a substantial variation in the PLD, which may result in the increase of costs or decrease of revenue in the trading of energy in the short term, and may also negatively affect our cash flow.

The construction, extension and operation of our installations and equipment of generation, transmission and distribution of electric energy involve significant risks that may cause loss of revenue or increase in expenses.

The construction, extension and operation of installations and equipment intended to generate, transmit and distribute electric energy involve several risks, including:

- Inability to obtain and/or renew the necessary governmental permits and approvals;
- unavailability of equipment;
- interruptions in the supply;
- strikes;
- labor strikes;
- social unrest;
- climate and hydrologic interferences;
- shortage in the sugar cane market, the necessary raw material for biomass generation;
- performance of our partners in the operation of biomass plants;
- lower intensity of winds as well as the duration compared to that one contemplated in the study phase of the projects on our wind farms;
- eventful delays in the start of operations of a wind farm
- unpredicted environmental, regulatory and/or engineering issues;
- increase in losses of electric energy, including technical and commercial losses;
- unavailability of wind turbines at levels beyond the expected standards;
- environmental, regulatory and/or engineering issues not estimated;
- increase in losses of electric energy, including technical and commercial losses;
- operational and construction delays, or costs higher than estimated;
- incapacity to win auctions in the electric energy sector held by ANEEL; and
- unavailability of adequate financing.

If we experience these or other issues, we may not be able to generate and distribute electric energy in quantities that are compatible with our projections, which may adversely affect our financial status and our operating income and our capacity to pay our contractual liabilities.

If we are unable to conclude our proposed investment program, in the estimated schedule, the operation and development of our businesses may adversely be affected.

We planned to invest R$ 1,278 million in our generation activities (R$ 13,314 million in our distribution activities, R$ 278 million in our trading activities and services activities and R$ 375 million in our transmission activities during the period from 2021 to 2025. Our capacity to conclude this investment program depends on a series of factors, including our capacity to bill adequate tariffs to our services, our access to national and international capital markets and a variety of operational and regulatory contingencies, among others. It remains uncertain whether we will have financial resources to conclude our proposed investment program, and not doing so will adversely and relevantly affect the operation and development of our businesses.

We intend to make investments in the total amount of R$ 3,376 million in 2021, R$ 3,318 million in 2022, R$2,924 million in 2023, R$2,857 million in 2024 and R$ 2,770 million in 2025. We have already undertook commitments, on a contractual basis, in relation to a portion of those investments, especially in generation projects. Our capacity to conclude the investment program above depends on a series of factors, including our capacity to bill adequate tariffs for our services, our access to the national and international capital markets and a variety of operational and regulatory contingencies, among others. There is no certainty that we will have financial resources to conclude our proposed investment program. Any impossibility to complete said program may cause adverse effects in our operation and in the development of our businesses, and may also adversely affect our capacity to pay our contractual obligations.

We are responsible for all losses and damages due to the failure to render and/or inadequately render the electric energy services and our contracted insurance policies may not be sufficient to fully cover said losses and damages.

As per the terms of the Brazilian legislation, we have objective liability for the direct and indirect losses and damages, due to the inadequate rendering of electric energy distribution services. In addition, our distributors, transmission units and generators may be liable for losses and damages caused to third parties due to the interruptions or disturbances in the generation, transmission or distribution systems, whenever those interruptions or disturbances are not attributable to an identified member of the National Operator of the Electric System ("ONS"). We may be liable to bear the losses and damages due to the failure to render and/or the inadequate rendering of the energy service, which may cause us an adverse effect, as well as our capacity to pay our contractual obligations.

Our indebtedness degree and our undertaken debt service liabilities, as well as the restrictive provisions in our financial contracts (covenants) may adversely affect our capacity to conduct our activities and to make the payments of those financing.

On December 31, 2020, we had a total indebtedness of R$ 21,280 million. Our indebtedness degree increases the possibility of us not having sufficient cash to timely pay the principal, interest and other charges related to our indebtedness. Additionally, we may incur into additional indebtedness, on a periodic basis, to finance acquisitions, investments, *joint ventures* or for other purposes, subjected to the restrictions applicable to our current financing, such as when we acquired RGE Sul in October, 2016. If we are incurred into additional indebtedness, the risks related to our indebtedness may increase.

In addition, some of our financing contracts have operational restrictive clauses and related to our business. Notably, some of those clauses impede us from incurring into additional debt or making restricted payments, including the distribution of dividends, in case some indices and financial tests are not fulfilled. Those indices and financial tests have as a base the reaching of certain level of adjusted EBITDA (calculated according to the criteria contained in its debt instruments), interest expenses, total indebtedness and net profit. Those indices and financial tests are maintenance tests, which means that we must fulfill them every year in order not to fulfill its debt obligations. Our capacity to fulfill those indices and financial tests may be affected by events that are beyond our control and we cannot guarantee that we will fulfill those indices and financial tests. Non-compliance with any of those clauses may result in an event of default as per those contracts and others.

Our indebtedness level and the restrictive clauses in our debt instruments may imply into important risks, including the following ones:

- increase of our vulnerability to the economic, financial and sectorial negative in general; and

- the need for us to dedicate a substantial part of our cash flows of operations for the debt service, thus reducing the availability of our cash flows for the financing of capital expenditures.

Our cash generation originated from our operations may not be sufficient to pay the amount of the principal, interest and other amounts due related to its current and future debts and, in this case, we may not be able to make borrowings, sell assets or, otherwise, raise funds in acceptable conditions or even make it to refinance its debt once due or if it becomes due. We are incurred into additional debts, the risks related to our debts, including our default in relation to the terms of our debts, may increase.

In case we are under default as per the terms of any of our financing contract, the debt balances as per the terms of those contracts (including the principal, interest and any fines) may be advanced, which may activate the provisions about cross default or cross acceleration (*cross default/cross acceleration*) as per the terms of our financing contracts and, due to our significant indebtedness level, may substantially and adversely affect our financial status. In the past, we were not able to fulfill certain specific clauses and we asked for and obtained *waivers* in relation to the fulfillment of certain *covenants* of debt coverage index. We may not be able to fulfill the referred clauses or other applicable clauses and we will have to ask for new *waivers*. We cannot guarantee that we will be successful in fulfilling said obligations, and, if we are unable to fulfill said obligations, to obtain or renew said *waivers.*

Additional information about our indebtedness, consult item of our 10.1.f of this Reference Form.

e. to its suppliers;

The risk associated to the suppliers of our controlled companies is informed in item d "We may not be able to create the expected benefits and/or generate the expected return in relation to the investments or our businesses of renewable energy generation" and in item j "The impact of shortage of electric energy and energy rationing incurred from it, like when it occurred in 2001 and 2002, as it has a substantial adverse effect on our businesses and operating income" of this Reference Form.

Contracting costs may vary according to the market demand due to the limitation of the number of suppliers.

The fulfillment of the Company's maintenance needs and of the construction demands of new works are affected by a limited number of suppliers. Therefore, the Company is vulnerable to the market supply and demand, mainly in moments when there are big investments in the energy sector, which may make the Company pay high prices for those services and materials used in there works.

The incapacity or unwillingness of those third parties to render the services contracted by the Company with the quality as set in the contract, as well as to supply the necessary materials for the execution of those services may: (i) cause default of its regulatory obligations; (ii) pose risk to the preservation of its generating centers and of transmission networks and distribution of electric energy; and/or (iii) temporarily reduce the availability/capacity to generate electric energy of its centers and of its transmission networks and distribution of electric energy. Consequently, the Company may obtain lower sales revenue and a possible exposure to the short-term market, which may cause and adverse effect on the Company's income and image. Additionally, the termination of those contracts of supply of materials and construction services or operation and maintenance, or the inability to renew them or to negotiate new contracts with other services providers that are equally qualified, timely and with similar prices, may cause an adverse effect on the Company's income.

The Company depends on third parties to supply equipment used in its installations, as well as to execute a portion of its operations and failures by one or more suppliers may damage the Company's activities, its financial status and its operating income.

The Company depends on third parties, to be supplied with the equipment used in our installations and in the engineering services and, consequently, we are liable to increase and failures by said suppliers and services providers, such as delays in the delivery or delivery of damaged equipment. These issues may adversely affect our activities and may have an adverse effect on our results. In addition, several risk sources in the supply chain, including strikes or disruptions, loss or damage to our equipment or to their parts while in transit or storage, natural resources or the occurrence of a disease or a contagious disease, such as the coronavirus surge, or COVID-19, which the WHO defined as a pandemic in March 2020, could limit the supply of the equipment used in our installations.

In addition, due to the technical specifications of the Company's equipment and works, there are a few available suppliers and services providers. In case any supplier discontinues production, interrupts the sale of any of the equipment that is necessary to its activities or to the rendering of the engineering services, the Company may not be able to acquire said equipment or service with other suppliers under the same price conditions and term. In this case, the rendering of the electric energy transmission and generation services by the Company may be damaged significantly, which may adversely affect its financial status and its operating income.

As we outsourced part of our operations to third parties, if one or more services providers interrupt the activities or the rendering of services, our operations may be adversely affected, which may have a damaging impact on our income and financial status. In particular, we may have shortage of some of the main equipment used in our activities due to interruptions caused by the current COVID-19 pandemic, mainly in China, where some of those pieces of equipment are manufactured. Any continuous operational complications caused by the COVID-19 pandemic, including a long period of travel, commercial restrictions and other similar restrictions may result in more scarcity or interruption of the service. Any scarcity or interruption may adversely affect the continuous development of our activities, which may have a relevant adverse effect on our operating income and in the financial status.

In addition, if one or more services providers do not fulfill any of its labor or social security liabilities, we may be severally liable to those liabilities. This may adversely affect our operating income and our reputation in case of a future payment of a fine or indemnity.

f. to its clients;

The level of default of our consumers could adversely affect our businesses, our operating income and/or our financial status.

The level of default of our consumers may be affected by variables of the economy, such as the income level, unemployment, interest rates, inflation and energy price. The current Brazilian macroeconomic status, associated to the increase of tariffs of electric energy in the recent years and the recent COVID-19 pandemic, which caused a long period of inactivity of the work sites, commercial disruptions and other similar restrictions, may represent an increase in the risk of default of our consumers. ANEEL has also recently introduced measures that place restrictions in our capacity to interrupt the service after the consumer's default for a specific period of time. For additional information about the COVID-19 pandemic, consult item "— The occurrence of a natural disaster, generalized health epidemic, pandemic or other surges may significantly damage our businesses, financial status and operating results. In addition, the dissemination of transmissible diseases on a global level, such as the COVID-19 pandemic, may affect the feeling of investment, may cause interruptions and may result in sporadic volatility in the global markets. Consequently, the Brazilian economy and outlook may be affected and, consequently, our businesses, financial status and trading price of our ordinary shares may be adversely affected" of this Reference Form. We cannot guarantee that the measures to improve billing of payments which we implemented will be sufficient and effective to keep the current level of default of our clients. If the level of default increases, the businesses, the financial statuses, the operating income of the Company may be adversely affected, as well as the capacity to fulfill our contractual obligations.

g. to the sectors of the economy in which the issuer acts;

We are exposed to increases in interest rates practiced by the market and to exchange risks.

The cost of energy bought from Itaipu plant, or Itaipu, a hydropower plant that is one of our main suppliers, is bound to the exchange variation of the North-American dollar. The price of electric energy

of Itaipu is increased or decreased according to the variation of the exchange rate between the Brazilian real and the North-American dollar. In addition, the changes in the price of electric energy generated by Itaipu are subjected to the mechanism of recovery of Costs of Instalment A, according to which our tariffs are increased annually to contemplate gains or losses of those purchases from Itaipu Hydroelectric Power Plant. Our cash flows may be adversely affected by the volatile exchange rates due to the divergence between the purchase date of electric energy from Itaipu and the date on which our tariffs are increased by means of the mechanism of recovery of Costs of Instalment A.

Additional information about the risks of fluctuations of interest rates and exchange rates, consult 4.2 of this Reference Form.

Natural disasters, the surge of an epidemic or generalized health epidemic or other events, such as wars, terrorist acts, political events and environmental accidents may cause sporadic volatility in the global markets and may result in volatile exchange rates. See item "The occurrence of a natural disaster, generalized health epidemic, pandemic or other surges may significantly damage our businesses, financial status and operating results. In addition, the dissemination of transmissible diseases on a global level, such as the COVID-19 pandemic, may affect the feeling of investment, may cause interruptions and may result in sporadic volatility in the global markets. Consequently, the Brazilian economy and outlook may be affected and, consequently, our businesses, financial status and trading price of our ordinary shares may be adversely affected" of this Reference Form.

The Brazilian government exerted and continues to exert significant influence on the Brazilian economy. This engagement, in addition to the Brazilian political and economic conditions, may adversely affect our businesses and the price of our ordinary shares.

The Brazilian government frequently interferes in the Brazilian economy, occasionally implementing significant changes in its policies and regulations. The measures taken by the Brazilian government to control inflation and other policies and regulations frequently imply into increases in the interest rates, changes in the tax policy, price controls, currency depreciations, capital controls and restrictions to imports, among other measures. We have no control and we cannot predict which measures or policies the federal government may adopt in the future. Our activities, financial status and operating income may be adversely affected by changes in the policy or in the regulations at any level (federal, state or municipal), which involve or affect factors such as:

- expansion or contraction of the Brazilian economy, as measured by the GDP growth rates;
- interest rates;
- monetary policy;
- exchange variations;
- inflation;
- liquidity of the capital markets and loans;
- tax policies;
- amendments to the labor laws;
- environmental regulations in our sector;
- exchange rates and controls and restrictions on remittances abroad, such as those briefly imposed in 1989 and early 1990; and
- Other political, social or economic developments that may occur in Brazil and affects it.

The uncertainty that the Brazilian government will not change policies or regulations that affect these or other factors, may contribute to the increase of political and economic instability in Brazil, the volatility of the Brazilian capital market and the securities issued abroad by the Brazilian economies. Standard & Poor's reduced Brazil's rating to below the investment level on September 9, 2015 and also reduced Brazil's rating from BB to BB- on January 11, 2018, with a stable outlook, it restated its position on August 9, 2018 and, on December 11, 2019, with a positive outlook, reconfirmed its position on April 6, 2020 and again on December 10, 2020, with a stable outlook; Fitch Ratings reduced Brazil's rating from

BBB- to BB+ on December 16, 2015, to BB on May 5, 2016 and then to BB- on February 23, 2018, with a stable outlook, and also reconfirmed its position on May 21, 2019 and on November 14, 2019, on November 18, 2020 it confirmed its position changing the outlook to a negative outlook; and Moody's Investors Service reduced Brazil's rating to Ba2 on February 24, 2016, with a stable outlook, and also reconfirmed its position on April 9, 2018 and again on May 15, 2020. Those reductions reflected the unfavorable economic conditions, adverse and continuous tax events, and also the biggest political uncertainty in Brazil.

We cannot guarantee that the Brazilian government will keep the current economic policies or that these or other events involving the Brazilian economy and/or the governmental policies will not affect directly or indirectly, our businesses, and/or the results of our operations.

Additional information about the main market risk factors that affect our businesses, consult 4.2 of this Reference Form.

The political conditions may have an adverse effect on the Brazilian economy and on our businesses.

The recent economic instability in Brazil contributed to a decline of trust of the Market in the Brazilian economy, as well as the unstable political environment. Despite the slow economic recovery and the still existing high fiscal vulnerability, several macroeconomic issues improve in 2018-2019. The highlight was the slowdown of historically low/high inflation and interest rates.

In addition, the recent political instability in Brazil contributed to a decline of trust of the market in the Brazilian economy. Several investigations involving allegations of money laundering and corruption are being conducted by the Federal Public Prosecutor's Office, including the biggest of the investigations known as the "Car Wash Investigation", and has had negative impacts in the Brazilian economy and in the political environment.

In the "Car Wash Operation", members of the Federal Government and of the Legislative branch, as well as big senior executives of big private and public companies, are being accused and, in some cases, convicted or, even, making plea bargain agreements, related to political corruption crimes, involving bribery, bribe taking in biddings of several infrastructure, petrol and contractor contracts. The product of those bribes would have financed political campaigns of government parties and accounted in slush funds, in addition to allegations of illicit enrichment of people that received those amounts and also advantages to companies in contracts with the Brazilian government. In addition, some of those companies are being investigated and, in some cases, pleaded guilty by the competent authorities, such as the CVM, the U.S. Securities and Exchange Commission – *U.S. Securities and Exchange Commission* ("SEC") and the U.S. Department of Justice. Some of those companies decided to enter into leniency agreements with the competent authorities, whenever possible. The potential result of those investigations, convictions, plea bargain and leniency agreements are still uncertain, but has already damaged the image and reputation of the involved companies, political parties and the general perception of the market in relation to the Brazilian economy and the political environment. We cannot estimate if those investigations will lead to a more serious political and economic investigation or if new allegations against public servants, executives and/r companies will emerge in the future. And we cannot estimate the result of any investigation or allegation, and neither their effects on the Brazilian economy.

In August, 2016, the Brazilian Senate approved of the impeachment of Dilma Rousseff, the then president of Brazil, after a legal and administrative proceeding of impeachment as she broke budget laws. Michel Temer, the former vice-president, who took office as the president of Brazil after Dilma's impeachment, is also being investigated due to corruption allegations. He was arrested for the first time in March, 2019, having been convicted of crimes of cartel conduct, active and passive corruption, money laundering and fraud in public auction. He was released and arrested again four days after, in May, 2019, and then released again six days after. He continues to be the center of several investigations about corruption allegations. In addition, another former president, Luiz Inácio Lula da Silva, was sentenced to 12 years in jail due to corruption and Money laundering crimes in April, 2018 and began to serve the sentence, but was released in November, 2019, after a decision of the Federal Supreme Court. Moreover, in April 2021, the Federal Supreme Court annulled Lula's convictions on the grounds of incompetence of the lower court and determined that the cases should be sent to the Federal Court in the Federal District. A

strong opposition figure, the fact that Lula has been released and with the annulment of the convictions by the Supreme Court he can run in the 2022 presidential elections may deepen even more the political tensions in Brazil.

In October, 2018, Jair Bolsonaro was elected president of Brazil and took office on January 1st, 2019. We cannot predict, for sure, how the victory of Bolsonaro may affect the general stability, the growth perspectives and the economic and political soundness of the country.

There is no guarantee that Bolsonaro will be successful in the execution of his promises of his campaign or in the approval of certain favorable reforms, notably, when he will have to face a shattered congress. Additionally, during the presidential campaign, his Ministry of the Economy, Paulo Guedes, proposed the revoking of income tax exemption on the payment of dividends, that was recently reinforced jointly with reference to the extinction of interest attributable to net equity. If said measures became lawful, there would be an increase in our tax expenditures, which could affect our capacity to pay and receive dividends or interest attributable to the net equity. Any future tax reform may also significantly exert influence on our businesses, if it is proposed and implemented. Additionally, Bolsonaro was, in general, a polarizing figure during his presidential campaign, notably in relation to certain social views, and we cannot predict how the divided electorate may affect his presidency and his capacity to implement policies and reforms, which could have a negative effect on us and on the price of our ordinary shares.

In November, 2019, the Brazilian government approved of a social security reform after almost nine months of negotiation. The negotiations and the delay in the approval of the social security reform unveiled the political crisis between the Executive Power and the Congress. In addition, it is expected that the federal government will propose the general terms of a tax reform in order to stimulate the Brazilian economy and reduce the budget deficit estimated for 2020 and following years, but it is uncertain if the federal government will be able to gather the necessary support in the congress in order to gain the approval of any proposal for reforms. If the federal government is not able to reduce the public expenditures and if the expected reforms are not approved, then Brazil will continue to administer a budget deficit for the year 2020 and subsequent years. We cannot predict the effects of this budget deficit in the Brazilian economy, and neither which policies the federal government may adopt or amend, or the effect that said policies may have. Any new policies or amendments in the current policies may have an adverse effect on us or on the price of our ordinary shares. In addition, the uncertainty if the current Brazilian government will implement changes in the policy or regulations in the future may contribute to the economic uncertainty in Brazil and increase the volatility of the securities issued abroad by the Brazilian companies.

In addition, during April and May 2020, Jair Bolsonaro became involved in political controversies that culminated in the resignation of the then Minister of Health, Luiz Henrique Mandetta, and the resignation of the Minister of Justice, Sergio Moro. These former ministers were considered important figures within the current Federal Government and the circumstances in which the ministerial changes occurred caused even more instability in the Brazilian economy and capital markets.

Jair Bolsonaro is being investigated by the Supreme Court for alleged improper acts disclosed by former Justice Minister Sergio Moro. According to the former Minister, the President sought to influence the appointment of directors of Brazil's Federal Police. If the President is found to have committed the alleged acts, any consequences arising from such investigation, including the initiation of a possible impeachment process, may have material adverse effects on the political and economic environment in Brazil, as well as on Brazilian companies, including the Company and its subsidiaries.

Moreover, at the end of April 2021, a Parliamentary Inquiry Commission - CPI was installed to investigate failures in the fight against the COVID-19 pandemic. We cannot predict the outcome of such CPI and any material adverse effects it may have on the political and economic environment in Brazil.

The instability of the exchange rate may adversely affect our financial status and our operating income and the price of our ordinary shares.

During the last decade, the Brazilian real suffered frequent and substantial variations in relation to the North-American dollar and other currencies. The Real Exchange rate in relation to the North-American

dollar was R$ 3.874 on December 31, 2018, R$ 4.030 on December 31, 2019 and R$ 5.196 on December 31, 2020. On April 15, 2021, the exchange rate was R$ 5.623 per US$1.00. The real may continue to fluctuate significantly in relation to the North - American dollar in the future.

The depreciation of the Brazilian real increases our debt service cost in foreign currency and the acquisition costs of electric energy of Itaipu Hydropower Plant, which is the hydropower plant that is one of our main suppliers and which partially corrects the electric energy prices based on costs bound to the North-American dollar. The depreciation of the real in relation to the North-American dollar may create inflationary pressures in Brazil and provoke an increase in the interest rates, which may negatively affect the growth of the Brazilian economy as a whole and affect our financial status and operating income, as well as to inhibit the access to the international capital markets, a lead the government to intervene, including with recession governmental policies. The depreciation of the real in relation to the North-American dollar may also lead to the consumption decrease, deflationary pressures and may decrease the economic growth as a whole. On the other hand, the appreciation of the real in relation to the North-American dollar and other foreign currencies may lead to the devaluation of the Brazilian current accounts abroad and also decrease the growth boosted by the exports. Depending on the circumstances, both depreciation and appreciation of the real may substantially and adversely affect the growth of the Brazilian economy and of our business, of our financial statuses and our operating income, as well as our capacity to fulfill our contractual obligations.

The depreciation of the real also reduces the value in North-American dollars of the distributions and dividends attributable to the ordinary shares and the equivalent in North-American dollars at market price of our shares.

Additional qualitative and quantitative information in relation to the exchange rate instability that affect our businesses, consult item 4.2 of this Reference Form.

Inflation and the policies about interest rates may hinder the growth of the Brazilian economy and may affect our businesses.

In the past, Brazil faced extremely high inflation rates and, therefore, followed monetary policies that resulted in one of the highest real interest rates in the world. From 2010 to April, 2021, the base interest rate in Brazil, or SELIC, varied between 14.25% per year and 4.25% per year.

According to the Extended National Consumer Price Index ("IPCA"), the inflation rate was 4.5%, 4.3% and 3.8% in 2020, 2019 and 2018, respectively. In March, 2021, cumulative inflation in the immediately prior period of 12 months was 6.10 %. Brazil may go through high levels of inflation in the future and inflationary pressures and may cause the Brazilian government to interfere in the economy and introduce policies that may adversely affect our business and the price of our ordinary shares. In the past, Brazilian government interventions included the maintenance of a restrictive monetary policy with high interest rates that restricted the credit availability and reduced the economic growth, causing volatility in the interest rates. The SELIC rate fell from 6.50% on December 31, 2018 to 2.0% on December 31, 2020, as set by the National Monetary Council ("CMN.") Milder policies of the Brazilian government and of the Central Bank and decrease in the interest rates triggered and may continue to trigger increases in inflation and, consequently, the volatility of the growth and the need for sudden and significant increases in the interest rates, which may adversely affect us and may increase our indebtedness.

If Brazil faces high inflation in the future, we may not be able to increase the prices we charge from our clients to compensate for possible impacts of inflation on our expenses, including salaries. This would lead to a decrease of the year-end profit, adversely affecting us. The inflationary pressures may also adversely affect our capacity to have access to the foreign international markets.

h. to the regulation of the sectors in which the issuer acts;

We are subjected to an extensive regulation of our business, which fundamentally affects our financial performance.

Given the essentiality of electric energy, the entire value chain of the Electric Sector is subjected to the specific norms and rules that form the specific regulation, to which the agents who perform in this sector, must comply with.

Our businesses are subjected to an extensive regulation by several Brazilian regulatory authorities, specifically by the Brazilian Electricity Regulatory Agency ANEEL. ANEEL rules the Federal Government policies and guidelines for the use and exploration of electric energy services by the agents of the sector and inspects several aspects of the businesses in which we act, and also sets the tariffs applicable to the distribution concessionaires of our Group.

Therefore, if we make additional and unexpected capital investments, as per ANEEL's order, and we are not allowed to increase our tariffs correspondingly or, if ANEEL does not authorize the reimbursement of all costs or, also, if ANEEL amends the regulation related to tariff increases, we may be adversely affected.

Additionally, both the implementation of our growth strategy and the management of our businesses in its ordinary course may be adversely affected by governmental actions, such as the amendment to the current legislation, the cancellation of state and federal concession programs, the creation of stricter criteria for qualification in energy public auctions or the delay in the review and implementation of new annual tariffs.

If we are requested by the regulatory amendments to conduct our businesses in a manner that is substantially different from our current operations, then our operations, our financial results and our capacity to pay our contractual liabilities may be adversely affected.

Under the market business viewpoint in which CPFL Group acts, there is equally the interference of the sector regulation. Although the energy trading segment directly acts with the energy contracting free environment, it is subjected to the norms and rules related to the Sector and must equally comply with them.

This way, any legal and/or normative amendments may directly and indirectly, affect the financial performance of the market businesses. That is why it is important to map the regulatory risks and opportunities to act before the governmental bodies in an assertive way and mitigate the business risks.

We cannot guarantee the renewal of our concessions and authorizations.

We conducted our generation, transmission and distribution as per the terms of the concession contracts entered into with the Brazilian government. The term of our concessions is 20 to 35 years. The 1988 Federal Constitution of the Federative Republic of Brazil requires that all concessions related to public services must be granted by means of an auction. Based on the specific laws and regulations of the electric energy sector, the Brazilian government may renew the current concessions for an additional term of up to 20 or 30 year, depending on the type of concession, without auction, provided that the concessionaire has achieved certain minimum financial and performance standards, among others, and the proposal must be, on the other hand, acceptable by the Brazilian government. The Brazilian government has considerable discretion, as per the terms of Law nr. 8.987/95 ("Concession Law"), of Law nr. 9.074/95, of Decree nr. 7.805/12, of Law nr. 12.783/13, of Decree nr. 8.461/15, of Law nr. 13.360/16, Decree nr. 9.158/17 and Decree nr. 9.187/17, as well as per the terms of the concession contracts, in relation to the renewal of concessions. We also highlight that we may be subjected to new regulations set by the Brazilian government, which may retroactively affect the norms about renewals of concessions and authorizations.

The non-renewal of our concessions and authorizations, as well as the non-renewal of our energy supply contracts could have a relevant adverse effect on our financial status, our operating income and our capacity to pay our contractual liabilities.

We are not confident in relation to the review of the Assured Energy in our Energy Generation Plants.

Decree nr. 2.655, as of July 2, 1998, set that Assured Energy of the generation plants would be reviewed at every five years. As a part of those reviews, the Ministry of Mines and Energy ("MME") may review the Assured Energy of a company, limited to the maximum variation of 5% per review or 10% on all the term of the concession contract. As per Ordinance nr. 515/2015 issued by the MME, it was expected that the first review of the Assured Energy according to this process would be implemented to the Hydropower plants (except the Small Hydropower Centers "PCHs") in January, 2017. The execution of the methodology of this new review to each hydropower plant is not available yet. However, MME issued the Ordinance nr. 714/2016, according to which the current Assured Energy of each Hydropower plant would remain effective until December, 2017. The first review of Assured Energy was implemented in January, 2018, as per the MME Ordinance nr. 178/2017 and it led to a reduction in Assured Energy of our Hydropower Plants in an average of 2.4%. The PCHs, differently from other Hydropower Plants, have been subjected to annual reviews of its Assured Energy since 2010, as per MME Ordinance nr. 463/2009. Those annual reviews did not result in reductions in the Assured Energy levels of the PCHs of CPFL Geração, but resulted in reductions to the PCHs of CPFL Renováveis, which is subjected to legal claims. As from 2017, Decree nr. 564/2014 extended this review to the biomass plants, which led to am increase of Assured Energy of the biomass plants of CPFL Renováveis in an average of 3.8% in 2020, decrease of 1.1% in 2019 and an increase of an average of 4.3% in 2018.

We cannot be certain about the mode, how and when the future reviews will affect the Assured Energy of each one of our plants individually, if the renewable energy producers will be successful in their appeal against the review suit or if the global effect of the reviews will increase or reduce our Assured Energy. When the Assured Energy of a plant is reduced, our capacity to supply electric energy according to the CCEs of the plants is adversely affected, which may lead to a decrease in our revenues and the increase in our costs if our generation subsidiaries are obliged to buy electric energy in other agents. We expect that the reviews of Assured Energy as per the terms of Decree nr. 2.655/98 will continue to occur at every five years for our plants that are not PCHs.

The regulatory structure under which we operate is subjected to legal claim.

The Brazilian government implemented fundamental changes in the electric sector regulation, by means of the legislation passed in 2004, known as the Law of the New Model for the Electric Energy Sector or the New Regulatory Framework. Appeals with regard to the constitutionality of the Law of the New Model for the Electric Energy Sector are still pending before the Federal Supreme Court. It is not possible to estimate the date of the final decision of those suits. If the totality or part of the Law of the New Model for the Electric Energy Sector is declared unconstitutional, there will be uncertain consequences in relation to the validity of the current regulation and the development of the regulatory structure. The result of the legal suits may have an adverse impact in the entire energy sector, including in our businesses and in the results of our operations.

If the regulatory structure under which we operate is reviewed in a way as to require that we begin to conduct our business substantially different from our current operations, then our operations, our financial income and our capacity to pay our contractual liabilities may be adversely affected.

We are subjected to the environmental and health regulations that may become stricter in the future, and may cause increases of liabilities and investments.

Our activities are subjected to an extensive federal, state and municipal legislation, and arranging for and maintenance of licenses, as well as the regulation and inspection by the Brazilian regulatory agencies in charge of the implementation of environmental and health laws and policies. Those agencies may file measures against us if we do not comply with the applicable regulation and/or if we fail to obtain or keep our respective licenses. Those measures may include, among other things, sanctions at the criminal and administrative level, such as the enforcement of fines and revoking of licenses. The sanctions depend on the intensity of the breach or on the extension of the damage caused and on eventful aggravating or attenuating circumstances applicable to the breaching agent. It is possible that an increase in the strictness of the environmental and health regulation forces us to increase or direct our investments to fulfill this regulation, and, consequently, deviate the already planned investment resources, which may adversely affect our financial status and the result of our operations.

The electric sector companies are subjected to a strict environmental legislation at the federal, state and municipal levels in relation to the suppression of vegetation, management of solid waste,

interventions in areas that are specially protected, operation of potentially pollutant activities, among other aspects. Said companies need licenses and permits from governmental agencies for the installation of their ventures and operation of their activities.

In case of breach or non-compliance with said laws, regulations, licenses and authorizations, the companies may be incurred into administrative sanctions such as, fines, interdiction of activities, cancellation of licenses and revoking of authorizations, or they may be subjected to criminal sanctions (including their administrators), with no damage to the duty of repairing the environmental damage caused in the civil scope. The Public Prosecution Office may file a civil inquiry and/or promptly file a public civil suit aiming at the reimbursement of eventful damages to the environment and to affected third parties.

The federal legislation imposes objective liability to all those who directly or indirectly cause environmental damage and, therefore, the duty of repairing or indemnifying due to the damages caused to the environment or to affected third parties, regardless of negligence or willful misconduct. The federal legislation also sets the disregard of the corporate veil of the pollutant company, attributing individual liability to the administrators and to the shareholders, to enable the refund of damages caused to the quality of the environment. Consequently, we may be obliged to bear the costs of environmental restoration. The payment of substantial environmental indemnities or relevant expenses incurred into to pay the restoration of the environment may hinder or lead us to delay or to redirect investment plans to other areas, which may adversely affect the company's businesses, reputation, operations and image.

The governmental agencies or other authorities may also edit new stricter rules or have more restrictive interpretation of the existing laws and regulations, that may force the electric energy companies, including the Company, to spend additional funds in the environmental adequacy, including obtaining environmental licenses for installations and equipment, which, before, did no need those environmental licenses.

If the environmental and health regulation becomes stricter in the future, our operations and our financial results may be adversely affected, as well as our capacity to pay our contractual liabilities.

Amendments to the tax and accounting legislation, incentives and tax benefits, different interpretations of the tax legislation or jurisprudence may damage our operating income.

Amendments to the Brazilian tax laws, in the interpretations of the tax authorities, in the administrative or legal jurisprudence and in the tax norms of Brazil may result in an increase of the tax burden on our financial income, which may highly reduce our profits and operating cash flows. Our distribution subsidiaries and the commercialization subsidiary, CPFL Brasil, are parties in legal suits that address the ICMS exclusion from the calculation base of PIS and COFINS paid by those entities. If we are successful in said suits, we expect to obtain a tax credit of a portion of the amounts of PIS and COFINS paid in excess, while the remaining amounts may have to be returned to the consumers. If the administrative or legal authorities consider a different understanding from ours on the use of the tax credit, we may have to return the total amount of the payments in excess to the consumers, which will not give origin to the benefits we are expecting. Additionally, our operating income and our financial status may be negatively affected if certain tax incentives are not kept or renewed. We may not be able to charge applicable taxes or fees or comply with the tax laws, which may result in more fines and tax assessment.

i. to the foreign countries where the issuer acts.

Not applicable, as we and our controlled companies only act in the Brazilian territory.

j. to social environmental issues.

Our operating income depends on the existing hydrologic conditions. The unfavorable hydrologic conditions may affect our operating income.

We depend on the hydrologic conditions that are prevailing in Brazil. In 2020, according to the data of the Electric Energy Commercialization Chamber ("CCEE"), 71.7% (70.5% in 2019) of the electric energy in Brazil, was supplied by the hydropower plants.

Brazil is subjected to hydrologic conditions of high variability, in general due to average deviations of rainfall index. When the hydrologic conditions are in a critical situation, one expects a high volume of dispatch of Thermal Power Plants, including those operated by us, to cover the generation of hydropower energy and keep the safety levels of the reservoirs, as well as the electric energy supply levels. In the cases in which the Hydropower Plants, including those operated by us generate energy volume that is lower than the energy volume ensured in the scope of the Energy Reallocation Mechanism ("MRE"), those plants may be exposed to the PLD. In the scope of the MRE, when the volume of the generated energy is lower than the assured energy, one has the so-called "GSF" (Generation Scaling Factor) risk, which results in the exposure of the hydropower generator to PLD in MCP. It should be highlighted that under the tariff viewpoint, the distribution segment is also affected in those circumstances due to its contracts with quota plants. In the years 2015 to 2018, there was shortage of energy in the scope of the MRE, which resulted in bigger disbursements originated from the hydropower generation. We remain exposed to the GSF risk and we disbursed amounts based on the PLD to supply energy to our consumers in the Free Market.

In the distribution sector, extraordinary costs may occur for the acquisition of energy when CMSE determines to ONS the dispatch of Thermal Electric Plants out of the cost-merit deployment, such as, for example, System Service Charge ("ESS"), related to energy security. These additional costs may be transferred by the distributors to the consumers by means of an increase or periodic tariff revisions, as per the terms of the applicable legislation. However, there will be a cash flow incompatibility in the interim period, as the distributors will have to bear those costs immediately, whereas the tariffs will be increased annually.

In January, 2015, the electric sector began to implement a mechanism of monthly "tariff flags", in which the consumers' invoices may be subjected to monthly tariff increases, whenever the supply costs reach certain levels, enabling the consumers to adapt their consumption to the energy costs. The revenues billed under the tariff flag system are reimbursed to the distribution companies based on its energy cost related to the period. Due to the unfavorable hydrologic conditions observed from 2013 to 2015, red tariff flags were applied during the year 2015, since the introduction of this system, in January, 2015. In 2016, due to improvement in the hydrologic conditions, green tariff flags were applied in the majority of the months of the year, but 2017 was mainly marked by the yellow and red tariff flags. In November, 2017, ANEEL held a public hearing to review the methodology of the tariff flags. According to the new methodology, the red tariff flags were applied in November and December, 2017. In 2018, the green flags were applied from January to April and again in December. The yellow tariff flags were adopted in May and November and the red ones were applied from June to October. In April, 2018, the methodology to calculate the additional tariffs caused by the flags was reviewed so as to consider the lack of hydropower energy generation (GSF factor). From June to October, 2018, the tariff flag reached its highest level, billing an additional of R$50 per MWh consumed due to the unfavorable hydrologic conditions and the high market prices.

In May, 2019, as per ANEEL Homologation Resolution nr. 2.551, ANEEL reviewed the methodology used to calculate the additional tariffs originated from the applications of the tariff flag to consider the estimate of total hydraulic generation of MRE, as defined in the Monthly Operational Program (PMO), adjusted by the CCEE reduction factors by the average volume of physical guarantee projected for the tariff flags and applied to the PLD monthly average to the tariff flag level, set by CCEE after the triggering of the price ranges. The valid tariff values from June, 2019 to November, 2019 were R$15 per MWh in the yellow tariff flags, R$40 per MWh in stage 1 red tariff flags and R$60 per MWh in stage 2 red tariff flags. In October, 2019, ANEEL opened a public consultation nr. 27 to review the values of the tariff flags, removing, as from November, 2019, the rounding system applied to the values until then. As from November, 2019 on, the current values of the tariff flag will be: R$13.43 per MWh in yellow tariff flags, R$41.69 per MWh in stage 1 red tariff flags and R$62.43 per MWh in stage 2 red tariff flags. In 2020, the values of the additional of the flags were kept at the same level of 2019.

The green tariff flags were applied from February to November, the yellow tariff flags were applied in the month of January, and the stage 2 red tariff flags were applied in December.

This mechanism may be insufficient to cover the thermal electric power supply costs and the exposure in the spot market due to the unfavorable hydrologic conditions (GSF factor), and the distributors still face the risk of mismatches in the cash flow in the short term.

If the hydrologic conditions are not satisfactory or the tariff flag system is altered, our operations and financial results may be adversely affected, as well as our capacity to comply with the contractual liabilities.

The impact of a shortage of electric energy and rationing of electric energy incurred from it, as occurred in 2001 and 2002, may have a substantial adverse effect on our businesses and operating income.

The operational capacity of the hydropower plants in Brazil highly depends on the levels of the reservoirs and, consequently, on the rainfall. Periods of heavy rainfall or constantly below the average that result in shortage of electric energy may adversely affect our financial status and our operating income. The hydrologic conditions may be challenging both during the rainy period, which occurs from December to April, and during the drought period, which occurs from May to November in Brazil. For example, during the period of scarce rainfall in the years 2000 and 2001, the Brazilian government set the Rationing Program, a program to reduce the electric energy consumption, which was effective from June 1, 2001 to February 28, 2002. The Rationing Program sets limits for the electric energy consumption for the consumers in the industrial, commercial and residential sectors, which varied from 15.0% to 25.0% of reduction in the energy consumption. Those rationing programs may result in the reduction of the electric energy demand all over Brazil, and so, reducing the Company's gross operating income. If Brazil experiences another shortage of electric energy (a situation that may occur, and which we are not able to control or predict), the Brazilian government may implement similar policies or other ones in the future to face the shortage. For example, extensive programs of electric energy conservation, including compulsory reductions in consumption may be implemented if the unfavorable hydrologic conditions cannot be compensated, in practice, by other energy sources, such as the Thermal Power Plants, thus resulting, in a lower supply of electric energy to the Brazilian market.

If a shortage of electric energy, with a lower supply of electric energy occurs in the Brazilian Market, our operations, our financial income and our capacity to pay our contractual liabilities may be adversely affected.

The dams belong to the critical and essential infrastructure of the Brazilian energy sector. Failures in the dams under our responsibility may generate serious impacts to the affected communities, to our financial income and to our reputation.

The dams are important infrastructures to our businesses, representing the biggest portion of our energy generation capacity. However, when referring to dams, there is an intrinsic risk of collapse due to internal or external factors in relation to the structures (such as for example, the collapse of an upstream dam). The seriousness and type of risk are not fully predictable. So, we are subjected to the risk of a failure in a dam that could have much higher repercussions than the loss of hydroelectric generation capacity. The failure of a dam may result in economic, social, regulatory, environmental damages and potential loss of human lives in the communities who live downstream of the dams, which could result in an adverse effect in our image, business, operating income and financial status.

4.2 Describe, quantitatively and qualitatively, the main market risks, which the issuer is exposed to, including in relation to the exchange risks and interest rates.

The main market risk factors that affect the businesses are the following:

- **Energy Market Risk:** The energy distribution, generation and commercialization businesses in the regulated and free environments are subjected to the market risk associated to the trading of energy.

- **Risk sub/over contracting of the distributors:** The distributors may be incurred into losses in the transfer of costs with energy acquisition whenever: (1) the contracted energy volume is higher than 105% of the energy demanded by their clients. In this scenario, the energy that is contracted over 105% is sold in the Chamber of Electric Energy Commercialization ("CCEE") at the short term price value ("PLD") and in a scenario of PLD lower than the purchase price of those contracts, there is loss for the concession; or (2) the contracted energy volume is lower than 100% of the demanded energy. In this scenario, in addition to the fact that the distributors are obliged to buy energy at the PLD value at CCEE and having no guarantees for the full transfer to the tariff of the consumers, they are also exposed to the penalties incurred due to insufficiency of contractual reserve.

- **Risk related to shortage of hydric energy:** This risk is associated to the sale of energy produced by the hydropower plants. A long period of drought may result in the reduction of the water volume from the reservoirs of the plants, compromising the recovery of its volume, and may cause losses, due to the increase in costs for the purchase of energy or decrease of revenue with the implementation of extensive programs for electric energy conservation or the adoption of a new rationing program as verified in 2001. Despite this scenario, a critical scenario of supply was not verified.

  In 2020, rainfall below the normal volume was observed, mainly in the second semester, leading to a decrease in the storage levels of the reservoirs, the risk in relation to the hydric energy of the generators represented an impact of R$ 63 million (R$ 42 million of the Small Size Hydropower Station (PCHs) and R$ 21 million in other generators, this being the impact in the Group's consolidated statements.

- **Market risk of the commercial units:** as the commercial units may incur into losses in their energy exposures, which are subjected to variations in the short and long term prices.

- **Credit risk:** The risks arise out of the possibility of the controlled companies to be incurred into losses resulting from the difficulty to receive amounts invoiced to their clients. The risk of default that generates Provision for Doubtful Credits ("PCLD") represented an impact in the year-end 2020 in 0.7% (R$ 227 million) of the Consolidated Net Operating Revenue.

  If the Company clients' default increases, our operations and financial income may be adversely affected, as well as our capacity to pay our contractual liabilities.

- **Interest rate risk:** This risk originates as the Company and its controlled companies may incur into losses due to fluctuations in the interest rates which increase financial expenditures related to sectorial loans, financing, debentures and financial assets and liabilities. In 2020, the Company's net exposure was liability at R$ 11,066 million indexed to CDI, R$ 476 million to TJLP, R$ 164 million to IGP-M and net asset exposure at R$ 2,004 million to SELIC and R$ 6,214 million to IPCA.

- **Exchange rate risk:** This risk may occur as the Company and tis controlled companies may be incurred into losses and cash restrictions due to fluctuations in the Exchange rates, increasing the liability balances set in foreign currency and a portion of the revenue of the business jointly held ENERCAN of energy sale contracts with annual correction of a portion of the tariff based on the dollar variation. Additionally, the controlled companies are exposed to their operating activities, to the Exchange variation in the purchase of electric energy from Itaipu hydropower plant.

Debt acceleration risk: The Company and its controlled companies have loan, financing and debentures contracts, with restrictive covenants (*covenants*) usually applicable to those types of operation, related to the compliance with economic-financial indices. The determination of the *covenant* estimates a maximum ratio limit of 3.75 of the Net Debt / EBITDA, determined on a semester basis at the holding CPFL Energia, under the penalty of eventful debt acceleration in case of non-fulfillment of the limit. For the year-ended December 31, 2020, the Company determined the Net Debt / EBITDA at 2.19.

If a non-fulfillment occurs, then the Company's debt acceleration may occur, and it may cause negative effects in its businesses and operating income, as well as its capacity to pay its contractual liabilities.

- **Regulatory risk:** The electric energy supply tariffs billed by the distribution controlled companies of the captive consumers are set by ANEEL, according to the periodicity set in the concession contracts entered into with Federal Government and in compliance with the periodic tariff review set for the tariff cycle. Once this methodology is approved, ANEEL sets the tariffs to be billed by the distributors of the end consumers. The tariffs so set, as provisioned in Law nr. 8.987/1995, must ensure the economic-financial balance of the concession contract at the time of the tariff review, but may generate lower increases than what is expected by the controlled distribution companies.

4.3 Describe the legal, administrative and arbitration suits in which the issue or its controlled companies are parties, discriminating among labor, tax, civil ones and others: (i) which are not under secrecy, and (ii) which are relevant to the businesses of the issuer or of its controlled companies, indicating:

All the suits under process in which the Company and/or its controlled companies are parties, classified or not as confidential, and which are relevant to the Company, with the status updated until December 31, 2020, are identified in this Reference Form. In the relevance analysis process, the Company and its controlled companies did not stay only in the potential economic and financial effects of an unfavorable decision, also considering those suits that could influence the decision of the investors, such as for example, the suits in which the image of the Company or of its controlled companies may be adversely affected.

Below are the details of the suits in which the Company or its controlled companies are parties, that are not considered as confidential and which are considered as relevant to the Company's businesses on December 31, 2020.

FISCAL SUITS

Pension plan – CPFL Paulista

CPFL Paulista has as one of the main themes those discussions about the deductibility for income tax of expenses recorded in 1997 related to the novation of the debt related to the pension plan of the employees of the controlled company CPFL Paulista before Fundação Cesp (currently "Vivest") in the amount estimated at R$ 1.495 bllion, having legal deposits in the amount of R$ 22.8 million and financial guarantees (insurances and bank guarantees), as per the terms required by the procedural legislation. Additionally, the discussion is around the interest that was levied on the legal deposit raised by the Company in the amount of R$ 254.7 million and which are deposited in court. On May 23, June 06 and September 17, 2019, the special appeal of the main suit was judged before the Sixth Division of the Superior Court of Justice (STJ) unfavorably to the Company, whose decision was published in its full content on June 26, 2020, on which motions for clarification were introduced on August 4, 2020, and waiting for judgment. Additionally, the Company has an extraordinary appeal in the initial processing phase at the Federal Supreme Court (STF). Consequently, based on the current phase of the suit, both as STJ and at STF and based on the opinion of their legal advisors, the Company is confident about the presented legal basis and will continue to defend it before the Judiciary Power, keeping the prognosis of the risk of loss of the suits as improbable, and will also continue trying to avoid possible cash outflows if the existing financial guarantees are requested substitute cash deposit, being that the main ones are highlighted below

(Amounts in R$ Thousand)

Tax Foreclosure nr. 0014813-89.2004.4.03.6105 (2004.61.05.014813-3) – IRPJ	
a) Court	3rd Federal Court of Campinas
b) Court	3rd Court (judicial)
c) Initiation date	11/19/2004
d) Parties in the suit	Plaintiff: National Treasury Defendant: CPFL Paulista de Força e Luz
e) Amounts, assets or rights involved	R$ 795,865
f) Main facts	A suit of tax type filed by the National Treasury to claim the deductibility of expenses recorded in 1997, related to a deficit of the pension fund of Vivest, soon after the filing of a Writ of Mandamus by the Company to discuss the theme (0005656-29.2003.4.03.6105). Based on a favorable opinion received from the Federal Revenue, the Company deducted said expenses for the purposes of determining the amounts due as

	income tax. What occurs is that the Federal Revenue, through the Office of Campinas, changed the understanding that was previously issued by the Secretary of the Federal Revenue, not recognizing the novation and, consequently, denying its deductibility. There was inspection and recording of several Notices of Infraction against de deductibility taken by CPFL. In the referred execution suit, we made a judicial deposit in the amount of R$ 360 million in 2007 (R$ 667 million updated to December 31, 2015) for the debit guarantee, which enabled the Company to continue with the stay of execution. In January, 2016, the Companhia obtained a legal decision that authorized the substitution of the judicial deposit for financial guarantee (guarantee insurance), allowing the release (withdrawal) of the full deposited amount. Further on, the Company made a cash deposit of the interest related to the initial deposit (R$ 248 on 31/12/2019). During the advancement of the suit a decision was made determining the maintenance of the debit, against which the Company filed an appeal. The referred appeal was rejected on 12/01/2015. CPFL Paulista filed special and extraordinary appeals, the first one being admitted and forwarded to the Superior Court of Justice (STJ), for judgment and the second was not admitted, in which, there was an interlocutory appeal, and with no judgment yet before the Federal Supreme Court (STF). On 17/09/2019, the special appeal of the Stays of Execution of the referred Tax Foreclosure, jointly with the Special Appeal of the Writ of Mandamus nr. 0005656-29.2003.4.03.6105, were judged before the Second Court of the STJ unfavorably to the Company, keeping the enforcement of the tax notification. After the publication of the judgment, motions of clarification were filed on 04/08/2020, which are waiting for judgment. The Federal Government requested the advance enforcement of the guarantee of the deposit by the Company of the claimed amount, which was approved by the TRF3, but on 06/08/2020 we obtained suspension of this decision directly at the STJ.
g) Chance of defeat	Possible
h) Analysis of the Impact in case of defeat	Cash disbursement and recording in the accounting profit of the controlled company CPFL Paulista in the amount of R$ 795,865, which represents 2.6% of the Company's consolidated Net Revenue.

(Amounts in R$ thousand)

Tax Foreclosure nr. 0014812-07.2004.4.03.6105 (2004.61.05.014812-1) – CSLL	
a) Court	3rd Federal Court of Campinas
b) Court	2nd Court (judicial)
c) Initiation date	11/19/2004
d) Parties in the suit	Plaintiff: National Treasury Defendant: CPFL Paulista de Força e Luz
e) Amounts, assets and rights involved	R$ 211,798

f) Main facts	A suit of a tax type filed by the National Treasury to claim the deductibility of expenses recorded in 1997, related to a deficit of the pension fund of Vivest. Based on a favorable opinion received from the Federal Revenue, the controlled company CPFL Paulista deducted said expenses for the purposes of determining the amounts due as income tax. For the guarantee of this suit, the controlled company presented insurance guarantee. A decision was granted determining the maintenance of the debit. Further, the controlled company CPFL Paulista filed an appeal. The appeal was partially granted, only to determine the suspension of the present embargoes until the definite judgment of the writ of mandamus nr. 0005656-29.2003.4.03.6105 The National Treasury presented requests for reconsideration, which was judged as damaged to determine the return of the procedural records to the 6th Division of the TRF, in order to collect the vote of the Appeals Court Judge relative to the suspension of stay of execution. On 06/02/2020 digitalization certificate of the records and remitted to processing in the sub-secretariat of cases of the vice-presidency.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting income of the controlled company CPFL Paulista in the amount of R$ 211,798, which represents 0.7% of the Company's consolidated Net Revenue, without major impacts in the group's operations.

(Amounts in R$ thousand)

Tax Foreclosure nr, 0000330-78.2009.4.03.6105 (2009.61.05.000330-0) – IRPJ, CSLL	
a) Court	3rd Federal Court of Campinas
b) Court	2nd Court (judicial)
c) Initiation date	08/01/2009
d) Parties in the suit	Plaintiff: Fazenda Nacional Defendant: CPFL Paulista de Força e Luz
e) Amounts, assets or rights involved	R$ 104,699
f) Main facts	A suit of a tax type filed by the National Treasury to claim the deductibility of expenses recorded in 1997, related to a deficit of Vivest pension fund. Based on a favorable opinion received by the Federal Revenue, the controlled company CPFL Paulista deducted said expenses for the purposes of determination of the amounts due as income tax. For the guarantee of this suit, the controlled company obtained bank guarantees and filed stay of execution. The stay of execution was judged as denied. So, CPFL Paulista presented an appeal on the merits, which, had its dismissal denied. A Special Appeal was filed and is awaiting judgment.
G) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting profit of the controlled company CPFL Paulista in the amount of R$ 104,699, which represents 0.30% of the Company's consolidated net revenue, without major impacts in the group's operations.

(Amounts in R$ thousand)

Tax Foreclosure nr. 0004593-90.2008.4.03.6105 (2008.61.05.004593-3) – IRPJ, CSLL, PIS and COFINS	
a) Court	5th Federal Court of Campinas
b) Court	3rd Court (judicial)
c) Initiation date	05/05/2008
d) Parties in the suit	Plaintiff: National Treasury Defendant: CPFL Paulista
e) Amounts, assets or rights involved	R$ 75,318
f) Main facts	A suit of a tax type filed by the National Treasury to claim the deductibility of the expenses recorded in 1997, related to a deficit of Vivest pension fund. Based on a favorable opinion received by the Federal Revenue, the controlled company CPFL Paulista deducted said amounts for the purposes of determining the amounts due as income tax. For the guarantee of this suit, the controlled company obtained a bank guarantee, but in 2011, it was necessary to substitute it for a deposit in the amount of R$ 54 million, preventing the risk from having any asset pledged by the tax authorities. In January, 2016, the controlled company obtained a judicial decision that authorized the substitution of the judicial deposit for a financial guarantee (surety bond), allowing the withdrawal of the respective deposited amount in favor of the controlled company in 2016. A sentence was passed determining the maintenance of the debit. Further on, the controlled company CPFL Paulista filed an appeal, which was judged as denied. So, CPFL Paulista files special and extraordinary appeals, whose judgment is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Amount deposited in court and recording in the accounting profit of the controlled company CPFL Paulista in the amount of R$ 75,318, which represents 0.3% of our consolidated Net Revenue, without major impacts in the group's operations.

(Amounts in R$ thousand)

Tax Suit nr. 0023157-39.2016.4.03.6105 (10830.720420/2007-71)– IRPJ, CSLL, PIS and COFINS	
a) Court	5th Federal Court of Campinas
b) Court	2nd Court (Judicial)
c) Initiation date	06/12/2016
d) Parties in the suit	Plaintiff: Federal Revenue Defendant: Companhia Paulista de Força e Luz
e) Amounts, assets and rights involved	R$ 94,206
f) Main facts	A suit of a tax type filed by the federal Revenue of Brazil to claim the deductibility of expenses recorded in 1997, related to deficit of Vivest pension fund. Based on a favorable opinion received by the Federal Revenue, the Company deducted said expenses for the determination of the amounts due as income tax. What occurs is that the Federal Revenue, through the Division of Campinas, changed the previously issued understanding by the Federal Revenue Secretary, not recognizing the novation and, consequently, denying its

	deductibility. There was inspection and recording of several Notices of Infraction against the deductibility taken by CPFL. In the present case, a Tax Foreclosure was filed due to the supposed offsetting of the negative balance of IRPJ/99 with IRPJ (Sept to Oct/03), CSLL (Oct/03), COFINS (Nov/03), PIS (Nov/03). The company filed Stays of Execution. A sentence of inadmissibility of the Stays of Execution was passed. We filed an Appeal, whose judgment is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting income in the amount of R$ 94,206 which represents 0.30% of the Company's Net Revenue, without major impacts in the Company's operations.

(Amounts in R$ thousand)

Tax Foreclosure nr. 0005997-98.2016.4.03.6105 – IRPJ, CSLL, PIS and COFINS.	
a) Court	3rd Federal Court of Campinas/SP
b) Court	2nd Court (Judicial)
c) Initiation Date	28/03/2016
d) Parties in the suit	Plaintiff: National Treasury Defendant: CPFL Paulista
e) Amounts, assets and rights involved	R$ 186,077
f) Main Facts	A suit of a tax type filed by the Federal Revenue of Brazil to claim the deductibility of expenses recorded in 1997, related to a deficit of Vivest pension fund. Based on a favorable opinion received by the Federal Revenue, the Company deducted said expenses for the purposes of determination of the amounts due as income tax. What occurs is that the Federal Revenue, through the Office of Campinas, modified the previously issued understanding by the Federal Revenue Secretary, not recognizing the novation and, consequently, denying its deductibility. There was inspection and recording of the Notices of Infraction against the deductibility taken by CPFL. After unfruitful administrative discussion, the notices of infractions were recorded in active debt and were filed. The object of the referred tax foreclosure is the collection of several alleged debits. CPFL Paulista presented stays of execution. A sentence was passed determining the maintenance of the debit. Further on, CPFL Paulista appealed, lodging an appeal, which was judged unfavorably towards the company. Internal review filed which was denied. We filed a motion for clarification that was rejected and a fine was enforced. On 03/11/2020 we lodged a Special Appeal and judgment is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting income in the amount of R$ 186,076, which represents 0.60% of the Company's consolidated Net revenue, without major impact in the Company's operations.

- **Pension Plan: CPFL Piratininga**

(Amounts in R$ thousand)

Tax Foreclosure nr. 0014567-73.2016.4.03.6105 (10830.001019/2007-39) – IRPJ/CSLL (Tied Ordinary Suit nr. 0013251-25.2016.4.03.6105).	
a) Court	5th Federal Court of Campinas/SP
b) Court	2nd Court (judicial)
c) Initiation Date	12/08/2016
d) Parties in the suit	Plaintiff: National Treasury Plaintiff: CPFL Piratininga
e) Amounts, assets or rights involved	R$ 236,399
f) Main facts	The controlled company CPFL Piratininga received a tax notification related to the deductibility of expenses originated from the payments provisioned in the financial agreement entered into for the even up of the deficit with Vivest pension fund. The objection presented by the company was denied. Therefore, CPFL Piratininga filed a voluntary appeal, which was dismissed. The Company filed a special appeal, which was dismissed. The discussion was concluded in the administrative scope and the Company filed an Ordinary Appeal, aiming at the cancellation of the judgment occurred in the administrative court. A lower court decision was given, as having legal basis, to determine the return of the records to the administrative court. The Federal Government filed an appeal, of which judgment is pending. Concurrently, the Treasury filed a tax foreclosure. The suspension of the tax foreclosure was set, until the Ordinary Suit presented by CPFL is judged. In this annulment suit, the Companny obtained a favorable decision, but without the granting of the request for suspension of the debit liability in this enforcement and without conviction of costs, therefore, the Company presented Appeal, as well as the Treasury, but the latter wants the full reform of the decision. Currently, the Company is waiting for the judgment of the Appeals and of the appeal protection reactivation of suspension. We presented a petition to request blockage of the records until the conclusion of the ordinary suit nr. 0013251-25.2016.403.6105, whose request was accepted by the court.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	In case of defeat in the judicial scope, the impact will be cash disbursement and recording in the accounting income of the controlled company CPFL Piratininga in the amount of R$ 236,399, which represents 0.80% of the consolidated Net Revenue.

- **Tax Suit IRPJ/CSLL – RGE**

(Amounts in R$ thousand)

Tax Foreclosure nr. 5012003-49.2012.404.7107 – IRPJ / CSLL	
a) Court	5th Federal Court of Caxias do Sul
b) Court	2nd Court (Judicial)
c) Initiation Date	16/08/2012
d) Parties in the suit	Plaintiff: National Treasury Defendant: RGE
e) Amounts, assets or rights involved	R$567,378
f) Main facts	The National Treasury filed a suit of tax type against the controlled company RGE related to the supposed tax debits, relative to generating factors that occurred in the period from 1999 to 2003, incurred from: (1) excess of goodwill amortization; (2) excess of depreciation of assets submitted to revaluation; and (3) amounts related to monetary update of the Memorandum Accounts of Items of Portion A ("CVA"), which were excluded from the IRPJ and CSLL calculation base, previously discussed in the administrative proceeding nr. 11080.009008/2004-47. The controlled company RGE offered guarantee insurance, filing stays of execution, and the holding of an accounting audit was granted, whose result was favorable to RGE. A sentence was pronounced which partially rendered legal basis to the case, exempting the credit only with relation to the theme of depreciation of the assets, the matters about goodwill amortization and CVA account being maintained. We presented an Appeal to TRF4. The Federal Government also presented Appeal, against which we presented Counter Appeals. We are waiting for the judgment of the Appeals.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	In case of defeat in the judicial scope, there would be cash disbursement and recording in the accounting income of the controlled company RGE in the amount of R$567,378, which represents 1.8% of the Company's consolidated Net Revenue.

(Amounts R$ thousand)

Tax Foreclosure nr. 5010363-98.2018.4.04.7107 – Tied Ordinary Suits nr. 5007595-05.2018.4.04.7107 (IRPJ) and 0059600-10.2016.4.01.3400 (CSLL)	
a) Court	5th Federal Court of Caxias do Sul
b) Court	1st Court (judicial)
c) Initiation date	07/08/2015
d) Parties in the suit	Plaintiff: National Treasury Defendant: RGE Sul
e) Amounts, assets or rights involved	R$ 138,462
f) Main facts	Tax Foreclosure filed for the collection of administrative proceedings that were suspended by means of the Ordinary Suit nr. 5007595-05.2018.4.04.7107 (former nr. 0043678-60.2015.4.01.3400), that is nrs. 11020.722512/2011-70 and 11080.007273/2009-03, concluded in the administrative scope as there is connection between this suit and the Tax Foreclosure nr. 5012003-49.2012.4.04.7107. These administrative proceedings aim at the collection of the amounts of IRPJ of the years 2004, 2006, 2007, due to the non homologation of offsetting made by the Company due to possible insufficiency of the determined tax losses. The insufficiency of the tax loss occurs by the offsetting by own discretion made by the Federal Revenue of those credits with debits of IRPJ/CSLL object of the discussion in the Tax Foreclosure nr. 5012003-49.2012.4.04.7107, disallowance of goodwill amortization expenses, of excess of depreciation of assets submitted to revaluation and monetary updates of CVA account. RGE Sul presented pre-execution exception requesting the extinction of execution due to the existence of suspensive case of enforceability of those debits (legal decision given in the ordinary suit 5007595-05.2018.4.04.7107), which impedes the filing of the tax foreclosure. Analysis of the presented pre-execution exception pending. In the ordinary suit, there is a decision determining that the debits should remain suspended until a final decision is given in the records of the Tax Foreclosure nr. 5012003-49.2012.404.7107, where the administrative proceeding nr. 11080.009008/2004-47 is discussed, from which those referred administrative proceedings originate. Due to this, the National Treasury filed the Interlocutory Appeal against the decision that granted the petition for urgent relief granted to the Company, which presented counter arguments. Currently, judgment is pending. The suit remains on hold.

g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	In case of defeat in the judicial scope, the impact will be cash disbursement and recording in the Company's accounting income in the amount of R$ 138,462, which represents about 0.54% of the Company's consolidated Net Revenue.

(Amounts in R$ thousand)

Tax Administrative Proceeding nr. 11020.721280/2013-02 – IRPJ / CSLL	
a) Court	Federal Revenue of brazil
b) Court	3rd Court (Administrative)
c) Initiation Date	09/05/2013
d) Parties in the suit	Plaintiff: Federal Revenue Defendant: RGE SUL
e) Amounts, assets or rights involved	R$ 313,147
f) Main facts	The Federal Revenue Office notified RGE due to the supposedly undue exclusion of amounts from the IR and CSLL adjusted calculation base due to the acquisitions of RGE by the Companies of the CPFL Group, relative to the base years 2007 to 2011, cumulated with arrears interest and heavier fine, due to the supposed undue use of goodwill paid in the acquisition of 67% of RGE by CPFL Paulista, due to the absence of economic or business reasons that caused the transfer of goodwill to CPFL Serra, former Ipê Energia. Refutation to the debit presented, which was partially accepted. The voluntary refutation by CPFL had full legal basis to annul the notification. The Treasury presented special appeal only related to the notification, which was partially admitted. Due to this decision, the Treasury filed an appeal, which was rejected. After the analysis of the Special Appeal filed by the Treasury, as well as the counter arguments presented by RGE, legal basis was provided to the Special Appeal, and so the notifications returned to the origin collegiate. Due to this decision, RGE presented Motions for Clarification, which are pending judgment. The portion of the notification that was not object of the Treasury Appeal is already considered definitely annulled.
g) Chance of defeat	Possible, but there is a portion that is remote, equivalent to R$ 131,563 related to the thesis of the Impossibility of enforcement of a qualified fine of 150%, as well as the thesis of the limitation of the tax credits related to the calendar year of 2007 in addition to the thesis of error in the determination of the calculation bases of IRPJ and CSLL, keeping only as POSSIBLE, corresponding to R$ 181,584, related to the thesis of goodwill amortization generated in the acquisition of RGE by CPFL Group.
h) Analysis of the impact in case of defeat	In case of defeat, there would be cash disbursement and recording in the accounting income of the controlled company RGE in the amount of R$ 181,584 which represents 0.6% of our consolidated Net Revenue, without major impacts in the operations of the group.

- **ICMS Grant – RGE Sul**

(Amounts in R$ thousand)

Suits nr. 5022100-71.2020.8.21.0010 (42238374) and 42238382	
a) Court	State Secretariat of Finance of RS
b) Court	1st Judicial Court and 3rd Court (Administrative)
c) Initiation date	24 and 26/12/2018
d) Parties in the suit	Plaintiff: State Secretariat of Finance of Rio Grande do Sul Plaintiff: RGE Sul
e) Amounts, assets and rights involved	R$ 403,894
(f) Main facts	The State Secretariat of Finance of notified RGE Sul (and former RGE) under the argument that it should place the ICMS calculation base to the subsidized portion of some electric energy accounts of consumers that have tariff benefit, from February/2013 to August/2018. In the notification, the State Secretariat of Finance disregards that the portions of subsidy received by the electric energy distributors from the Federal Government are made as indemnity of the total amount charged, due to the contractual imbalance resulting from the setting of discounts to certain categories of consumers, and also that the amount of the accounts does not integrate the subsidized amount. In the lower court, the Rebuttals were judged as having no legal basis, which motivated the filing of Voluntary Appeal. In the higher court, the appeals were also judged as having no legal basis. In both cases we made petitions for Requests for Clarification, which were not admitted. We then filed an Extraordinary Appeal to TARF and in the highest court, the appeals were judged as partially having legal basis, only to exclude the forfeited amounts (Jan to Nov/2013), keeping the notification in relation to the merit. with regard to suit nr. 4.223.838-2, after the judgment, we are waiting for the receipt of the summons to go to the judicial phase, with regard to Suit 4.223.837-4, after the receipt of the administrative decision, we filed a guarantee interim suit, offering the Insurance Policy, which was accepted. The State Secretariat of Finance of RS filed Tax Foreclosure 5022100-71.2020.8.21.0010, in January/ 2021, we filed Stays of Execution to Tax Foreclosure. Judgment is pending.
(g) Chance of defeat	Possible
(h) Analysis of the impact of case of defeat	Cash disbursement and recording in the accounting income in the amount of R$ 403,894 which represents 1.50% of the Company's consolidated Net Revenue in the year ended December 31, 2019, without major impacts in the Company's operations.

- **Tax Suit PIS and COFINS – CPFL Geração**

(Amounts in R$ thousand)

Tax Foreclosure nr. 0019144-94.2016.4.03.6105 (10830.724951/2011-10)	
a) Court	5th Federal Court of Campinas/SP
b) Court	2nd Court (judicial)

c) Initiation date	26/10/2011 (Notice of Infraction)
d) Parties in the suit	Plaintiff: National Treasury Defendant: CPFL Geração
e) Amounts, assets or rights involved	R$ 544,511
f) Main facts	The controlled company CPFL Geração received a notice of infraction recorded for the collection of the difference of the amounts collected as PIS and COFINS, in the period from April, 2007 to December, 2010. CPFL Geração collected the PIS and COFINS as per the terms set by Law 9.718/98 (cumulative regime) and as per the opinion of the surveillance the referred contributions should have been collected as per the terms set in Laws nr. 10.833/03 and 10.637/02, and, therefore, there is divergence of interpretation with regard to the inclusion of the contracts agreed before October 2003 as pre-set price. A lower court decision was given determining the maintenance of the debit. CPFL filed a voluntary appeal, which was given legal basis. The Treasury filed a special appeal, which was given legal basis, and the notification was kept. The discussion in the administrative scope (Federal revenue) once concluded, the Treasury filed the tax foreclosure against CPFL Geração. After the presentation of the guarantee by the company, the suspension of the enforceability was determined and we filed stays of execution. On 22/03/2018 the sentence was published with favorable decision to the Company. Currently, the judgment of the Appeal filed by the Treasury is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	The impact will be cash disbursement and recording in the accounting income of the controlled company CPFL Geração in the amount of R$ 544,511, which represents 1.8 % of the Company's consolidated Net Revenue.

- **Tax suit IRPJ/CSLL – CPFL Geração**

(Amounts in R$ thousand)

Tax Foreclosure nr. 5010652-86.2020.4.03.6105 (16643.720027/2012-39) – IRPJ / CSLL	
a) Court	5th Federal Court of Campinas
b) Court	1st Court (Judicial)
c) Initiation date	06/10/2020
d) Parties in the suit	Plaintiff: National Treasury Defendant: CPFL Geração
e) Amounts, assets or rights involved	R$ 318,040
f) Main facts	CPFL Geração was notified by the Federal Revenue of Brazil that demands the tax credit due to the infractions that had been supposedly made by the company during the year-ends 2007, 2008, 2009 and 2010, under the understanding that the goodwill amortization was undue, based on the statement that the corporate restructuring performed did not present motivation for the sale of the company Semesa to CPFL Geração. CPFL Geração presented administrative rebuttal, whose decision kept the tax foreclosure. Due to this decision, we filed an appeal, which was judged as having no

	legal basis and the suit was given a final decision (*res judicata*) in the administrative scope. In October, 2020 we received the tax Foreclosure linked to the respective, and we also presented guarantee insurance policy, which was accepted by the National Treasury. There was opposition to the Stays of Tax Execution, whose judgment is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Possibility of judgment in the judicial scope, with the impact of cash disbursement and recording in the accounting income of the controlled company CPFL Geração in the amount of R$ 318,040, which represents 1% of our consolidated Net Revenue.

(Amounts in R$ thousand)

Tax Administrative Suit nr. 16561.720238/2016-13 - IRPJ/CSLL	
a) Court	Federal Revenue Office
b) Court	2nd Court (Administrative)
c) Initiation date	16/12/2016
d) Parties in the suit	Plaintiff: Federal Revenue of Brazil Defendant: CPFL Geração
e) Amounts, assets or rights involved	R$ 541,920
f) Main facts	Notices of infraction for the enforcement of IRPJ and CSLL, related to the calendar years 2011, jointly with arrears interest and ex-officio fine, as: (i) it supposedly omitted non-operating revenues, possible absence of recording of capital gains, it received a quantity of shares of ERSA Energias Renováveis S.A. ("ERSA") in a higher volume than the capital of SMITA Empreendimentos e Participações S.A. ("SMITA"), in addition to appropriation of the difference between the accounting net equity and the fair value of SMITA, a company that was bought reversely; and (ii) as it offset negative calculation base of CSLL in an amount higher than the existing balance. CPFL Geração presented rebuttal to the Notifications, which was judged as not having legal basis. CPFL Geração presented voluntary appeal, whose judgment is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Possibility of judgment in the judicial scope, with the impact of cash disbursement and recording in the accounting income of the controlled company CPFL Geração in the amount of R$ 541,920, which represents 1.8% of our consolidated Net Revenue.

- **NON DEDUCTIBILITY OF CSLL – CPFL Piratininga**

(Amounts in R$ thousand)

Writ of Mandamus nr. 0002005-38.2002.4.03.6100 – IRPJ	
a) Court	19th Federal Court of São Paulo
b) Court	1st Court (judicial)
c) Initiation date	30/01/2002
d) Parties in the suit	Plaintiff: CPFL Piratininga Defendant: Receita Federal do Brasil

e) Amounts, assets and rights involved	R$ 170,278
f) Main facts	Writ of Mandamus with the purpose of ensuring CPFL Piratininga the right to full deduction of the Social Contribution amount on Profit (CSLL) from the Income Tax (IR) calculation base, related to the base year 2002 and subsequent ones, thus dismissing 1st article of Law nr. 9.316/96. For the suspension of the enforceability of the controverted tax credit, CPFL Piratininga made the judicial deposit of the amounts relative to the periods 2014 to 2015. The filing of the Writ of Mandamus was judged as having no legal basis, with denial of the order, under the groundings that 1st article of Law nr. 9.136/96 does not suffer from unconstitutionality. CPFL Piratininga filed an Appeal, and legal basis was rejected. CPFL Piratininga special and extraordinary appeals, to which follow-up was declined. The suit came to a final decision and the notifications were returned to the origin court, for the enforcement of the decision. CPFL Piratininga presented a report to the court prepared by the independent auditors, jointly with manifestation, in order to demonstrate that the conversion into income of the deposited amount could not be concluded based on the totality of the judicial deposits, as the deposits relative to the periods 2004 to 2015 were made based on the calculated amount in the taxable income regime based on a monthly estimate. Consequently, the deposited amount would have been in excess of the Income Tax amount due in the year-end. Currently, a decision about said claim is pending.
g) Chance of defeat	Probable
h) Analysis of the impact in case of defeat	Conversion into income of the judicial deposit in the amount of R$ 170,278 million made by the company for the settlement of the required taxes, which represents 0.6% of our Net Revenue, without major impacts in the operations of the group.

IRPJ/CSLL – Sul Geradora Participações S/A

(Amounts in R$ thousand)

Ordinary Suit nr. 0023094-29.2016.4.03.6100 (19515.001221/2004-65) – IRPJ/CSLL	
a) Court	9th Federal Court of São Paulo/SP
b) Court	1st Court (judicial)
c) Initiation date	28/10/2016
d) Parties in the suit	Plaintiff: Sul Geradora Participações S/A Defendant: Federal Government
e) Amounts, assets or rights involved	R$ 142,653
f) Main facts	Notice of infraction that aims at obtaining IRF amounts on the payment of interest due to a transaction of export advance payment. The tax authority claims that the company used the funds obtained in the transaction to acquire credits against the companies of the same

	economic group and not for the financing of its exports. We filed a rebuttal, which was judged as having no legal basis. We file a voluntary appeal, and it was judged as having legal basis. The Federal Revenue filed a special appeal. It was granted, and the notification being kept. The discussion in the administrative scope was concluded, the company filed an ordinary suit aiming at the debit cancellation. Currently a decision is pending.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting income of the controlled company Sul in the amount of R$ 142,653, which represents 0.50% of the Company's consolidated Net Revenue.

- **ISSQN– CPFL Geração**

(Amounts in R$ thousand)

Ordinary Suit nr. 0800247-98.2019.8.20.5158 - ISSQN	
a) Court	Court of Justice of Rio Grande do Norte State
b) Court	1st Court (judicial)
c) Initiation date	01/09/2019
d) Parties in the suit	CPFL Geração x São Miguel do Gostoso Municipality
e) Amounts, assets of rights involved	R$ 138,860
f) Main facts	A suit of annulment filed with the purpose of arguing about the subsistence of the ISS amounts entered by the São Miguel do Gostoso/RN Municipality, in the Notices of Infraction nr. 01/2018, 06/2018, 08/2018 and 14/2018, in which supposed ISSQN debits are demanded due to the implementation of the wind farms, as well as due to the failure to pay the operation permit fees. The interim relief requested by the companies was granted by the court to suspend the enforceability of the tax credits demanded in the Notices of Infraction nr. 01/2018, 06/2018, 08/2018 and 14/2018. Claim was presented by the Municipality and counterclaim by the companies.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting income of the controlled company CPFL Geração in the amount of R$ 138,861, which represents 0.4% of out consolidated Net Revenue.

IRFF Jantus _ CPFL Renováveis

Notice of Infraction (Notices nr. 16561-720.073/2016-71)	
a) Court	**Federal Revenue of Brazil**
b) Court	1st Court (administrative)
c) Initiation date	19/08/2016

d) Parties in the suit	Federal Revenue of Brazil and CPFL Energias Renováveis
e) Amounts, assets or rights involved	***R$ 348,005***
f) Main facts	It is a notice of infraction for the collection of Income Tax Withheld at Source due to capital gain supposedly determined by natural persons and corporations in the sale of the shareholding interest of the company Jantus SL ("Jantus"), headquartered in Spain, to CPFL Energias Renováveis. The rebuttal was presented and judged as having no legal basis. Due to this decision, a voluntary appeal was filed, and pending judgment.
G) Chance of defeat	Possible.
h) Analysis of the impact in case of defeat	The defeat in the referred process shall imply into the payment of the involved amounts. However, there is the possibility of a further legal filing.

CIVIL PROCEEDINGS

1) Procon Campinas – CPFL Paulista

Public Civil Suit nr. 0004689-71.2009.403.6105 (61.05.004689-9)	
a) Court	8th Federal Court of Campinas
b) Court	2nd Court
c) Initiation date	16/04/2009
d) Parties in the suit	Plaintiff: PROCON Campinas Defendant: CPFL Paulista
e) Amounts, assets or rights involved	Undetermined
f) Main facts	Public civil suit whose purpose is the suspension of the effects of the tariff increase authorized by ANEEL to the controlled company CPFL Paulista for the year 2009. The advance of the effects of the interim relief determining the increase only based on the inflationary index measure by the IGP-M at 6.27% was granted on a provisional basis. The controlled company obtained the revoking of the decision before the TRF. A decision judging the request as having no legal basis occurred and stays of execution were filed for confirming the revoking of the injunction, and then the indices approved by ANEEL remain effective. CPFL Paulista waits for the judgment of the filed claim made by the opposed party.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Immeasurable, as it is a past increase in the tariff, with no possibility of the estimate of how the calculation of the tariff applied by the controlled company CPF PAULISTA would be.

2) ABRADEE – ANEEL

Ordinary Suit nr. 0039494-18.2002.4.01.3400 (2002.34.00.039564-0)	
a) Court	3rd Federal Court of the Federal District
b) Court	2nd Court
c) Initiation date	12/12/2002
d) Parties in the suit	Plaintiff: ABRADEE Defendant: ANEEL
e) Amounts, assets or rights involved	Currently, it is not possible to estimate the amounts involved in the suit.
f) Main facts	The controlled companies CPFL Paulista, CPFL Piratininga and RGE, as well as other Brazilian distribution companies, through ABRADEE, are plaintiffs in a suit against ANEEL questioning the base for the remuneration of the assets of the concession since the first cycle of the tariff review. After the manifestation by the parties about the inspection report (that affirms the economic-financial imbalance alleged by ABRADEE) and presentation of the final allegations. The decision was reported judging the claims as having no legal basis, currently, the notices are pending for the judgment of the appeal filed by ABRADEE.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Eventful payment of the procedural costs and attorney's fees borne by the defeated party arbitrated by the court, as ABRADEE acts on the plaintiff side to the defense of the Company's interests.

3) Rio Grande do Sul State

(Amounts in R$ thousand)

Suit nr. 3709601-03.2005.8.21.0001	
a) Court	7th Court of the Treasury
b) Court	1st Court
c) Initiation date	22/02/2001
d) Parties in the suit	Plaintiff: Rio Grande do Sul State Defendants: RGE and others
e) Amounts, assets or rights involved	R$ 330,158
f) Main facts	Declaratory action of administrative malpractice filed by the RS State and CEEE on 22/02/2001 discussing the CEEE corporate restructuring process for further privatization, also present as defendants the State Secretary of Mining and Energy, the CEEE Chairman, the CEEE Director, the CCODEE (RGE) and CNNDEE (RGE Sul) Administrative Director and the accountants who signed the assessment report. The discussion goes around 3 topics, specifically in relation to RGE and RGE Sul, that is:1) the assessment and paying-up of the share capital of assets/ liabilities transferred to the new companies by means of accounting items "current account" (R$ 26 milion to RGE and R$ 24 million to RGE SUL). 2) The payment of credits of current accounts by means of the transfer of real estate to RGE Sul and RGE.3) The sharing of the revenues of the clients in the concession areas of the new companies incorporated as

	from 12.08.1997, being that CEEE states loss as in that period it supported all the costs of the transaction without having right to the respective revenue; risk rating remote, as the arguments presented by RGE in its preliminary manifestation, as well as in its claim are very robust and is opposed to all allegation contained in the initial petition. All the other presented defenses follow the same line in the sense of demonstrating that all transactions made are legal. Some of the defendants presented accounting opinions to demonstrate the regularity of the procedures made in CEEE accounting and in the accounting of its subsidiaries, which contradict the report that gives grounds to the initial petition. However, only a legal, and unbiased audit, may clarify the issues raised by the plaintiffs and by the defendants, including about the eventful willful misconduct / negligence of the defendants, illicit enrichment and financial damage to the public treasury. Therefore, up to the present moment, the records contain no elements capable of changing the previously made assessment; Suit under evidence phase (audit).
g) Chance of defeat	Possible and Remote, according to the amount of the capital paying-up of the company that originated the concession.
h) Analysis of the impact in case of defeat	Eventful cash disbursement and recording in the accounting income of the Company, with uncertain impacts in the Company's operation.

4) Instruction nr. 288

(Amounts in R$ thousand)

Suits 0026448-59.2002.4.01.3400 / 0002231-15.2003.4.01.3400	
(a) Court	15th Federal Court (Civil) of Brasilia
(b) Court	2nd Court
(c) Initiation Date	23/08/2002
(d) Parties in the suit	Plaintiffs: ANEEL and Distributors Defendant: RGE Sul Distribuidora de Energia S.A
(e) Amounts, assets or rights involved	R$ 308,698
(f) Main facts	On May 16, 2002, ANEEL published the ANEEL Instruction nr. 288, that introduced changes in certain commercialization rules of the then existing Energy Wholesale Market – MAE. Sais changes recognized the Company as the debtor in the short-term market. The Company filed an annulment suit in relation to said Instruction (suit nr. 0026448-59.2002.4.01.3400), requesting the rules exposed in MAE to be kept, keeping its accounting and enabling its liquidation. The latest update related to the suit was on January 15, 2016, the date when a new lower court decision was published declining the claims of stays of execution that we opposed by the Company, other market agencies and ANEEL against the favorable decision of merit to RGE Sul. Still in the Federal Regional Court of the 1st Region, the requested parties

	filed claims of requests for reconsideration, aiming at the changing of the merit of the previous decision. Judgment of the appeals are pending. In relation to the same fact, there is also suit 0002231-15.2003.4.01.3400 which attacks the illegalities of the mode of Market liquidation (Instruction 346). Therefore, the object of this claim (illegality of the procedure) is contained in the general object of suit nr. 0026448-59.2002.4.01.3400).
(g) Chance of defeat	Remote
(h) Analysis of the impact in case of defeat	In case of defeat, "AES Brasil" will bear the liens of the impacts, and also, in case it wins, "AES Brasil" will receive amounts from the liquidation of the suspended amounts as per Instruction 288, considering that the parties set that the conclusion of this suit would be excepted in AES Sul acquisition instrument.

CIVIL SUITS – Environmental
1) Semesa x Alberto Vieira Borges

(Amounts in R$ thousand)

Indemnification Suit nr. 0003354-76.2011.8.09.0113	
a) Court	2nd Civil Court of Niquelândia/GO667-7
b) Court	1st Court
c) Initiation date	21/01/2011
d) Parties in the suit	Plaintiffs: Alberto Vieira Borges and Estate of Marcia Torrano Grecco Borges Defendants: SEMESA S.A., Eletrobrás Furnas and Grupo VBC Energia S.A.
e) Amounts, assets or rights involved	R$ 2,563,287
f) Mains facts	The Plaintiffs alleged that they were expropriated from a portion of one of their properties on 28/12/1987, for the construction of the Serra da Mesa Hydropower Plant - Goiás, and the expropriator was Furnas Centrais Elétricas. As indemnity they received the amount of Crz$ 4.300.000,00, supposedly excluding the timber from the trees of the expropriated area. As they believed they were gaining a business opportunity, with the extraction of timber from the area that would be flooded, the Plaintiffs invested in the wood sector and in other sectors, but their expectations were frustrated as Furnas did not set the boundaries of their property and also due to the fights between Furnas and the environmental bodies which lasted several years and ended up in the flooding of the region and for this reason they could not extract that wood they claimed they were entitled to. For this reason, they claim indemnity for material, moral and loss of profits damages. In September, 2018 a sentence was pronounced determining that the claims of the plaintiffs had no grounds and recognizing that the statute of limitation had expired in their claims. The Plaintiffs presented an appeal in January, 2019, to which we presented an appeal.
g) Chance of defeat	Remote
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the Company's accounting income in the amount of R$ 2,563,287 which

	represents 7.70% of the consolidated Net Revenue, without major impacts in the Company's operations.

2) Semesa X Apego

(Amounts in R$ thousand)

Civil Suit nr. 0018587-42.2004.4.01.3500: Environmental	
a) Court	8th Federal Court of Goiás
b) Court	1st Court
c) Initiation Date	18/10/2004
d) Parties in the suit	Plaintiffs: Associação dos Pescadores Esportivos do Estado de Goiás - APEGO and others Defendants: Semesa S.A., Estado de Goiás and Furnas - Centrais Elétricas S.A., IBAMA, Agência Goiana do Meio Ambiente and other required ones.
e) Amounts, assets or rights involved	R$ 416,011
f) Main facts	A suit aiming at the conviction of the required in terms of obligations to make consistent in the remediation and mitigating measures of the impacts caused due to the construction and operation of the Serra da Mesa Hydropower Plant. A preliminary injunction was granted determining the adoption of measures to reduce the environmental impacts caused due to the construction and operation Serra da Mesa Hydropower plant, as well as the elaboration of EIA/RIMA, as a condition for the renewal of the Operation Permit. SEMESA filed an Interlocutory Appeal nr. 2006.01.00.029015-7 before the Federal Regional Court of the 1st Region against this decision, in which on 13/10/2006, the reporting appeals judge granted the suspension of a portion of the injunction that determined the operation of the plant to the elaboration of the EIA-Rima. IBAMA gave a favorable opinion which collaborates with CPFL, VBC FURNAS claims that it is not necessary to elaborate the EIA/RIMA and that the entrepreneurs are complying with the requisites for the issuance of the operation license. After that a decision judged the demand as having no legal basis and released the defendants from elaborating the EIA/RIMA. Currently, we are waiting for judgment in the lower court of the filed appeal. Possible R$29,183 and Remote R$310,459.
g) Chance of defeat	Possible (R$ 35,744) and Remote (R$ 380,366)
h) Analysis of the impact in case of defeat	To adopt mitigating measures of the environmental impacts and cash disbursement and recording in the Company's accounting income.

3) ENVIRONMENTAL SUIT – PARQUE DA SERRA DO MAR

Public Civil Suit nr. 0001673-23.2015.8.26.0157	
a) Court	3rd Court of the Territory of Cubatão – SP
b) Court	1st Court
c) Initiation Date	09/03/2015
d) Parties in the suit	Plaintiff: São Paulo State Public Prosecution Office Defendant: CPFL Piratininga

e) Amounts, assets or rights involved	Currently, it is not possible to estimate the amounts involved in the suit.
f) Main facts	Environmental Public Civil Suit filed by the São Paulo State Public Prosecution Office that raises questions about the suppressions of vegetation in the rights of way of the 10 transmission lines located in Parque Estadual da Serra do Mar, under the claim that the suppressed vegetation would be characterized as being from the Mata Atlântica biome and that the suppression of the vegetation would be in disagreement with the technical standards and recommendations that are considered adequate by the Plaintiff. The intention is that CPFL is obliged to: (i) refrain from making the shallow cutting for the maintenance of the rights of way of the transmission lines, object of this suit; (ii) promote the selective cutting of the vegetation; (iii) obtain the license for deforestation at CETESB and must not intervene in APP, except as authorized by the environmental body; (iv) implement structure to prevent landing of birds, by installing the "bird flapper" at every 10m; and (v) arrange for the permanent inspection of the LTs ranges. The suit is under evidence phase and is under expert evidence.
g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	To adopt mitigating measures of the probable environmental impacts caused.

4) RODOVIAS DAS COLINAS

(Amounts in R$ thousand)

Suit nr. 0000933-68.2013.8.26.0114	
a) Court	6th Civil Court of Campinas – SP
b) Court	1st Court (judicial) – Liquidation Phase
c) Summons Date	17/01/2013
d) Parties in the suit	Rodovia das Colinas S.A. X Companhia Piratininga de Força e Luz
e) Amounts, assets and rights involved	R$ 187,637
f) Main facts	This is suit for collection, proposed in January, 2003, in which the Plaintiff requests the payment of the amounts corresponding to all occupancies of the rights of way of the highways under the concession of Colinas, to which CPFL was defeated in the merit. In the course of the liquidation of the decision, considering that the amount in this suit incalculable, in May, 2015, the execution of a legal audit was granted. In Oct/2018 the expert attached the report in the suit indicating an amount of R$ 20 million. We filed our rebuttal – the judge orders the manifestation of the expert for the rendering of clarifications. In January, 2020, a new legal report was presented with the indication of the calculation in the amount of R$ 135 million. On 12/03/2020 we filed a new rebuttal to the calculation with the assistance by the FGV counseling. Currently, one waits for the continuation of the legal audit and the manifestation of the Expert for the rebuttal of CPFL.

g) Chance of defeat	Possible
h) Analysis of the impact in case of defeat	Cash disbursement and recording in the accounting income of the Company in the amount of R$ 187,637, which represents 0.6% of our Net revenue, without major impacts in our operations.

LABOR SUITS

- **Outsourcing – RGE**

(Amounts in R$ thousand)

Public Civil Suit nr. 0020876-43.2015.5.04.0024	
a) Court	24th Labor Court of Porto Alegre
b) Court	3rd Court (appeal)
c) Initiation date	03/07/2015
d) Parties in the suit	Plaintiff: Public Labor Prosecution Office Defendant: RGE
e) Amounts, assets or rights involved	R$ 266,112
f) Main facts	A Public Civil Suit filed by the Public Labor Prosecution Office, which it requires RGE to be convicted due to the use of illicit workforce outsourcing as it is part of the company's target activity. It requests on a provisional basis, the interim relief effects for the immediate cessation of the workforce procurement to perform the target activity under the penalty of a fixed fine in the amount of R$ 50 (fifty thousand reais) per worker used. On a definite basis, it requires the confirmation of the interim relief effects in order not to use the workforce procurement related to the target activity of the defendant, under the penalty of a fine of R$ 50 (fifty thousand reais) per worker used. Conviction of the defendant and it shall pay R$ 150 million due to collective moral damage. On 18/08/2015 the claim for interim relief filed by the Public Prosecutor's Office was denied. On 01/02/2017 a sentence was published that judged the suit as having legal basis partially in order to condemn RGE so that it will refrain from using workforce procurement to perform its target activity, then being considered only those that are expressly referred to in the initial petition, under the penalty of the payment of a fine of R$ 50 (fifty thousand reais) per worker used in those activities and not directly contracted as an employee, as from 180 days after the final decision. Also, the company is pleaded guilty and has to publish on a nationally distributed newspaper, within the period of 15 days after the final decision, the conviction excerpt (enacting term of the judged), under the penalty of a fine of R$ 5 (five thousand reais) per day. In March, 2018, the court delivered a decision in the appeals presented by both parties, denying legal basis to the Ordinary Appeal of RGE and granted partial legal basis to the Ordinary Appeals of the Public Prosecution Office, to convict RGW to pay indemnity for collective moral damage in the amount of R$ 100 thousand. RGE filed Motions for Clarification against the decision, which were not granted by the court. Finally, in July, 2018, RGE filed a Motion to Review, which follow-up was denied. We filed Interlocutory Appeal to the Motion to Review, whose judgment is pending.

	A new law of Labor Reform enacted on November 11, 2017 now allows outsourcing activities that caused the initial petition. On 26/11/2019 a provision in the amount of R$ 1 million was constituted, corresponding to the conviction for the payment of moral damage, with grounds on the opinion prepared by an independent office.
g) Chance of defeat	Probable of R$ 1,130 and Remote of R$ 264,982
h) Analysis of the impact in case of defeat	Prohibition of outsourcing – insourcing of the totality of the workforce involved in the operation, especially in the described activities, as well as the payment of indemnity and fine due to the illegal outsourcing.

4.3.1 Indicate the total provisioned amount, if any, of the suits described in item 4.3

On December 31, 2020, the total amount provisioned by the Company related to the suits described in item 4.3 classified as a probable loss was R$ 171.408 thousand related to the fiscal and labor suits.

4.4 Describe the judicial, administrative or arbitration suits, which are not confidential, in which the issuer or its controlled companies are parties, and whose opposed parties are administrators or former administrators, controllers or former controllers or investors of the issuer and of its controlled companies, informing:

On the date of the presentation of this Reference Form, the Company or its controlled companies were not aware of the existence of any disclosed judicial, administrative or arbitration suits in which the Company or its controlled companies are parties and whose opposed parties are administrators, former administrators, controllers, former controllers or investors of the Company and of its controlled companies

4.4.1 Indicate the total provisioned amount, if any, of the suits described in item 4.4

Not applicable, provided that, as indicated in item 4.4, the Company and its controlled companies are not aware of the existence of existing suits as per said terms.

4.5 In relation to the relevant confidential suits in which the issuer or its controlled companies are parties, and which have not been disclosed in items 4.3 and 4.4 above, analyze the impact in case of loss and inform the involved amounts.

CPFL Brasil, CPFL Bio Pedra and CPFL Bio Formosa are parties under liability of an arbitration proceeding, of a civil type, and the updated total legal fee is R$ 355,052 thousand, and the exclusion of CPFL Brasil from the defendant status was requested, as it is not a legitimate party. The prognosis of loss of this proceeding was classified as possible. The impact of this arbitration is only financial and only to CPFL Renováveis. There is not a financial impact to CPFL Brasil due to the liability term and assumption of liabilities signed by CPFL Renováveis. The risk of loss to CPFL Brasil is classified as remote and to CPFL Renováveis the risk of loss is classified as possible.

4.6 Describe the repetitive or related judicial, administrative or arbitration suits, based on similar legal facts and causes, which are not confidential and which are jointly relevant, in which the issuer or its controlled companies are parties, detailing if they are labor, tax, civil ones and others, and indicating:

In this Reference Form, all suits under process are identified, in which the Company and/or its controlled companies are parties, and whose suits are not classified as confidential and when jointly considered are regarded as relevant to the Company, with the updated status until December 31, 2020. In the relevance analysis process, the Company and its controlled companies did not focus on the economic and financial effects of a favorable decision only, but also considered those processes that could influence the decision of the investors, such as, for example, the processes in which the status of the Company or its controlled companies may be negatively affected.

Below, we present the details of the repetitive or related suits of which we are parties (through the Company or its controlled companies), that are not confidential and that, when jointly considered, are relevant to our businesses on December 31, 2020.

(Amounts in R$ thousand)

Labor Suits	
Amounts involved	
Consolidated	**R$ 3,523,502**
CPFL Paulista	R$ 1,187,124
RGE	R$ 1,604,698
CPFL Piratininga	R$ 354,975
CPFL Serviços	R$ 187,030
CPFL Santa Cruz*	R$ 84,191
CPFL Atende	R$ 13,220
CPFL Geração	R$ 7,112
CPFL Eficiência	R$ 507
CPFL Energia	R$ 8,986
CPFL Morro Agudo	R$ 1,694
Nect	R$ 8,855
CPFL Renováveis	R$ 22,807
Other	R$ 42,303
* the entity that was incurred into corporate restructuring suits	
Practices of the issuer or of the controlled company that caused the respective contingency:	
Class action suits	Suits in which the former employees claim to be recalled by the Company, due to the supposed non-compliance with job protection, or irregularities when they are dismissed.
Accidents	Suits filed related to labor accidents that occurred in the electric network, involving bodily injury, death or pension payment as well as occupational diseases similar to labor accidents.
Salary equalization	Suits that the claimant claims salary equalization at the same salary level of a senior employee or of an employee in equal job post but with different remuneration, under the allegation that the claimant performs the same activities/ attributions.
	Labor suits in which the claimant claims for the payment of possible hours worked that exceed the normal working hours,

Overtime	considering as such the extra hours, on-calls and elimination of breaks during work shifts.
Outsourcing	Suits filed by former service provider employees, claiming labor relations or joint/several liability of the contracting party/CPFL, for the supposedly unpaid amounts by the outsourced company, including contractual, rescission amounts, as well as related to labor accidents and occupational diseases.

(Amounts in R$ thousand)

Civil (Accidents / Electrocution)	
Amounts involved	
Consolidated	**R$ 384,280**
RGE	R$ 262,015
CPFL Paulista	R$ 97,146
CPFL Piratininga	R$ 21,108
CPFL Santa Cruz*	R$ 4,011
* the entities that were incurred into corporate restructuring suits	
Practices of the issuer or of the controlled company that caused said contingency	
Accidents with injury / accidents with death and electrocution	The plaintiffs claim the receipt of indemnity due to material and moral damages due to accidents with electric energy

(Amounts in R$ thousand)

Civil (Tariff Increase)	
Amounts involved	
Consolidated	**R$ 246,428**
CPFL Paulista	R$ 96,895
CPFL Piratininga	R$ 80,770
RGE	R$ 67,438
CPFL Santa Cruz*	R$ 1,325
* the entities that were incurred into corporate restructuring suits	
Practice of the issuer or of the controlled company that caused said contingency	These are claims for the reimbursement of amounts paid in the form of tariff increase due to the enforcement of DNAEE Ordinances nr. 38 and 45, of1986.

(Amounts in R$ thousand)

Tax	
Amounts involved	
Consolidated	**R$** 467,835
CPFL Renováveis	R$ 467,835
Practice of the issuer or of the controlled company that caused said contingency	Collection of Tax on Services - ISS on Equipment during the construction of wind farms.

4.6.1 Indicate the total provisioned amount, if any, of the suits described in item 4.6

The total provisioned amount related to the suits described in item 4.6, on December 31, 2019 is as follows:

	Labor	Civil (Accidents/ Electrocution)	Civil (Tariff Increase)	Tax
CPFL Paulista	72,655	5,185	24,537	-
RGE *	81,489	24,268	41,256	-
CPFL Piratininga	30,870	561	1,620	-
CPFL Serviços	10,925	-	-	-
CPFL Renováveis	7,466	-	-	400
CPFL Santa Cruz *	13,024	64	77	-
CPFL Atende	557	-	-	-
CPFL Geração	270	-	-	-
CPFL Brasil	7	-	-	-
Others	1,551	-	-	-
Consolidated	**218,814**	**30,078**	**67,490**	**400**
Jointly controlled[1]				
EPASA	69	-	750	-
Foz do Chapecó	107	-	-	1,891

* the entity that was incurred into a corporate restructuring suit

[1] Amount of the provision in companies (not considering shareholding interest), as they are not consolidated, as detailed in the Financial Statement related to the year ended December 31, 2020.

4.7 Describe other relevant contingencies not covered by the previous items.

Suits Related to our Board of Directors

Mr. Antônio Kandir, the independent member of our Board of Directors, is involved in a suit before the CVM due to possible irregularities related to the administration and management of the investment fund MAP FIM ("MAP FIM") in the period from December, 2010 to May, 2013. Mr. Antônio Kandir was the director in charge of the management of portfolios of Governança e Gestão Investimentos Ltda. ("G&G Investimento"), the managing company of MAP FIM during the referred period. On May 07, 2019, the CVM Collegiate decided to condemn G&G Investimento and Antônio Kandir to a warning. Currently, the suit is in the appeal phase at the National Financial System Appeal Council ("CRSFN"). The effects of the referred decision are suspended until the judgment of the appeal.

Mr. Anselmo Seto Leal, member of our Board of Directors, is involved in two accusations, by the Public Prosecutor's Office, due to environmental crimes involving (i) disposal of *in natura* sewage by the overflow of sewer pumping stations in Barra do Garças/MT; and (ii) the non-fulfillment of the clause of the Conduct Adjustment Agreement ("TAC") in which the company, that has no relation with the CPFL Group, where he was the administrator would have been obliged to make the disconnection of the rainwater networks connected to the sanitary sewer network. Mr. Anselmo Seto Leal requested the exclusion of injunction of the defendant, considering that the facts occurred before he took office as the company's administrator.

4.8 In relation to the rules of the foreign issuer's origin country and the rules of the country where the foreign issuer's securities are under custody, if different from the country of origin, identify:

Not applicable, as the Company has its headquarters in Brazil and its securities are under custody in the country.

5. Risk management and internal controls policy

5.1 Regarding the risks indicated in item 4.1, inform:

a. The objectives and strategies of the risk management policy, when existing, including:

i. the risks for which protection is sought

The risks for which the Company seeks protection through the Corporate Risk Management Policy are:

- Non-compliance with the terms of concession, authorization, or permit agreements;
- Impossibility of fully passing on the cost of purchasing electricity to the consumer and the need to, in order to satisfy demand, enter into short-term contracts for the purchase of electricity, at prices considerably higher than those established in long-term contracts;
- Exposure risks, in the energy trading business, arising from assumed energy positions (bought or sold) and price variations in the spot market;
- Risks inherent in the construction, expansion and operation of the electricity generation, transmission and distribution facilities and equipment;
- Adverse impact on the business development operation resulting from the failure to complete the proposed investment program in the forecasted time schedule;
- Risk that the insurance policies contracted are not sufficient to fully cover the losses arising from liability for any losses and damages resulting from the inadequate provision of electricity services;
- Compromise to the ability to conduct operational activities and pay the financing contracted due to the degree of indebtedness and debt service obligations;
- Adverse effect on the business and operating results of a shortage of electricity and the resulting rationing, as it happened in 2001 and 2002;
- Risk that the level of consumer default will adversely affect the business, operating results and / or financial situation;
- Increase in interest rates practiced by the market and foreign exchange risks;
- Regulatory risk;
- Increase in obligations and investments as a result of new environmental or health regulations; and
- Adverse effects of unfavorable hydrological conditions on operating results.

For more information on these risks, see item 4.1 of this Reference Form.

ii. instruments used for the protection

The Company considers as mechanisms for protection of the risks described in item 4.1 of this Reference Form:(i) the periodic monitoring of exposures against the limits approved by the Board of Directors; (ii) mitigation plans for the treatment of the main exposures; and (iii) the periodic reporting of such information to the competent forums, that is, executives of the Company, Board of Directors, Fiscal Council and Advisory Committees.

Thus, the Company has as a practice, defined in the Corporate Risk Management Policy, to perform regular monitoring of the risks to which it is exposed, evaluating the level of exposure, and adopting mitigation measures in order to reduce risks whenever they approach or exceed the established limits.

The monitoring of exposures is done through the use of indicators and/or models for simulation or projection of risk scenarios, based on the guidelines provided for in the Corporate Risk Management Policy. In addition, the Company works with limits of exposure to these risks approved by the Board of Directors. In cases the exposure is increased or exceeds the limits, mitigation plans must be structured by the business areas, together with the Audit, Risk, Compliance and DPO Department, and are subsequently submitted to the Board of Directors.

In addition, the Company constantly evaluates regulatory changes, environmental and market conditions, makes use of available regulatory mechanisms and monitors the performance of its operations in order to mitigate exposure to possible regulatory, operational, environmental and market risks.

Other protective instruments contracted by the Company and its subsidiaries are currency swaps or interest rates without any leverage component, margin clause, daily adjustments, or periodic adjustments. Additionally, the Company and its subsidiaries do not conduct transactions involving speculative derivatives.

iii. the organizational structure of risk management

The risk management of the CPFL Group, in accordance with the Corporate Management Policy, is conducted by a structure that involves:(i) the Board of Directors, advised by the Risk Management Committee; (ii) the Fiscal Council, with transitional functions of the Auditing Committee; (iii) the Executive Board; and (iv) the Audit, Risk, Internal Controls, Compliance and DPO Department and the business areas; with the following duties, as below.

It behooves the Board of Directors of Companhia to guide the conduct of the business, observing, among other things, the monitoring of business risks, exercised through the corporate risk management model adopted by the Company, to deliberate on the risk limit methodologies recommended by the Executive Board, in addition to being aware of the exposures and mitigation plans presented in the event these limits are exceeded. Additionally, it is up to the Board of Directors to become aware of and monitor any weaknesses in controls and/or processes, as well as relevant regulatory adherence failures monitoring plans proposed by the Executive Board to resolve them.

It behooves the Advisory Committees to the Board of Directors to assist the Board of Directors in the implementation and review of the Corporate Management Policy. In particular, the Risk Management Committee, playing its role as a technical body, to become aware (i) of risk monitoring models, (ii) risk exposures and (iii) control levels (including their effectiveness), supporting the Board of Directors in the performance of its statutory role related to risk management. This Committee is responsible also to guide the work of Internal Audit and preparation of proposals for improvements.

The Fiscal Council of CPFL Energia is responsible, among other things, to ensure that the Administration has the means to identify the risks related to the preparation and disclosure of the financial statements to which the CPFL Group is exposed, to become familiar with the reports from the Internal Audit, from the independent auditors and from the controller department, analyzing their recommendations and

opinions, as well as monitoring the effectiveness of the control environment and recommending changes, if necessary.

The Executive Board of Companhia is responsible for conducting the business within the defined risk limits and must take the necessary measures to prevent the exposure of Company to risks that exceed the limits set by the Board of Directors, as well as report eventual excesses to those limits and submit mitigation actions to the Board of Directors.

The Audit, Risks, Internal Controls, Compliance and DPO Department, which is subordinate to the Board of Directors, is responsible for coordinating the risk management process in the CPFL Group, developing, and keeping updated Methodologies of Corporate Risk Management that involve the identification, measurement, monitoring and reporting of the risks to which the CPFL Group is exposed. In addition, it conducts both regular and ad *hoc* reviews to ensure the alignment of processes with the guidelines and strategies of CPFL Energia's Administration.

The business areas have primary responsibility for managing the risks inherent to their processes and must carry them out within the defined exposure limits and implement mitigation plans for the main exposures.

b. If the issuer has a formalized risk management policy, highlighting, if so, the body that approved it and the date of its approval, and, if not, the reasons why the issuer did not adopt a policy

CPFL Energia has a Corporate Risk Management Policy approved at the 140th Meeting of the Board of Directors held on July 29, 2009, duly updated in 2018, 2019 and 2020 and is available on the CPFL Energia website in www.cpfl.com.br/ri.

All the main risks to which the Company is exposed are consolidated through the policy, represented in the Corporate Risk Map. The policy provides for models, indicators, and limits of exposure to risks, approved by the Board of Directors, as well as details the treatment to be dispensed and the necessary reports in case of exceeding risk references. In addition, it addresses the Company's risk management structure, with definition of roles and responsibilities.

c. The adequacy of the operational structure and internal controls to verify the effectiveness of the adopted policy

In addition to the role in improving the risk management of the CPFL Group, the Audit, Risk, *Compliance* and DPO Department, subordinated hierarchically to the Board of Directors, through the performance of the Risk Management, Internal Controls, Ethics and Compliance Sector coordinates the efforts to evaluate internal controls on the preparation and disclosure of financial statements in what includes: (i) identification of the main business processes, controls and risks with influence on financial statements; (ii) self-assessment of the effectiveness of processes and controls; (iii) tests of effectiveness of internal controls relevant to the financial statements, carried out with audit techniques and standards; (iv) monitoring the implementation of action plans and improvements in internal controls; (v) discussion with the Executives of the issuer and report to the Fiscal Council, Board of Directors, Advisory Committees and other governance forums; (vi) management of the system of evaluation of internal controls (technological tool); and (vii) coordination of the bottom-up certification process, whose procedure for validating the results of internal controls on financial reports, carried out electronically, is initiated by the managers and concluded by the Chief Financial and Investor Relations Officer and by the CEO.

The evaluations of the internal control environment remain in compliance with the requirements of the Brazilian Securities and Exchange Commission (CVM) to ensure the accuracy of the Financial Statements and good practices of the Novo Mercado – B3.

The Audit, Risks, Compliance and DPO Department, through the performance of the Internal Audit Sector, follows up and monitors the performance of the practices, policies, and procedures in force in the Company, based on the Annual Audit Plan.

The Company is of the opinion that all organs and procedures established by the CPFL Group are adequate to mitigate and control any risks, always updating internal control procedures in order to comply with the standards established by the market.

5.2 In relation to the market risks indicated in item 4.2, inform:

a. If the issuer has a formalized market risk management policy, highlighting, if so, the body that approved it and the date of its approval, and, if not, the reasons why the issuer did not adopt a policy

CPFL Energia has a Corporate Risk Management Policy approved at the 140th Meeting of the Board of Directors held on July 29, 2009, duly updated in 2018, 2019 and 2020 and is available on the CPFL Energia website in www.cpfl.com.br/ri.

All the main risks to which the Company is exposed are consolidated through the policy, represented in the Corporate Risk Map. The policy provides for models, indicators, and limits of exposure to risks, approved by the Board of Directors, as well as details the treatment to be dispensed and the necessary reports in case of exceeding risk references. In addition, it addresses the Company's risk management structure, with definition of roles and responsibilities.

b. The objectives and strategies of the risk management policy, if existing, including:

The Company considers as mechanisms for protection of the risks described in item 4.1 of this Reference Form:(i) the periodic monitoring of exposures against the limits approved by the Board of Directors; (ii) mitigation plans for the treatment of the main exposures; and (iii) the periodic reporting of such information to the competent forums, that is, executives of the Company, Board of Directors, Fiscal Council and Advisory Committees.

Thus, the Company has as a practice, defined in the Corporate Risk Management Policy, to perform regular monitoring of the risks to which it is exposed, evaluating the level of exposure, and adopting mitigation measures in order to reduce risks whenever they approach or exceed the established limits.

The monitoring of energy market risks in CPFL (Sub/Over-contracting Distribution, Generation Risk and Market Risk for Energy Traders) is performed through stress tests of variables through the use of computational models.

i. market risks for which protection is sought

The market risks for which the Company seeks protection are:

1. 1. Energy Market Risk

1.1. **Risk of Sub/Over-contracting Distribution:** changes in demand forecasts and price expectations are regularly monitored by the Company. CPFL Group distributors make use of the regulatory mechanisms available to adjust contracts in order to keep contracting levels within regulatory limits. In addition, CPFL Energia monitors any changes in regulation that may in some way impact this risk.

1.2. **Generation market risk:** hydrological conditions, GSF levels and price expectation are regularly monitored by the Company. Protection against this risk is done by purchasing energy to minimize balance sheet exposure.

1.3. **Market risk of traders:** the balance positions of CPFL traders, market conditions and short, medium, and long-term price expectations are monitored regularly. Prior to its approval, all proposals for the purchase and sale of energy are evaluated against the risk limit.

2. Credit Risk:

For the distribution segment, whose market is pulverized, credit risk protection is done by monitoring default, which has as dunning actions, the cut in the supply of energy to delinquent customers, in addition to negative credit reports, protests and customized collections. With regard to the Generation, Marketing and Services segments, protection occurs through the requirement of financial guarantees and analysis of the score and risk of business partners, providing more security at the time of decision making.

3. Interest Risk and Exchange Rate:

The Company and its subsidiaries have the practice of monitoring the risks of exchange variation, fluctuation of interest rates and price indices, and of contracting derivative instruments, always with the appropriate approvals of the relevant approval layers.

With regard to foreign exchange risk, exposure to foreign currency fundraising is covered by financial swap transactions, which allowed the Company and its subsidiaries to replace the original risks of the transaction for the cost related to the variation of the CDI. Furthermore, the CVA compensation mechanism protects the distribution subsidiaries from any economic losses related to the possible exchange variation in the purchase of electricity from Itaipu.

With regard to the risk of interest rates, subsidiaries have sought to increase the participation of pre-indexed loans or other indexers. Additionally, the risk of the interest rate hike can be partially offset by the position of financial assets of the concession indexed through the IPCA.

4. Regulatory Risk:

For risks related to the processes of revisions and tariff adjustments inherent to the regulated market in which it operates, monitoring is carried out by all areas directly involved, especially by the Vice Presidency of Regulated Operations, responsible for interactions with the Regulatory Agency.

5. Risk of Debt Acceleration

The Management of the Company and its subsidiaries monitors the rates of debt acceleration and leverage in a systematic and constant manner, so that the conditions are met. The results of the follow-up are reported periodically to the executive directors and the Board of Directors.

In addition, the Company and its subsidiaries meet the requirements of the Sarbanes-Oxley Act, thus having internal control policies that excel in a rigid control environment to minimize exposure to risks related to the preparation and disclosure of financial statements.

ii. the asset protection strategy (hedge);

The Company and its subsidiaries have a policy of using derivatives for the purpose of protecting (hedge) the risks of exchange variation and fluctuation of interest rates, not having, therefore, speculative objectives in the use of derivative instruments. The Company and its subsidiaries have foreign exchange hedge in volume compatible with net foreign exchange exposure, including all assets and liabilities linked to exchange variation.

iii. instruments used for asset protection (hedge);

The instruments of protection contracted by the Company and its subsidiaries are currency swaps or interest rates without any leverage component, margin clause, daily adjustments, or periodic adjustments. The Company and its subsidiaries do not conduct transactions involving speculative derivatives. In the year ended 20 20, the subsidiary CPFL Geração carried out transactions with derivatives, through term purchases of aluminum for future settlement.

iv. the parameters used to manage these risks;

For the management of the risks inherent to financial instruments and in order to monitor the procedures established by the Management, the Group has a financial advisory contracted to support the realization and reporting of the calculation of the Mark to Market, Stress Testing and Duration of the instruments, in addition to using Bloomberg to aid this process, evaluating the risks to which the Group is exposed. Historically, the financial instruments contracted by the Group supported by this tool, have presented adequate results for risk mitigation. It is emphasized that the Group has the practice of contracting derivative instruments, always with the appropriate approvals of the internal approval layers, only when there is an exposure to which the Administration considers as a risk. Additionally, the Group does not conduct transactions involving speculative derivatives.

The risk of sub/over-contracting of distributors is monitored through statistical models, having as reference metrics the probability of any loss and the average loss (average loss scenarios) in relation to the EBITDA of the distributors.

The risk of default is accompanied by the aging list of "accounts receivable" and the evolution of the Provision for Bad Debts - PDD.

Interest risk is assessed through debt indices sensitivity analysis.

Regulatory risk is monitored through a set of indicators that aim to measure adherence to sectoral legislation (number of notifications, conversion rate in penalties, total exposure in portfolio, recovery rate after administrative resources and total disbursement), and possible changes in regulation that may impact CPFL Group's business are also monitored.

Debt Acceleration Risk is monitored based on projections of leverage ratios.

v. if the issuer operates financial instruments with objectives other than asset protection (hedge) and what are these objectives;

The Company and its subsidiaries do not operate financial instruments with objectives other than asset protection (hedge), but only to protect against the risks of exchange rate variation and interest rate fluctuations.

vi. the organizational structure of market risk management control;

The organizational structure of market risk control and management is the same as described in item 5.1.(b.iii) of this Reference Form.

c. the adequacy of the operational structure and internal controls to verify the effectiveness of the adopted policy.

The adequacy of the operational structure and internal controls for verifying the policy adopted is the same as described in item 5.1. (c) of this Reference Form.

5.3 In relation to the controls adopted by the issuer to ensure the preparation of reliable financial statements, indicate:

a) the main practices of internal controls and the degree of efficiency of such controls, indicating possible imperfections and measures adopted to correct them

Annually, all processes and internal controls relevant to our financial statements are evaluated and certified electronically by our managers, through an automatic Internal Control Management system, SAP GRC Process Control. The Company's Management has evaluated the effectiveness of internal controls on the preparation and disclosure of the statements, based on the criteria established in "Internal Controls - Integrated Structure" issued in 2013 by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

Based on these evaluation criteria, the Company's Management concluded that internal controls on the preparation and disclosure of financial statements for the year ended December 31, 2020 are effective.

Internal Controls on Financial Information

The Company's Management is responsible for establishing and maintaining adequate internal controls on the preparation and disclosure of financial information, the procedure of which is designed to provide reasonable assurance regarding the reliability of financial information and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Internal controls on the disclosure of financial information include policies and procedures that: (i) relate to the maintenance of records that reasonably detailed, accurately and fairly reflect transactions and the disposition of assets; (ii) provide reasonable security that they are recorded as necessary to allow the preparation of the Company's financial statements in accordance with generally accepted accounting principles, and that expenditures and expenses are being incurred in accordance with the authorizations of management; and (iii) provide timely reasonable security with respect to the prevention or detection of unauthorized acquisition, use or disposition of our assets that could generate adverse material effect on the Company's financial statements.

Due to inherent limitations, internal controls over the disclosure of financial information may not prevent or detect incorrect statements. Furthermore, the effectiveness of projections and evaluations in relation to future periods is subject to the risk that controls may be inadequate due to changing conditions and that the degree of compliance with these procedures and policies may deteriorate.

The Company believes that the degree of efficiency of the internal controls adopted to ensure the preparation of financial statements is satisfactory. The Company is attentive to new technologies and constantly invests in its controls in order to ensure continuous improvement.

b) the organizational structures involved

Business areas have primary responsibility to ensure the updating of the documentation of business processes under their responsibility whenever there are changes in control activities that may compromise their design and effectiveness.

The Risk, Internal Controls, Ethics and Compliance Management is responsible for the annual process of evaluation and certification of internal controls on the preparation and disclosure of financial statements.

The evaluations of the internal control environment remain in accordance with the requirements of the Brazilian Securities and Exchange Commission (CVM) to ensure the accuracy of the Financial Statements and good practices of the Novo Mercado – B3.

The most relevant matters are brought to the attention of the Fiscal Council, the Board of Directors, advisory committees, and other governance forums.

The organizational structures involved are represented in the figure below:

c) if and how the efficiency of internal controls is supervised by the administration of the issuer, indicating the position of the persons responsible for such monitoring

In the CPFL Group, the evaluation of internal controls on the preparation and disclosure of financial statements is conducted through a structure involving the Board of Directors and the Fiscal Council, the Advisory Committees, the Executive Board, the Audit, Risks, Internal Controls, Compliance and DPO Department and the business areas. This management is regulated through internal controls at the entity level (Entity Level Controls) and by the Internal Controls Assessment Norm, which describes the risk management model as well as the assignments of each agent.

It is the responsibility of the Board of Directors of CPFL Energia to be aware of the significant deficiencies and material weaknesses found in the internal control environment of CPFL Energia and to monitor the implementation of action plans, where applicable.

It is the responsibility of the Advisory Committees of the Board of Directors, in particular the Risk Management Committee, to advise the Board of Directors on the following topics: (i) assessment of the robustness of the information provided to the Board of Directors; (ii) preparation of proposals to improve business management processes; (iii) assessment of the main risk areas of CPFL Energia's business; and (iv) guidance of Internal Audit work and preparation of improvement proposals.

While the Audit Committee is not set up by the Board of Directors yet, CPFL Energia's Fiscal Council is temporarily responsible for:

- Evaluate the effectiveness of the Company's internal controls and recommend changes, if necessary, to the entity level controls and to the process level controls, making sure that the Management has the means to identify preventively and through an appropriate information system, (a) the main risks to which the Company is exposed; (b) its probability of materialization; and (c) the measures and plans adopted;
- Discuss, with the independent auditors, Audit Management, Risks, Compliance and DPO, Executive Board of CPFL Energia and with the Chief Financial Officer, the result of the evaluation of the internal control system, aiming at its improvement and making sure that the recommendations made and approved by the executive board are implemented within the scheduled period;
- Be aware of the significant deficiencies found in the internal control environment of CPFL Energia;

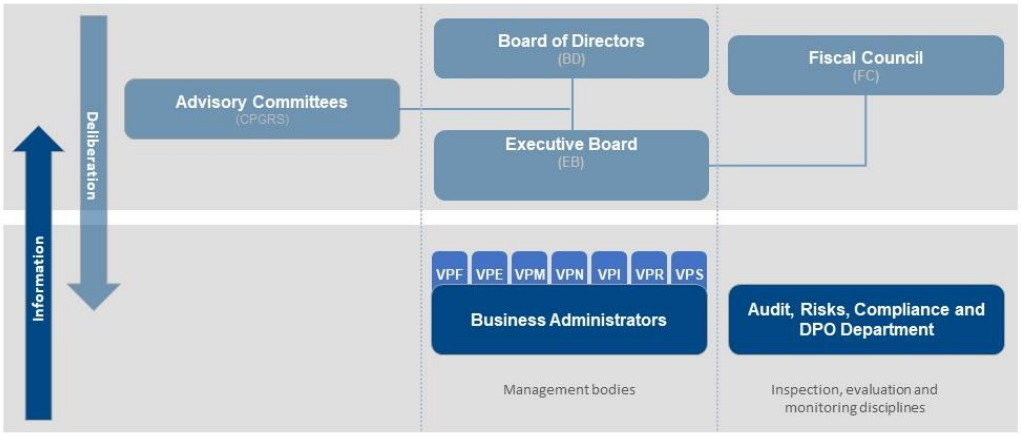
- To be aware of the complaints related to the financial statements received by the Company through the reporting channel, which establishes the procedures used by the Company to process and deal with complaints related to accounting issues, accounting controls and audit matters, ensuring mechanisms that ensure the confidentiality and anonymity of the information; and
- Be aware of the risks as well as the notes identified by CPFL Energia auditors through the Internal Controls Letter issued by the independent audit firm.

The Executive Board of CPFL Energia is responsible for:

- Approve the annual scope of the work, with regard to the extension (selection of processes), deadlines, materiality, testing strategy;
- Periodically monitor the evolution of the work through presentations made at the Executive Board meetings and in reports issued by the Risk Management, Internal Controls, Ethic and Compliance Management;
- Ensure the implementation of actions defined by managers subordinated to them;
- Make the bottom-up certification within the defined period; and
- Sponsor improvements in the internal control environment always seeking the balance between the effectiveness of processes, controls, and costs, as well as alignment with the strategic objectives of CPFL Energia.

Audit, Risks, Internal Controls, Compliance and DPO Department conducts both regular and ad hoc reviews to ensure the alignment of processes with management guidelines and strategies.

This governance can be illustrated by the figure below:



d) deficiencies and recommendations on internal controls contained in the detailed report, prepared, and forwarded to the issuer by the independent auditor, in accordance with the regulations issued by CVM, that deals with the registration and exercise of the independent audit activity

The auditors did not report significant deficiencies in their detailed report on internal controls on the preparation and disclosure of the financial statements for the year ended December 31, 2020.

e) comments of the executive officers on the deficiencies identified in the detailed report prepared by the independent auditor and on the corrective measures taken

The Report on Internal Control Deficiencies, issued by the Independent Auditors, is filed annually with the regulatory body, ANEEL. The status of the action plans is monitored by our Fiscal Council, a body

independent from the Administration and the from external audit, which performs the functions of the Audit Committee.

The Company's Management is not aware of any facts or aspects that may indicate the presence of significant deficiencies in the internal controls on the preparation and disclosure of the financial statements for the year ended December 31, 2020. Nevertheless, the other identified deficiencies are forwarded to the executive officers responsible for defining the action plans. The Audit, Risks, Compliance and DPO Department conducts follow up and verification of the compliance with the action plans, throughout the fiscal year.

5.4 In relation to the internal integrity mechanisms and procedures adopted by the issuer to prevent, detect and remedy deviations, fraud, irregularities, and unlawful acts committed against the national or foreign public administration, inform:

a) If the issuer has rules, policies, procedures, or practices aimed at the prevention, detection and remediation of fraud and illegal acts committed against the public administration, identifying, in a positive case:

i. the main integrity mechanisms and procedures adopted and their suitability to the profile and risks identified by the issuer, informing how often risks are reassessed and policies, procedures and practices are adapted

The Company maintains procedures that guide its main organizational processes, in addition to internal controls that are periodically evaluated by the Internal Audit areas. It also monitors its main risk indicators from its Corporate Risk Matrix.

Additionally, the Company has a robust Integrity Program composed of 4 pillars (guidelines, communication, evaluation, and monitoring). Among them, we highlight some initiatives:

- **Code of Ethical Conduct**: ethical guidelines to be followed by employees and third parties with direct relationship with CPFL Energia;
- **Ethics and Business Conduct Committee**: composed of five members, three executive vice-presidents of the CPFL Energia Holding and two External and Independent Members;
- **External Ethics Channel**: independent company specialized in receiving ethical records (complaints, consultations, and suggestions) and responsible for ensuring the integrity and confidentiality of information, anonymity of users and independence throughout the process.

Another integrity mechanism refers to CPFL Energy's Anti-Corruption Policy (GED 16,027 Anti-Corruption).

The Anti-Corruption Policy supplements, but does not replace, the Code of Ethical Conduct, with the objective of establishing the principles for controlling and combating corruption, guiding the conduct of employees and service providers of the CPFL Group, in order to prevent and combat this practice. This document applies to all CPFL Group companies that are covered by the Code of Ethical Conduct.

Supported on the precepts of anti-corruption conduct, and also on internal rules in force, the Policy establishes rules and procedures for cases such as: (i) commercial transactions carried out; (ii) sales and service provision; (iii) hiring of representatives, agents and outsourced third parties in transactions with the government; (iv) travel, meals and entertainment; (v) gifts, handouts, advantages and favors; (vi) charitable contributions; (vii) contributions to political parties; (viii) sponsorships and (ix) mergers and acquisitions.

ii. the organizational structures involved in monitoring the performance and efficiency of internal integrity mechanisms and procedures, indicating their attributions, whether their creation has been formally approved, the organs of the issuer to which they relate, and the mechanisms to guarantee the independence of their leaders, if any

The company maintains the Audit, Risks, Internal Controls, Compliance and DPO Department, with direct and independent reporting to the Board of Directors. The Internal Audit area, in addition to conducting periodic evaluations of its internal control system, carries out, through the Executive Secretariat of the Ethics Committee, the support for the performance and management of the Ethics Committee.

We can also highlight that our guideline no. 34 Committee on Ethics and Business Conduct (Committee) establishes:

a) The number of members shall be defined by the Board of Directors of CPFL;

b) According to the proposal of the Executive Board, approved by the Board of Directors, the Committee shall be composed of the Vice-Presidents and at least one member external to the CPFL staff, with a two-year term of office, and the reelection being allowed. The internal auditor shall participate as a listener of the Committee;

c) The Committee shall be headed by a Chairman and a Vice-Chairman, who is responsible for replacing the Chairman in case of absence or impediment, both of which are appointed from the CPFL professionals chosen to participate in the Committee;

d) The Committee will decide on complaints of violation of the Code and will guide the application of its rules through publicity campaigns, response to consultations and issuance of summations;

e) The structure and functioning of the Committee shall be established in a set of rules approved by the Executive Board of the CPFL, at the proposal of the Committee; and

f) The Board of Directors of CPFL Energia shall replace the Committee in its duties, in cases of violation of the guidelines of the Code committed by members of the Committee, the Executive Board or the Board of Directors.

iii. if the issuer has a formally approved code of ethics or conduct, indicating:

The CPFL Group's Code of Ethics was elaborated in order to perpetuate the performance of the group's employees, according to principles that ensure ethics, integrity, responsibility, transparency, and efficiency, establishing that these [principles] are essential for the construction and defense of the CPFL Group's reputation, as well as for its activities to take place in line with the expectations of its public.

The CPFL Group's Code of Ethics consolidates its beliefs and aims to guide the conduct of all its employees, and its values and guidelines must be observed indistinctly by all its professionals, including the members of: (i) the Board of Directors; (ii) Fiscal Council; (iii) Advisory Committees; and (iv) Executive Board, as well as the officers, managers, leaders, employees and outsourced of the CPFL Group.

It is available on our website at https://www.CPFL.com.br/institucional/etica-na-rede/o-codigo-de-etica/Paginas/default.aspx.

In addition to initiatives that directly involve our partners, we seek to ensure that the values of our business are shared by the supply chain through contractual items that require compliance with the Code of Ethical Conduct for Suppliers. In our service contracts, there is an exclusive clause regarding the Code of Ethics in the contracting processes.

It is available on our website in https://www.cpfl.com.br/institucional/fornecedores/Documents/codigo-conduta-fornecedores.pdf

- **whether it applies to all directors, tax advisers, directors and employees and also covers third parties, such as suppliers, service providers, intermediary agents, and associates**

The Code of Ethical Conduct applies to its employees, managers, officers, suppliers, members of committees and advisory committees of the Board of Directors (employees of CPFL Energia or not) and Directors, based on companies that we have partners, controlled or not.

- **whether and how often executive officers, members of the fiscal council, directors and employees are trained in relation to the code of ethics or conduct and other rules related to the subject**

CPFL takes advantage of its traditional internal communication channels, such as posters, banners, Intranet, emails, through which are repeatedly disclosed pieces related to the theme. In addition, the Day of Integrity is held annually, in a period close to the International Anticorruption Day (December 9), concentrating lectures and other actions aimed at promoting reflection on the subject. Seeking to go beyond the limits of its contractual relations, CPFL maintains a programming open to the whole society, including internet transmission and broadcast on an open television channel, called "Philosophical Coffee", focused on reflection on various social values, including ethics and integrity.

Periodically, communication strategies are carried out with a specific purpose, such as the Monthly Integrity Conversation – CMI, with the guidelines of the Code of Ethical Conduct replicated by management to all employees.

Additionally, it is important to highlight that all new employees in their integration have the mandatory training on the Integrity Program in their knowledge grid, as well as for the new leaders in the Decola Líder [Leader Take off] program.

- **the penalties applicable in the event of a breach of the Code or other rules relating to the subject, identifying the document where such sanctions are provided for**

The Code of Ethical Conduct establishes in its guideline no. 12, in its item "d" that "conduct not aligned with the Code shall be subject to disciplinary action".

Thus, the Ethics and Business Conduct Committee has the task, after analysis of the complaint investigation report, and deliberation as to the origin of the complaint, of recommending the application of disciplinary action to the professional involved. The dosimetry of the disciplinary measure is defined by the Committee and the application follows the procedures defined by Administrative Rule No. 17055 – Disciplinary Measures and Compensation of Damages.

- **body that approved the code, date of approval and, if the issuer discloses the code of conduct, locations on the worldwide computer network where the document can be consulted**

The Code of Ethics was approved by the Executive Board in December 2015 and is available on the CPFL Energia website at: https://www.cpfl.com.br/institucional/etica-na-rede/o-codigo-de-etica/Paginas/default.aspx.

b) if the issuer has a reporting channel, indicating, if so:

- **whether the reporting channel is internal or if it is in charge of third parties**

The channel is in charge of third parties, managed by the company Contato Seguro, through the link: https://www.contatoseguro.com.br/cpflenergia

- **whether the channel is open to receiving complaints from third parties or if it receives complaints only from employees**

The External Ethics Channel is open to the presentation of complaints by all the public relationships of the CPFL Group companies.

- **whether there are mechanisms of anonymity and protection of whistle-blowers in good faith**

The user of the channel is assured the anonymity, as well as the secrecy and confidentiality of the complaint presented. The External Ethics Channel, at the time of complaint, assigns an identification number that allows its monitoring by the user through a registration number.

- **the body of the issuer responsible for investigating complaints**

Complaint Processing Commission (CPD) was implemented to give support to the Ethics and Business Conduct Committee in the investigation of complaints received from employees and other public relationships of the CPFL Group.

The CPD is managed by the Legal Director (Coordinator) - HR Director (Deputy Coordinator) and the Internal Audit area.

c) whether the issuer adopts procedures in merger, acquisition and corporate restructuring processes aimed at identifying vulnerabilities and risk of irregular practices in the legal entities involved

During the processes of mergers, acquisitions, and corporate restructurings, CPFL adopts the best market practices, seeking the identification and mitigation of risks and performing, according to the characteristics of each project, due diligence actions, risk assessment, among other relevant actions.

Such activities are carried out using internal and external teams, using the best available and applicable information.

d) if the issuer does not have rules, policies, procedures, or practices aimed at the prevention, detection and remediation of fraud and illegal acts committed against the public administration, identify the reasons why the issuer did not adopt controls to this effect

Not applicable.

5.5 Inform whether, in relation to the last fiscal year, there were significant changes in the main risks to which the issuer is exposed or in the risk management policy adopted, also commenting on any expectations of reduction or increase in the issuer's exposure to such risks.

In relation to the last fiscal year ended December 31, 2019, there were no significant changes in the risks monitored by the Company in 2020. However, some points continue to be monitored due to the level of exposure.

Expectations regarding the assertiveness of the level of contracting of the distributors were impaired due to the slowdown of the Brazilian economy, and the migration of customers to the free contracting environment, responsible for significant variations in the demand for energy. If our demand forecast proves to be incorrect and we buy electricity in amounts insufficient for or in excess of our needs we may not be able to fully transfer the costs of our energy purchases and we will be forced to access the spot market to liquidate these excesses or deficits, at prices different from those concluded in long-term contracts, resulting in possible losses. There is a possibility of increased delinquency due to: (i) the increase in energy tariffs; and (ii) economic and political instability.

Regarding changes in the Corporate Risk Management Policy, the document was updated in 2020, reflecting the company's new standard of policy documentation. The document also included updating Annexes that demonstrate the indicators and limits of each model, in order to reflect the constant updates that are made in the risk monitoring metrics of the Corporate Risk Map.

5.6 Provide other information that the issuer deems relevant.

There is no information that the Company deems relevant in relation to items 5.1 to 5.5 that have not been disclosed in the other items of this Reference Form.

6. History of the Issuer

6.1/6.2/6.4 With respect to the constitution of the issuer, inform:

a. date of constitution of the issuer: 03/25/1998

b. form of incorporation of the issuer: Company by Shares

c. country of constitution: Brazil

d. duration period: Indefinite duration

e. CVM registration date: May 18, 2000

6.3 Brief history of the issuer

CPFL Energia

CPFL Energia's (formerly "Draft II") constitution was in March 1998 and its capital was fully paid in 2002, by VBC Energia S.A., 521 Participações and Bonaire. CPFL Energia was created with the purpose of obtaining financing for CPFL Paulista, with the objective of consolidating the interests of the investors in electric power generation and distribution companies.

In August 2002, CPFL Energia's controlling shareholders decided to transfer their direct stakes in CPFL Paulista and CPFL Geração to CPFL Energia. This capitalization had the objective of consolidating the assets of electricity generation and distribution and of simplifying its operational and corporate organization. With the restructuring, CPFL Energia became a control holding company, aiming to promote synergy between the group's companies.

In September 2004, the Company carried out a Public Offering of Shares, through the issuance of new shares and simultaneous sale of shares of the controlling shareholders. This offer occurred both nationally and internationally, and the shares of the Brazilian Offer were listed on B3, while the International Offer, in the form of ADS, was listed on the NYSE. In 2020, the Company decided to cancel its ADS program and delisted the ADS from the NYSE.

Among other transactions, CPFL Energia acquired or incorporated the following companies:

- In November 2000, it incorporated CPFL Piratininga, receiving the split portion of the then Bandeirantes de Energia – EBE, through Draft I Participações, a wholly-owned subsidiary of CPFL Paulista;
- In January 2001, it acquired part of the share capital of CERAN – Companhia Energética Rio das Antas, through CPFL Geração;
- In July 2001, it acquired RGE through CPFL Paulista;
- In March 2002, it acquired the entire stake of VBC Participações, which, in turn, held part of the share capital of Foz do Chapecó Energia S.A. ("Foz do Chapecó") and Campos Novos Energia S.A. ;
- In August 2002, it incorporated CPFL Brazil;
- In January 2005, it acquired Clion Assessoria e Comercialização de Energia Elétrica Ltda. ("CPFL Meridional"), through CPFL Brazil;
- In June 2006, it acquired the companies of the companies Ipê Energia Ltda., PSEG Brasil Ltda., and PSEG Trader S.A., later named, respectively, CPFL Serra Ltda, ("CPFL Serra"), CPFL Missões Ltda. ("CPFL Missões") and CPFL Comercialização Cone Sul S.A. ("CPFL Cone Sul"), through RGE;
- In October 2006, it acquired Companhia Luz e Força Santa Cruz ("Santa Cruz"), through Nova 4 Participações Ltda.;
- In 2007, through Perácio, it acquired CMS Energy Brasil S.A. ("CMS"), which was a holding company that owned the subsidiaries CPFL Leste Paulista, CPFL Sul Paulista, CPFL Jaguari, CPFL Mococa, Paulista Lajeado Energia S.A. ("Paulista Lajeado Energia"), CPFL Planalto Ltda. ("CPFL Planalto"), CPFL Serviços and CPFL Jaguari Geração;
- In May 2007, it incorporated Nect, formerly called Chumpitaz Participações S.A.;
- In May 2008, it incorporated CPFL Atende.
- CPFL Bioenergia S.A. (formerly Makelele Participações S.A.) was acquired by Semesa S.A. in 2006, and the latter was merged into CPFL Geração in 2007;
- In September 2009, it acquired the companies Santa Clara I – Energias Renováveis Ltda., Santa Clara II Energias Renováveis Ltda., Santa Clara III Energias Renováveis Ltda., Santa Clara IV Energias Renováveis Ltda., Santa Clara V Energias Renováveis Ltda., Santa Clara VI Energias

Renováveis Ltda., Eurus VI Energias Renováveis Ltda. and Centrais Elétricas da Paraíba S.A. (EPASA), through CPFL Geração;

- In October 2009, it incorporated CPFL Bio Formosa, through CPFL Brasil;
- In 2010, it incorporated CPFL Bio Buriti, CPFL Bio Ipê and CPFL Bio Pedra, through CPFL Brasil;
- In April 2010, it incorporated CPFL Bio Anicuns S.A. and CPFL Bio Itapaci S.A., through CPFL Brasil;
- In August 2011 it acquired CPFL Renováveis through CPFL Brasil and CPFL Geração;
- In December 2011, it completed the acquisition of Santa Luzia Energética S.A. ("Santa Luzia") through CPFL Renováveis;
- On October 31, 2016, the acquisition of RGE Sul Distribuidora de Energia by CPFL Jaguariúna was completed; and on December 15, 2017, the management of RGE Sul and its parent company CPFL Jaguariúna Participações Ltda., CPFL Jaguariúna, approved the merger of CPFL Jaguariúna into RGE Sul. As a result of this merger, CPFL Jaguariúna was extinguished.
- On June 29, 2018, we acquired the right to carry out transmission activities, at the ANEEL Transmission Auction. We also received the concession of the Maracanaú II Substation and segments of transmission lines, located in the state of Ceará.
- On December 4, 2018, ANEEL approved our proposal to consolidate the concessions of our two distribution companies (RGE and RGE Sul). Effective January 1, 2019, RGE was merged into RGE Sul, and RGE Sul began operating under the name RGE. As a result of this operation, the RGE ceased to exist.
- On December 20, 2018, we acquired the right to carry out transmission activities and gained new Substations and transmission lines in the states of Santa Catarina and Rio Grande do Sul.
- On September 30, 2019, the partial spin off of Nect Serviços Administrativos de Infraestrutura Ltda was approved. - "CPFL Infra" (formerly called Nect Administrative Services Ltda.) into four specific business segments (Supplies, Human Resources, Financial Services, and Infrastructure) and the incorporation of the split portion for the three new companies CPFL Supre, CPFL Finanças and CPFL Pessoas. The operation aims to improve the quality of the services provided by the company, through greater specialization if its activities. The net assets calculated in this transaction were R$ 16,746 and did not generate any effect on the consolidated financial statements of the group or any change in the shareholding of the companies.
- o On September 30, 2019, we announced, jointly with State Grid, the closing of the purchase and sale of shares issued by CPFL Renováveis and the transfer by State Grid to us, of all shares of CPFL Renováveis held directly by State Grid, at a purchase price of R$ 16.85 per share. The total purchase price paid by us to State Grid was R$ 4.1 billion.
- On December 19, 2019, our board of directors and the board of directors of CPFL Geração approved the tender offer by CPFL Geração to acquire the remaining outstanding common shares of CPFL Renováveis, to allow for the conversion of CPFL Renováveis' registration as a publicly held company of category "A", into a publicly held company of category "B" and/or its exit from the Novo Mercado. This Tender Offer is subject to CVM registration and to B3 authorization. The price per share offered is R$ 16.85, adjusted by SELIC, from the date of the mandatory Tender Offer made by State Grid in November 2018.
- On April 27, 2020, the Company received approval from CVM related to the request of the Tender Offer for Conversion of Registration as well as to Tender Offer for the Exit from the New Market. The Public Tender Offer Notice, containing all the terms and conditions of the Tender Offer, was announced by CPFL Geração on May 6, 2020.
- On May 21, 2020, the Company, through a Relevant Fact, reported that, on that date, its Board of Directors expressed favorably as to the acceptance of the OPA by the Company's shareholders, as approved at a meeting held on that date.
- On June 5, 2020, CPFL Geração, through a Relevant Fact, reported that the definitive acquisition price for the Tender Offer auction, after the adjustments provided for in item 4.5 of the Notice, was

R$ 18.24 per common share, to be paid in full on the date of financial settlement (June 15, 2020) of the Tender Offer Auction.

- On June 10, 2020, CPFL Renováveis, through a Relevant Fact, reported the results of the auction of the public offer for the acquisition of the common shares issued by the Company in circulation in the market, unifying the modalities for the purposes of converting its registration from publicly held company category "A" to category "B" ("Tender Offer Conversion of Registration ") and the exit from the Novo Mercado ("Tender Offer Exit from the Novo Mercado", and, together with the Tender Offer Conversion of Registration, " Tender Offer " and "Auction", respectively) carried out on that date at B3 S.A. – Brasil, Bolsa, Balcão ("B3"). As a result of the Auction, CPFL Geração ("Bidder") acquired 183,539 common shares issued by the Company in circulation, representing 0.035% of its share capital. The shares were acquired at the unit price of R$ 18.24, totaling R$ 3,347,751.36 (three million, three hundred and forty-seven thousand, seven hundred and fifty-one reais and thirty-six cents). With the financial settlement of the acquisitions made in the Auction, which took place on June 15, 2020, the remaining outstanding shares now represent 0.021% of the Company's share capital. Considering that the number of shares acquired by the Bidder in the Auction exceeded the minimum amount of 2/3 of the shares authorized in the Auction, necessary for the conversion of its registration from a publicly held company category "A" to category "B", at CVM, the Company proceeded with the actions necessary for that conversion. The Company's shares immediately ceased to be part of the B3's Novo Mercado segment, moving to the basic segment of B3 until the manifestation from CVM regarding the category conversion.
- On June 19, 2020, CPFL Renováveis, through a Relevant Fact, reported that the Board of Directors had approved, on that date, the call for an Extraordinary General Meeting ("EGM") of the Company's shareholders, to be held on July 7, 2020, to decide on the redemption of all common shares issued by the Company that remained in circulation after the Tender Offer auction. The EGM occurred on that date and the redemption of shares was approved. The redemption price is R$ 18.28 per share, equivalent to the price of the Tender Offer, adjusted for the variation of the SELIC Rate from June 15, 2020, the date of settlement of the Tender Offer, until the date of deposit of the redemption amount (July 22, 2020).
- On July 6, 2020, CPFL Renováveis, through a Relevant Fact, reported receipt of Letter No. 224/2020/CVM/SEP/GEA-1, by which CVM approved the request to convert the Company's registration of publicly-based company from category "A" to category "B".
- On September 30, 2020, an Extraordinary General Meeting approved the second stage of the corporate restructuring plan with the purpose of integrating CPFL Renováveis, in continuity with the communication made through the material fact dated May 21, 2019.
- On April 15, 2020 the incorporation of Alesta Sociedade de Crédito Direto S.A. was approved. The Company is a private financial institution operating in the category of Direct Credit Company, incorporated in the form of a corporation.

Ownership acquisition of the Company by State Grid International Development Limited

On January 23, 2017, the Company received correspondence from State Grid Brazil Power Participações SA. ("State Grid") informing that, on that date, the closing of the Share Acquisition Agreement concluded between State Grid, Camargo Correa S.A., Caixa de Previdência dos Funcionários do Banco do Brasil - PREVI, FUNCESP, Fundação Sistel de Seguridade Social, Fundação Petrobrás de Seguridade Social - PETROS, Fundação SABESP de Seguridade Social - SABESPREV, and certain other parties.

After the completion of the transaction, State Grid became the controller company of CPFL Energia, with 54.64% (556,164,817 shares, direct or indirect) of the company's voting and total capital. With the transaction, State Grid became the sole controller of the Company, and as a consequence, the Shareholders' Agreement dated March 22, 2002, concluded between the former controllers, was terminated.

In a Relevant Fact and a Notice to the Market released on November 30 and December 5, 2017, the Company informed that the Tender Offer Auction was successfully carried out in B3's trading system. As a result of the auction, State Grid acquired 408,357,085 common shares issued by the Company,

representing 88.44% of the total shares of the Tender Offer object and 40.12% of the Company's share capital. The common shares were acquired at the price of R$ 27.69, totaling R$ 11,307,408.

State Grid now held, together with ESC Energia S.A., 964,521,902 common shares issued by the Company, raising its joint stake from 54.64% to 94.75% of the Company's total share capital.

With the transaction, State Grid became the sole controller of the Company, and as a consequence, the Shareholders' Agreement dated March 22, 2002, concluded between the former controllers, was terminated.

On 2 April 2019, the Company informed B3 of its intention to increase its number of shares in circulation in the market (free float), in compliance with the rules of the Novo Mercado, through the realization of a subsequent offer of its common shares and, on April 18, 2019, B3 approved its request to extend the deadline to reach a minimum percentage of shares outstanding in the market (free float) of 15% of its total capital until October 31, 2019.

On April 24, 2019, a Relevant Fact was disclosed by the Company, informing that it had filed a Registration Statement on Form F-3 ("Form F-3") before the SEC, allowing the Company to make certain public offerings in the United States, of common shares issued by the Company, including in the form of ADS.

On 12 June 2019, in continuation of the previously disclosed notices, the Company disclosed through a Relevant Fact that the approval, at a meeting of the Board of Directors, in the scope of the Offer and pursuant to CVM Instruction 476, the fixing of the price per share in the amount of R$ 27.50 and the increase in the Company's capital stock in the amount of R$ 3,212,471, through the issuance of 116,817,126 new shares. Consequently, the share capital went from R$ 5,741,284 to R$ 8,953,755 and the total number of common, nominative, book-entry and without nominal value shares went from 1,017,914,746 to 1,134,731,872. On June 27, 2019, the number of shares was increased by an additional lot of 15% of the total shares initially offered (without considering the Supplementary Lot), i.e., 17,522,568 common shares issued by the Company, under the same conditions and price of the shares initially offered, moving the total shares to 1,152,254,440. On June 28, 2019, these shares were liquidated, totaling R$ 481,871 of capital increase, passing the share capital to R$ 9,435,626 as of June 30, 2019.

The Offer totaled R$ 3.7 billion and was carried out simultaneously: (i) with restricted placement efforts in Brazil, in an unorganized over-the-counter market; and (ii) abroad. There was no reallocation of shares between the Brazilian Offer and the International Offer, due to the demand verified in Brazil and abroad during the course of the Offer and, thus, there was no allocation of ADSs in the context of the International Offer, being, therefore, all shares distributed within the scope of the Brazilian Offer.

CPFL Energia concluded, on August 29, 2019, with its parent company, State Grid Brazil Power Participações S.A. ("SGBP"), a contract for the purchase and sale of shares related to the acquisition by CPFL Energia of the entire stake that SGBP held directly in CPFL Renováveis, a publicly held company indirectly controlled by CPFL Energia ("Purchase and Sale Agreement").

The Purchase and Sale Agreement was negotiated independently by representatives of CPFL Energia and SGBP, and provided that the shares issued by CPFL Renováveis held by SGBP would be acquired by CPFL Energia for r$ 16.85 per share ("Acquisition Price"). The Acquisition Price was approved by the Board of Directors of CPFL Energia, in view of the favorable recommendation of the independent members of the Committee of Transactions with Related Parties of CPFL Energia, based on the indicative price range contained in the appraisal report of CPFL Renováveis shares, prepared independently, as described in the Relevant Fact released on May 21, 2019.

On September 30, 2019, CPFL Energia reported that, on that date, the purchase of shares issued by CPFL Renováveis, concluded between CPFL Energia and its parent company, SGBP, was closed, in return for the payment of the acquisition price of R$ 16.85 per share.

The operation allowed the creation of synergies between CPFL Energia and its subsidiaries, corresponding to the first step of a broader restructuring involving CPFL Energia, CPFL Renováveis and other subsidiaries.

6.5 Indicate whether there has been a bankruptcy application, provided that it is based on relevant value, or on judicial or extrajudicial recovery of the issuer, and the current status of such claims.

On the date of submission of this Reference Form the Company was not a party to any bankruptcy application based on a relevant amount, or even any claim for judicial or extrajudicial recovery by CPFL Energia.

6.6 Provide other information that the issuer deems relevant.

All information about the issuer's history has already been disclosed in the previous items.

7. Activities of the issuer

7.1 Briefly describe the main activities developed by the issuer and its controlled companies

Overview

We are a corporation, incorporated and existing as per the laws of the Federative Republic of Brazil, with the legal corporate name CPFL Energia S.A. Our headquarters is located at Rua Jorge de Figueiredo Correa, nº 1.632, parte, Jardim Professora Tarcilia, CEP 13087-397, Campinas, Estado de São Paulo, Brasil and our telephone number is +55 19 3756-6211. Our Investors' Relations Department is located at the same address and the telephone number is +55 19 3756-8458.

We are a holding that, through our subsidiaries and affiliates, distributes, generates, transmits and commercializes electricity in Brazil and also renders services related to energy. We were incorporated in 1998 as a *joint venture* between VBC Energia S.A. ("VBC"), 521 Participações S.A. and Bonaire to combine their interests in corporations that act in the Brazilian energy sector.

In addition, we are one of the biggest electricity distributors of Brazil, based on the 65,926 GWh of electric energy that we distributed to 9,9 million consumers in 2020. On December 31, 2020, our installed capacity of electric energy was 4.305 MW. By means of shareholding interest in CPFL Renováveis, we are also engaged in the construction of a small-size Hydropower Station (PCH) and four wind farms, the result of which we expect to increase our installed capacity to 109,7 MW, when they will be concluded within the next three years.

We are also engaged in the energy commercialization, purchasing and selling electricity to energy producers, Free Consumers and energy commercialization companies. We also render agency services to Free Consumers before the Chamber of Electric Energy Commercialization ("CCEE") and other agents, as well as services related to electricity to its affiliates and non-affiliates. In 2020, the total volume of electric energy sold by our commercialization subsidiaries was 336 GWh and 15.880 GWh to affiliated and non-affiliated parties, respectively. Currently, we are also developing our electric energy transmission business, and we successfully won three of the ANEEL greenfield transmission auctions of 2018, which will demand an investment of R$ 924 million (estimated by ANEEL) and will require us to build approximately 407 km of transmission lines to add 2.343 MVA to our portfolio.

On September 2, 2016, our then shareholder Camargo Correa S.A. entered into a contract to sell its shareholding interest of 23.6% in our Company to State Grid. After the announcement, other members of our shareholding block also decided to sell their interest to State Grid. Consequently, State Grid acquired approximately 54.64% of our capital with a voting right. State Grid Brazil Power Participações S.A. is an indirect subsidiary of State Grid Corporation of China, a state company incorporated and existing as per the laws of the People's Republic of China. The acquisition was approved by CADE, the Brazilian competition defense authority in September 2016, and by ANEEL, in December, 2016. The acquisition was concluded and, as a result, the controlling interest was transferred to State Grid on January 23, 2017. In November, 2017, State Grid made a public offer to buy our shares. After the closing of the referred offer on December 5, 2017, State Grid, directly and indirectly with ESC Energia S.A., (a wholly-owned subsidiary of State Grid) held 964,521,902 of our ordinary shares, equivalent to approximately 94.75% of our total share capital.

In November, 2018, State Grid also acquired 48.39% of CPFL Renováveis total share capital by a mandatory public tender offer process. State Grid total share capital at CPFL Renováveis was diluted to 46.76% as a result of a decision by State Grid of not exercising its preference rights in capital increase of CPFL Renováveis which was approved by CPFL Renováveis Board of Directors on June 4, 2019 and capitalize the Advance for Future Capital Increase (AFAC) that CPFL Geração held at CPFL Renováveis since 2016. This capital increase raised the total capital of CPFL Geração of CPFL Renováveis to 53.18%.

On May 21, 2019, our board of directors authorized the start of CPFL Renováveis integration to our administrative structure. Our integration plan to CPFL Renováveis covers (i) the implementation of plans to restructure and improve CPFL Renováveis operations, with the purpose of creating synergies between CPFL Renováveis and our current businesses and (ii) the performance of studies and analyses of a shareholding restructuring, which may involve the total or partial consolidation of CPFL Geração

and of CPFL Renováveis, which is still subjected to an additional review and, finally, for the approval by our Board. On July 1st, 2019, after the authorization by our Board of Directors, our Board approved of the integration of the administrative structure of CPFL Renováveis to our corporate model in order to optimize the operations and obtain efficiency. This potential consolidation would only occur after a final decision in relation to the B3 requirement to reestablish the free float of CPFL Renováveis.

On May 30, 2019, we announced the subsequent initial public offering of shares (follow on), ended on June 28, 2019. In the scope of the subsequent public offering, we offered 116,817,126 ordinary shares in a global offer that is constituted in (i) a public offering of ordinary shares with restrictions on sales of shares in Brazil and (ii) a simultaneous international offering of ordinary shares, including in the form of ADSs, in the United States and in other locations outside Brazil. We also issued 17,522,568 ordinary shares in the scope of a supplementary lot that was settled on June 28, 2019. As a result of the subsequent public offer, we raised net funds of approximately R$ 3,164.3 million before expenses, after the deduction of the subscription commissions. We raised net funds of approximately R$ 474.7 million before expenses, after the deduction of subscription commissions, as the result of the supplementary lot option. After the closing of the subsequent public offering, State Grid direct and indirect interest in our share capital decreased to 83.71%.

On September 30, 2019, we announced, jointly with State Grid, the closing of purchase and sale of shares issued by CPFL Renováveis and the transfer by State Grid to us of all shares of CPFL Renováveis directly held by State Grid at a purchase price of R$ 16.85 per share. The total purchase price paid by us to State Grid was R$ 4.1 billion.

On December 19, 2019, our board of directors and CPFL Geração Board approved of the acquisition public offering of CPFL Geração to buy the remaining outstanding ordinary shares of CPFL Renováveis to allow the conversion of CPFL Renováveis register as a category "A" publicly traded company into a category "B" publicly traded company and/or its withdrawal from the New Market. This public offering is subjected to register at CVM and to B3 authorization. The offered price per share is R$ 16.85, adjusted by SELIC as from the start of the obligatory public offering made by State Grid in November, 2018.

On April 17, 2020, the Company received granting by CVM related to the OPA Registry Conversion as well as to OPA Exit from New Market. The Public Offering Bid, containing all the OPA terms and conditions was disclosed by CPFL Geração on May 6, 2020.

On December 18, 2019, The Executive Board of CPFL Energia approved in a meeting the intention of the Company to: (i) terminate the Second Amended and Restated Deposit Agreement ("Deposit Agreement") with Citibank N.A. ("Citibank"), related to its American Depositary Receipts ("ADRs"); (ii) delist its ADRs from the New York Stock Exchange ("NYSE"); and (iii) once the Company fulfilled the applicable requisites, to cancel its registry at the U.S. Securities and Exchange Commission of the United States of America ("SEC"). The Company understood that the economic rationale to keep a listing at NYSE has decreased, partly due to: (i) increases in the transacted volume of the Brazilian shares at B3 S.A. – Bolsa, Brasil, Balcão ("B3") in Brazil by foreign investors, due to the internationalization of the Brazilian financial and capital Market, in addition to the narrowing of the distance among the disclosure standards of Brazil and of the USA in relation to corporate financial reporting; and (ii) a decreasing trend in the latest years in the negotiation volume of the Company's ADRs at NYSE.

On February 10, 2020, CPFL Energia, by an Announcement to the Market, informed that the delisting of its ADRs from NYSE, referred to in item (ii) above, began to be effective as from that date. On May 8, 2020, CPFL Energia, by an Announcement to the Market, informed that, in relation to the delisting of its ADRs from NYSE, filed on that date before SEC of the USA, its "post-effective Amendment" to Form F-3, as per the terms of the U.S. Securities Exchange Act of 1934 ("Exchange Act") to cancel the registry of the securities registered and not negotiated based on this Form F-3.

On June 15, 2020, CPFL Energia, by an Announcement to the Market, informed that, due to the compliance with the applicable criteria, filed on that date before the SEC of the USA, a Form 15F to cancel its registry and terminate its disclosure obligations, as per the terms of the Exchange Act. After 90 days of the filing, with no manifestation by SEC, the cancellation of its registry and the termination

of its disclosure obligations, as per the terms of the Exchange Act, became effective.

On September 30, as a continuation of the communication made by means of the relevant fact dated May 21, 2019 which concluded, on this date, the second phase of the CPFL Renováveis integration plan, through the Corporate Restructuring of the companies of CPFL Group ("Corporate Restructuring") (i) the partial split-up of CPFL Geração with the version of its net worth merged to CPFL Renováveis; (ii) the total incorporation, by CPFL Renováveis, of CPFL Centrais Geradoras Ltda. ("CPFL Centrais Geradoras") and (iii) the capital increase of CPFL Renováveis by credit paying-up by CPFL Geração.

The Corporate Restructuring was agreed by the Brazilian Electricity Regulatory Agency ("ANEEL") on September 22, 2020, by means of the Authoritative Resolutions nr. 9.229/2020 and nr. 9.230/2020, and the proposal was also internally assessed and approved by the Executive Boards and by the Boards of Directors of the engaged companies. The new structure generates the strengthening of the administrative structures and offers synergies to the group.

Due to the Corporate Restructuring and as a consequence of the operations:

1. CPFL Renováveis share capital became R$ 4,032,291,914.16 (four billion, thirty-two million, two hundred and ninety-one thousand, nine hundred and fourteen reais and sixteen cents), divided into 593.782.504 (five hundred ninety-three million, seven hundred eighty-two thousand, five hundred and four) ordinary shares, fully subscribed and paid-up;

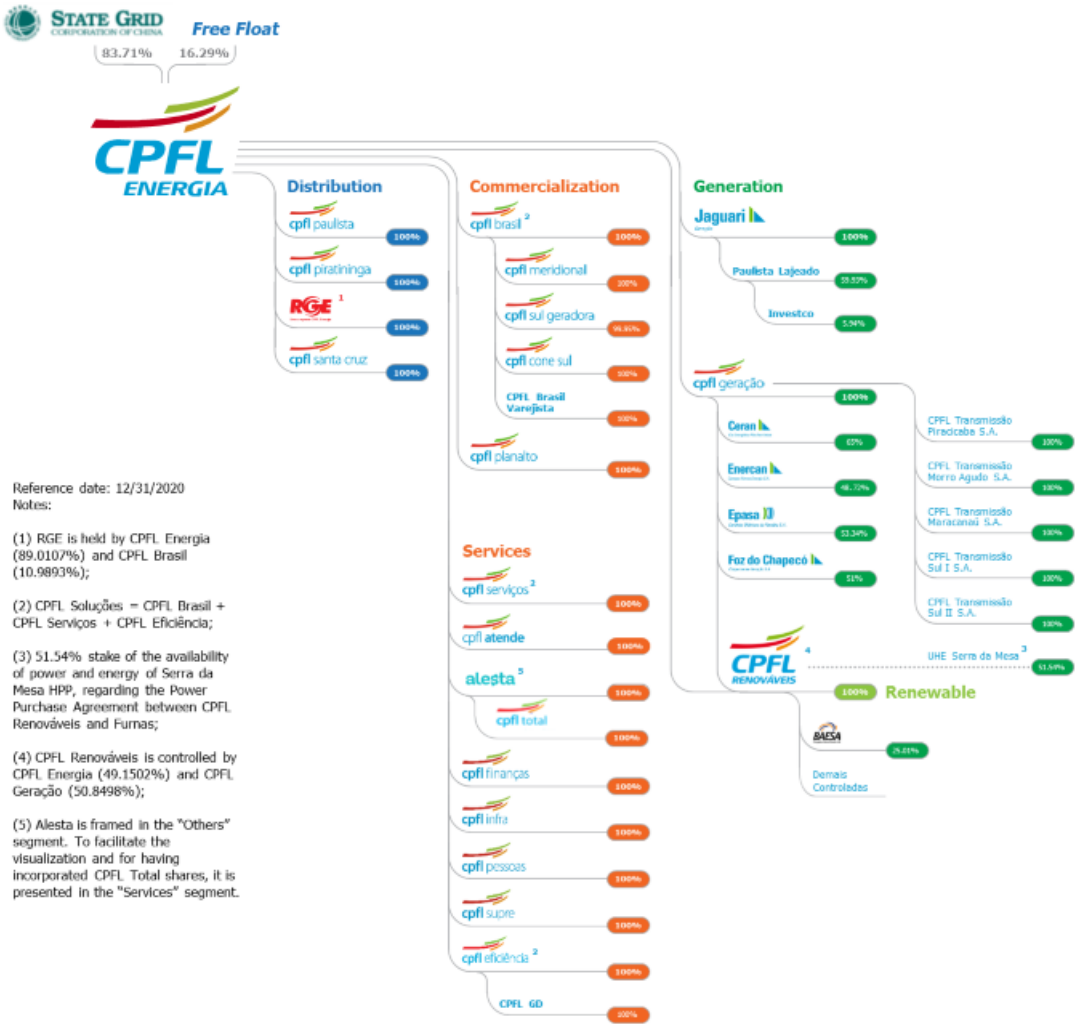
2. CPFL Geração share capital became R$ 935,782,718.80 (nine hundred and thirty-five million, seven hundred and eighty-two thousand, seven hundred and eighteen reais and eighty cents), divided into 181,789,018,844 (one hundred and eighty-one billion, seven hundred and eighty-nine million, eighteen thousand, eight hundred and forty-four) ordinary shares, fully subscribed and paid-up; and

3. There was the extinction of CPFL Centrais Geradoras, which is substituted by CPFL Renováveis.

Information related to the operation are available at CVM website (www.cvm.gov.br) and at CPFL Energia website (www.cpfl.com.br/ri).

The Company's business

The graph below provides an overview of the Company's corporate structure on December 31, 2020:



Our business segments are divided as follows:

Distribution. In 2020, our four fully consolidated distribution subsidiaries delivered 65.926 GWh of electric energy to 9,9 million consumers, mainly in the states of São Paulo and Rio Grande do Sul.

Generation. On December 31, 2020, our total consolidated installed capacity was 4,305 MW and was calculated based on our 99.94% interest in CPFL Renováveis and the assets whose CPFL Geração interests were transferred to CPFL Renováveis (includes BAESA and Serra da Mesa rights) totaling 2,987 MW and our hydro subsidiaries totaling 1,318 MW.

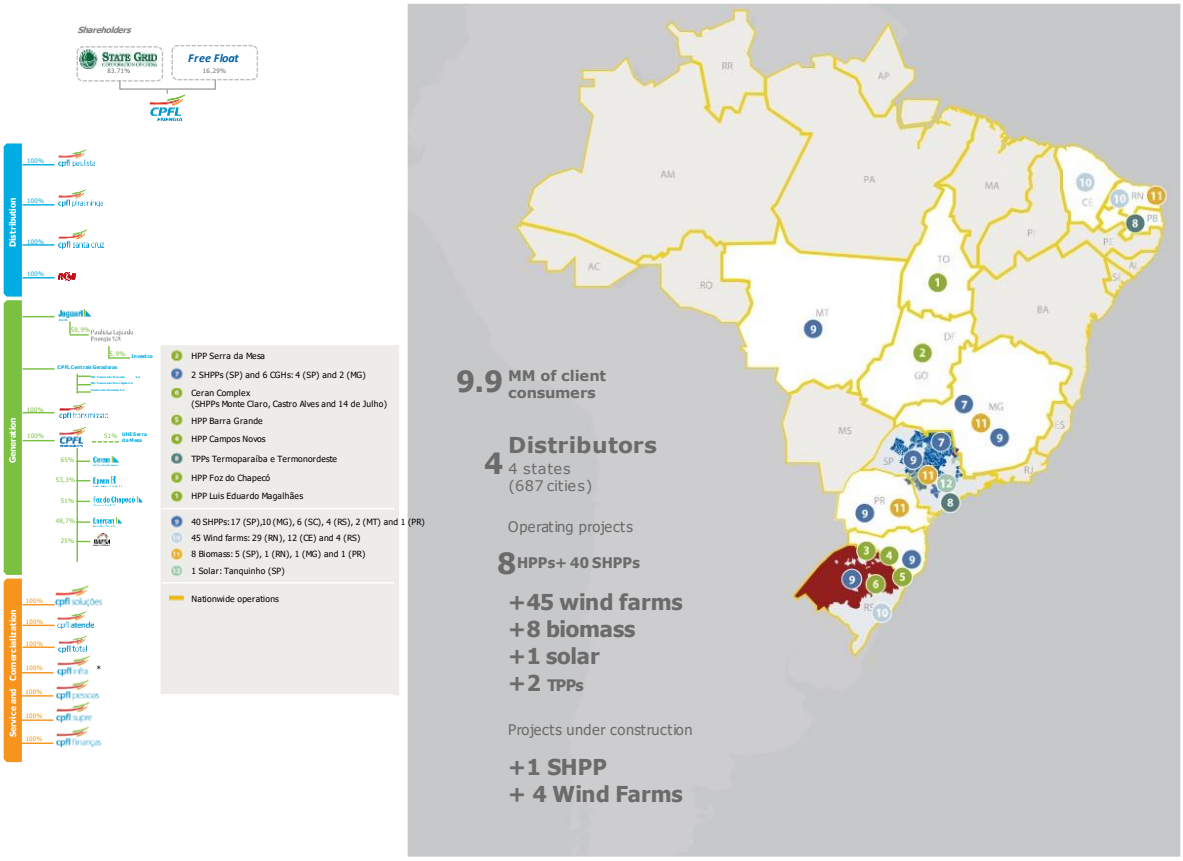
Commercialization. Our commercialization subsidiaries manage the purchase and sale operations of energy and offer energy contracting management services to 'free' and 'special generators and consumers before the Chamber of Electric Energy Commercialization (CCEE) and other agents, including guidance about operational requirements. CPFL Brasil, our biggest commercialization

subsidiary, negotiates the purchase and sale of electric energy with 'free' and special' consumers, other commercialization companies, generators and distributors. In 2020, we sold 16,216 GWh of electric energy, of which 15,880 GWh were sold to non-affiliated parties.

Services. We reported the results of our activities of provision of services as an individual operation segment. Our activities in this segment include the rendering of services related to electric energy, such as projects and construction, to our related and unrelated parties.

Additionally, to the five operational segments referred to above, we consolidated certain activities as "Others". The consolidated activities in "Others" mainly consist of our expenses of the holding.

The diagram below shows our territory of services of December 31, 2020:



For information and details about our Concessions and Authorizations in the Distribution, Generation and Transmission segments, refer to item 9.1 b) of this form.

The Company's Strategy

Our general objective is to be the main company of public services of energy in South America, supplying reliable electric energy and reliable services to its clients, concomitantly creating value to our shareholders. We attempt to achieve those objectives in all our sectors (distribution, conventional generation, renewable generation, transmission, commercialization and services) aiming at operational efficiency (by means of innovation and technology) and growth (by means of commercial synergies and new projects). The base of our strategies is financial discipline, social responsibility and improved corporate governance. More specifically, our approach involves the following commercial key strategies:

To conclude the development of our existing renewable generation projects, to expand our generation portfolio by means of the development of new projects of generation and to keep our status as one of the market leaders in renewable energy sources.

On December 31, 2020, our total Installed Capacity was 4,305 MW. By means of CPFL Renováveis, in August, 2011, we became the biggest renewable energy generation group in Brazil in terms of Installed Capacity and construction capacity, according to ANEEL. Currently, we continue to be the biggest renewable energy generation group in terms of Installed Capacity in operation in Brazil, according to ANEEL.

Several of our generation installations have long-term PPas approved by ANEEL, which we believe will guarantee to use an attractive return rate on our investment. We have a consolidated portfolio at CPFL Renováveis of 2,987 MW, as well as considering the power, which was already owned by the corporation in 2019 and also the CPFL Geração generation businesses, whose shareholding interest was transferred to CPFL Renováveis in 2020 (Baesa and Serra da Mesa). We also have 110 MW under construction and a total portfolio of 2,904 MW of renewable generation projects to be developed by CPFL Renováveis in the next years.

Focus on improving our operational efficiency even more. Concentrating to improve our operational efficiency even more. The electric energy distribution in our distribution concession areas is our biggest business segment, representing 57 % of our consolidated profit in 2020. We continue to focus on the quality improvement of our service and on the maintenance of efficient operating costs, exploring synergies and technologies. We also make efforts to standardize and update our operations regularly, by introducing automated systems whenever possible. We also recognized the need to invest in digital assets, with the Smart Grid technology and in 2020 we implemented 1,681 automatic circuit interconnectors, increasing the total number in our concession areas to 13,075. Those automatic circuit connectors enable higher flexibility in the electric system operation and are supported by our robust proprietary communication infrastructure, including digital radio communication systems, radio frequency network and optical fiber network and also our partnership with suppliers of telecommunication services.

For that purpose, we planned to make capital investments aggregating approximately R$ 3,376 million in 2021 and R$ 3,318 million in 2022. From the total of investments budgeted in this period, R$ 5,409 million or 81% will be invested in our distribution segment, R$ 789 million or 12% in our generation segment and R$ 120 million, or 2%, in our service and commercialization activities. In addition, in this period, we plan to invest R$ 375 million, or 6% in our transmission businesses. We have already made contractual commitments with a portion of those expenses, mainly in generation projects. See "Item 5. Operational and Financial Reviews and Perspectives – Liquidity and Capital Funding – Funding Requisites and Contractual Commitments" and "Item 3. Main Information – 3D. Risk Factors – Risks Related to our Operations and to the Brazilian Electric Sector – If we are unable to timely conclude our proposed investment program, the operation and development of our businesses may be adversely affected", for additional information. The capital expenditures planned for the development of our generation capacity and the financing contracts are discussed in more details in "Item 10.8 of this Reference Form.

Expand and strengthen our commercialization. Free Consumers are a significant segment of the electric energy market in Brazil, representing over 30% of the market. This percentage has been increasing yearly due to new migrations of the captive Market to the free Market, boosted by the

significant increase of new players, who increasingly offer lower prices and offer of products aligned with the profiled of the client's consumption, thus reducing the free market risk. In addition, by 31/01/2022 ANEEL and CCEE may present studies about the regulatory measures that will allow the opening of the free market to the consumers with a charge lower than 500kW – initial schedule proposal to start on 01/01/2024. Currently, only clients with a demand contracted above 500kW may adhere to the free market.

By means of CPFL Brasil, our energy commercialization subsidiary, we are focused on entering into bilateral contracts with consumers that adhered to the free market all over Brazil. In order to achieve this objective, we segmented and increased the relationship level with our clients, by using our dedicated business consultants, in addition to the operational support of back office with matters related to CCEE. Another important move was the energy management product repositioning, made during 2020. Due to this action, CPFL Comercial Izadora wants to reach clients, who are potentially free and are still in the captive but they could be in the free environment, offering specific products to each profile, improving its clients' base and getting prepared for the future opening of the free market.

Positioning for us to benefit from the consolidation of the sector, based on our experience in the successful integration and restructuring of other operations. We believe that with the eventual stabilization of the regulatory environment in the Brazilian energy sector in the future, there may be substantial consolidation in the generation, transmission sectors and mainly in the distribution sector. In the recent years, we successfully integrated RGE Sul (acquired from AES Guaíba II Empreendimentos Ltda. in 2016), exploring operational synergies with the neighbor inherited concession RGE, we merged RGE Guayaba Sul into one (RGE Sul, now operating under the name RGE), and we also merged our smaller distribution subsidiaries into one (CPFL Santa Cruz), in order to benefit from a leaner corporate structure. In addition, our expansion in the transmission businesses supports our distribution operations with the additional reliability and quality of our new Substations that will put into operation.

Given our financial soundness and our management skills, we believe we are well positioned to benefit from this consolidation in the electric energy Brazilian market. If there are promising assets available with attractive terms, notably in areas where we already operate, we may make the acquisitions that will complement our existing operations, giving our company and our consumers additional opportunities to enjoy the advantages of the economy of scale.

Strategy and management for sustainable development

We structured our 2020-2024 Sustainability Plan, aligned with Strategic Planning, with the purpose of boosting the transition towards a more sustainable model of producing and consuming energy, potentializing the positive impacts of our business model in the community and value chain. Therefore, we defined three pillars of performance – sustainable energy. Smart solutions and value to be shared with the society - and qualifiers: ethics, transparency, development of stakeholders and inclusion. Within those pillars, we undertook 15 public commitments, which contribute to the achievement of the Sustainable Development Goals (SDGS) of the United Nations, and are monitored by the Sustainability Platform, which is our management tool.

Based on the strategy defined in the Sustainability Plan, we performed the management on the specific and fundamental themes to the entire electric sector, such as Climate Changes. We designed our performance about this theme in 4 major fronts: GGE emission management GEE, Management of climate risks and opportunities, Fostering innovation and Engagement and disclosure. Among the opportunities, we offer low carbon and decarbonization solutions of the energy matrix to our clients, such as energy management to lower consumption, access to the free market and energy efficiency, in addition to the neutralization and compensation of GEE emissions, by means of carbon credits and renewable energy seals.

We also support initiatives to foster the economic, cultural, sports, health and social interests of the communities where we operate and contribution to its continuous development. In this context. One of our main objectives is to foster the sustainable development of those communities, by means of actions which may contribute to the improvement of the public policies and which promote the inclusion,

social development and networking, training and qualifying each individual to face to social challenges. In addition, the CPFL Institute strengthened, among other projects, the CPFL Young Generation performance front, focused on the future of new generations, with social transformation projects by means of culture and sports that aim at the decrease of the social vulnerability indices, potentializing the positive impact in the communities where it acts. It expanded the CPFL front in hospitals, which supports humanization projects and improvements in public hospitals. The following activities are also part of the institution: the CPFL circuit, a program with running and jogging phases and solar energy-run cinema sessions; the CPFL Exchange Program Brazil-China, that sets a cultural dialogue with films, concerts and speeches; and other activities; and the CPFL Philosophical Café programs, developed in partnership with Cultura TV Stations and which is broadcasted in this TV station. In 2020, we invested R$ 34.6 million in projects that reached approximately 350 thousand people, by giving support to 28 social institutions and 49 hospitals in 45 municipalities. And with those digital actions we reached approximately 30 million people.

Aiming at the best corporate governance practices. We dedicate ourselves to keep the highest levels of administrative transparency and corporate governance, providing equitable rights to the shareholders and, by means of several measures, including the increase of our *free float* volume and liquidity of our shares, in the search for value to our shareholders.

7.1- A Indicate, if the issuer is a mixed economy corporation:

a. Public interest that justified its creation

Not applicable, as the Company is not a mixed economy corporation.

b. The issuer's performance towards complying with the public policies, including universalization targets, indicating:

Not applicable, as the Company is not a mixed economy corporation.

c. price formation process and applicable rules for tariff setting

Not applicable, as the Company is not a mixed economy corporation.

7.2 In relation to each operational segment that has been disclosed in the latest year-end financial statements or, when existing, in the consolidated financial statements, indicate the following information:

a. commercialized products and services;

Our essential activities are:

- ***Distribution.*** Our four fully consolidated distributors delivered 66,561 GWh in 2020, 68,055 GWh in 2019 and 43,658 GWh in 2018 of electric energy to 9.9, 9.8 and 9.6 million consumers, respectively, mainly in the states of São Paulo and Rio Grande do Sul.

- ***Generation.***

  As of December 31, 2020, our total consolidated installed capacity was 4,305 MW, of which 2,987 MW was calculated based on our 99.94% interest in CPFL Renováveis and the assets whose CPFL Geração interests were transferred to CPFL Renováveis, and 1,318 MW from our hydraulic subsidiaries.

  Our hydraulic energy subsidiaries had an Installed Capacity of 1,318 MW. This installed capacity already reflects the Corporate Restructuring occurred between CPFL Geração de Energia S.A. and CPFL Energias Renováveis S.A. occurred in 2020. Before the referred restructuring, CPFL Geração de Energia S.A. subsidiaries had 2,173 MW. The difference between the two powers (2,173 MW and 1,318 MW) is therefore due to the transfer of CPFL Geração de Energia S.A. interest in generation businesses to CPFL Energias Renováveis S.A. (UHEs Barra Grande, Serra da Mesa – under the concession of Furnas, Rio do Peixe I and II and Macaco Branco; CGHs Santa Alice, Lavrinha, São José, Turvinho, São Sebastião e Pinheirinho). During 2020, we generated 6,982 GWh of electric energy (also considering the plants that were further transferred from CPFL Geração de Energia S.A. to CPFL Energias Renováveis S.A., for simplification purposes) and we had 1,095 MWmed (9,592 GWh) of Assured Energy on December 31, 2020, which consists of the value of the representative energy of our average production of long-term electric energy, as set by ANEEL, which is the primary source of our revenues from generation activities. Currently, we hold interest in six hydro power plants: Monte Claro, Campos Novos, Luiz Eduardo Magalhães - Lajeado, Castro Alves, 14 de Julho, Foz do Chapecó. Although the concession of Serra da Mesa hydropower plant is owned by other party, Furnas, we have the right to 51.54% of its Assured Energy. We also have two thermal power plants, Termonordeste and Termoparaíba. On July 17, 2018, MME published Order nr. 304/2018, that terminated Cariobinha's concession, with no asset reversal. In September, 2019, SCG/ANEEL published Order nr. 039/2019, that declared Cariobinha's concession contract as null. Also in 2019, CGH Santa Alice's registry was cancelled for new registry as distributed generation and the Project was leased to TIM Celular S.A. and started its operations as distributed generation services on June 1st, 2019.

  Our indirect subsidiary, CPFL Renováveis, in which we own a 99.94%, operates all of our wind farms and Biomass Thermoelectric Plants, as well as 50 hydroelectric plants, which are HPPs, SHPs and CGHs. These 50 hydroelectric power plants are all in operation, located in the states of São Paulo, Santa Catarina, Rio Grande do Sul, Minas Gerais, Mato Grosso, Goiás, and Paraná, and have a total installed capacity of 1,307 MW (including UHE Macaco Branco - 2 MW). This amount already includes the corporate transfers that occurred between CPFL Geração de Energia S.A. and CPFL Energias Renováveis S.A. in 2020, mentioned above. As of January 1, 2021, UHE Macaco Branco (2 MW), which operated under the quota regime, had its operation terminated due to the need to expropriate the areas occupied by the plant for the implementation of dams for the Department of Water and Power (DAEE), which aim to increase and improve the water supply for the Piracicaba, Capivari and Jundiaí (PCJ) Basins and the Cantareira System, through compensation to CPFL Energias Renováveis S. A..

  A Small Hydroelectric Power Plant (PCH Lucia Cherobim) is under construction, with operations expected to start in 2024 and an installed capacity of 28 MW. CPFL Renováveis also owns 49 wind

plants, located in the states of Ceará, Rio Grande do Norte and Rio Grande do Sul, (i) 45 of which are in operation and have a total installed capacity of 1,309 MW, and (ii) 4 of which constitute the Gameleira wind complex, which is expected to start operations in the second quarter of 2021, anticipating delivery by about 2.5 years of the official deadline set by ANEEL, with an expected installed capacity of 81.7 MW. CPFL Renováveis also has eight thermoelectric Biomass Power Plants in operation, with a total installed capacity of 370 MW, located in the states of Minas Gerais, Paraná, São Paulo and Rio Grande do Norte. CPFL Renováveis also operates the Tanquinho Solar Plant, located in the state of São Paulo and with an installed capacity of 1.1 MW.

On December 31, 2019, our total consolidated installed capacity was 4,308.5 MW, of which 2,131.5 MW was calculated based on our 99.94% interest in CPFL Renováveis and the assets whose CPFL Geração interests were transferred to CPFL Renováveis and 2,173 MW from our hydraulic subsidiaries. Throughout 2019, we generated 7,180 GWh of electricity and had 9,592 GWh of Assured Energy as of December 31, 2019.

On December 31, 2018, our total consolidated installed capacity was 3,272 MW, of which 1,100 MW was calculated based on our 51.56% interest in CPFL Renováveis and the assets whose CPFL Geração interests were transferred to CPFL Renováveis and 2,172 MW from our hydraulic subsidiaries. Throughout 2019, we generated 7,180 GWh of electricity and had 9,592 GWh of Assured Energy as of December 31, 2019.

- ***Commercialization*.** Our commercialization subsidiaries manage the energy purchase and sale operations and offer energy contracting management services for generators and 'free' and 'special' consumers before the Chamber of Electric Energy Commercialization (CCEE) and other agents, including guidance on the operational requirements. CPFL Brasil, our biggest commercialization subsidiary, transacts the purchase and sale of electric energy with 'free' and especial' consumers, other commercialization companies, generators and distributors. In 2020, we sold 16,216 GWh of electric energy, of which 15,880 GWh were sold to non-affiliated parties.

  In 2019, we sold 19,186 GWh of electric energy, of which 19,097 GWh were sold to unrelated parties.

  In 2018, we sold 20,215 GWh of electric energy, of which 20,133 GWh were sold to unrelated parties.

- ***Services.*** We present the results of our activities of rendering of services as an individual operation segment. Our activities in this segment include to render services related to electric energy, such as projects and construction, to our related and unrelated parties.

Additionally, to the 5 operational segments referred to above, we consolidated certain activities as "Others". The activities that are consolidated in "Others" consist of CPFL Telecom and expenses of the holding CPFL Energia.

b. Revenue originated from the segment and its interest in the issuer's net revenue;

2020	Net revenue	Sales among segments	Total sale	% in relation to Net Revenue
Distribution	25,523,282	9,042	25,532,323	82.6%
Generation	2,317,841	989,240	3,307,081	10.7%
Commercialization	2,949,657	32,948	2,982,605	9.7%
Services	111,557	613,132	724,689	2.3%
Others	-	-	-	-
Eliminations	(3,878)	(1,644,362)	(1,648,240)	(5,3%)
TOTAL	**30,898,458**	**-**	**30,898,458**	**100.0%**
2019	**Net revenue**	**Sales among segments**	**Total sale**	**% in relation to Net Revenue**
Distribution	24,217,986	42,311	24,260,297	81.1%
Generation	2,137,378	1,003,514	13,140,892	10.5%
Commercialization	3,487,008	3,696	3,490,704	11.7%
Services	87,791	526,574	614,365	2.1%
Others	2,311	-	2,311	-
Eliminations	-	(1.576.095)	(1,576,095)	(5.3%)
TOTAL	**29,932,474**	**-**	**29,932,474**	**100.0%**
2018	**Net revenue**	**Sales among segments**	**Total sale**	**% in relation to Net Revenue**
Distribution	22,457,079	10,238	22,467,318	79.9%
Generation	2,130,085	950,613	3,080,698	10.9%
Commercialization	3,491,300	5,152	3,496,452	12.4%
Services	58,163	474,646	532,809	1.9%
Others	-	-	-	-
Eliminations	-	(1,440,650)	(1,440,650)	(5.1%)
TOTAL	**28,136,627**	**-**	**28,136,627**	**100.0%**

c. profit or loss resulting from the segments and its interest in the issuer's net profit.

	2020		2019		2018	
Segments:	**Net Profit**	**% in relation to the issuer's net profit**	**Net profit**	**% in relation to the issuer's net profit**	**Net profit**	**% in relation to the issuer's net profit**
Distribution	2,111,366	57.0%	1,834,575	66.8%	1,432,416	64.3%
Generation	1,664,631	44.9%	970,610	35.3%	888,615	41.0%
Commercialization	65,861	1.8%	47,475	1.7%	53,104	2.4%
Services	102,077	2.8%	83,282	3.0%	42,924	1.9%
Others	(236,949)	(6.4%)	(187,647)	(6.8%)	(251,065)	(8.5%)
TOTAL	**3,706,986**	**100.0%**	**2,748,296**	**100.0%**	**2,165,995**	**100.0%**

7.3 In relation to the products and services that correspond to the operational segments shown in item 7.2, describe:

a. the production process characteristics;

Our distribution companies do not produce the electric energy that they deliver to their end consumers. A portion of this energy is purchased by external suppliers and another portion is originated from the production or our generating companies.

The electric energy supplied to our Free Consumers and to other distributors is commercialized by our commercialization subsidiary CPFL Brasil.

Below is the breakdown of our "Generation" operations. From item 7.3.b onwards, one finds the details of the "Distribution", "Commercialization" and "Services" segments

Electric Energy Generation

We are actively expanding our generation capacity in the segment of renewable energies. According to the Brazilian regulations, the revenues of generation for contractual purposes mainly depend on the Physical Guarantee of each plant, and not on its installed capacity or effectively generated energy. The Physical Guarantee is the assured energy set by the Brazilian government; the maximum quantity of energy commercialized in contracts. To certain companies, the real generation is periodically determined by ONS, due to the demand and hydrologic conditions. If one generator sold its energy and participates in MRE, it will at least receive the amount of the revenue that corresponds to the assured energy, even if it has not effectively generated the totality of the energy. On the other hand, if the generation of a plant exceeds its assured energy, its additional revenue will only be equal to the costs correlated to the energy generation in excess.

All our hydropower hydric plants belong to the MRE, a system by which the hydropower generating units share the hydrologic risks of the Energy Interconnected System, except 6 CGHs (Santa Alice, Lavrinha, São José, Turvinho, São Sebastião and Pinheirinho). Our total Installed Capacity in our generation segment was 4,305 MW on December 31, 2020. The biggest portion of electric energy that we produce comes from our Hydropower Plants. We generated a total of 11,408 GWh in 2020, 13,611 GWh in 2019 and 10,648 GWh in 2018.

If less energy is generated than the total of the Assured Energy total (that is, if the Generating Scaling Factor, GSF, is lower than 1.0), the hydropower generators must acquire energy in the spot market to cover the shortage of energy and supply the volume of Assured Energy in the scope of MRE. From 2005 to 2012, GSF remained above 1.0. However, as from 2013, this scenario presented changes, which led GSF to remain below 1.0 throughout 2014. In 2015, it varied from 0.783 to 0.825, which resulted in the purchase of energy, by the generators, in the spot market, therefore incurring into significant costs. Notwithstanding, in December, 2015, we renegotiated, as per the terms of Law nr. 13.203, the terms of our energy purchase contract to the Regulated Market, setting the GSF cost at a premium risk of R$ 9.50/MWh per year, until the end of the term of the energy purchase contracts or end of the concessions, whichever occurs first.

Generation

Hydropower Plants

On December 31, 2020, our subsidiary CPFL Geração Energias Renováveis S.A. had 51.54% interest in the assured energy of Serra da Mesa Plant, which previously belonged to CPFL Geração de Energia S.A. Through its subsidiaries CERAN, ENERCAN and Chapecoense, CPFL Geração has interest in the Monte Claro, Campos Novos, Castro Alves, 14 de Julho and Foz do Chapecó plants, which have been operational since December 2004, February,2007, March, 2008, December, 2008 and October, 2010, respectively. Through CPFL Jaguari Geração, we have interest of 4.15% (59.93% de 6.93%) in the Assured Energy of Luiz Eduardo Magalhães Hydropower plant.

All the figures of Assured Energy and Installed Capacity declared in the discussion below refer to the full capacity of the referred plant, instead of our consolidated portion of said energy, which reflects our interest in the plant.

Serra da Mesa. Our biggest hydropower plant in operation is Serra da Mesa plant, which we acquired in 2001 from ESC Energia S.A. (previously referred to as VBC), one of our shareholders. Furnas began the construction of the Serra da Mesa plant in 1985. In 1994, the construction was interrupted due to lack of funds, which led to a public bidding in order to resume the construction. Serra da Mesa hydropower plant ("UHE") has three generating units located in Rio Tocantins, Goiás State. Serra da Mesa plant started its operations in 1998 and has a total Installed Capacity of 1.275 MW. The concession for the UHE of Serra da Mesa is held by Furnas, which also operates it, and a portion of the installations belongs to our company (through our controlled company CPFL Renováveis). A contracted entered into the Company and Furnas, with a term of 30 years, started in 1998, ensure to us the receipt of 51.54% of the assured energy of the plant until 2028, even if, during the term of the concession, expropriation, forfeiture or expiry of its term occurs. We sold the totality of the electric energy to Furnas as per the terms of an electric energy purchase and sale contract that was renewed in March, 2014 and whose price is annually increased based on the IGP-M. This contract will expire in 2028. Our portion of installed capacity and assured energy of Serra da Mesa hydropower plant is 657 MW and 2.878 GWh/year, respectively. On May 30, 2014, the concession held by Furnas was formally extended to November 12, 2039. In 2016, due to the GSF renegotiation, Serra da Mesa concession was extended until September 30, 2040, according to ANEEL's Authoritative Resolution nr. 6.055/2016.

CERAN Hydropower Complex. We hold 65.0% interest at CERAN, a subsidiary to which, in March 2001, a concession of 35 years was granted for the construction, financing and operation of CERAN Hydropower Complex. The other shareholders are CEEE (with 30.0%) and Deserve (with 5,0%). CERAN Hydropower Complex consists of three hydropower plants: Monte Claro, Castro Alves and 14 de Julho. CERAN Hydropower Complex is located in Rio das Antas, 120 km north of Porto Alegre, near Bento Gonçalves city, in Rio Grande do Sul State. CERAN's entire Hydropower Complex has an Installed Capacity of 360 MW and assured energy estimated at 1.450 GWh per year, of which our interest is 942 GWh/year. We sell our interest in assured energy of this Complex to the affiliates of o group. Those units are operated by CERAN, under CPFL Geração supervision.

***Monte Claro (CERAN Complex)*.** The first generation unit of Monte Claro plant that went live in 2004, has an Installed Capacity of 65 MW and the second generation unit, which went live in 2006, also has an Installed Capacity of 65 MW, resulting in a total Installed Capacity of 130 MW and Assure Energy of 491 GWh per year.

Castro Alves (CERAN Complex). In March, 2008, the first generation unit of Castro Alves plant went live, with a total Installed Capacity of 43,4 MW. In April, 2008, the second generation unit went live, with an Installed Capacity of 43,4 MW. The plant became fully operational in June, 2008 (when the third generation unit started its operations), resulting in a total Installed Capacity of 130 MW and assured energy of 542 GWh per year.

14 de Julho (CERAN Complex). The first generation unit of 14 de Julho plant went live in December, 2008 and the second generation unit became fully operational in March 2009. This plant has a total installed capacity of 100 MW and assured energy of 416 GWh per year.

We are constantly considering alternative measures to improve our results. Currently, discussions with ANEEL are being conducted as well as with other entities of the transmission sector, said discussions related to the conditions under which will we will transfer Monte Claro Substation to the Basic Network, which would eliminate the maintenance costs and our responsibility towards the Substation operation.

Barra Grande. This plant became fully operational in May, 2006, with an Installed Capacity of 690 MW and assured energy of 3.266 GWh per year. CPFL Renováveis holds 25.01% interest in this plant. The other participants of the *joint-venture* are Alcoa (42.18%), CBA – Companhia Brasileira de Alumínio (15.00%), DME – Departamento Municipal de Energia Elétrica de Poços de Caldas (8.82%) and Camargo

Corrêa Cimentos S.A. (9.00%). We sold our interest in assured energy of this complex to the affiliates of our group.

Campos Novos. We hold 48.72% interest at ENERCAN, a *joint-venture* incorporated by a consortium of companies of the public and private sectors to which, in May, 2000, a 35-year concession for the construction, financing and operation of the Campos Novos Hydropower Plant was granted. The plant was built in Rio Canoas, Santa Catarina State and became fully operational in May, 2007, with an Installed Capacity of 880 MW and estimated assured energy of 3,326 GWh per year, of which our interest is 1,620 GWh per year. The other shareholders of ENERCAN are CBA (33.14%), Votorantim Metais Níqueis S.A. (11.63%) and CEEE (6.51%). The plant is operated by ENERCAN, under CPFL Geração supervision. We sold our interest in assured energy of this complex to the affiliates of our group.

Foz do Chapecó. We hold 51.0% interest in Chapecoense, a *joint-venture* incorporated by a consortium of companies of the public and private sectors, to which a 35-year concession was granted in November, 2001 in order to build, finance and operate Foz do Chapecó Hydropower Plant. The other 49.0% interest in the *joint-venture* are divided between Furnas, which holds 40.0% interest and CEEE, which holds 9.0% interest. Foz do Chapecó hydropower plant is located in Rio Uruguai, on the border between the states of Santa Catarina and Rio Grande do Sul. Foz do Chapecó plant became fully operational in March, 2001 with a total Installed Capacity of 885MW and Assured Energy of 3.742 GWh per year. We sold 40% of our portion of assured energy of this Project to the affiliates of our group and 60% by means of energy commercialization contracts in the regulated environment, or CCEARs. In January, 2013, as requested by ANEEL, we began the process of transfer of Foz de Chapecó substation and transmission lines exclusive to the Basic Network, this way eliminating the maintenance costs and the responsibility for the operation of those assets, and also reducing the energy loss factor of the transmission line (regulatory loss). The transfer was concluded in October, 2016.

Luiz Eduardo Magalhães. We hold 4.15% (59.93% of 6.93%) interest in assured energy of Luiz Eduardo Magalhães plant, also known as UHE Lajeado. The plant is located in rio Tocantins, Tocantins state, and became fully operational in November, 2002, with a total Installed Capacity of 902,5 MW and assured energy of 4,425 GWh per year. The plant was built by Investco S.A., a consortium that comprises Lajeado Energia, EDP (Energias de Portugal), CEB (Companhia Energética de Brasília) and Paulista Lajeado (that we acquired in 2007).

Thermal Power Plants

We operate two thermal power plants. Termonordeste, that started the operations in December, 2010, and Termoparaíba, that started the operations in January 2011, as per the terms of ANNEL's authorizations; they are run by fuel oil of EPASA complex, with a total Installed Capacity of 341.7 MW and total Assured Energy of 2,170 GWh per year.

On December 31, 2020, we had a total interest of 53.34% at Termonordeste and Termoparaíba. The Termonordeste and Termoparaíba thermal power plants are located in the city of João Pessoa, in Paraiba State. The electric energy of those plants was sold by means of the CCEARs, and a portion of this energy was acquired by our own distributors. In 2018, ANEEL approved resolution nr. 822/2018, allowing the thermal power plants to make and would be compensated by the recovery of the operational reserves of the system for frequency control as an auxiliary service. Thus, as from October, 2018, at every week, the thermal power plants may offer prices of up to 130% of its current dispatch cost, and ONS schedules the dispatch considering the lowest cost for the electric system. Resolution nr. 822/2018 represents the recognition by ANEEL of the additional expenses incurred by the thermal power plants to respond to the intermittent dispatches of ONS due to the variation in intermittent energy generation with operational restrictions in hydro power plants. The 30% increase in the price on the operational cost of the plants is being tested by ANEEL while the agency examines the prices offered by the Thermal Power plants and whose objective is to compensate the maintenance and consumption of fuel due to the needs of the plants to start and interrupt the operations several times along any specific week. Prior to Resolution nr. 822/2018, said additional costs were paid by the thermal power plants with the purpose of rendering an auxiliary service to the clients for frequency control.

UTE, Carioba, had an installed capacity of 36 MW. However, it has been officially inactivated since October 19, 2011, as provisioned in Ordinance nr. 4.101 of 2011 and its concession was made extinct by the Granting Power, as per CPFL's request, as per MME Ordinance nr. 315, as of August 12, 2019.

Small-Size Hydropower Stations

In December, 2020, all our Small-Size Hydropower Stations – PCHs and Hydropower Generating Stations were under the management of CPFL Renováveis. For the purposes of simplification, CPFL calls as PCHs, in the scope of this FRE, those hydric plants that have up to 30 MW of power. In their turn, the CGHs are hydric plants with power up to 5 MW. They consist of two groups of installations:

- Nine of those plants were originally managed jointly with their associated distribution companies in our Distribution segment. Law nr. 12.783/13, as of January 11, 2013, specified the conditions for the renewal of the generation, transmission and distributions concessions, obtained as per the terms of articles 17, 19 or 22 of Law nr. 9.074, as of July 7, 1995. Under Law nr. 12.783/13, those concessions may be extended once, as per the Brazilian government discretion, for up to 30 years, in order to ensure the continuity and efficiency of the rendered services and of low tariffs. In addition, Law nr. 12.783/13 estimated that the holders of the concessions that were about to expire in 2015, 2016 and 2017 could apply for the advance renewal in 2013, under certain conditions. However, Resolution nr. 521/12 published by ANEEL, on November 14, 2012, set that the generation concessions to be renewed as per the terms of Law nr. 12.783/13 must be divided into operational entities separate from distribution companies, in the cases where the Installed Capacity of the original concessionaire entity exceeds 1 MW. On October 10, 2012, in advance of law nr. 12.783/13, we applied for the advance renewal of the concessions held by our distribution subsidiaries CPFL Santa Cruz, CPFL Jaguari, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista (all of them currently incorporated by CPFL Santa Cruz), which were originally granted in 1999 for a term of 16 years. In compliance with the requirement of division as per the terms of Resolution nr. 521/12, we had to separate the generation and distribution activities of three plants, Rio do Peixe I and II and Macaco Branco, whose generation installations were transferred to CPFL Centrais Geradoras on August 29, 2013. At that time, our management decided, due to operational reasons, to segregate the generation and distribution activities of the six remaining installations held by the five distribution subsidiaries (Santa Alice, Lavrinha, São José, Turvinho, Pinheirinho and São Sebastião), whose generation installations were also transferred to CPFL Centrais Geradoras. On December 4, 2012, the concessions of the Small-Size Hydropower Stations Rio do Peixe I and II and Macaco Branco were renewed for a period of 30 years as per Law nr. 12.783. the concession contracts of those businesses were transferred from CPFL Centrais Geradoras to CPFL Geração on September 30, 2015. On September 22, 2020, by means of ANEEL's Authoritative Resolutions nr. 9.229 and 9.230/2020, the concessions were transferred from CPFL Geração to CPFL Renováveis. In December, 2020, Macaco Branco (2 MW), which operated under the quota regime, had its operation terminated due to the need of expropriation of areas occupied by the plant, for the implementation of the dams of the Water and Electric Energy Department (DAEE), whose aim is to increment and improve the hydric supply to the Piracicaba, Capivari and Jundiaí (PCJ) and Sistema Cantareira basins, in the form of indemnity. CPFL already requested ANEEL the instruction of the extinction process of the concession. The process is still under procedures in the autarchy.

- During 2014, the concession for the plants of Salto does Pinhal and Ponte do Silva was terminated as per the terms of Authoritative Resolution nr. 4.559/2014, which set that the concessions of the inactive Micro Hydropower Stations would be extinguished with no reversal of the respective assets to the government.

- The remaining installation, Cariobinha, was held by CPFL Geração since the signing of the concession contract, however, with the completion of the Unio project, it was transferred to CPFL Renováveis. Since 2016, we have no longer included Cariobinha in our Installed Capacity and in Assured Energy Data, once the installation is inactive. We also made the request to terminate Cariobinha concession. In reply to our request for termination on July 17, 2018, MME published Ordinance nr. 304/2018, which ended Cariobinha concession, with no asset reversal. In September, 2019, SCG/ANEEL published Order nr. 039/2019, which declared Cariobinha concession contract nullified. As pet the local law that allowed us to include Cariobinha in our generated assets, we are arranging for the return of Cariobinha installations to the Americana municipality, where it is installed.

On December 4, 2012, the concessions of the Small-Size Hydropower Stations Rio do Peixe I and II and Macaco Branco were renewed for a period of 30 years as per the terms of Law nr. 12.783/13. The renewals of those concessions are tied to the following conditions:

(i) The generated energy must be sold to all distribution companies in Brazil according to the quotas defined by ANEEL (in the past, the energy was only sold to the related distribution subsidiary);

(ii) The concessionaire annual revenue is defined by ANEEL, subjected to tariff reviews (in the past, the energy prices were defined on a contract basis and adjusted according to the IPCA); and

(ii) The assets that remained unamortized on the date of the renewal would be indemnified, and the indemnity payment would not be considered as annual revenue. The remuneration relative to the new assets or existing assets which were not indemnified would be considered as annual revenue. Rio do Peixe I and II received a total of R$34,4 million as indemnity payment. Macaco Branco assets had been fully amortized and, therefore, they did not generate indemnity payment.

The table below defines certain information related to our hydroelectric, thermoelectric and small hydroelectric power plant facilities owned by parent companies CPFL Geração, CPFL Jaguari de Geração, Chapecoense and CPFL Centrais Geradoras on December 31, 2020::

			Capacity (MW)		Assured Energy (GWh)			
	Controlling Companies	Interest	Our Interest	TOTAL	Our Interest	TOTAL	Put into operation	End of the Concession
Hydropower plants								
Serra da Mesa	CPFL Renováveis	51.54%	657.1	1,275.0	2,878.3	5,584.5	1998	2040 (1)
Monte Claro	CPFL Geração	65%	84.5	130.0	319.4	491.4	2004	2036
Barra Grande	CPFL Renováveis	25.01%	172.5	690.0	816.6	3,265.7	2005	2036
Campos Novos	CPFL Geração	48.72%	428.8	880.0	1,620.5	3,326.2	2007	2035
Castro Alves	CPFL Geração	65%	84.5	130.0	351.9	541.4	2008	2036
14 de Julho	CPFL Geração	65%	65.0	100.0	270.5	416.2	2008	2036
Luis Eduardo Magalhães	CPFL Jaguari de Geração	4.15	37.5	902.5	183.8	4,424.7	2001	2032
Foz do Chapecó	Chapecoense	51%	436.1	855.0	1,908.6	3,742.3	2010	2036
SUBTOTAL – Hydropower plants			**1,966**		**8,350**			
Thermal power plants								
Carioba	CPFL Geração	100%	-	-	-	-	1954	2027 (2)
Installations EPASA:								
Termonordeste	CPFL Geração	53.34%	91.1	170.8	578.5	1,084.5	2010	2042
Termoparaíba	CPFL Geração	53.34%	91.1	170.8	578.9	1,084.5	2011	2042
SUBTOTAL – Thermal power plants			**182**		**1,157**			
Small-Size Hydropower Stations								
Cariobinha	CPFL Renováveis	100%	-	-	-	-	N/A	2027 (2)
Lavrinha	CPFL Renováveis	100%	0.3	0.3	2.1	2.1	N/A	(3)
Macaco Branco	CPFL Renováveis	100%	2.4	2.4	14.5	14.5	N/A	2042
Pinheirinho	CPFL Renováveis	100%	0.7	0.7	4.2	4.2	N/A	(3)
Rio do Peixe I	CPFL Renováveis	100%	3.1	3.1	3.9	3.9	N/A	2042
Rio do Peixe II	CPFL Renováveis	100%	15.0	15.0	48.6	48.6	N/A	2042
Santa Alice	CPFL Renováveis	100%	0.6	0.6	3.6	3.6	N/A	(3)
São José	CPFL Renováveis	100%	0.8	0.8	2.1	2.1	N/A	(3)
São Sebastião	CPFL Renováveis	100%	0.7	0.7	4.6	4.6	N/A	(3)
Turvinho	CPFL Renováveis	100%	0.8	0.8	2.2	2.2	N/A	(3)
SUBTOTAL – Small-Size Hydropower Stations			**25**		**85**			
TOTAL – Conventional Generation			**2,173**		**9,592**			

(1) The concession for Serra da Mesa is held by Furnas. On May 30, 2014, the concession held by Furnas was extended until November 12, 2039. In 2016, due to the GSF renegotiation, Serra da Mesa concession was extended until September 30, 2040, as per ANEEL Authoritative Resolution nr. 6.055/2016. We have a contractual right to 51,54% of the Assured Energy of those installations, under a lease contract of 30 years.

(2) Inactive plants. Since 2016, we have no longer included Carioba and Cariobinha in our data of Installed Capacity and Assured Energy, as the installations are inactive. On July 17, 2018, MME published Ordinance nr. 304/2018, that terminated Cariobinha concession, with no asset reversal. On August 14, 2019, MME published Ordinance nr. 315/2019, that terminated Carioba Concession, with no asset reversal.

(3) Hydropower projects with an Installed Capacity equal or lower than 5.000 kW that are registered in the regulatory authority and the energy concession administrator, but do not need authorization processes or concession for operation.

(4) Macaco Branco had its commercial operation terminated in December, 2020, due to the construction of the dams by DAEE and indemnity received by CPFL. There is a request under process of ANEEL to extinguish the concession and discontinuation of receipt of Generation Annual Revenue – RAG, of the quota regime.

On December 31, 2020, we had 100% interest at CPFL Renováveis, a company that is resulting from an association with another Brazilian renewable energy producer, ERSA – Energias Renováveis S.A., which holds our subsidiaries that are involved in the electric energy generation from renewable sources. By means of CPFL Renováveis, in August, 2011, we became the biggest renewable energy generation group of Brazil in terms of Installed Capacity and capacity in construction, according to ANEEL. We have consolidated CPFL Renováveis fully in our financial statements since August 1st, 2011. CPFL Renováveis made an initial public offer in July, 2013, resulting into a reduction in our interest from 63% to 58.84%. On October 1st, 2014, CPFL Renováveis acquired 100% of DESA shares by means of the issuance of shares of CPFL Renováveis, resulting into a reduction of our shareholding interest at

CPFL Renováveis from 58.84% to 51.61%. On November 29, 2018, State Grid acquired 243,771,824 ordinary shares from CPFL Renováveis by means of an obligatory offer that State Grid had to make when it gained the holding of our company, according to the applicable Brazilian legislation. As a result of this obligatory offer, State Grid and we, indirectly through our subsidiary CPFL Geração and CPFL Energia, hold 99.94% of CPFL Renováveis total capital.

On May 21, 2019, our board of directors authorized the start of integration of CPFL Renováveis into our administrative structure. Our integration plant to CPFL Renováveis involves (i) the implementation of plans to restructure and improve CPFL Renováveis operations, with the purpose of creating synergies between CPFL Renováveis and our current businesses and (ii) the performance of studies and analyses of a corporate reorganization. This may involve a total or a partial consolidation of CPFL Geração and of CPFL Renováveis, which is still subjected to an additional review and, finally to the approval of our board. On July 1st, 2019, after the authorization by our board of directors, our board approved of the integration of CPFL Renováveis administrative structure into our corporate model to optimize operations and obtain efficiency. This potential consolidation would only occur after a final decision with regard to B3 requisite to reestablish CPFL Renováveis free float.

On September 30, 2019, we announced, jointly with State Grid, the purchase and sale deal of the shares issued by CPFL Renováveis and the transfer by State Grid to us of all CPFL Renováveis shares directly held by State Grid at a purchase price of R$ 16.85 per share, as determined by the independent members of the board of directors on May 29, 2019 based on an evaluation report elaborated by UBS financial consulting firm. The total purchase price paid by us to State Grid was R$ 4.1 billion. We expect that this transaction will enable potential synergies between us and our subsidiaries. On December 19, 2019, our board of directors and CPFL Geração board approved of the public offer for the acquisition of CPFL Geração to acquire the remaining outstanding shares of CPFL Renováveis to enable the CPFL Renováveis registry conversion as a category "A" corporation into a category "B" corporation and/or exit from the New Market. This public offer is subjected to registry at CVM and to B3 authorization. The offered price per share is R$ 16.85, adjusted by SELIC from the date of the obligatory public offer made by State Grid in November, 2018.

CPFL Renováveis invests in renewable energy independent production sources, such as Small-Size Hydropower Stations, wind farms, biomass thermal power plants and photovoltaic solar energy plants in the Brazilian market. CPFL Renováveis has a broad experience in the development, acquisition, construction and operations of electric energy generation plants base on renewable energy sources. CPFL Renováveis operates in eight Brazilian states and its businesses contribute to the local and regional economic and social development.

During 2020, there was the transfer of interest held by CPFL Geração to CPFL Renováveis of Barra Grande, Serra da Mesa plants – under the concession of Furnas, Macaco Branco, Rio do Peixe I and II and the 6 CGHs which were previously held by CPFL Centrais (Santa Alice, Lavrinha, São José, Turvinho, São Sebastião and Pinheirinho). For the purposes of simplification of this FRE, considering that the referred businesses have already been contemplated in the immediately previous sub-item, the text below refers to CPFL Renováveis businesses before the transfer of said assets.

Before the referred transfer, that had already been concluded, CPFL Renováveis was already consisted of the generation entities described below. All figures of the Physical Guarantee and Installed Capacity informed below refer to the full capacity of the referred plant instead of our consolidated portion of said energy, which reflects our interest in the plant:

- 23 subsidiaries involved in the electric energy generation by means of 41 Small-Size Hydropower Stations, which consist of (i) 40 operational PCHs, with an Installed Capacity of 453.1 MW, located in the states of São Paulo, Santa Catarina, Rio Grande do Sul, Paraná, Minas Gerais and Mato Grosso, and (ii) 1 PCH, Lucia Cherobim, with an Installed Capacity of 28 MW, which is under construction and, start of operations estimated to occur in 2024, located in Paraná State.

- 43 subsidiaries involved in the electric energy generation from wind sources, by means of 49 wind farms, located in the states of Ceará, Rio Grande do Norte and Rio Grande do Sul, being (i) 45 wind farms in operation, with a total Installed Capacity of 1,309 MW, and (ii) 4 wind farms (Gameleira, Figueira Branca, Farol de Touros and Costa das Dunas), with a total Installed Capacity of 81.7 MW, under construction phase and start of operations or the second quarter of 2021, anticipating the delivery by about 2.5 years of the official deadline set by ANEEL.

- Eight subsidiaries involved in the biomass electric energy generation, all of which are operational, with a total Installed Capacity of 370 MW, located in the states of Minas Gerais, Paraná, São Paulo and Rio Grande do Norte

- A subsidiary involved in the electric energy generation of a solar energy plant, Tanquinho, which is located in the state of São Paulo and has a total Installed Capacity of 1.1 MWp. Tanquinho operations started on November 27, 2012 and it has capacity to generate 1.7 GWh/year.

Existing Installed Capacity

Below is the description of our renewable generation plants, which are existing and are operational.

Small-Size Hydropower Stations

Small-Size Hydropower Stations are plants with a generation capacity between 5 MW and 30 MW and a reservoir area of up to three square kilometers. A typical Small-Size Hydropower Stations operates under the "run-of-river" system and, as a result, may be incurred into idleness when the available water flow is lower than the input capacity of the turbine. If the flows are higher than the equipment capacity, the water flows through a pour route. Small-Size Hydropower Stations are authorized to participate in MRE, and, in this case, the quantity of energy sold by the plant solely depends on its guarantee certificate and not on its individual energy production.

CPFL Renováveis was operational until 2020, 40 of our 48 Small-Size Hydropower Stations, under the concession, authorization and registry regime, all of them located in the states of São Paulo, Minas Gerais, Mato Grosso, Santa Catarina, Paraná and Rio Grande do Sul. Currently, CPFL Renováveis operates all the PCHs of CPFL Group.

There were several reviews, mainly consisting of reductions, to the Assured Energy of CPFL Renováveis, due to the reduction in the expected operational performance.

The automation of the plants allows us to make the control, supervision and operation remotely. Since CPFL Energia has acquired CPFL Renováveis businesses, we set up an operation center for the management and monitoring of our plants in the city of Jundiaí, São Paulo State. As to remote control, supervision and operation of the wind energy assets, we also set a remote monitoring center in the city of Fortaleza, Ceará State.

Biomass Thermal Power Plants

Biomass Thermal Power Plants are generators that use the combustion of organic matter for energy production. This organic matter may include products such as sugarcane bagasse, charcoal, biogas, black liquor, rice husks and woodchips. The biomass energy is renewable and generate lower pollution than other forms of energy, such as the ones obtained with the use of fossil fuels (petrol and coal). The construction period of Biomass Thermal Power Plants is shorter than the construction period of Small-Size Hydropower Stations. The necessary investment per MW installed for the construction of a Biomass Thermal Power Plant is proportionately lower than the investment for the construction of a Small-Size Hydropower Stations. On the other hand, the operation of a Biomass Thermal Power Plant is generally more complex, as it involves the acquisition, logistics and productions of organic raw materials for energy generation. For this reason, the operational costs of biomass thermal power plants tend to be higher than the operational costs of Small-Size Hydropower Stations.

Although they are more complex, the Biomass Thermal Power Plants may benefit from: (i) quick environmental licensing, as they are only activities of lower operational complexity related to the energy cogeneration (steam boiler and generator pipe), (ii) abundant fuel in Brazil, that may come from sub-products from other activities (e.g.: woodchips) and (iii) proximity with the consumers. Reducing transmission costs. The fuel logistics and acquisition costs are significantly lower to the Biomass Thermal Power Plants as compared to the thermal power plants of non-renewable sources. Additionally, even if they are eligible for the Clean Development Mechanism, or CDM, set by the Kyoto Protocol, the corresponding mechanism set by the Paris Agreement (Sustainable Development Mechanism, or SDM) yet to be regulated, and have the potential to generate carbon credits, the Biomass Thermal Power Plants installed in Brazil, have been facing difficulties to obtain approval of projects due to issues related to the shape of their steam boilers and to the methodology of the approval process.

Currently, CPFL Renováveis has 8 Biomass Thermal Power Plants under the authorization regime, located in the states of São Paulo, Minas Gerais, Rio Grande do Norte and Paraná.

CPFL Alvorada. UTE Alvorada plant, located in the city of, Minas Gerais State, started its operations in November 2013. UTE Alvorada total Installed Capacity is 50 MW and the Assured Energy is 163.8 GWh. This Project has an associated PPA effective until 2032 with CPFL Brasil.

CPFL Bioenergia. In a partnership with Baldin Bioenergia, we built a cogeneration plant in the city of Pirassununga, São Paulo State, that started its operations in August, 2010. This cogeneration plant has a total Installed Capacity of 45 MW. The plant has an Assured Energy of 91.1 GWh and the whole of the electric energy is sold to CPFL Brasil.

CPFL Bio Formosa. In 2009, CPFL Brasil founded Baía Formosa (CPFL Bio Formosa) plant, located in the city of Baía Formosa, Rio Grande do Norte State, with a total Installed Capacity of 40 MW. CPFL Bio Formosa started its operations in September, 2011. The average of 11 MW of energy was sold in the A-5 auction (see "— New Regulatory Structure Act — Auctions in the Regulated Market"), with CCEARs effective until 2025.

CPFL Bio Buriti. In March, 2010, CPFL Bio Buriti, that was incorporated to develop electric energy generation projects by using sugarcane bagasse, signed a partnership contract with Pedra Agroindustrial Group in order to develop new biomass generation projects. CPFL Bio Buriti plant, located in the city of Buritizal, São Paulo State, started its operations in October, 2011. The total installed capacity of this plant is 74.25 MW. CPFL Bio Buriti has an associated contract for energy purchase of 184.1 GWh, effective until 2030 with CPFL Brasil.

CPFL Bio Ester. In October, 2012, CPFL Renováveis concluded the acquisition of the electric energy assets and steam cogeneration of from SPE Lacenas Participações Ltda., which is the holder of Ester Thermal Power Plant, located in the municipality of Cosmópolis, São Paulo State. The assets have a total Installed Capacity of 40 MW. Approximately the average of 7 MW of cogeneration energy of Ester Thermal Power Plant were commercialized in the auction of energy alternative sources of 2007, for a period of 15 years. The remaining energy produced is sold in the free market for 21 years.

CPFL Bio Ipê. In March, 2010, CPFL Bio Ipê, incorporated to develop energy generation projects by using sugarcane bagasse, entered into a partnership agreement with Pedra Agroindustrial Group in order to develop biomass new projects. CPFL Bio Ipê plant, located in the city of Nova Independência, São Paulo State, started its activities in May, 2012. The total Installed Capacity of this plant is 25 MW. This project has an associated contract for the purchase of energy of 71,7 GWh, effective until 2030, and the energy was fully sold to CPFL Brasil.

CPFL Bio Pedra. In March, 2010, CPFL Bio Pedra, that we created to develop electric energy generation projects by using sugarcane bagasse, signed a partnership contract with Pedra Agroindustrial Group in order to develop new biomass generation projects. CPFL Bio Pedra, located in the city of Serrana, São Paulo State, started its operations in May, 2012, with a total Installed Capacity of 70 MW and Assured Energy of 209,4 GWh. CPFL Bio Pedra electric energy was sold in an auction in 2010, with CCEARs effective until 2027.

CPFL Coopcana. The construction of UTE Coopcana began in 2012 in the city of São Carlos do Ivaí, Paraná state, and its operations started on August 28, 2013. UTE Coopcana total Installed Capacity is 50 MW and its Assured Energy is 157,7 GWh. This Project has an associated energy purchase contract effective until 2033 with CPFL Brasil.

Solar Energy Plant

Tanquinho. Tanquinho solar energy plant, São Paulo State, started its operations in November, 2012, with a total Installed Capacity of 1.1 MWp. We expect that Tanquinho will generate 1.7 GWh per year.

Wind Farms

Wind energy is that one derived from the force of Wind passing through the blades of a Wind turbine and causing the turbine to turn. The quantity of mechanic energy that is transferred and the potential of electric energy to be produced are directly related to the air density, the area covered by wind turbine blades and the wind speed.

The construction of a wind farm is less complex than the construction of the Small-Size Hydropower Stations, as it consists of the preparation of the foundation and installation of the wind turbines, which are assembled in the location by the suppliers. The period of construction of a Wind farm is shorter than the period of construction of a Small-Size Hydropower Station. The investment per installed MW for the construction of a Wind farm is proportionately lower than the investment for the construction of a Small-Size Hydropower Station. On the other hand, the operation may be more complex and there are more risks associated with the variability of the winds, especially in Brazil, where there is a brief history of wind measurement.

Certain regions in Brazil are more favorable in terms of Wind speed, with high average speeds and low volatility, as measured by the speed variation, allowing higher forecast in the volume of wind energy to be produced. Wind farms operated in a complementary way with the hydropower plants, once the wind speed is generally higher in periods of drought and, therefore, enables water preservation in the reservoirs in periods of scarce rainfall. The complementary operation of wind farms and Small-Size Hydropower Stations will allow us to "store" potential energy in the reservoirs of the Hydropower Plants during the period of high generation of wind energy. Estimates by Abeeólica – The Brazilian Association of Wind Energy indicates a potential of wind energy of 500 GW in Brasil, a volume that significantly surpasses the current total installed capacity of the country of 17 GW, in December, 2020, according to ANEEL, signaling a high growth potential in this segment. Wind farms are also eligible to the MDL and have carbon generation potential for sale.

Currently, we have 45 wind farms under the authorization regime, located in the states of Ceará, Rio Grande do Norte and Rio Grande do Sul.

Atlântica Complex. Atlântica Complex is formed by the Wind Farms Atlântica I, II, IV and V. The complex has a total Installed Capacity of 120 MW and total Assured Energy of 449.4 GWh. The electric energy of those wind farms was sold by means of an Auction of alternative energy held in 2010, or the Auction of Alternative Sources of 2010, with the CCEARs effective until 2033. Atlântica Complex started its operations in March, 2014.

Bons Ventos. Bons Ventos wind farm, Ceará State, has an Installed Capacity of 50 MW and an association agreement with Eletrobrás, as per the terms of Proinfa program, to sell all the generated energy for a period of 20 years. The acquisition of Bons Ventos Wind farm was concluded in June, 2012.

Campo dos Ventos II Wind Farm. In 2010, CPFL Geração purchased Campo dos Ventos II Wind Farm (currently, CPFL Renováveis holds this investment) in the cities of João Câmara and Parazinho, Rio Grande do Norte State, that started its operations in September, 2013. This wind farm has an Installed Capacity of 30 MW and Assured Energy of 131.4 GWh. The electric energy of Campo dos Ventos II was sold in an auction held in 2010, with PPAs effective until August, 2033.

Canoa Quebrada. Canoa Quebrada wind farm, Ceará State, has an Installed Capacity of 57 MW and an association agreement with Eletrobrás, as per the terms of Proinfa Program, to sell all the generated energy for a period of 20 years. The acquisition of Canoa Quebrada wind farm was concluded in June, 2012.

Enacel. Enacel wind farm, Ceará State, has an installed capacity of 31.5 MW and an association agreement with Eletrobrás, as per the terms of Proinfa Program, to sell all the generated energy for a period of 20 years. The acquisition of Enacel wind farm was concluded in June, 2012.

Eurus Complex. Eurus Complex is formed by Eurus I and Eurus III Wind farms. The complex has a total Installed Capacity of 60 MW and total Assured Energy of average 31.6 MW. Eurus Complex sold its energy in a Reserve Energy Auction in 2010.

Foz do Rio Choró. Foz do Rio Choró Wind farm, Ceará State, started its operations in January, 2009. It has an Installed Capacity of 25,2 MW and an association agreement with Eletrobrás under the Proinfa Program to sell all the generated energy for a period of 20 years. The PPA will be effective until June, 2029.

Icaraizinho. Icaraizinho wind farm, Ceará State, started its operations in October, 2009. It has an Installed Capacity of 54.6 MW and an association agreement with Eletrobrás under the Proinfa Program to sell all the generated energy for a period of 20 years. The PPA will be effective until October, 2029.

Macacos Complex. Macacos Complex is formed by the Pedra Preta, Costa Branca, Juremas and Macacos Wind farms. The complex has a total Installed Capacity of 78.2 MW and total Assured Energy of average 37.5 MW. Macacos complex sold its energy in the Auction of Alternative Sources of 2010.

Morro dos Ventos Complex. Morro dos Ventos Complex is formed by the Morro dos Ventos I, Morro dos Ventos III, Morro dos Ventos IV, Morro dos Ventos VI and Morro dos Ventos IX Wind farms. The complex has a total Installed Capacity of 145.2 MW and total Assured Energy of average 68.6 MW. Morro dos Ventos complex sold its energy in the Reserve Energy Auction of 2009.

Morro dos Ventos II. Morro dos Ventos II wind farm, Rio Grande do Norte State, has an Installed Capacity of 29.2 MW and total Assured Energy of average 15.4 MW. This wind farm started its operations in April, 2015.

Paracuru. Paracuru Wind farm, Ceará State, started its operations on November 29, 2008. It has an Installed Capacity of 25.2 MW and an associated PPA effective until November, 2028.

Pedra Cheirosa. Pedra Cheirosa Complex, located in the state of Ceará, is formed by the Pedra Cheirosa I and Pedra Cheirosa II wind farms, which have a total Installed Capacity 48.3 MW and total Assured Energy of average 27.5 MW. This wind farm started its operations in June, 2017.

Praia Formosa. Praia Formosa wind farm, Ceará State, started its operations in August, 2009. It has an Installed Capacity of 105 MW and an associated agreement with Eletrobrás under the Proinfa Program to sell all the generated energy for a period of 20 years. The PPA will be effective until August, 2029.

Parque Eólico Rosa dos Ventos. In June, 2013, CPFL Renováveis acquired Rosa dos Ventos wind farm (campos de Canoa Quebrada and Lagoa do Mato), located in the state of Ceará. This wind farm has an Installed Capacity of 13.7 MW and the electric energy produced by Rosa dos Ventos is subjected to an agreement with Eletrobrás in the scope of Proinfa Program.

Santa Clara Complex. Santa Clara Complex, Rio Grande do Norte State, is formed by seven wind farms with an Installed Capacity of 188 MW and an associated CCEAR effective until June, 2032. Santa Clara wind farms sold energy in the Reserve Energy Auction of 2009.

São Benedito and Campo dos Ventos Complexes. São Benedito complex is formed by the Ventos de São Benedito, Ventos de Santo Dimas, Santa Mônica, São Domingos, Ventos de São Martinho and Santa Úrsula wind farms. São Domingos and Ventos de São Martinho Wind farms, previously from the Campo dos Ventos complex, were allocated to São Benedito complex in order to increase the synergies. Campo dos Ventos complex is formed by Campo dos Ventos I, III and V wind farms. Altogether, they have an Installed Capacity of 231 MW.

Taíba Albatroz. Taíba Albatroz wind farm, Ceará State, has an Installed Capacity of 16.5 MW and an association agreement with Eletrobras under the Proinfa Program in order to sell all the generated energy for a period of 20 years. The acquisition of Taíba Albatroz wind farm was concluded in June, 2012.

The table below presents certain information related to our main renewable installations, held by CPFL Renováveis (99.94% of our interest), in operation on December 31, 2020:

	Capacity (MW)		Assured Energy (GWh)		Put into Operation	Installation Update	End of Concession
	Our Interest	TOTAL	Our Interest	TOTAL			
Small-Size Hydro Power Stations:							
Alto Irani	21.0	21.0	108.2	108.3	2008	-	2032
Americana	30.0	30.0	51.5	51.5	1949	2001	2027
Andorinhas	0.5	0.5	3.7	3.7	1941	-	(2)
Arvoredo	13.0	13.0	64.6	64.6	2010	-	2032
Barra da Paciência	23.0	23.0	130.4	130.4	2011	-	2029
Boa Vista 2	29.9	29.9	136.1	136.1	2018	-	2055
Buritis	0.8	0.8	3.1	3.1	1922	2016	2027(1)
Capão Preto	4.3	4.3	19.0	19.0	1911	2007	2027
Chibarro	2.6	2.6	13.4	13.4	1912	2007	2027
Cocais Grande	10.0	10.0	40.4	40.4	2009	-	2029
Corrente Grande	14.0	14.0	74.7	74.7	2011	-	2030
Diamante	4.2	4.2	14.0	14.0	2005	-	2019
Dourados	10.8	10.8	49.8	49.8	1926	2013	2027
Eloy Chaves	19.0	19.0	96.4	96.4	1954	2013	2027
Esmeril	5.0	5.0	25.2	25.2	1912	2015	2027
Figueirópolis	19.4	19.4	110.3	110.4	2010	-	2034
Gavião Peixoto	4.8	4.8	31.8	31.8	1913	2007	2027
Guaporé	0.7	0.7	3.5	3.5	1950	-	(2)
Jaguari	11.8	11.8	39.4	39.4	1917	2001	2027
Lençóis	1.7	1.7	9.1	9.1	1917	2001	2027
Ludesa	30.0	30.0	111.4	185.7	2007	-	2032
Mata Velha	24.0	24.0	114.7	114.8	2016	-	
Monjolinho	0.6	0.6	1.0	1.0	1893	2003	2027(2)
Ninho da Águia	10.0	10.0	56.9	56.9	2011	-	2029
Novo Horizonte	23.0	23.0	91.1	91.1	2011	-	2032
Paiol	20.0	20.0	91.7	91.7	2010	-	2032
Pinhal	6.8	6.8	32.4	32.4	1928	2014	2027
Pirapó	0.8	0.8	5.1	5.1	1952	-	(2)
Plano Alto	16.0	16.0	81.0	81.0	2008	-	2032
Saltinho	0.8	0.8	6.4	6.4	1950	-	(2)
Salto Góes	20.0	20.0	97.2	97.2	2012	-	2040
Salto Grande	4.5	4.6	22.6	22.6	1912	2002	2027
Santa Luzia Alto	28.5	28.5	161.3	161.4	2011	-	2037
Santana	4.3	4.3	22.9	22.9	1951	2015	2027
São Gonçalo	11.0	11.0	63.2	63.2	2010	-	2030
São Joaquim	8.0	8.1	44.4	44.4	1911	2014	2027
Socorro	1.0	1.0	2.7	2.7	1909	2001	2027(1)
Três Saltos	0.6	0.6	3.8	3.8	1928	2018	2027(1)
Varginha	9.0	9.0	47.2	47.2	2010	-	2029
Várzea Alegre	7.5	7.5	42.7	42.7	2011	-	2029
SUBTOTAL Small-Size Hydropower Stations – Our Interest	**453**	**453**	**2,198**	**2,199**			
Biomass Thermal Power Plants:							
Baldin (CPFL Bioenergia)	45.0	45.0	45.6	91.1	2010		2039
Bio Alvorada	50.0	50.0	145.8	145.8	2013		2042
Bio Buriti	50.0	74.25	94.4	187.9	2011		2040
Bio Coopcana	50.0	50.0	157.6	157.7	2013		2042
Bio Ester	40.0	40.0	99.0	99.0	2010		2029
Bio Formosa	40.0	40.0	79.7	79.7	2011		2032
Bio Ipê	25.0	25.0	37.8	131.8	2012		2040
Bio Pedra	70.0	70.0	209.3	209.4	2012		2046
SUBTOTAL Biomass Thermal Power Plants – Our Interest	**370**	**394**	**869**	**1,102**			
Wind Farms:							
Atlântica I	30.0	30.0	114.7	114.7	2014		2046
Atlântica II	30.0	30.0	112.9	112.9	2014		2046

	Capacity (MW)		Assured Energy (GWh)		Put into Operation	Installation Update	End of Concession
	Our Interest	TOTAL	Our Interest	TOTAL			
Atlântica IV	30.0	30.0	113.8	113.8	2014		2046
Atlântica V	30.0	30.0	107.7	107.7	2014		2046
Bons Ventos	50.0	50.0	143.3	143.3	2010		2033
Campo dos Ventos I	25.2	25.2	119.1	119.1	2016		2046
Campo dos Ventos II	30.0	30.0	131.3	131.3	2013		2046
Campo dos Ventos III	25.2	25.2	117.3	117.3	2016		2046
Campo dos Ventos V	25.2	25.2	114.7	114.7	2016		2046
Canoa Quebrada	57.0	57.0	210.8	210.8	2010		2032
Canoa Quebrada (Rosa dos Ventos)	10.5	10.5	29.0	29.0	2014		2032
Costa Branca	20.7	20.7	85.8	85.8	2014		2046
Enacel	31.5	31.5	89.6	89.6	2010		2032
Eurus I	30.0	30.0	135.7	135.7	2014		2046
Eurus III	30.0	30.0	141.0	141.0	2014		2046
Eurus VI	8.0	8.0	27.7	27.7	2011		2045
Foz do Rio Choró	25.2	25.2	64.6	64.6	2009		2032
Icaraizinho	54.6	54.6	193.3	193.3	2009		2032
Juremas	16.1	16.1	66.5	66.5	2014		2046
Lagoa do Mato	3.2	3.2	12.6	12.6	2014		2032
Macacos	20.7	20.7	85.8	85.8	2014		2046
Morro dos Ventos I	28.8	28.8	118.9	118.9	2014		2045
Morro dos Ventos III	28.8	28.8	121.8	121.8	2014		2045
Morro dos Ventos IV	28.8	28.8	120.3	120.3	2014		2045
Morro dos Ventos VI	28.8	28.8	114.7	114.7	2014		2045
Morro dos Ventos IX	30.0	30.0	125.3	125.3	2014		2045
Morro dos Ventos II	29.2	29.2	134.8	134.8	2015		2047
Paracuru	25.2	25.2	110.1	110.1	2008		2032
Pedra Cheirosa	48.3	48.3	240.8	240.8	2014		2046
Pedra Preta	20.7	20.7	90.2	90.2	2009		2032
Praia Formosa	104.9	105.0	252.5	252.5	2011		2045
Santa Clara I	30.0	30.0	120.0	120.0	2011		2045
Santa Clara II	30.0	30.0	111.7	111.7	2011		2045
Santa Clara III	30.0	30.0	109.5	109.5	2011		2045
Santa Clara IV	30.0	30.0	107.8	107.8	2011		2045
Santa Clara V	30.0	30.0	108.7	108.7	2011		2045
Santa Clara VI	30.0	30.0	107.6	107.6	2016		2032
São Domingos	25.2	25.2	(3)	(3)	2008		2032
Taiba	16.5	16.5	58.7	58.7	2016		2032
Ventos de São Benedito	29.4	29.4	(3)	(3)	2016		2032
Ventos de Santo Dimas	29.4	29.4	(3)	(3)	2016		2032
Ventos de São Martinho	14.7	14.7	(3)	(3)	2016		2032
Ventos de Santa Mônica	29.4	29.4	(3)	(3)	2016		2032
Ventos de Santa Úrsula	30.0	27.3	(3)	(3)	2014		2046
SUBTOTAL Wind Farms – Our Interest	**1,308**	**1,309**	**4,371**	**4,373**			
Solar Energy Plant:							
Tanquinho	01.1	1.1	1.7	1.7	2012		-
SUBTOTAL Solar Energy Plant – Our Interest	**1.1**	**1.1**	**1.7**	**1.7**			
TOTAL (our interest only)	**2,132**	**2,157**	**7,630**	**7,635**			

(1) Hydro power projects with Installed Capacity equal or lower than 1.000 kW, that have concession contract. The legislation for PCHs with installed capacity lower than 5.000 kW was changed and currently only one registry is required. The concession contracts are valid until their expiry date.

(2) Hydro power projects with Installed Capacity equal or lower than 5.000 kW, that are registered at the regulatory authority and at the administrator of the energy concessions, but do not need authorization processes or concession for operation.

(3) Projects that do not have Assured Energy appear as non-operational in the regulated market until December 31, 2020.

Expansion of the Installed Capacity

The electric energy consumption in Brazil in 2020 decreased 1.6%, reaching 481,819 GWh, as informed by EPE. The energy consumption decrease was mainly the result of the COVID-19 pandemic, which led to a decrease of industrial and commercial raw materials and others, although there was an increase of residential consumption in the period. However, the forecast for 2021 of EPE is the increase of energy consumption of 3.4% in SIN, considering the GDP increase of 3.3%. With the purpose of addressing this increase estimate in demand and also to improve our margins, we have been continuously expanding our Installed Capacity of renewable generation.

Plants under development	**Estimated Installed Capacity**	**Estimated Assured Energy**	**Start of Construction**	**Expected Start of Operations**	**Our Interest**	**Estimated Available Installed Capacity**	**Estimated Available Assured Energy to us**
	(MW)	**(GWh/year)**			**(%)**	**(MW)**	**(GWh/year)**
Cherobim Small-Size Hydro Power Station	28	145.4	-	2024	99.94	28.0	145
Gameleira Wind Complex	81.7	359.2	-	2024	99.94	81.7	359
TOTAL	109.7	504.6				109.7	505

PCH Lucia Cherobim. PCH Lucia Cherobim is located in the state of Paraná and may start its operations in 2024. It is expected it will have a total Installed Capacity of 28 MW and Total Assured Energy of 145.2 GWh/year. In August, 2018, the Energy Auction A-6/2018, PCH Lucia Cherobim sold average 16.5 MW at the auction price of R$ 189.95/MWh, with annual increases by the IPCA at the maximum auction price of R$ 290.00/MWh.

Gameleira Wind Fam Complex. The Gameleira wind farm complex is located in the state of Rio Grande do Norte and will start its operations in 2021. It is expected that it will have a total Installed Capacity of 81.7 MW and total Assured Energy of 359.2 GWh/year. In August, 2018, at the Energy Auction A-6/2018, Gameleira wind farm complex sold average 12.0 MW of energy to be generated by it at the auction price of R$ 89.89/MWh, with annual increases by the IPCA at the auction price ceiling of R$ 227.00/MWh. In addition, Gameleira wind farm complex sold its remaining energy in the Free Market.

b. characteristics of the distribution process;

We are only of the biggest electric energy distributors of Brazil, based on the quantity of electric energy that we distributed in 2020. Jointly, our four distribution subsidiaries supply electric energy to a region that covers 300,411 square meters, predominantly in the states of São Paulo and Rio Grande do Sul. Their concession areas include 687 municipalities and a population of 22.3 million people. Jointly, they supplied electric energy to 9.8 million on December 31, 2020. As from January 1st, 2019, RGE, one of our five distribution subsidiaries existing in 2018 was incorporated to RGE Sul, and RGE Sul began to do businesses under the name RGE. As a result of this merger and of the transfer related to RGE assets to RGE Sul, RGE no longer exists and, as from January 1st, 2019, we have four distribution subsidiaries. Our distribution subsidiaries distributed 14% of the total electric energy distributed in Brazil in 2020, based on EPE data.

We have four electric energy distribution subsidiaries:

- ***CPFL Paulista***. CPFL Paulista supplies electric energy to a concession area that covers 90,486 square kilometers in São Paulo State, with a population of 10.2 million inhabitants. Its concession area covers 234 municipalities, including the cities of Campinas, Bauru, Ribeirão Preto, São José do Rio Preto, Araraquara and Piracicaba. CPFL Paulista had 4,7 million consumers on December 31, 2020. In 2020, CPFL Paulista distributed 20,063 GWh of electric energy. Taking CPFL Paulista sales into consideration in its concession area, including sales to the Captive Consumers and TUSD, CPFL Paulista sold 30,247 GWh of electric energy in 2020, accounting for 23.4 % of the total of electric energy distributed in São Paulo State and 6.4 % of the total electric energy distributed in Brazil along the year.

- ***CPFL Piratininga***. Companhia Piratininga de Força e Luz, or CPFL Piratininga, supplies electric energy to a concession area that covers 6,954 square kilometers in the Southern area of São Paulo State, with a population of 4.2 million inhabitants. Its concession area covers 27 municipalities, including the cities of Santos, Sorocaba and Jundiaí. CPFL Piratininga had 1.8 million consumers on December 31, 2020. In 2020, CPFL Piratininga distributed 7,472 GWh of electric energy. Taking the sales of CPFL Piratininga sales into consideration in its concession area, including sales to the Captive Consumers and TUSD, CPFL Piratininga sold 13,813 GWh of electric energy in 2020, representing approximately 10.7 % of the total electric energy distributed in São Paulo State and 2.9 % of the total electric energy distributed in Brazil along the year.

- ***RGE***. RGE supplies electric energy to a concession area that covers 182,722 square kilometers in Rio Grande do Sul State, with a population of 6.8 million inhabitants. Its concession area covers 381 municipalities, including the cities of Canoas, São Leopoldo, Novo Hamburgo, Santa Maria, Uruguaiana, Caxias do Sul, Gravataí, Passo Fundo and Bento Gonçalves. RGE had 3,0 million consumers on December 31, 2020. In 2020, RGE distributed 13,890GWh of electric energy. Taking RGE sales into consideration in its concession area, including the sales to Captive Consumers and TUSD, RGE sold 18.798GWh of electric energy in 2020, accounting for 63.7 % of the total electric energy distributed in Rio Grande do Sul State and 4 % of the total electric energy distributed in Brazil along the year.

  As from January 1st, 2019, the extinct distribution company, Rio Grande Energia S.A. was object of the merger with RGE Sul Distribuidora de Energia S.A. and, therefore, all the information described in this Reference Form refer to the remaining company of this operation, herein referred to RGE.

- ***CPFL Santa Cruz*.** CPFL Santa Cruz supplies electric energy to a concession area of 20,250 square meters, which includes 45 municipalities in the Northwestern region of São Paulo State, three municipalities in Paraná State and three municipalities in Minas Gerais State. In 2020, CPFL Santa Cruz distributed 2,238 GWh of electric energy to 1.1 million consumers. Taking CPFL Santa Cruz sales into consideration in its concession area, including sales to Captive Consumers and TUSD, CPFL Santa Cruz sold 3.067 GWh of electric energy in 2020, representing 2.4 % of the total electric energy distributed in São Paulo State and 0.6 % of the total electric energy distributed in Brazil along the year.

  As from January 1st, 2018, our five former distributors Companhia Luz and Força Santa Cruz, Companhia Leste Paulista de Energia, Companhia Sul Paulista de Energia and Companhia Luz e Força de Mococa (jointly, the "Incorporated Companies") were incorporated by Companhia Jaguari de Energia S.A., which began to hold the name CPFL Santa Cruz and it is known by this name since the performance of the operation. The concessions held by the previously existing distributors were extended on December 9, 2015 to July 2045 and, due to the incorporation, the concession contract was amended in order to formalize the grouping of said concessions, being duly approved by ANEEL.

Distribution Network

Our four distributors have distribution lines with voltage levels that vary, in its majority, from 11.9 kV to 138 kV. Those lines distribute electric energy as from the connection point with the Basic Network to our energy substations in each one of our concession areas. All consumers that are connected to those distribution lines, such as Free Consumers or other concessionaires, have to pay a Tariff for Distribution System Use ("TUSD").

Each one of our subsidiaries have a distribution network predominantly made up by aerial lines and substations with successively lower voltage level. The consumers are classified into different voltage levels, based on the electric energy consumed by them and on their demand for electric energy. Big industrial and commercial consumers receive electric energy at high voltage levels (up to 138 kV),

whereas the smaller-size industrial and commercial consumers, as well as the residential ones, receive electric energy at lower voltage levels (2,3 kV and below).

On December 31, 2020, our Distribution Networks consisted of 342,226 kilometers of distribution lines, including 487.302 distribution transformers and 12.989 km of High Voltage distribution lines from 34.5 kV to 138 kV. On that date, we had 559 transformer substations to transform high voltage into mid voltage for further distribution, with a total transformation capacity of 19.037 megavolt amperes. Those industrial and commercial consumers in our concession area, 576 had high voltage electric energy of 69 kV, 88 kV or 138 kV supplied through direct connection to our high voltage distribution lines.

The Company clarifies that (i) the revenue originated from the businesses that are not energy distribution is irrelevant; and (ii) has no relevant patents, brands or licenses for its operation.

The System Performance

Electric Energy Losses

There are two types of electric energy losses: technical losses and commercial losses. The technical losses are those that occur during the normal course of our electric energy distribution. Commercial losses are those that result from illegal connections, frauds, billing errors and similar issues. The electric energy loss rate of our distribution subsidiaries is favorably compared to the average of other big Brazilian electric energy distributors, according to the latest information made available by ABRADEE, an association of the sector.

We are also actively making best efforts to reduce commercial losses due to illegal connections, frauds or billing errors. For such, in each one of our four distribution subsidiaries, we implemented duly trained technical teams to make inspections, better monitoring in relation to irregular consumption, increasing the substitution of obsolete measuring equipment and we also implemented a system to identify issues in internal processes that could generate losses (for example, incorrect billing, lack of reading, power meter devices with incorrect parameters, among others). We made 635.9 thousand inspections of frauds in field during 2020, as a result of which we invoiced about R$ 328.9 million in relation to the complementary invoicing of loss retroactive consumption.

Electric Energy Outages

The table below sets, for each one of our subsidiaries, the frequency and duration of the energy outages per consumer in years ended December 31, 2020, 2019 and 2018:

	Year ended December 31, 2020			
	CPFL Paulista	**CPFL Piratininga**	**RGE** (3)	**CPFL Santa Cruz** (4)
FEC [1]	4.27	4.32	5.27	3.68
DEC [2]	6.81	5.83	10.83	4.89

(1) Frequency of the outages per consumer per year-end (number of outages).
(2) Duration of outages per consumer per year-end (in hours).
(3) RGE was incorporated to RGE Sul (that now operates with the name RGE) as from January 1st, 2019.
(4) CPFL Santa Cruz, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista were incorporated to CPFL Santa Cruz (former CPFL Jaguari) as from January 1st, 2018.

	Year ended December 31, 2019			
	CPFL Paulista	**CPFL Piratininga**	**RGE** (3)	**CPFL Santa Cruz** (4)
FEC [1]	4.38	4.34	6.25	5.09
DEC [2]	6.72	6.48	14.01	6.01

(1) Frequency of the outages per consumer per year-end (number of outages).
(2) Duration of outages per consumer per year-end (in hours).
(3) RGE was incorporated to RGE Sul (that now operates with the name RGE) as from January 1st, 2019.
(4) CPFL Santa Cruz, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista were incorporated to CPFL Santa Cruz (former CPFL Jaguari) as from January 1st, 2018.

	For the year ended December 31, 2018				
	CPFL Paulista	**CPFL Piratininga**	**RGE** (4)	**RGE Sul** (4)	**CPFL Santa Cruz** (3)
FEC [1]	4.03	3.87	6.30	5.89	5.09
DEC [2]	6.17	5.92	13.43	15.56	6.01

(1) Frequency of outages per consumer, per year (number of outages).
(2) Duration of outages per consumer, per year (in hours).
(3) CPFL Santa Cruz, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista incorporated to CPFL Santa Cruz (former CPFL Jaguari) as from January 1st, 2018.
(4) RGE was incorporated by RGE Sul (that now operates under the name RGE) as from January 1st, 2019.

We are continually making our best efforts to improve the quality and reliability of our energy supply, having as a parameter the frequency measurement and duration of our energy outages. According to ABRADEE data of 2020, those being the latest available information, our average frequency and duration of outages per consumer during the recent years are favorably compared to the averages of the other Brazilian distributors.

Based on the data published by ANEEL, CPFL Santa Cruz had its DEC historically lower in 2020. CPFL Santa Cruz also had the lowest DEC and the lowest FEC among the Brazilian Distributors in 2020. The duration and frequency of outages of CPFL Paulista and CPFL Piratininga are among the lowest in Brazil as compared to the companies of similar size. Although the duration of outages of RGE remains aligned with the average rate of the energy companies in Southern Brazil, they are comparatively higher than the ones of CPFL Paulista, CPFL Piratininga and CPFL Santa Cruz, mainly as a result of the logistic challenges in the region that specifically affect the DEC of RGE. CPFL Energia is focused on improving the DEC of RGE, continually investing in technology and robustness of the network. As a result of this investment, in 2020, RGE presented its best historic performance in DEC and FEC. Additionally, CPFL Energia has been conducting R&D projects with the purpose of demonstrating to ANEEL that the Southern Region of Brazil has unique operational characteristics that must be taken into consideration in future reviews of ANEEL regulatory framework.

ANEEL sets performance indicators per consumer that should be followed by the energy companies. If those indicators are not achieved, we must reimburse our consumers, and our revenues are adversely affected. In 2020, according to ANEEL information, the amount that we reimburse to our consumers of CPFL Piratininga and CPFL Santa Cruz distributors remained lower than the average amount reimbursed by other energy companies of a similar size. The quantity reimbursed by RGE to the consumers in 2020 was lower than in 2019, a result of investments in ongoing improvement applied in the region.

Our distribution subsidiaries have construction and maintenance technology that enables repairs in electric energy networks without interrupting the service, thus allowing us to have low scheduled interruption indices, equivalent to up to 9.8% of the total of interruptions in 2020. The unscheduled interruptions due to accidents or natural causes, including atmospheric discharges, fires and winds represented the remaining total of our interruptions. In 2020, we invested R$ 2,017 million in our distribution segment, mainly in: (i) expansion, maintenance, improvement, automation, retrofit and reinforcement of the electric system in order to meet the market growth, (ii) operational infrastructure and (iii) support to the client, among others.

We are making our best efforts in order to improve our periods of assistance for repair services. The quality indicators for energy distribution of all the distributors of the group kept levels of excellence while complying with the regulatory standards. This was also a result, mainly due to our efficient operational logistics, including the strategic positioning of our teams, the technology and automation of or network and operation centers, together with a preventive maintenance and conservation plan.

Tariffs

Distribution Tariffs in Retail. We classified our consumers in two different groups: Group A consumers and Group B consumers, based on the voltage level with which the electric energy is supplied to them. Each consumer is included in a given tariff level as per the law and based on its respective classification.

Some discounts are available depending on the consumer's classification, tariff level or negotiation environment (free consumers and generators). Group B consumers pay higher tariffs. The tariffs in Group B vary per consumer type (residential, rural, other categories and public lighting). The consumers in Group A pay lower tariffs, decreasing from A4 to A1, as its supply is made in higher voltages, which demands less use of the electric energy distribution system. The tariffs we charge the end consumers for the electric energy sales are set according to our concession contracts and rules that are ratified by ANEEL. Those concession contracts and the correlated regulation set a maximum price with annual, periodic and extraordinary increases. For additional information about the regulatory regime applicable to our tariffs and respective increases, consult "The Brazilian Electric Sector" in item 7.9 of this Reference Form.

Group A consumers receive electric energy in voltages equal or higher than 2.3 kV. The tariffs for the Group A consumers have as a base the voltage levels of electric energy supply on the day the electric energy is supplied. The consumers may opt for a different tariff in the peak periods in order to optimize the use of the electric network. The tariffs applicable to Group A consumers contain two components: the TUSD and the tariff for energy consumption, or TE. TUSD, expressed in Reais per kW, has as a base (i) the electric energy demand contracted by the party connected to the system; (ii) certain regulatory billings; and (iii) technical and non-technical losses of energy in the distribution system. The TE, expressed in Reais per MWh, has as a base the amount of the electric energy effectively consumed. Those consumers may opt for the purchase of energy in the Free Market/Free Contracting Environment as per the Law of the New Electric Sector Model. Consult "The Brazilian Electric Sector – Law of the New Electric Sector Model" in item 7.9 of this Reference Form.

Group B consumers receive electric energy in a voltage lower than 2.3 kV (220 V and 127 V). The tariffs for Group B consumers are billed per tariff to use the distribution system and, also for the energy consumption, both billed in R$/MWh.

The tables below contain information related to the average of our supply prices to each category of consumer for the years ended December 31, 2019, 2018 and 2017. These prices include taxes (ICMS, PIS and COFINS) and are calculated on the basis of our sales and quantity of electric energy in 2020, 2019 and 2018.

	CPFL Paulista	**CPFL Piratininga**	**RGE [2] [3]**	**CPFL Santa Cruz [1]**
Residential	711.64	668.45	868.93	690.13
Industrial	626.89	578.93	719.48	587.75
Commercial	672.14	614.16	887.93	669.68
Rural	440.12	438.83	496.76	450.80
Others	499.49	446.44	420.93	428.05
Total	646.66	618.49	710.51	584.91

	CPFL Paulista	**CPFL Piratininga**	**RGE [2] [3]**	**CPFL Santa Cruz [1]**
Residential	702.33	744.71	860.73	704.68
Industrial	608.48	641.85	671.14	578.38
Commercial	656.58	680.27	848.56	668.44
Rural	411.09	463.59	471.62	437.15
Others	547.99	661.63	429.34	445.46
Total	641.21	702.08	694.22	591.94

	Year ended December 31, 2018								
	CPFL Paulista	CPFL Piratininga	RGE [2]	RGE Sul (RGE) [2]	CPFL Santa Cruz [1]	CPFL Leste Paulista [1]	CPFL Sul Paulista [1]	CPFL Jaguari [1]	CPFL Mococa [1]
					(R$/MWh)				
Residential	639.65	673.63	820.70	757.09	666.20	(1)	(1)	(1)	(1)
Industrial	581.90	592.27	669.67	561.23	543.21	(1)	(1)	(1)	(1)
Commercial	611.34	624.76	812.30	730.86	632.51	(1)	(1)	(1)	(1)
Rural	362.50	420.49	365.84	386.52	403.56	(1)	(1)	(1)	(1)
Others	469.08	457.57	444.47	315.12	404.96	(1)	(1)	(1)	(1)
Total	**583.47**	**620.97**	**665.83**	**572.79**	**555.37**	(1)	(1)	(1)	(1)

(1) On November 21, 2017, ANEEL, as per Authorization nr. 6.723/2017, approved of our consolidation proposal of the concessions of our five distributors (CPFL Santa Cruz; Companhia Leste Paulista de Energia; Companhia Sul Paulista de Energia; Companhia Luz and Força de Mococa; and CPFL Jaguari, jointly with the Incorporated Companies), as per the terms of Normative Resolution nr. 716/2016. As from January 1, 2018, the Incorporated Companies were consolidated by the company referred to as CPFL Santa Cruz (said company previously referred to as CPFL Jaguari).

(2) On December 4, 2018, as per Authorization Resolution nr. 7.499/2018, ANEEL approved of our proposal to consolidate the concessions of our two distributors (RGE and RGE Sul), as per Normative Resolution nr. 716/2016. RGE merged with RGE Sul (that now operates under the name RGE) effective as from January 1st, 2019.

(3) it considers ten months of RGE Sul prior to the consolidation of the concessions, as described in item (2) above.

As per the rules in force, the residential consumers may be eligible to pay a lower tariff, the Electric Energy Social Tariff, or TSEE. The families that are eligible to benefit from the TSEE are: (i) those registered in the Unified Registry for Social Programs of the Brazilian Government with a monthly per capita income of the national minimum salary or below half of it (ii) those that receive the Social Assistance Continuing Benefit Provision. The discounts vary from 10% to 65% in energy consumption per month. In addition, those residential consumers do not need to pay the tariff of the PROINFA program or any extraordinary tariff approved by ANEEL. Indigenous and "quilombolas" communities receive energy free of charge up to the maximum consumption of 50 kWh.

TUSD. The tariffs for distribution system use, or TUSD, are set by ANEEL and consist of three tariffs described in "TUSD", in item 7.9 of this form. In 2020, the revenues of tariffs for the use of our network by Free Consumers and Captive Consumers totaled R$17,413 million. The average tariff for the use or our network was R$172.98/MWh and R$151.61/MWh in 2020 and 2019, respectively, including the TUSD that we charge from other distributors that are connected to our Distribution Networks.

Distribution Regulated Tariffs

Our operational results are significantly affected by changes in the electric energy regulated tariffs. Particularly, the biggest portion of our revenues is derived from the sales of electric energy to Captive Consumers with regulated tariffs. In 2020, the sales to Captive Consumers represented 61.9% of the electric energy volume that we deliver and 77.23 % of our operating revenues in comparison with 62.47% of the electric energy volume that we deliver and 65.7% of our operating revenues in 2018. Those proportions may decrease if the consumers migrate from the captive condition to the free condition.

Our operating revenues and our margins substantially depend on the tariff definition process, and our Administration is concentrated to keep a constructive relationship with ANEEL, with the Brazilian government and other stakeholders in the market so that the tariff process fairly reflects our interests and the interests of our consumers and shareholders.

The tariffs are determined separately for each one of our four distribution subsidiaries, as follows:

- Our concession contracts estimate an annual increase, considering the changes in our costs, which for that purpose are divided into costs which are beyond our control (known as Portion A Costs) and costs that we can control (known as Portion B Costs). Portion A costs include, among other things, increase in prices of the long-term supply contracts, and the Portion B Costs include, among others, the return on investment related to our concessions and its expansion, as well as operating and maintenance costs. Our capacity to transfer, fully, our electric energy acquisition costs to the end consumers is subjected to: (a) our capacity to accurately estimate our energy needs and (b) a ceiling bound to a reference amount, the Reference Annual Amount. The

Reference Annual Amount is the weighted average of the electric energy acquisition costs incurring from the electric energy prices of all public auctions held by ANEEL and CCEE in the electric energy Regulated Market to be delivered in five and three years of said auction and only applicable during the first three years after the start of delivery of the acquired electric energy. As per the terms that were in force before the enactment of those regulatory reforms, we transferred the costs of the acquired electric energy, subjected to a ceiling determined by the Brazilian government. The annual tariff increase occurs every April to CPFL Paulista, every June to RGE, every October to CPFL Piratininga and every March to CPFL Santa Cruz. There is no annual increase in one year with a periodic review.

- Our concession contracts estimate a periodic review, at every five years, to CPFL Paulista, CPFL Santa Cruz and RGE, and at every four years to CPFL Piratininga, in order to restore the financial balance of our tariffs as contemplated in the concession contracts and to set a reduction factor (known as X factor) in the amount of any increase in Portion B Costs transferred to all our consumers. Resolution nr. 457/2011 of ANEEL set the methodology to be applied to the third cycle of the periodic review (2011 to 2014). As from 2015, ANEEL now reviews the subjacent methodologies applied to the electric sector periodically, item by item, while in the past all methodologies were approached in defined cycles, as in 2008-2010 and 2010-2014.

- The Brazilian law also estimates an extraordinary review to consider unpredicted changes in our cost structure. The latest extraordinary reviews occurred on January 24, 2013 and February 27, 2015. The objective of the 2013 event was to adjust our tariffs due to changes introduced by Law nr. 12.783/13. Law nr. 12.783/13 reduced the charge of CDE Account and eliminated the CCC charges and RGR Fund decreasing the costs of Portion A (energy prices, Basic Network charges of use and regulatory charges, that we transferred to our consumers). In 2015, the tariffs were increased to consider the extraordinary costs due to the full diligence of thermal plants and involuntary exposure of the distributors. No extraordinary review was made to our distributors in 2018, 2019 and 2020.

Periodic Tariff Review (RTP)

No periodic tariff reviews occurred in 2020 for our Distributors.

On October 23, 2019, ANEEL published the Homologation Resolution ("REH") nr. 2.627, related to the 5th cycle of RTP, that set the average increase of **CPFL Piratininga** tariffs, effective as from October 23, 2019, at +1.88%, -5.40% being related to the economic tariff increase and +7.28% related to the pertinent financial components. The total average effect to be perceived by the consumers is -7.80%.

On April 03, 2018, as per Homologation Resolution nr. 2.381, ANEEL increased the electric energy tariffs of **CPFL Paulista** related to the periodic fourth tariff review - RTP, that set the average increase of the Company's tariffs, effective as from April 08, 2018, at 12.68%, 8.67% being related to the economic tariff increase and 4.01% related to the pertinent financial components. The total average effect to be perceived by the consumers is 16.90%.

On April 17, 2018, as per Homologation Resolution nr. 2.385, ANEEL increased the electric energy tariffs of **RGE SUL** related to the periodic fourth tariff review - RTP, that set the average increase of the Company's tariffs, effective as from April 19, 2018, at 18.45%, 11.57% being related to the economic tariff increase and 6.88% related to the pertinent financial components. The total average effect to be perceived by the consumers was 22.47%.

On June 12, 2018, as per Homologation Resolution nr. 2.401, ANEEL increased the electric energy tariffs of **RGE** related to the periodic fourth tariff review - RTP, that set the average increase of the Company's tariffs, effective as from June 19, 2018, at 21.27%, 15.56% being related to the economic tariff increase and 5.71% related to pertinent financial components. The total average effect to be perceived by the consumers was 20.58%.

On April 03, 2018, as per Homologation Resolution nr. 2.381, ANEEL increased the electric energy tariffs of **CPFL Paulista** related to the periodic fourth tariff review - RTP, that set the average increase of

the Company's tariffs, effective as from April 08, 2018, at 12.68%, 8.67% being related to the economic tariff review and 4.01% related to the pertinent financial components. The total average effect to be perceived by the consumers is 16.90%.

Annual tariff increase (RTA)

Homologation Resolution nr. 2.668/2020, as of March 17, 2020, approved of the tariff increase of **CPFL Santa Cruz**. The annual tariff increase - IRT was 10.71%, 3.20% being related to the economic tariff increase and 7.51% related to the pertinent financial components. The total average effect perceived by the Company's consumers was 0.20%.

Homologation Resolution nr. 2.670/2020, as of April 7, 2020, approved of the tariff increase of **CPFL Paulista**. The annual tariff increase - IRT was 14.90%, 6.09% being related to the economic tariff increase and 8.81% related to the pertinent financial components. The total average effect perceived by the Company's consumers was 6.05%. However, due to the public disaster caused by the COVID-19 pandemic, the distributor and ANEEL agreed that the former tariffs would remain effective until June 30, 2020. On the other hand, CPFL Paulista was not obliged to make full payments of CDE charge to CCEE in the same period, in order not to be incurred into cash flow pressure. As from July 1st, 2020, the new tariffs became effective and the full payments of CDE were resumed. The CDE portion that was not paid from April to June was paid to CCEE in 6 instalments, as from July, 2020, adjusted by the SELIC rate. In addition, the revenue difference of the approved tariff and of the previous tariff will be adjusted by the market that occurred until June 30, 2020 plus SELIC rate and considered in the subsequent tariff process.

On June 17, 2020, ANEEL published the Homologation Resolution nr. 2.697, related to the Annual Tariff Increase ("RTA") that set the annual tariff increase index - IRT of **RGE**, in 15.74%, 10,06% being related to the economic tariff increase and 5.68% related to the pertinent financial components. The total average effect perceived by the Company's consumers was 6.09%. However, as it occurred to CPFL Paulista, due to the public disaster caused by the COVID-19 pandemic, the distributor and ANEEL agreed that the former tariffs would remain effective until June 30, 2020. On the other hand, RGE was not obliged to make the full payment of the CDE charge to CCEE in the same period, in order not to be incurred into cash flow pressure. As from July 1st, 2020, the new tariffs became effective and the full payments of CDE were resumed. The CDE portion of July that was not paid, was paid to CCEE in 5 instalments, as from August, 2020, adjusted by the SELIC rate. In addition, the revenue difference of the approved tariff and of the previous tariff will be adjusted by the market that occurred until June 30, 2020 plus the SELIC rate and considered in the subsequent tariff process.

The Homologation Resolution nr. 2.792/2020, as of October 20, 2020, approved of the tariff increase of **CPFL Piratininga**. The annual tariff increase index - IRT was 18.31%, 15.76% being related to the economic tariff increase and 2.55% related to the pertinent financial components. The total average effect perceived by the Company's consumers was 9.82%.

Below is a summary of the tariff increases of 2020:

	CPFL Santa Cruz (grouped)	**CPFL Paulista (RTA)**	**RGE (RTA)**	**CPFL Piratininga (RTA)**
Homologation Resolution	2.668/20	2.670/20	2.697/20	2.792/20
Increase	**10.71%**	**14.90%**	**15.74%**	**18.31%**
Economic Components	3.20%	6.09%	10.06%	15.67%

Financial Components	7.51%	8.81%	5.68%	**2.55%**
Effect to the consumer	**0.20%**	**6.05%**	**6.09%**	**9.82%**
Date it became effective	22/03/2020	08/04/2020	19/06/2020	23/10/2020

Extraordinary Tariff Review (RTE)

No extraordinary reviews occurred in the year 2020.

System Tariffs

ANEEL inspects and rules the access to the distribution and transmission systems and sets the tariffs related to the use of those systems and energy consumption. Different tariffs apply to different categories of consumers according to the way they connect themselves to the system and buy energy. The tariffs are: (i) TUSD; (ii) tariffs billed for the use of the transmission system, consisting of the Basic Network and its auxiliary installations, or TUST; and (iii) TE.

TUSD

TUSD is paid by the generators and consumers for the use of the distribution system of the concessionaire in which the generator or the consumer is connected. TUSD consists of three tariffs with distinct objectives:

- TUSD Fio, that is defined in R$/kW, divided into time segments according to the tariff category, is applied for the demand of electric energy that is contracted by the party which is connected to the system and remunerates the distribution and transmission concessionaire for costs related to the operation, maintenance and renewal of the distribution system. It also provides a legal margin to the distribution concessionaire.

- TUSD Charges, that is defined in R$/MWh, is applied to the electric energy consumption (in MWh) and contemplates certain regulatory charges that are applicable to the use of the local network, such as PROINFA, the CDE bill, the Inspection Rate of Electric Energy Services (or TFSEE), ONS and others. Those charges are defined by the regulatory authorities and bound to the quantity of energy made by the system.

- TUSD Losses compensates technical losses of energy in the transmission and distribution systems, as well as non-technical losses of energy in the distribution system

TUST

TUST is paid by the distributors, generators and Free Consumers that are directly connected to the Basic Network. It is applied to its use of Basic Network and is annually increased according to the (i) inflation; and (ii) the annual revenues of the concessionaire companies of transmission set by ANEEL. According to the criteria set by ANEEL, the owners of the different parts of the transmission network transferred the coordination of their installations to ONS in Exchange to the receipt of regulated payments of the users of transmission systems. The network users, including generators, distributors and Free Consumers, connected directly to the transmission network, entered into contracts with ONS and transmission companies (represented by NOS), which grant them the right to use the transmission network in exchange to the payment of certain tariffs.

TE

TE (Energy Tariff) is paid by Captive Consumers and Distribution Concessionaires or Licensees for the consumption of energy, based on the amount of actually consumed electric energy, remunerates the energy cost, certain regulatory charges related to the use of energy, transmission costs related to Itaipu, certain losses of transmission system, related to the Captive Consumer Market, costs with research and development and ANEEL Inspection Fee – TFSEE.

Calculation Base of the Electric Energy Supply Tariffs

ANEEL has powers to increase and review the tariffs above in reply to changes in the electric energy purchase costs and market conditions. When calculating or reviewing the electric energy supply tariffs, ANEEL divides the costs of the distributors among (i) costs that are not managed by the distributor, or Portion A costs, and (ii) costs managed by the distributor, or Portion B costs. The increase of tariffs is based on a formula that consider the division of costs between the two categories.

Portion A costs include, among others, the following factors:

- Mandatory acquisition costs of electric energy of Itaipu and of the generation companies, renewed as per the terms of Law 12.783/13;
- Costs of electric energy acquisition as per bilateral contracts freely transacted between the parties;
- Costs of electric energy acquired by means of CCEARs;
- Costs related to charges of use and connection to the transmission and distribution systems;
- Costs of regulatory charges; and
- Costs associated to research and development and energy efficiency.

Portion B costs include, among others, the following factors:

- Return on investment rate in assets that are necessary for the energy distribution activities;
- Depreciation of these assets;
- Operational expenses related to the operation of those assets; and
- Uncollectible accounts.

Each one set and periodically reviewed by ANEEL.

The tariffs are set, considering the costs of Portion A and Portion B and certain market components used by ANEEL, as a reference in the increase of tariffs

The electric energy distribution concessionaires have the right to periodic tariffs of their tariffs at every four or five years. Those reviews aim at:

- Ensuring that the revenues will be sufficient to cover the operational costs of Portion B and the adequate remuneration in relation to the investments considered as essential to the services, object of the concession of each distributor,
- Motivating the concessionaires to improve the efficiency level, and
- Determining the X factor, that consists of three components:
    - Potential increases in productivity, based on the costs, as compared to the market growth;
    - service quality; and
    - a target of operational expenses.

The increases in productivity and the target of operation expenses are set in each periodic review. As from the 4th periodic review cycle, the "service quality" is set in each annual increase and in the periodic review. For the concessionaires whose contracts were extended in 2015 and which go through tariff

reviews after February 24, 2017, there will also be an annual update of the productivity component (Pd).

The X factor is used to adjust the proportion of the change in the IGP-M index that is used in the annual increases. Thus, after the conclusion of each periodic review, the use of X factor requires the distributors to divide their productivity gains with the End Consumers.

Each concession contract of each distributor also estimates a tariff annual increase. In general, Portion A costs are fully transferred to the consumers. However, Portion B costs are in their majority monetarily corrected as per the IGP-M and the X Factor. However, to the concessionaires whose contracts were extended in 2015, the inflation index used to present Portion B again is the IPCA.

In addition, the electric energy distribution concessionaires have the right to an extraordinary tariff review, on a case basis, in order to ensure their financial balance and to compensate them for unexpected costs, including taxes, which significantly change their cost structure.

With the introduction of the Law of the New Electric Sector Model, the MME recognized that the variable costs associated to the purchase of electric energy may be included by means of the offsetting account of variation of amounts of Portion A items or CVA, created to recognize some of our costs by the time of the increase of tariffs of our distribution subsidiaries set by ANEEL.

As from 2005, the costs incurred with PIS and COFINS were no longer considered in the periodic reviews as a part of B Portion and the electric energy distribution concessionaires began to have the right to add said costs directly on the tariffs set in the periodic reviews, based on an effective rate, which is different from the nominal rate. The objective of this change was to keep the neutrality of the concession financial balance, due to the change in the collection form of those taxes, which became noncumulative.

In December, 2011, ANEEL set the methodology and the procedures applicable to the new periodic reviews of the same year. In the past, all methodologies were addressed to determined cycles, such as the ones of 2008-2010 and 2010-2014. For information about the tariff reviews and methodologies, consult "Risk Factors – *The tariff we charge for the supply of electric energy to Captive Consumers and the tariffs of use of the distribution system that we charge from Free and Special Consumers are set by ANEEL as per the concession contracts entered into with the Brazilian government, and may adversely affect our operational revenue if ANEEL sets tariffs in a way that is unfavorable to us*" in item 4.1(d) of this Reference Form.

Since 2013, variables, such as the need of dispatch of thermal electric plants, have caused the distributors to incur into extraordinary costs that exceed their payment capacity. In order to cover the involuntary exposure of the distributors to those costs, a portion of the energy costs were reimbursed by CDE Account (as per the terms of Decree nr. 7.945/2013), and the ACR Account (as per the terms of Decree nr. 8.221/2014). Those reimbursements aim at covering the totality or part of the costs incurred by the distributors in the period from January, 2013 to December, 2014, related to: (i) the involuntary exposure in the spot market; and (ii) the dispatch of thermal electric plants related to CCEAR. CCEE, that manages the ACR Account, obtained a loan with 13 banks to finance this payment. Since January, 2015, the distributors have been charging additional electric energy tariffs from consumers in order to amortize the CDE Account reimbursement, in the period of five years, and the loan, in the period of 54 months. The CDE quotas defined by ANEEL and transferred to the consumers already consider those obligations. In addition, as the costs of the CDE Account and of the purchase of energy remained high, ANEEL increased its tariffs by means of an Extraordinary Tariff Review (RTE), applicable to all distribution companies, as per Resolution nr. 1.858, as of February 27, 2015. The objective of the RTE is to transfer the costs projected in the period from March, 2015 until the date of the next review or tariff adjustment of the distributors. In September, 2019, the credit line related to the ACR Account was paid in advance (the original maturity date was April, 2020) after negotiations of ANEEL, MME and CCEE, withdrawing R$ 8.4 billion from the Brazilian electric energy accounts until 2020.

In January, 2015, the electric sector began the implementation of the mechanism of monthly "tariff flags", in which the consumer's invoices may be subjected to tariff increases on a monthly basis, when the energy supply costs reach certain levels, allowing the consumers to adapt its use to the current

energy costs. Previously, the carry-over of energy costs in the tariffs was set annually. The tariff flag system was initially approved in 2011 and tested during 2013 and 2014. Initially, it was a tariff green flag (normal), yellow (high) or red (critical), set by ANEEL based on the electric energy generation conditions, as per the terms of Decree nr. 8.401, as of February 4, 2015. As from February 1st, 2016, the flag model was changed by ANEEL and currently consists of a tariff green flag (normal), yellow (alert) and 2 levels of tariff red flag (critical level 1 or 2). The revenues charged in the scope of the tariff flag system are billed by the distribution companies and transferred to an Account of Centralization of Tariff Flag Funds administered by CCEE, whose profits are paid to the distributors based on their energy costs relative to the period.

Due to the unfavorable hydrologic conditions observed from 2013 to 2015, tariff red flags were applied throughout 2015, since the introduction of the system in January 2015. In 2016, due to improvement in the hydrologic conditions, tariff green flags were applied in almost all months of the year, but 2017 mainly consisted of tariff yellow and red flags. In 2018, the tariff green flags were applied from January to April and again in December, the tariff yellow flags were applied in May and November and the tariff red flags were applied from June to October. In 2019, the tariff green flags were applied from January to April and again in June, the tariff yellow flags were applied in May, July, October and December, and the stage 1 tariff red flags were applied in August, September and November. In 2020, due to the effects of the COVID-19 pandemic and also as per decision by ANEEL Board, the green flags occurred from February to November, only returning in December, but already in level 2 of the red flag, due to the consumption recovery added to a bad hydric scenario. Although this mechanism partially mitigates the cash flow disparity, it may be insufficient to cover the supply costs of thermal electric energy and the distributors may also be incurred into cash flow disparities in the short term.

Billing Procedures

The procedure we use for billing and payment of the electric energy supplied to our consumers is set per consumer and tariff categories. The readings of the measuring devices and invoicing are made on a monthly basis to low voltage consumers, except the rural consumers, whose Reading is made in a periodicity that varies from one to two months (except for RGE and RGE Sul, whose periodicity varies from one to three months), as per the legislation in force. The invoices are issued based on the readings of the measuring devices or if the Reading of the measuring devices is not possible, by the monthly consumption average. The low voltage consumers are billed within the maximum period of three business days after the Reading, and the respective due date within the period of up to five business days to count from the date of the presentation of the invoice. In case of default, a notification accompanied by the invoice of the following month is forwarded to the defaulted consumer, according to which a term of 15 days is granted for the debt balance to be settled by the defaulted consumer. If the payment is not received in up to three days to count from the expiry of the 15-day term, the electric energy supply to the consumer may be interrupted. We may also take other measures, such as the inclusion of the consumers in the debtors' list of the credit information agencies, or extra judicial or judicial collection by using the collection agencies.

Reading and invoicing of high voltage consumers are made on a monthly basis, and the payment due should be made within the term of five business days after the invoice receipt. In case of default, a notification is sent to the defaulted consumer in up to two business days from the due date, according to which a term of 15 days is given for the payment. In case the payment is not made, in up to three days to count from the termination of the 15-day period, the supply to the consume is interrupted.

According to recent data made available by ABRADEE, the percentage of defaulted consumers to our three biggest distributors (CPFL Paulista, CPFL Piratininga e RGE) are favorably comparable to the average of other main electric energy distributors. For that purpose, the defaulted consumers are those whose invoices are in delay payment for over 90 days. Invoices due and delayed for over 360 days are considered uncollectible.

Customer Service

We make our best efforts to render high quality customer service to our consumers of the distribution segment. We render consumer services 24 hours a day, seven days a week. The requests are received

by means of several platforms, such as call centers, our website, SMS, WhatsApp and our smartphone application. In 2020, we replied to 135.7 million requests from clients. We also render customer service through our agencies, which replied to 9.1 million requests from clients in 2020. The improvements implemented in our digital channel (such as our URA, website, application and chatbot) and the implementation of a new customer service channel (WhatsApp) enabled us to reach 86% of requests from our clients by means of digital channels, thus reducing the customer service costs. To improve the client's experience, we virtualized 17 new agencies in 2020, where the client can receive customer service via video service.

Commercialization of Electric Energy, Services and Others

Commercialization Operations

We run our electric energy commercialization activities mainly by means of our subsidiary CPFL Brasil. The key functions of those activities are:

- acquisition of energy for commercialization activities, by means of entering into bilateral contracts with energy companies (including our generation subsidiaries and third parties) and purchase of energy in public auctions;

- resale of energy to 'free' and 'special' consumers;

- resale of energy to distribution companies (including CPFL Paulista, CPFL Piratininga and RGE), in addition to other agents in the electric energy Market, by means of bilateral contracts; and

- rendering of energy contracting management services to 'free' and 'especial' consumers and generators, such as, for example, guidance on their operational requirements, before CCEE and other agencies.

As a commercialization company of the retail modality, CPFL Brasil Varejista is also responsible for the volume of electric energy of 'free' and 'especial' consumers, centralizing the management of contracts and relationship with CCEE. Those consumers need not be CCEE agents, which simplifies the process. The focus of CPFL Brasil Varejista activities, in this modality of commercialization, is in the potential 'free' and 'special' consumers, such as retail networks, banks, supermarkets, universities, among others. The electric energy purchase and sale prices in the Free Market, practiced by CPFL Brasil, are set by bilateral negotiations with its suppliers and clients.

Services

Through CPFL Serviços, CPFL Atende, CPFL Total, CPFL Eficiência, CPFL GD, Nect and Authi, we offer our consumers a broad range of services related to electric energy. Those services are designed to help clients to obtain improvement in efficiency, costs and reliability of electric equipment used by them. Our main added-value services related to electric energy include:

Transmission Systems: CPFL Serviços offers energy solutions in transmission assets of up to 138kV, plan and elaborates civil, electric and electro mechanic projects, executes the logistics of materials and equipment, builds transmission lines and Substations and, in addition, executes the preventive and corrective maintenance of those assets, further considering the growth needs and expectations of each consumer and according to the strict safety criteria, aiming at the optimized use of resources.

Distribution Systems: CPFL Serviços plans, builds and executes the maintenance in electric energy distribution system networks of up to 34.5kV, including aerial and underground electric networks,

mid voltage substations and lighting solutions. It has significant experience in the market and is familiar with the several technical norms applicable in different regions of Brazil. Due to this, it can provide high quality and technologically advanced energy solutions.

Electric Maintenances: CPFL Serviços provides maintenance services in mid and high voltage installations in a timely regime or with periodic scheduling, always with a quick diagnosis and precise support. It also executes retrofits in substations, maintenance of generators and AUTH maneuvers in live-line regime.

Equipment Recovery: CPFL Serviços has its own structure for reverse logistic operation; it is in charge of the collection and disposal of all the electric network material that is not used, it has its own fleet equipped with environmental kits and truck bodies with anti-leakage for oil. The reverse logistics operation has experience in the renewal of electric transformers and equipment of up to 15k and also distribution transformers, both run by mineral or vegetal oil, of up to 36kV to restore efficiency. The retro assembly equipment is certified as per ISO 9001 and ISO 14001 standards and owns the Inmetro quality certification seal for the retrofit process of distribution transformers. Currently, CPFL Serviços has a retrofit area for insulating oil, as well as a laboratory with the capacity to perform all current tests, as per the Brazilian technical standards. It also manufactures measurement panels, as well as panels for protection and control networks.

Self-Production Systems and energy efficiency program: The self-production systems, previously provided by CPFL Serviços, consist of the electric energy alternative production. The self-production systems guarantee the supply of electric energy to consumers, they diversify the sources of raw materials and decrease costs. Diesel and natural gas generators are provided, which act mainly as a back-up energy source and during the peak periods, decreasing electric energy costs to our clients. Natural gas cogeneration includes the simultaneous and sequential production of heat and electric energy based on a single fuel. It also provides climatization solutions and energy efficiency projects, as well as the distribution of generated solar energy. After October, 2014, all self-production activities were transferred to CPFL Eficiência, adding self-production to its portfolio of services.

CPFL Eficiência also provides distributed energy generation services through CPFL Geração Distribuída de Energia LTDA, a generation source that introduces energy directly into the local distribution company network. This type of generation reduces the use of the transmission system and requires less generation of centralized plants, benefitting the consumer and the electric sector as a whole. In 2020, as per a strategic decision of focus on the corporate market, ENVO line of businesses, that performed in the residential market, was discontinued. Its clients were duly notified and forwarded to the support channel duly qualified for eventual questions. The plants under its management remained in the group. Currently, CPFL Eficiência is focused on supplying demands of the PEE and P&D programs of Aneel, in projects related to the photovoltaic solar generation, energy storage and energy self-production.

CPFL Atende: CPFL Atende is a Clients' Relations and Contact Center Company, incorporated to render services both to the companies of our group and to other companies. Some of the services provided are: service on-site (face to face with its clients), *Back Office* Services, Credit Recovery, Customer Service (SAC), Ombudsman Service, *Service Desk* and Sales.

CPFL Total: On November 6, 2020, it was approved, under the terms of article 252 and ss. of Law 6.404/76, the corporate operation of incorporation of shares of CPFL Total, whose operations were discontinued in 2016, so that it becomes a wholly owned subsidiary of Alesta, with the consequent increase of capital stock by the shareholders CPFL Energia and CPFL Brasil in order to improve internal processes with the specialization of the activities developed and ensure better use of technical expertise and obtain synergistic gains with the unification of these assets in the structure of Alesta.

CPFL Infra: CPFL Infra provides asset management services, such as services related to automobile fleets, real estate and administrative functions and building maintenance and security.

CPFL Supre: CPFL Supre provides planning and management services and logistics and management of the supply chain. Those services include purchases, coordination of materials, distribution and logistics.

CPFL Finanças: CPFL Finanças provides financial organization and operational services to give support to the decision making of our businesses. Those services include accounting, budget, billing and payments.

CPFL Pessoas: CPFL Pessoas provides human resources and people management services. Those services include payroll, benefits, management and recruitment of third parties and hiring of employees.

c. characteristics of the target markets, notably:

The Brazilian Electric Sector

According to ANEEL, on December 31, 2020, the Installed Capacity of energy generation in Brazil was 179.3 GW. Historically, approximately 65% of the total of Installed Capacity in Brazil originates from hydric plants. Big expansion hydroelectric plants tend to be distant from the consumption centers. This requires the construction of big high and extra-high voltage transmission lines (230kV to 750kV) that frequently cross the territory of several states. Brazil has a robust electric network system, with over 154,430 km of transmission lines with voltages equal or higher than 230 kV and processing capacity of approximately 325.000 MVA from the state of Rio Grande do Sul through the state of Amazonas.

According to EPE, the electric energy consumption in Brazil had a 1.6% decrease in 2020, reaching 481,819 GWh, mainly due to COVID-19. However, MME and EPE estimated that the electric energy consumption will grow 3.6% per year until 2025. According to the expansion plan of ten years published by MME and by EPE to fulfill the expectation of demand growth, the Installed Capacity of Brasil may reach 204 GW until 2030, of which it is estimated that 106.4 GW (52%) is hydroelectric, 26.4 GW (13%) is estimated to be thermal electric and 51.9 GW (35,0%) is estimated to be from other renewable sources.

Currently, 30.2% of the Installed Capacity in Brazil is owned by Eletrobrás, a shareholding Corporation held by the Brazilian Government. We are an important player of the electric generation sector, with 2.5% interest in the market.

i. participation in each one of the markets;

Consumers

We classify our consumers in five main categories. Consult note 27 of our audited and consolidated financial statements for a breakdown of our sales per category.

- *Industrial consumers.* Sales to industrial end consumers accounted for 16.5% of electric energy sales revenues in 2020, in revenue terms.

- *Residential consumers.* Sales to residential end consumers accounted for 48.4% or four electric energy sales revenues in 2020, in revenue terms.

- *Commercial consumers.* Sales to commercial end consumers, that includes companies that provide services, universities and hospitals, accounted for 21.0% of our electric energy sales revenues in 2020, in revenue terms.

- *Rural consumers.* Sales to rural consumers accounted for 4.5% of our electric energy sales revenues in 2020.

- *Other consumers.* Sales to other consumers, that include public services, such as public lighting, accounted for 9.6% of our electric energy sales revenues in our distribution segment in 2020.

In addition, the Company clarifies that its whole revenues come from national consumers, and so the Company is not dependent at all on the foreign market.

ii. competitive conditions in the markets;

Competition

We face competition from other commercializing and generating companies in the electric energy sale to Free Consumers. The distribution and transmission companies must allow the use of their lines and auxiliary installations for the distribution and transmission of electric energy by others by means of tariff receipt.

According to the Brazilian legislation and the terms set in our concession contracts, all our hydroelectric authorizations and concessions and for distribution may be renewed once, provided they are given approval by the Ministry of Mines and Energy or by ANEEL, in the capacity as the granting power, provided the concessionaire requests renewal and provided that certain parameters in relation to the rendering of the public service or exploration of hydroelectric energy have been complied. We intend to request the renewal of each one of our concessions by the time of their expiry. We may face significant competitiveness from third parties when applying for the renewal of those concessions or when attempting to obtain any new concessions. As it is a future event, in case we have competitiveness, we could not indicate possible competitors for the renewal of our concession. The Brazilian Federal Government has full discretion concerning the renewal of the already existing concessions, and the acquisition of certain concessions by the competitors could negatively affect the results of our operations. Moreover, there is no guarantee that the renewal of certain concessions will be granted on the same grounds of the current relevant concessions.

In addition, the Company clarifies that, as per the terms of the applicable legislation, the other distributors cannot distribute energy in the Company's concession territory, and so the clients that are located in the respective region may only acquire energy from the Company, except the consumers that become Free Consumers, which may acquire energy directly in the Free Market.

d. eventual seasonality;

Distribution

Each consumer presents typical consumption characteristics, depending on the climate variations, period of the year, geographic region and consumption class to which it belongs, thus introducing periods of seasonality in the energy sales.

The concession area encompassed by the distribution companies of CPFL Group presents diversity, both n geographical terms and consumers' class, which attenuates the seasonal characteristic of energy consumption and consequently of the Company's businesses. During the summer vacation periods, for example, the biggest flow of tourists at the beaches results in an increase of energy consumption in the residential class in the region. As for the industrial class, it typically registers a higher energy consumption in the 2nd semester, when the industry advances the production for the Christmas Season sales. The commercial class, in its turn, receives strong influence of the temperature, presenting a higher consumption in the summer.

Generation

The energy generated by the CPFL hydropower plants receives influence from the hydrological regime of the rivers where they are implemented. This way, PCHs, that are located in São Paulo State, as well as the UHE Serra da Mesa, that is located in Goiás State, follow the hydrological regie of the Southern and Midwestern Regions, with a period of humidity from December to April and the drought period from

May to November. The UHEs Monte Claro, Barra Grande, Campos Novos, Castro Alves, PCHs Sul Centrais, 14 de Julho and Foz do Chapecó, located in the states of Rio Grande do Sul and Santa Catarina, follow the hydrological regime of the Southern Region, where the rainfall is well distributed throughout the year, except for the months of June and July, the drier months.

However, it should be highlighted that, according to the Brazilian standards, the revenue originated from the sale of energy does not depend on the energy that is effectively generated, but instead, on the physical guarantee of each plant, whose quantity is fixed, being approved by the Granting Power, containing the respective concession contract or the administrative act issued for that purpose. The differences between the generated energy and the physical guarantee are addressed in the MRE – Mechanism of Energy Allocation. The main purpose of the MRE is to mitigate the hydrological risks, ensuring that all participating plants will receive by its Physical Guarantee level, regardless of the energy quantity effectively generated by them. In other words, the MRE allocates the energy transferring the exceeding portion of those that generated beyond their physical guarantees, to those that generated below them. The effective generation is set by ONS, due to the energy demand and the hydrological conditions of the National Interconnected System - SIN. The energy quantity generated above or below the Physical Guarantee, is valued by a tariff called "Optimization Energy Tariff" - TEO, that covers the operational and maintenance costs of the plant. This additional revenue or expense will be monthly accounted for each generator.

e. main consumables and raw materials, informing:

i. the description of the relations kept with the suppliers, including if they are subjected to the governmental control or regulation, with indication of the bodies and the respective applicable legislation;

Electric Energy Purchases

The biggest portion of the electric energy that we sell is acquired from unrelated parties, instead of being generated in our installations. In 2020, 11.6% of the electric energy total acquired by our distributors was acquired from our generation subsidiaries (including our jointly controlled entities).

In 2020, we purchased 10,973 GWh of electric energy from Itaipu Plant, reaching 14.1% of the total electric energy acquired. Itaipu is located on the border of Brazil and Paraguay and is object of a bilateral treaty between the two countries, by means of which Brazil committed to buy previously set electric energy quantities. This treaty will expire in 2023. The electric energy public services providers that operate under concessions in the Midwestern, Southern and Southeastern regions of Brazil are obliged as per the law to purchase a portion of the electric energy that Brazil is obliged to purchase from Itaipu. The quantities that those companies are obliged to acquired are set as per take-or-pay contracts, with tariffs set in North-American dollars per kW. ANEEL annually sets the quantity of electric energy to be sold by Itaipu. We pay for the energy acquired from Itaipu according to the proportion between the quantity set by ANEEL and our part-quota set as per the law, whether or not Itaipu has generated this quantity of electric energy, at a price of US$ 28.41/kW. Our purchases represent 19.4% of the total supply of Itaipu to Brazil. This part-quota was set as per the law, according to the quantity of electric energy sold in 1991. The paid tariffs are set according to the bilateral treaty and set in a way as to cover Itaipu's operational expenses, the payment of the principal and interest of its debts, expressed in North-American dollars and the energy transmission costs to its concession areas.

Itaipu plant has an exclusive transmission network. The distribution companies pay a fee to use this network.

In 2020, we paid an average of R$ 348.85 per GWh for the purchases of Itaipu's electric energy, compared to R$ 253.52 during 2019 and R$ 240.03 during 2018. Those figures do not include the transmission fee.

We purchased 59,415 GWh of electric energy 2020 from other generating companies in addition to Itaipu, representing 82% of the total electric energy that we purchased. We paid an average of R$ 220.72 per GWh for the purchase of electric energy from other generating companies in addition to

Itaipu, compared to R$ 237.61 per GWh in 2019 and R$ 227.30 per GWh in 2018. Consult "— The New Regulatory Framework — The Regulated Market "and "— The New Regulatory Framework — The Free Market" to obtain additional information about the regulated Market and the Free Market.

The table below shows the amounts purchased from our suppliers in the Regulated Market and in the Free Market, in the year-ends shown.

	2020	2019	2018
	GWh	GWh	GWh
Energy purchased for resale			
Itaipu	10,973	11,021	11,117
Cash Market/ Proinfa Program	1,098	1,102	1,111(1)
Energy purchased in the Regulated Market by means of bilateral contracts	62,644	66,283	61,461(2)
TOTAL	**74,715**	**78,406**	**73,689**

(1) Energy purchased for resale only through Proinfa Program.

(2) Energy purchased for resale through the Regulatory Market and bilateral contracts, as well as in the cash market.

The provisions of our electric energy supply contracts are governed as per ANEEL regulation. The main provisions of each contract are in respect of the quantity of electric energy acquired, the price, including the increases for the several factors, such as inflation indices and the contract term. Since 2013 all the distribution companies in Brazil have been obliged to purchase electric energy from generating concessions, whose concessions were renewed as per the terms of Law nr. 12.783/13. The electric energy tariffs and volumes to be purchased by each distributor, as well as the terms applicable to each contract among the generating and distribution companies, were set by ANEEL by means of regulations. Once the distribution companies have to contract, on an advance basis 100% of their demand for energy, by means of public auctions and are authorized to transfer only 105% of the costs related to the energy purchase to the consumers, any quotas involuntarily attributed to be acquired from the generating companies whose concessions were renewed as per the terms of Law nr. 12.783/13, resulting in a cost higher than the 105% permitted of their projected demand, thus generating additional costs to the distributors. As a result, Normative Resolution nr. 706, as of March 29, 2016 defined that the costs related to the involuntarily allocated quotas may be transferred to the consumers and the energy volume compensated in the existing energy auction in the next years. See Item 4.1.j – Risk Factors – "*Our operating revenues depend on the existing hydrological conditions. The poor hydrological condition may affect our operating income*" and item 4.1.d – Risk Factors – "*In our Distribution business, we must forecast the energy demand in the market. If the effective demand is different from that one, we forecasted, we may be forced to purchase or sell energy in the spot Market at prices that may generate additional costs, which we may not be able to transfer fully to the consumers*" of this Reference Form.

On June 10, 2018, ANEEL edited Normative Resolution nr. 824/2018, establishing a new mechanism called Mechanism of Surplus Sale to allow the sale of surplus energy purchased by the distributors to Free and Special Consumers, producers and self-producers. The Mechanism of Surplus Sale is voluntary for sellers and buyers and must periodically occur several times a year by means of 12-month, 6-month and 3-month contracts, with settlement by the balance price set for each submarket and type of energy. In 2019, mechanisms of surplus sales were made on January 4, March 29, June 24-25, and September 24. We participated in the first two mechanisms. In 2019, ANEEL and CCEE began to assess improvements in the mechanism to foresee several bids for the same product, changes to the tie-breaking procedures and new products in the 6 months from July to December, 2019. Those improvements, discussed in the context of the Public Hearing nr. 33/2019 and Public Consultation nr. 34/2019 (Second Phase of the Public Hearing nr. 33/2019), were approved by ANNEL Normative Resolution nr. 869/2020.

Currently, the big discussion around MVE is related to the determination of the results of the mechanism and its respective tariff transfer, discussed in the scope of the Public Hearing nr. 25/2019. The end of the discussion and the approval of the transfer rule are essential to make the mechanism more effective. As the conclusion of this theme is still pending, the distributors of the CPFL Group have no longer been participating in any MVE processing since 2019, waiting for the conclusion of the referred Public Hearing.

Transmission Tariffs. In 2020, we paid a total of R$ 2,990 million in tariffs for the use of the transmission network, including tariffs of the Basic Network, high voltage electric energy connection and transmission tariffs of Itaipu with fees set by ANEEL.

ii. eventual dependence on a few suppliers;

To our distribution subsidiaries, Itaipu Binacional is the biggest supplier of electric energy, as detailed in the previous item.

To our thermal power generation subsidiaries, there is dependence on a single supplier for fossil fuels.

iii. eventual volatility in its prices.

Eventual differences between the purchase and sale contracts of energy and the generated or consumed energies are settled in the short-term at the Chamber of Electric Energy Commercialization – CCEE at the Settlement Price of Differences – PLD. The PLD is calculated weekly by CCEE based on the hydrological conditions, the energy demand outlook, the fuel prices, deficit costs, entry of new projects and on the availability of generation and transmission equipment. For the calculation, a computer model is used which obtains the ideal dispatch (generation) for the period under study, defining the hydraulic general and the thermal generation for each submarket and the Operation Marginal Costs ("CMO") for the studied period, for each charge level and for each submarket. The PLD is a value based on the Operation Marginal Costs, limited by a maximum and minimum price that is current for each period of calculation and for each submarket. These limits are annually set by ANEEL.

Therefore, big variations in the input data and/o in the hydrological status month by month, may make the PLD change significantly, mainly in the persistence of periods of drought, when there is an unexpected drawdown in the reservoirs, indicating the need to actuate more expensive thermal plants

7.4 Identify if there are clients who account for more than 10% of the total net revenue of the issuer, informing:

a. Total amount of the revenues coming for the client

There is not a client, who is, individually, accountable for over 10% of CPFL net revenue.

b. Operational segments affected by the revenues that come from the client

There is not a client, who is, individually, accountable for over 10% of CPFL net revenue.

7.5 Describe the relevant effects of the state regulation on the issuer's activities, making comments about:

The Main Regulatory Authorities

Ministry of Mines and Energy - MME

MME is the main authority of the Brazilian government in the electric sector. After the approval of the Law of the New Electric Sector Model in 2004, the Brazilian government, mainly acting through MME, assumed certain obligations that in the past were under ANEEL's liability, including the wording of the guidelines that rules the granting of the concession and the issuance of instructions for the bidding process in concessions related to public services and assets.

National Energy Policy Council- CNPE

CNPE, a committee that was created in August, 1997, renders counseling to the President of the Republic of Brazil with regard to the development and creation of the national energy policy. The CNPE is chaired by the Ministry of Mines and Energy and is formed by eight ministers of the Federal Government, three members chosen by the President of the Republic of Brazil, another representative of MME and the EPE Chairman. The CNPE was created with the purpose of optimizing the use of energy resources of Brazil and guarantee the electric energy national supply.

Brazilian Electricity Regulatory Agency - ANEEL

ANEEL is an autonomous federal autarchy whose main responsibility is to rule and inspect the electric sector according to the policy set by the MME, together with other matters assigned to it by the Federal Government and by MME. ANEEL's current responsibilities include, among others: (i) inspection of concessions for the activities of electric energy generation, transmission and distribution, including approval of electric energy tariffs; (ii) the enactment of regulatory acts to the electric sector; (iii) the implementation and regulation of exploration of energy sources, including the use of hydropower energy (iv) the promotion of biding processes for new concessions; (v) the solution to administrative litigations among generating entities and electric energy buyers; and (vi) the definition of the criteria and methodology to set transmission tariffs.

Electric System National Operator - ONS

The ONS is a non-profitable organization that coordinates and controls the production and transmission of energy by companies dedicated to the generation, transmission and distribution of electric energy. The main role of ONS is to supervise the generation and transmission operations of the National Interconnected System, as per the regulation and supervision of ANEEL. The ONS objectives and main responsibilities include: (i) the generation operation planning; (ii) the organization and control of the use of the national network and international interconnections; (iii) the guarantee for access to the transmission network in a non-discriminatory manner, to all agents of the sector; (iv) the supply of subsidies for the electric system expansion planning; (v) the presentation to MME of proposals for the expansion of the Basic Network; and (vi) the proposition of norms for the transmission system operation for approval by ANEEL.

Chamber of Electric Energy Commercialization - CCEE

The CCEE is a non-profitable organization subjected to ANEEL's authorization, inspection and regulation. The CCEE substituted the Energy Whosale Market. The CCEE is responsible for (i) the registry of all CCEARs and all contracts resulting from adjustment auctions, as well as for the quantity of energy of the contracts entered into in the free contracting environment, (ii) the accounting and settlement of the amounts of electric energy that are commercialized in the short-term Market and (iii) administering and operating the CDE Account, the RGR fund and the CCC. The CCEE is formed by the entities that have concessions, permits or authorizations of electric energy services, and by the Free and Special

Consumers, among other attributions. The CCEE is integrated by entities that have concessions, permits or authorizations of electric energy services and by the Free and Special Consumers. Its Board of Directors is made up by four members assigned by the referred parties, and a member assigned by the MME. The member assigned by the MME acts as the Chairman of the Board of Directors.

Energy Research Company - EPE

On August 16, 2004, the Brazilian government created the EPE, a federal public company in charge of the performance of strategic studies and research in the electric sector, oil, natural gas, coal and energy renewable energy sources industries. The studies and pieces of research developed by EPE subsidize the formulation of the energy policy by MME.

Electric Sector Monitoring Committee - CMSE

The Law of the Electric Sector New Model created the Monitoring Committee of the Electric Sector, or CMSE, that acts under MME guidance. The CMSE is in charge of the monitoring of the system supply conditions and of the indication of measures to be taken to correct problems.

a) need of governmental authorizations for the performance of activities and history of the relation with the public administration to obtain said authorizations;

Concessions and Authorizations

The Brazilian Federal Constitution provisions that the development, use and sale of electric energy may be performed directly, by the Brazilian government, or indirectly, by means of granting of concessions, permits or authorizations. Historically, the Brazilian electric energy sector has been dominated by concessions of generation, transmission and distribution held by the federal or state governments.

The companies or consortia that intend to build or operate electric energy generation, transmission or distribution facilities in Brazil must request the granting of concession, permit or authorization, as is the case, to MME or to ANEEL, in their capacity as representatives of the Federal Government. Concessions or permits are granted by means of more complex procedures or bidding, and the authorizations are granted by means of more simple administrative procedures or by means of public auctions for the energy purchase and sale. Generation businesses with power lower than 5 MW are released from the granting, and the ANNEEL registry being necessary.

Concessions

The concession grant rights to generate, transmit or distribute electric energy in the respective area of concession during a determined period (as opposed to the permits and authorizations that may be revoked at any time as per the MME's discretion, by consulting ANEEL). This period generally has the term of 35 years for new concessions of generation and 30 years for new concessions of transmission or distribution. An existing concession may be renewed, as per the granting power discretion, and by means of the compliance with certain requisites by the concessionaire.

The Law of Concessions (Law nr. 8.987, as of February 13, 1995) sets, among other provisions, the conditions that the concessionaire must comply with when rendering electric energy services, the consumers' rights and the obligations of the concessionaire and of the granting power. In addition, the concessionaire must comply with the regulations in force of the electric sector. The main provisions of the Law of Concessions are described briefly below:

Adequate Service. The concessionaire must render adequate service in order to fulfill the regularity, continuity, efficiency, safety and access to service parameters.

Rights of way. The concessionaire may use public properties or request the granting power for the expropriation of the necessary private properties, to the benefit of the concessionaire. In this case, the concessionaire is liable for the pertinent indemnities.

Objective Liability. The concessionaire is directly liable for all damages that result from the rendering of its services.

Changes to the corporate holding. The granting power shall approve of any direct or indirect change to the corporate shareholding of the concessionaire.

The granting power intervention. As provisioned in Law nr. 12.767, as of December 27, 2021, as amended by Law nr. 12.839, as of July, 2013, the granting power may intervene in the concession, by means of ANEEL, with the purpose of ensuring the proper rendering of services, as well as the faithful compliance with the pertinent contractual and regulatory norms. Within the term of 30 days after the decree date, ANEEL shall start an administrative procedure in which the concessionaire will be ensured the right to claim. During the term of the administrative procedure, the intervenor shall be responsible for the rendering of services, object of the concession. The administrative procedure shall be concluded in one year (and it may be extended for additional two years). In order to have the intervention terminated and for the concession to return to the concessionaire, the concessionaire shareholder must present a detailed recovery plan to ANEEL and must correct the irregularities identified by ANEEL.

Extinction of the concession. The extinction of the concession contract may be advanced by means of expropriation and/or forfeiture. Expropriation is the advance rescission of the concession, due to reasons related to the public interest that must be expressly declared by a specific authoritative law. Forfeiture must be declared by the granting power after ANEEL or the MME has issued a normative act indicating that the concessionaire (i) failed to render services adequately or did not comply with the applicable legislation or regulation; (ii) it no longer has technical, financial or economic capacity to render the service adequately; or (iii) it did not serve the penalties eventually enforced by the granting power, among other things. The concessionaire may file a claim against any expropriation and/or forfeiture. The concessionaire has the right to be indemnified due to the investments made in the reversible assets which have not been fully amortized or depreciated, discounting any contractual fines and damages caused by it. On December 10, 2014, our distribution companies signed an amendment to the concession contract, guaranteeing that in the end of the concession, the company will receive or pay the balance of the sectorial financial assets and liabilities. ANEEL raised discussions to define the rules for the filing of the forfeiture proceeding of the concession by means of a Public Consultation nr. 024/2019 and, further, regulated the theme with the publication of the Normative Resolution nr. 896, as of November 17, 2020.

The Concession Term. By the time of the termination of the concession term, all assets, rights and privileges that are materially related to the electric energy rendering of services will be reverted to the Federal Government. After the expiry of the contractual term, the concessionaire will have the right to be indemnified for the investments made in assets, which have not been fully amortized or depreciated. However, the term to receive the indemnity is not provisioned by the law.

Renewal. Law nr. 12.783, as of January 11, 2013, specified the conditions for the renewal of the generation, transmission and distribution concessions granted as per the terms of articles 17, 19 or 22 of Law nr. 9.074, as of July 7, 1995. As per the terms of Law nr. 12.783/13, those concessions may be extended once, as per the Brazilian government discretion, for up to 30 years, in order to guarantee the continuity and the efficiency of the rendered services and low tariffs. Additionally, Law nr. 12.783/13 allowed the holders of concessions that would expire in 2015, 2016 and 2017 to apply for the advance renewal, subjected to certain conditions. The renewal of the generation concessions depends on the compliance with the following conditions: (i) tariffs calculated by ANEEL for each hydropower plant; (ii) attribution of energy quotas to the distribution companies of the National Interconnected System, and (iii) fulfillment of the service quality standards as set by ANEEL. For the renewal, the remaining assets not amortized on the date of the renewal would be indemnified and the indemnity payment would not be considered in the annual revenue. The remuneration related to the new assets or existing assets which were not indemnified would be considered in the annual revenue. Resolution nr. 521/12, published by ANEEL on December 14, 2012, set that if the generation concessions operated by distribution companies are renewed, as per the terms of Law nr. 12.783/13, the generation concessions must be administered by an independent entity of the distribution company within the term of twelve months from the renewal date. Law nr. 12.783/13 also extinguished two sectorial charges, the CCC and the RGR Fund (consult "Tariff Charges – RGR Fund and UBP" and "Tariff Charges – CDE Account"). In

addition, Law nr. 13.360/2016 enabled the holders of concessions of hydropower plants with up to 50 MW of Installed Capacity that have not been renewed yet 54 to apply for renewals of 30 years, subjected to a contribution to UBP, as defined by the granting power, and to the payment of a CFURH rate for the use of water to the municipality where said use occurs.

Specifically with regard to the distribution concessions, in 2015, the Brazilian government issued Decree nr. 8.461/2015, setting new standards to be followed by the concessionaires, mainly with regard to the quality, administration and price. Within the term of five years from the date of the renewal, the concessionaire must abide by those standards and reach the annual targets. If the annual targets are not reached, the holders of the concessionaire may be obliged to make additional capital expenses. Additionally, if the concessionaire fails to reach the annual targets for two consecutive years or fail to fulfill any of the standards required in the end of the period of five years, the concession may be cancelled or the holding of the concessionaire may be transferred (See Item 4.1.j – Risk Factors – "We cannot guarantee the renewal of our concessions and authorizations").

Penalties. ANEEL regulations govern the enforcement of sanctions to the participants of the electric sector and classify the pertinent penalties based on the type and seriousness of the breach (including warnings, fines and forfeiture). To each breach, the fines may be of up to 2.0% of the annual revenue (net of tax on the added value and tax on services) of the concessionaires or, if the defaulted concession is not operative, of up to 2.0% of the estimated amount of energy that would be produced by the concessionaires in the period of 12 months prior to the breach. The infractions that may result in fines refer to the omission of the concessionaire to request for ANNEEL approval, among others, in case of: (i) entering into contracts with the related parties in the cases as provisioned in the regulation; (ii) sale or assignment of assets that are necessary for the rendering of the public service as well as the enforcement of any liens on them (including any real guarantee, fidejussionary, pledge or mortgage) or on other assets related to the concession or to the revenue of the electric energy services; and (iii) changes to the control of the concession holder. In case of contracts entered into between the related parties that are submitted for approval by ANEEL, ANEEL may enforce restrictions to the terms and conditions of those contracts and, under extreme circumstances, order the contract rescission. Consult item 4.1d – Risk factors – "*We may not be able to comply with the terms of our concession contracts, authorizations and permits, which may cause fines, other penalties and, depending on the seriousness of the default, the termination of our concessions or authorizations*".

Authorizations

Authorizations are unilateral and discretionary acts performed by the granting authority. Differently from the concessions, usually, the authorizations do not need a public bidding. As an exception to the general rule, the authorization may also be granted to potential energy producers after auction processes for the purchase of energy, conducted by ANEEL.

In the energy generation sector, the Independent Energy Producers and the self-producers may hold an authorization, instead of a concession. They are granted specific authorizations or concessions to explore the hydric resources that merely allow them to produce, use or sell electric energy. Each authorization granted to an Independent Energy Producer or to self-producers sets the rights and duties of the authorized company. The companies have the right to ask ANEEL to make expropriations in its name and to its benefit, being subjected to inspection by the regulatory authorities and to prior approval by ANEEL in case of change of holding control. In addition, the unilateral rescission of the authorization ensures the authorized company the right to indemnity by the granting authority for the incurred damages. The authorizations have a variable term and may be renewed, as per the discretion of the granting power, for variable period, as per Law nr. 9.074/1995.

An Energy Independent Producer may sell a portion or the total of its production to clients at its own risk. The self-producer may sell or negotiate any excess energy, which it is incapable of consuming, by means of specific authorization by ANEEL. The Energy Independent Producers and the self-producer are not granted the rights of monopoly and are not subjected to rice control, with the exception of specific cases. The Energy Independent Producers compete with providers of public services and among themselves by bigger clients, groups of clients of distribution companies or any client that is not supplied by one concessionaire. The Energy Independent Producers and the self-producer are subjected to a series of penalties due to the failure for the compliance with the

authorization terms. The following penalties may be enforced: (i) warning notifications; (ii) default fines of up to 2.0% on the annual revenue generated by the respective authorization or if the respective authorization is not operational, of up to 2.0% of the estimated energy volume that could have been produced in the period of 12 months prior to the default; (iii) interdiction of the construction activities; (iv) restrictions to the existing installation operations and equipment; (v) intervention; or (vi) the authorization cancellation.

Permits

In the Brazilian electric sector, the permits have a very restricted use. The permits are granted to energy generation rural cooperatives, that provide energy to their members and occasionally to the consumers that do not belong to the cooperative, in areas that are normally supplied by big Distributors. The permits are not an important part of the Brazilian energy matrix.

b) the issuer's environmental policy and costs incurred for the fulfillment of the environmental regulation and, as is the case, of other environmental practices, including the adherence to the environmental protection international standards;

Environmental Issues

The Federal Constitution of 1988 grants both the federal government and the state governments powers to enact laws intended to protect the environment. A similar power is granted to the municipalities whose local interest may be affected. The municipal laws are considered as a complement of the federal and state laws. The breaching party of the applicable environmental legislations may be subjected to administrative and criminal sanctions, being obliged to repair and/or render indemnity due to environmental damages. The administrative sanctions may include considerable fines and suspension of activities, and the criminal sanctions in addition to including fines, related to individuals (including directors and employees of companies that commit environmental crimes) may include imprisonment.

Our energy distribution, transmission and generation are subjected to environmental licensing procedures that include the elaboration of the environmental impact assessments before the construction of the installations and the implementation of mitigation programs or compensation of the negative environmental impacts and potentialization of the positive impacts during the construction and operation of those installations. Once the respective environmental licenses are obtained, the license holder will continue to be obliged to fulfill the several specific requirements.

The environmental issues related to the construction of new electric energy generating units require specific considerations. For this reason, CPFL Geração administers said issues in order to ensure that the environmental policies and obligations are given adequate attention. The decisions are made by the environmental committees, whose members include representatives of each partnership of the project and the divisions of environmental management of each plant. Our environmental committees are in constant interaction with the governmental bodies, in order to guarantee the environmental compliance and future generation of electric energy. In addition, we help the programs of the local communities that allocate rural families of collective settlements and provide institutional support to the families engaged in the local biodiversity conservation.

In order to ensure the compliance with the environmental laws, we implemented an environmental management system in compliance with the best environmental practices in all our segments. We set am identification, assessment and update process in relation to the applicable environmental laws, as well as other requirements that are applicable to our environmental management system. In addition, our generation and distribution segment are submitted to internal audits in order to ensure that they are in agreement with the environmental internal policies, as well as independent audit that checks if our activities are compliant with the ISO 14.001 standard. Our environmental management projects take our budgets and realistic estimates into consideration, with the purpose of always achieving the best financial, social and environmental results.

c) dependence on patents, brands, licenses, concessions, franchises, royalties contracts relevant to the development of the activities.

Since the edition of Law nr. 9.991, as of July 24, 2000, the companies that hold concessions, permits and authorizations for the distribution, generation and transmission of electric energy have been obliged to dedicate at least 1.0% of their net operating revenue every year in research, development and programs of energy efficiency. The small-size hydropower stations, the wind, solar and biomass energy projects are not subjected to this requirement. As from April, 2007, our distribution concessionaires dedicated 0.5% of their net operating revenue to research and development activities and 0.5% to energy efficiency programs, whereas our generating companies dedicated 1.0% of their net operating revenue to research and development activities. 0.3% of the net operating revenue of outs distribution concessionaires dedicated to research and development is directed to MME and to the National Scientific and Technological Development Fund or FNDCT, and the remaining 0.2% are administered and invested by our distribution concessionaires. 0.1% of the net operating revenue of our distribution concessionaires that is dedicated to energy efficiency programs is directed to the National Program of Electric Energy Conservation and the other 0.4% are administered and invested by our distribution concessionaires. Similarly for our generation concessionaires, 0.6% of the net operating revenue dedicated to research and development is directed to MME and to FNDCT and the remaining 0.4% are administered and invested by our generation concessionaires.

Our energy efficiency program is elaborated to promote the efficient use of electric energy by our consumers. And reduce the technical and commercial losses and offer products and services to improve the satisfaction, fidelity and to improve the image of our company. Our research and development programs use the technological research to develop products, which may be used internal and also sold to the public. We conduct some of those programs by means of strategic partnerships with the universities and national research centers and a big portion of our resources is dedicated to the innovation and to the development of new technologies applicable to our business.

Our disbursement in research and development programs (regulatory charges) in the years ended December 31, 2020, 2019 and 2018 totaled R$ 257 million, R$ 117 million, R$ 116 million, respectively. The reported amount includes the disbursements of our distribution concessionaires, energy transmission companies and generation concessionaires, including companies with specific purposes in which CPFL holds minority interest.

7.6 In relation to the countries from which the issuer obtains relevant revenues, identify (the information must refer to the latest financial statements):

a) revenue originated from clients attributed to the headquarters country of the issuer and its interest in the total net revenue of the issuer;

There are no revenues originated from foreign countries, 100% of the Net Operating Revenues of CPFL Energia were earned in the Brazilian territory in the years ended December 31, 2020, 2019 and 2018.

b) revenue originated from clients attributed to each foreign country and its interest in the total net revenue of the issuer;

There are no revenues originated from foreign countries.

c) total revenue originated from foreign countries and its interest in the total net revenue of the issuer.

There are no revenues originated from foreign countries.

7.7 In relation to the foreign countries referred to in item 7.6, inform to what extent the issuer is subjected to the regulation of those countries and how this subjection affects the issuer's businesses.

Item not applicable, as CPFL Energia does not earn revenues in foreign countries.

7.8 In relation to the social – environmental policies, indicate: a) If the issuer discloses social and environmental information; b) The methodology applied in the elaboration of those pieces of information; c) If those pieces of information are audited or reviewed by an independent entity; and d) The page on the world wide web where those pieces of information can be found.

a) a) if the issuer discloses social – environmental information;

The Company publishes the Sustainability Annual Report taking into consideration the Sustainable Development Objectives (ODS) of the United Nations Organization (ONU), with the purpose of keeping a transparent relationship with all publics.

In addition to this Annual Report, in Portuguese and English, the Company discloses other corporate materials and documents with contents related to the social- environmental practices of the company on the investors' relations website, in addition to information continuously disclosed on the CPF Energia institutional website, CPFL Institute website, by means of the press relations office, social networks and other communication and relationship channels.

Annually, CPFL Energia also publishes its Inventory of Greenhouse Gas (GEE) in the Public Registry of Emissions, the biggest database of corporate inventories of Latin America. Other information about our performance of emissions are also available at the *Carbon Disclosure Project* (CDP) – Climate Change form.

Now, the social – environmental guidelines are available at the Sustainability Policy, at the Social Investment Policy and in the Code of Ethical Conduct.

a) the methodology used to elaborate the referred information;

The Company uses the *GRI Standards* (*Global Reporting Initiative)* methodology and the integrated report principles proposed by the *IIRC (International Integrated Reporting Council)* for the Annual Report.

In order to demonstrate the integration of our strategy with the Sustainable Development Objectives – the ODS of the United Nations – U.N., we inserted in the Annual Report the ODS brands at all times when our initiatives contribute so that one or more of those objectives is achieved and we also correlate them in the GRI Content Summary in the end of the document. This report is also a Communication of the Progress – COP of Global Compact and Social Environmental Report requested by the National Electric Energy Agency – ANEEL.

With regard to the GEE Inventory, the following methodologies are used: Specifications of the Brazilian Program GHG Protocol; Specifications of the Verification of the Brazilian Program GHG Protocol; *GHG Protocol Corporate Accounting and Reporting Standard*; NBR ISO 14064 Standard; and *IPCC Guidelines for National Greenhouse Gas Inventories*

b) If the information is audited or reviewed by an independent entity;

Yes, the Annual Report 2020 was audited by RINA Brasil Serviços Técnicos Ltda.

c) the page on the world wide web where that information can be found.

- Institutional website: www.cpfl.com.br
- Institutional website / sustainability page: www.cpfl.com.br/sustentabilidade
- Investors' relations website: www.cpfl.com.br/ri
- CPFL Institute website: www.institutocpfl.org.br
- Ethics Management and Development System website: www.cpfl.com.br/etica
- Link to the latest editions of the Annual Report: https://www.cpfl.com.br/institucional/relatorio-anual/Paginas/default.aspx

- Link to GEE Inventories published on the Public Registry of Emissions: https://www.registropublicodeemissoes.com.br/participantes/1077
- Direct link to the Sustainability Policy: https://cpfl.riweb.com.br/Download.aspx?Arquivo=fABvJ63uWt9pU2sU/3w0Tw==&IdCanal=olsyny6JfF4xM17t4H2oqA==
- Direct Link to Social Investment Policy: https://cpfl.riweb.com.br/Download.aspx?Arquivo=8uy/NGqKql88XUdazmssfw==&IdCanal=olsyny6JfF4xM17t4H2oqA==
- Direct Link to Ethics Code of Conduct: https://www.cpfl.com.br/institucional/etica-na-rede/o-codigo-de-etica/Paginas/default.aspx
- CDP Link CDP (if applicable): https://www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5Bname%5D=CPFL

7.9 Provide other information that the issuer deems as relevant

Law of the New Electric Sector Model

Since 1995, the Brazilian government has adopted several measures to improve the Brazilian Electric Sector. Those measures ended up, on March 15, 2004, in the enactment of the Law of the New Electric Sector Model, which restructured the electric energy sector, with the utmost objective to offer the consumers a safe electric energy supply at an adequate tariff.

The Law of the New Electric Sector Model introduced relevant amendments in the electric sector norms with the intention of (i) providing incentives to the private and public companies for the construction and maintenance of the generating capacity, and (ii) ensuring the electric energy supply in Brazil, with adequate tariffs, by means of electric energy competitive auction processes. The main elements of the Law of the New Electric Sector Model include:

- The creation of two "environments" for electric energy commercialization, being (i) the regulated market, a more stable market in terms of electric energy supply, the environment of regulated contracting; and (ii) a market specifically directed to certain participants (that is, Free Consumers and commercialization agents), which enable a certain degree of competition, referred to as free contracting environment.
- Restrictions to certain activities of the distributors, in order to demand that those concentrate themselves in their essential distribution business, to promote more efficient and reliable services to Captive Consumers.
- Elimination of the right to the so-called self-contracting, in order to stimulate the distributors to buy electric energy with lower prices available, instead of buying electric energy from related parties.
- Maintenance of agreed contracts prior to the enactment of the Law of the New Electric Sector Model, in a way as to ensure legal certainty to the operations performed before its enactment.

The Law of the New Electric Model Sector excluded Eletrobrás and its subsidiaries from the National Program of Privatization of State-Owned Companies, originally created by the Federal Government in 1990 with the purpose of promoting the privatization process of state-owned companies.

Regulations as per the terms of the Law of the New Electric Sector Model include, among other provisions, the norms related to auction procedures, the form of PPAs and the method of transfer of costs to the End Consumers. As per the terms of the regulation, all parties that purchase electric energy must contract the totality of their electric energy demand according to the guidelines of the Law of the New Electric Sector Model. The parties that sell electric energy must present the corresponding physical guarantee, for example, the quantity of energy sold at CCEE must be previously purchased in the scope of PPAs and/or generated by plants of the own seller. The agents that do not comply with said requirements shall be liable to penalties imposed by ANEEL and CCEE.

As from 2005, every electric energy generation, distribution and transmission agent, Energy Independent Producers or Free and Special Consumers shall notify MME, until August 1st of each year, its market or charge forecast, as is the case, to each one of the five subsequent years Each distribution agent shall notify MME in up to sixty days prior to each energy auction, about the quantity of energy it intends to contract in the auctions. Based on the referred information, MME shall set the total quantity of energy to be contracted in the regulated contracting environment and the list of generation projects that may participate in the auctions.

On April 4, 2019, MME issued Ordinance nr. 187/2019, that set a work group intended to develop legal and regulatory improvements in (i) price signals; (ii) decreasing charges and increasing its transparency; (iii) adjusting the generation expansion to the new supply requisites; (iv) segregate capacity and energy products; and (v) set an adequate and gradual market offer. The work group report described a series of actions that generally involve the start of public hearings process and the development of detailed studies about the matters discussed by the work group from 2020 to 2022. The impact in the Brazilian legal and regulatory frameworks of those actions is still uncertain.

Environment for the Electric Energy Commercialization

As per the terms of the Law of the New Electric Sector Model, the electric energy purchase and sale operations are performed in two different market segments: (i) the regulated contracting environment, that foresees the purchase by the distributors, by means of auctions, of all the electric energy that is necessary for the supply to their consumers and, (ii) the free contracting environment, that encompasses the electric energy purchase by non-regulated agents (such as Free Consumers and commercial entities of electric energy).

The electric energy distributors fulfill their obligations of meeting the totality of their market mainly by means of public auctions. The distributors may also purchase electric energy with no need of the public auction process, originated from: (i) the generators directly connected to said distributor, except the hydropower generators with capacity above 30 MW and certain thermal electric generators and affiliated generators; (ii) electric energy generation projects that are participants of the first phase of the PROINFA Program, a program focused on diversifying the energy sources of Brazil; (iii) Itaipu Plant; (iv) auctions administered by the distributors, if the market that they supply to is not higher than 500 GWh/year; and (v) hydropower plants whose concessions were renewed by the government as per the terms of Law nr. 12.783/13 (in the latter case, in "energy quotas" distributed among the distribution companies by the Brazilian government, with the price set by MME/ANEEL). The electric energy generated by Itaipu continues to be sold by Eletrobrás to the distribution concessionaires that operate the Southern/ Southeastern/ Mid-Western National Interconnected System, although no specific contract has been entered into by those concessionaires. The price by which the electric energy generated in Itaipu is commercialized is set in North-American dollars and as per the treaty entered into between Brazil and Paraguay. As a consequence, the Itaipu electric energy prices are subjected, however, to the mechanism of cost recovery of Portion A, shown below in "Electric Energy Supply Tariffs". In addition, the electric energy distributors may also sell the exceeding energy to Free and Special Consumers, generators and self-generators by using the Surplus Sale Mechanism, set by Normative Resolution nr. 824/2018 of ANEEL. The Surplus Sale Mechanism must occur periodically several times a year by means of 12-month, 6-month and 3-month contracts, with liquidation on the balance price set for each submarket and energy type.

Regulated Contracting Environment - ACR

In the regulated contracting environment, the distributors buy their electric energy projected needs for distribution to their Captive Consumers of generators by means of public auctions. The auctions are coordinated by ANEEL, directly or indirectly, and are held through CCEE.

The electric energy purchases are made by means of two types of bilateral contracts: (i) Energy Quantity Contracts; and (ii) Energy Availability Contracts. As per the terms of the Energy Quantity Contracts, the generator is committed to provide a certain quantity of electric energy and undertakes the risk that the electric energy supply may be eventually damaged due to hydrologic conditions and low level in the reservoirs, among other conditions, that could interrupt the electric energy supply, and in which case the generating unit must buy electric energy from another source to fulfill their supply commitments. As per the terms of the Energy Availability Contracts, the generating unit commits to provide a certain capacity to the regulated contracting environment. In this case, the generating unit revenue is guaranteed and the distributors jointly face the hydrologic risk. Jointly, those contracts constitute the CCEARs.

As per the Law of the New Electric Sector Model, certain limits being complied (as explained below), the electric energy distributors have the right to transfer to their respective consumers the cost related to the electric energy acquired by them in public auctions, as well as any taxes and charges of the sector.

In relation to the granting of new concessions, the regulations require that the biddings for new Hydropower Plants must include, among other aspects, the minimum percentage of electric energy to be supplied to the regulated contracting environment.

Free Contracting Environment

The free contracting environment encompasses the operations among the generating companies, independent producers of electric energy, self-producers, electric energy commercialization companies, electric energy importers, Free Consumers and Special Consumers. The free contracting environment may also include bilateral contracts that exist between the generators and distributors until the respective expiry. When they expire, said contracts must entered into as per the terms of the guidelines of the Law of the New Electric Sector Model. However, the generators usually sell their generation simultaneously, dividing the total of energy between the Regulated Market and the Free Market. It is possible to sell energy separately in one of more markets.

The Free Consumers are divided into two types: Conventional Free Consumers and Special Free Consumers:

- Conventional Free Consumers are those whose demand of contracted energy was at least 2.5 MW on July 1st, 2019. This limit was reduced as per MME Ordinances nr. 514/2018 and nr. 465/2019. The new limits defined by MME, according to the current Ordinance, area 2.0 MW, since January 1st, 2020 and 1.5 MW since January 1, 2021, with a perspective of1 MW as from January 1, 2022 and 0.5 MW as from January 1, 2023. According to MME Ordinance nr. 465/2019, until January 31, 2022, ANEEL and CCEE must present a study about the necessary regulatory measures to allow the free market offer to consumers with charges below 500 kW, including the offer schedule energy trader as from January 1st, 2024. Those consumers may choose to acquire all or a portion of their conventional energy or of incentive energy (renewable sources), from another agent of the supplier, as per the terms of the current legislation. We refer to the consumers that exercised this option as "Conventional Free Consumers".

- Special Free Consumers are individual consumers or groups of consumers whose demand for contracted energy, individual energy or both, varies from 500 kW to 1.5 MW. The consumers that have exercise this option are referred to as "Special Free Consumers". The Special Free Consumers may only acquire energy from renewable sources: (i) Small-size Hydropower Stations with a capacity higher than 5,000 kW and equal or lower than 30,000 kW; (ii) hydropower generators with a capacity higher than 5,000 kW and equal or lower than 50,000 kW, in the scope of the energy independent production regime, whether or not it has a characteristic of a small-size hydropower station; (iii) generators with a capacity limited to 3,000 kW; and (iv) alternative energy generators (solar, wind or biomass businesses) whose generated capacity does not exceed 50,000 kW. The public generators may sell electric energy to the Free Consumers, but, differently from the private generators, these units may only do so by means of auction processes.

We also refer to the consumers that fulfill the respective requisites of the demand, but that have not exercised the option of migrating to the Free Market as "Potential Conventional Free Consumers" or "Potential Special Free Consumers", as is the case, and, in general, as "Potential Free Consumers".

Latest Developments in the Free Market

On December 28, 2018, MME issued Ordinance nr. 514/2018, that reduces the requirements to become a Conventional Energy Free Consumer, reducing the minimum demand of contracted energy from 3.0 MW to 2.5 MW, to be effective as from July 1st, 2019 and 2.5 MW to 2.0 MW, to be effective as from January 1st, 2020. On December 12, 2019, MME issued Ordinance nr. 465/2019, that updated the requirements for the Conventional Energy Free Consumer, reducing the minimum demand of contracted energy to 1.5 MW as from January 1, 2021, 1 MW as from January 1, 2022 and 0.5 MW as from January 1, 2023. This action does not increase the number of consumers that are eligible to the Free Market because consumers with 500 kW of charge may already migrate, but with a limit of energy purchase only from subsidized sources. The gradual decrease in the charge limits gives flexibility to the rule, allowing the consumers to acquire energy from conventional sources as well. MME also set, as per Ordinance nr. 465/2019, that until January, 2022, ANEEL and CCEE must submit studies about the regulatory measures that are necessary to allow the Free Market offer to consumers with charges below 500 kW. A proposal of a schedule to a fully free market may also be presented until January, 2024.

Auctions in the Regulated Contracting Environment

As per Decree nr. 9.143/2017, the energy auctions for new generation projects under process are held as "n" auctions, where "n" means the number of years before the date of the initial delivery and, currently, it varies from three to seven (referred to as "A-3", "A-4", "A-5", "A-6" e "A-7" auctions). The electricity auctions of the existing energy generation installations occur (i) from one to five years before the date of the initial delivery (referred to as "A-1", "A-2", "A-3", "A-4" e "A-5" auctions) or (ii) four months before the delivery date (referred to as "market adjustments").
Auction announcements are prepared by ANEEL as per the guidelines set by MME, which include the requirement to use the lowest energy price offered as a criterion to determine the auction winner.

Each generation company that participates in an auction signs a contract for the purchase and sale of electricity with each distribution company, the CCEAR, proportionately to the respective estimated demand for electricity and price set in the auction by the distributors. The only exception to those rules refers to the market adjustment auction, in which the contracts are signed directly between generation and distribution companies and are limited to a term of two years. The total quantity of contracted energy in those Market adjustment auctions may not exceed 5.0% of the total quantity of energy contracted by each Distributor. The CCEAR contains the standard and non-negotiable terms and conditions that are set by ANEEL. A significant portion of our CCEARs estimated that the price will be annually increased according to the IPCA. However, some of our CCEARs set other indices to increase prices, such as the fuel prices. The distributor grant financial guarantees (mainly receivable from the distribution service) to generators, in order to guarantee its payment obligations as per the CCEAR.

With regard to the CCEARs derived from the energy auctions, said energy from the existing generation businesses, there are three possibilities of permanent reduction of the contracted quantities, that is, (i) compensation due to the withdrawal of Potential Free Consumers from the regulated contracting environment; (ii) reduction, as per the distributor's discretion, of up to 4.0% per year in the initial contracted amount as from the existing energy generation, excluding the first year of supply, to be adapted to the Market deviations in face of the demand projections, as from the second year subsequent to the year of the declaration that gave origin to the respective purchase; and (iii) adaptation to the energy volumes set in the energy purchase contracts signed before March 17, 2004. It is also possible to reduce New Energy volumes by means of the New Energy Leftovers and Deficit Compensation Mechanism (MCSDEN), as well as to request energy additional volumes as well; based on the declarations of leftovers and deficit by the distributors, the mechanism makes the compensation among the companies, in the proportion of the declarations. In addition, ANEEL Normative Resolution nr. 824/2018 set the Surplus Sale Mechanism, which allows the energy distributors to voluntarily sell the surplus to Free and Special Consumers, generators and self-generators, periodically, several times a year, by means of 12-month, 6-month and 3-month contracts.

Since 2005, CCEE has successfully held 33 auctions for new generation projects, 22 auctions specifically for the existing energy generation installations, 3 auctions for projects for the generation of alternative sources and 10 auctions, qualified as "reserve energy". As per Decree nr. 9.143/2017, MME must publish an estimated annual schedule of regulated auctions until March 30 of each year and, until August 1 of each year the distributors must provide their electric energy estimated for the five subsequent years. Based on the information above, MME sets the total volume of electric energy to be transacted in the auction and decides which generation companies may participate in the auction. As a general rule, the contracts entered into in an auction have the following terms: (i) from 15 to 35 years from the start of the supply in cases of new generation projects; (ii) from 1 to 15 years as from the year subsequent to the auction in cases of existing energy generation installations; (iii) from 10 to 35 years from the start of the supply in cases of alternative energy generation projects; and (iv) the maximum of 35 years for reserve energy.

After the conclusion of the auction, the generators and the distributors sign the CCEAR, in which the parties set the price and quantity of energy contracted in the auction. A big portion of our CCEARs sets that the price will be corrected annually by the IPCA variation. However, we make use of other indicators for price correction of our CCEARs, such as the price of fuels. The distributors offer financial guarantees

to the generators (mainly amounts receivable of the distribution service) in order to guarantee their payment liabilities as per the terms of CCEAR.

The Annual Reference Amount

The regulation also sets a mechanism, the Annual Reference Amount, which limits the amounts of the costs that may be transferred to the Final Consumers. The Annual Reference Amount corresponds to the weighted average of the electric energy prices in "A-6", "A-5", "A-4" and "A-3" auctions, calculated to all distribution companies. The amounts of the auctions for alternative energy generation projects and for projects indicated as priority ones by CNPE are not considered in the calculation of the Annual Reference Amount.

The Annual Reference Amount creates an incentive so that the distribution companies contract their expected electricity demands at the lowest price in "A-6", "A-5", "A-4" and "A-3" auctions. The regulation sets the following limitations related to the capacity of the distribution companies to transfer costs to consumers: (i) no transfer of costs for electricity purchases that exceed 105% of the actual demand; and (ii) limited transfer of costs with electric energy purchases in "A-3" and "A-4" auctions, if the volume of the acquired energy exceeds 2.0% of electricity demand. As per Decree nr. 9.143/2017, the costs of electricity new generation and existing generation projects are fully transferred to consumers. The MME sets the maximum acquisition price for the electricity generated by existing projects that is included in the auctions of electricity sale to the distributors; and, if the distributors do not comply with the obligation of fully contracting their demand, the transfer of costs of the energy acquired in the commodities spot market will be the lowest of PLD and of the Annual Reference Amount.

The PLD is used to evaluate the energy transacted in the spot market. It is calculated for each submarket and charge level on a weekly basis and it is based on the operation marginal cost. The PLD maximum amount for 2019 was set at R$ 559.75, as per Resolution nr. 2.655/2019 of ANEEL. Prior to this deliberation, the PLD maximum amount was set at R$ 513.89 (Resolution nr. 2.498/2018) and R$ 505.18 (Resolution nr. 2.364/2017. ANEEL also set the maximum amount PLD hour for the purposes of the "shadow operation" in 2020 at R$ 1,148.36/MWh. The hour operation officially started on January 1st, 2021.

Electric Energy Commercialization Convention

ANEEL Resolutions nr. 109 of 2004, and nr. 210 of 2006, conducted the creation of the Electric Energy Commercialization Convention. The referred Convention rules CCEE organization and administration, as well as the conditions for the electric energy commercialization. It also defines, among others: (i) the rights and obligations of CCEE participants CCEE; (ii) the penalties to be imposed to defaulted participants; (iii) the structure for solving controversies; (iv) the commercialization rules both in the regulated contracting environment and in the free contracting environment; and (v) the accounting and offsetting process for short-term transactions.

Restrictions to Activities of the Distributors

The distributors that are members of the National Interconnected System must not (i) conduct businesses related to the electric energy generation or transmission; (ii) sell electric energy to Free Consumers, except those located in its concession area and under the same conditions and tariffs applied to Captive Consumers; (iii) hold, directly or indirectly, any interest in any other company, corporation or limited liability company; or (iv) conduct businesses that have no relation with its respective concessions, except the ones permitted as per the law or as per the pertinent concession contract. The generators cannot have the holding or significant corporate interest in the distributors.

As per the terms of Decree nr. 9.143/2017, the electric energy distributors were authorized to negotiate energy surpluses with Free Consumers and other agents of the Free Market (generators, commercial and self-producers). This right was already replaced by the Mechanism of Surplus Sale, that was introduced by Normative Resolution nr. 824/2018 of ANEEL and became effective in January, 2019.

Elimination of the Self-Contracting Right

Taking into account that the electric energy purchase for distribution to Captive Consumers is currently made in the regulated contracting environment the so-called self-contacting (authorization for the distributors to supply up to 30.0% of their electric energy needs by contracting electric energy from self-production or acquired from related parties) is no longer allowed, except in the context of contracts duly approved by ANEEL prior to the enactment of the Law of the New Electric Sector Model.

Questioning about the constitutionality of the Law of the New Electric Sector Model

Political parties are currently contesting the constitutionality of the Law of the New Electric Sector Model before the Federal Supreme Court. In October, 2007, the Federal Supreme Court issued a decision related to the appeals that were claimed in the scope of the suit, denying the refereed appeals by the majority of votes. So far, there has not been a final decision yet about this merit and we do not know when it will be pronounced. In the meantime, the Law of the New Electric Energy Model continues to be in force. Notwithstanding the final decision of the Federal Supreme Court, we expect that certain provisions of the Law of the New Electric Energy Model related to the prohibition to the distributors to dedicate to activities that are not related to the electric energy distribution by the distributors, including the electric energy sales to Free Consumers, and the elimination of the right to self-contracting, continue effective.

If the Federal Supreme Court considers the whole or the relevant portion of the Law of the New Electric Energy Model as unconstitutional, the regulatory scheme introduced by the Law of the Ne Electric Energy Model will have no effects, which will generate uncertainty related to the mode how and when the Brazilian government will be able to reform the electric energy sector.

Limitations to the Concentration in the Electric Energy Market

ANEEL had set limits to the concentration of certain services and activities in the electric sector, which were extinguished as per Resolution nr. 378, as of November 10, 2009.

As per the terms of Resolution nr. 378, ANEEL currently presents potential breaches in free competition in the electric energy sector for analysis by the SDE, which is under CADE's responsibility, since Law nr. 12.529/2011 was in force. ANEEL also has the power to monitor the activity on the potential free competition, be it at its own discretion or as requested by CADE, identifying: (i) the relevant market; (ii) the influence of the parties engaged in the energy exchange in the submarkets where they operate; (iii) the real exercise of the Market power in relation to the market prices; (iv) the participation of the parties in the energy generation market; (v) the transmission, distribution and commercialization of energy in all the submarkets; and (vi) the efficiency gains of the distribution agents during the tariff review processes.

In practical terms, the role of ANEEL is limited to provide CADE technical information to support the CADE's technical opinions. CADE, in its turn, adheres to the comments and decisions of ANEEL, and it may only disregard them if it demonstrates its reasons to do so. Before Law nr. 12.529/2011 became effective, certain responsibilities attributable to CADE were exercised by SDE and technical opinions related to competition issues were issued by SDE in the lower court and decided by CADE in the higher court.

Governmental Incentives to the Electric Sector

In 2000, a federal decree created the Thermoelectricity Priority Program, or PPT, aiming at diversifying the Brazilian energy matrix and at reducing its high dependence on hydro power plants. The incentives granted to the thermoelectric plants as per the terms of PPT include (i) guaranteed supply of gas during 20 years, as per the MME regulation; (ii) guarantee of the transfer of costs related to the electric energy acquisition produced by thermoelectric plants up to the limit of the normative amount as per ANNEL's regulations ANEEL; and (iii) guaranteed access to the special financing program of the Brazilian Development Bank, or BNDES to the electric sector.

In 2002, the Brazilian government established the Alternative Sources Incentive Program, or PROINFA Program. As per the terms of PROINFA Program, Eletrobrás offers purchase guarantees of up to 20

years for the energy generated by alternative sources, and the energy is acquired by distribution companies to be delivered to End Consumers. The acquisition cost of this alternative energy is supported by the End Consumers on a monthly basis (except low income End Consumers, who are exempted), based on the estimated plans of annual purchases, prepared by Eletrobrás and approved by ANEEL. In its initial phase, PROINFA was limited to a total contracted capacity of 3,299 MW. The objective of this initiative was to reach a contracted capacity of up to 10% of electric energy annual total consumption of Brazil in 20 years, as from 2002.

Aiming at creating incentives to the alternative energy generators, the Brazilian government set that a reduction not lower than 50% applies to the values of the TUSD due, by (i) Small-Size Hydropower Stations with capacity from 3,000 kW to 30,000 kW; (ii) Hydropower Plants with capacity of up to 3,000 kW; and (iii) alternative energy generators (solar, wind or biomass businesses) with capacity of up to 30,000 kW. The reduction is applicable to the TUSD due by the generation entity and also by its consumer. The amount of reduction of TUSD is review and approved by ANEEL and reimbursed monthly through the CDE Account by means of deposits made by Eletrobrás.

Tariff Charges

Reserve Energy Charge – EER

The Reserve Energy Charge, EER, is a regulatory fee charged monthly, created to collect funds for the reserve energy contracted by CCEE. Those energy reserves are used to improve the safety of energy supply in the National Interconnected System. The EER é collected monthly from the End Consumers of the National Interconnected System registered at CCEE.

RGR and UBP Fund

Under certain circumstances, electric energy companies are indemnified in relation to certain assets used due to the concession, in case of revoking or expropriation of the concession. In 1957, the Brazilian government created the reserve fund intended to provide funds for said indemnity, known as RGR Fund. The companies that operate under public service regime must make, in the form of a monthly contribution to the RGR Fund, an annual percentage equal to 2.5% of the investments in the company's fixed assets related to the public service, however, without exceeding 3.0% of the total operating revenues at any year-end. Law nr. 12.431, as of 2011 extended the validity of this rate until 2035. However, Law nr. 12.783/13 set that, as from January 1st, 2013, this charge is no longer levied on the distribution, generation or transmission companies, whose concessions were extended as per the terms of the referred law, or the new generation and transmission concessionaires.

The Electric Energy Independent Producers that use hydroelectric sources must also pay a similar rate charged from public service companies in relation to the RGR Fund. The Electric Energy Independent Producers must make payments to the Use of a Public Asset Fund, or UBP, according to the rules as set in the bidding process relative to the corresponding concession. Eletrobrás received payments related to the UBP Fund until December 31, 2002. All charges related to the UBP Fund since December 31, 2002 were directly paid to the Brazilian government.

Energy Development Account - CDE

In 2002, the Brazilian government created the Energy Development Account, or CDE, which is supplied by means of annual payments made by the concessionaires for the use of the public asset, fines and sanctions enforced by ANEEL and annual rates paid by agents that supply electric energy to the Final Consumers, by means of a charge to be added to the tariffs related to the use of the transmission and distribution systems. Those rates are annually adjusted. CDE was originally created to give support to: (i) the development of the electric energy production throughout the country; (ii) the production of electric energy by means of energy renewable sources; and (iii) the universalization of the electric energy public service throughout Brazil. In addition, CDE subsidizes the operations of thermoelectric energy generation companies for the purchase of fuel in isolated areas not connected to the National Interconnected System, whose costs were borne by the Fuel Consumption Account, or CCC, before the enactment of Law nr. 12.783/13. Since January 23, 2013 (Decree nr. 7.891/13), CDE has subsidized

the discount of certain categories of consumers, such as Special Consumers, rural consumers, distribution concessionaires and permissionaires, among others. As per Decree nr. 7.945, as of March 7, 2013, the Brazilian government decided to use the CDE to subsidize: (i) the portion of the thermal generation energy costs acquired by the distributors in 2013; (ii) hydrological risks of the generation concessions renewed as per Law 12.783/13; (iii) subcontracting of involuntary energy as some generators did not renew their contracts and the energy produced of those concessions was not allocated among the distributors; (iv) a portion of the ESS and of the CVA, and so the impact of those tariff increases in connection to these two components was limited to 3% increase from March 8, 2013 to March 7, 2014. CDE has been in force for 25 years as from 2002. It is regulated by ANEEL and administered by Eletrobrás.

System Service Charge – ESS

Resolution nr. 173, as of November 28, 2005 set the ESS, which, since January, 2006 has been included in the price and rate corrections for distribution concessionaires that belong to the National Interconnected System. This charge is based on the annual estimates made by the ONS on October 31 of each year.

In 2013, due to the adverse hydrologic conditions, the ONS dispatched a series of Thermoelectric Plants, leading to an increase in costs. Those dispatches caused a significant increase in the System Service Charge Related to Energy Security, or ESS-SE. As the ESS-SE charge only applies to the distributors (although it may be further transferred to consumers) and to Free Consumers, the CNPE decided, as per Resolution nr. 03/2013, to share the costs, extending the ESS-SE charge to all participants of the electric energy sector. This decision increased the cost base of our subsidiaries in businesses, except the distributors (as they cannot transfer the cost to consumers), mainly our Generation segment. However, some participants of the industry, including our generation subsidiaries, are claiming the validity of Resolution nr. 03/2013 and obtained a preliminary injunction, that was confirmed by the Federal Supreme Court, ("STF"), exempting them from the ESS-SE.

Rate for the Use of Hydric Resources – CFURH

The Law of the New Electric Sector Model demands that the holders of a concession and of authorization for use of hydric resources pay a rate of 7.00% of the amount of the energy that they generate for the use of said installations. This charge must be paid to the federal district, the states and municipalities in which the plant or its reservoir is located.

Electric Energy Services Inspection Rate - TFSEE

The TFSEE is an annual rate due by the holders of concessions, permits or authorizations in the proportion of their size and activities.

ONS Rate

The ONS rate due monthly by the distribution concessionaires is used to finance the ONS budget in its function of coordination and control of energy production and transmission in the National Interconnected System.

Payment Default of Regulatory Charges

The Law of the New Electric Sector Model set that failure to pay the contributions to the regulatory agent, or failure to make other payments, such as the ones due because of the purchase of electric energy in the regulated contracting environment or from Itaipu, shall hinder the defaulted party from making increases or reviews of its tariff (except due to extraordinary reviews) and from receiving funds from the RGR Fund and from CDE.

Energy Allocation Mechanism

Protection against certain hydrologic risks for hydroelectric generators with centralized dispatch is provided by MRE, that attempts to mitigate the risks inherent to the hydraulic energy generation determining that hydroelectric generators must share the hydrological risks of the National Interconnected System. According to the Brazilian legislation, each hydroelectric plant is attributed an Assured Energy, set in each pertinent concession contract, regardless of the quantity of electric energy generated by the plant. The MRE transfers the surplus energy from those that generated beyond their Assured Energy to those that generated below that. The effective dispatch of generation is determined by the ONS, considering the energy demand at national scope and the hydrologic conditions. The quantity of energy effectively generated by the plants, be it above or below the Assured Energy, is priced by a tariff called Energy Tariff Optimization ("TEO"), that covers the operation and maintenance costs of the plant. This additional revenue or expense must be accounted monthly to each generator.

Generation Scaling Factor

The Generation Scaling Factor, or GSF, is an index that compares the sum of the energy volume generated by the hydroelectric companies' participants of the Energy Allocation Mechanism, or MRE and the volume of Assured Energy that they must deliver per contract. If the GSF index is lower than 1.0, that is, if less energy is being generated than the Total Assured Energy, the hydroelectric companies must buy energy in the spot market to cover the lack of energy and fulfill the volumes of Assured Energy, as per the terms of the MRE. From 2005 to 2012, the GSF remained above 1.0. The GSF began to decrease in 2013, getting worse in 2014, when it remained below 1.0 throughout the year. In 2015, the GSF varied from 0.783 to 0.825, requiring the electric energy generators to acquire energy in the spot Market, therefore being incurred into significant costs.

Subsequently to the discussions kept among the generator companies and the Brazilian government about those costs, the government issued the Federal Law nr. 13.203, on December 8, 2015. This law approached the GSF risk separately to the Regulated Market and to the Free Market. To the Regulated Market, Federal Law nr. 13.203/15 allowed the generation companies to renegotiate their energy contracts, setting a ceiling for the GSF cost at a risk premium of R$9.50/MWh per year, until the final term of the energy purchase contract or the concession termination, whichever occurred first. This risk premium will be paid to the Centralizing Account for Tariff Flag Revenues, or CCRBT.

In December, 2015, our generation subsidiaries, Ceran, CPFL Jaguari Geração (Paulista Lajeado) and CPFL Renováveis, and our *joint ventures* ENERCAN e Chapecoense chose to renegotiate their contracts of the Regulated Market and also withdrew their legal suits. In January, 2016, our joint controlled company BAESA chose to renegotiate its ACR contracts. Therefore, the hydrologic risk was transferred to CCRBT.

In 2020, Law nr.14.052/2020 was published, that established the new conditions for the renegotiation of the hydrological risks by means of the extension of the grant to the hydroelectric plants of MRE that suffered impacts with transmission delays for flowing, transmission operation for flowing under dissatisfactory condition and advance of the Physical Guarantee of the structuring ventures (UHEs Belo Monte and Complexo do Madeira). The final amounts that the agents are still entitled to must be published by the Chamber of Electric Energy Commercialization – CCEE and by ANEEL in 2021.

8. Extraordinary transaction

8.1 Indicate the acquisition or disposal of any relevant asset that does not fit as normal operation in the issuer's business

There was no acquisition not related to the normal operation of the Company's business in the last three (3) fiscal years, as well as in the current fiscal year.

8.2 Indicate significant changes in the way the issuer's business is conducted

There were no significant changes in the way the Company's business was conducted in the last three (3) fiscal years, as well as in the current fiscal year.

8.3 Identify the relevant contracts concluded by the issuer and its subsidiaries not directly related to its operational activities.

In the last fiscal years and in the current fiscal year, there were no relevant contracts concluded by the Company and its subsidiaries that were not directly related to our operational activities.

8.4 Provide other information that the issuer deems relevant.

In relation to the subsidiary CPFL Renováveis, we had its mandatory Tender Offer for indirect disposal of control, the Madatory Tender Offer of the company on November 26, 2018 carried out by the group's parent company. As a result of the auction, State Grid acquired 243,771,824 common shares issued by the company, representing 48.39% of CPFL Renováveis' capital. The common shares were acquired at the price of R$ 16.85, totaling R$ 4.1 billion. State Grid and CPFL Geração (indirectly controlled by State Grid) now held jointly, 503,520,623 common shares issued by the company, equivalent to 99.94% of the company's total share capital.

The percentage of State Grid's share capital in CPFL Renováveis was diluted to 46.76%, since State Grid did not exercise the right of preference in the capital increase of CPFL Renováveis approved by its board of directors on June 4, 2019 and carried out with the objective of capitalization of an AFAC (Advance for Future Capital Increase) that CPFL Geração held at CPFL Renováveis since 2016. Currently, the percentage of CPFL Geração's share is 99.94% in CPFL Renováveis.

The sale of the Company's control was completed on January 23, 2017, when State Grid became a controlling shareholder of CPFL Energia, with a 54.64% shareholding. Due to the closing of the transaction that resulted in the direct disposal of control of CPFL Energia and in compliance with applicable regulations, State Grid made a tender offer for the acquisition of all common shares held by CPFL Energia's remaining shareholders on November 30, 2017. As reported in the Relevant Fact and in the Market, Release released on November 30 and December 5, 2017, respectively, as a result of the auction, State Grid acquired 408,357,085 common shares issued by the Company, representing 88.44% of the total shares of the Tender Offer and 40.12% of the Company's share capital. The common shares were acquired at the price of R$ 27.69, totaling R$ 11,307,407,683.65. State Grid now held, together with ESC Energia, 964,521,902 common shares issued by the Company, raising its joint stake from 54.64% to 94.75% of the Company's total share capital.

On May 30, 2019, we announced the launch of our Subsequent Public Offering of Shares, which closed on June 28, 2019. In accordance with the Subsequent Offering, we offered 116,817,126 of our common shares in a global offering consisting of (i) a public offering of common shares with restricted sales efforts in Brazil and (ii) a simultaneous international offering of common shares, including in the form of ADSs, in the United States and elsewhere outside Brazil. Also, according to the Subsequent Offering, we sold 17,522,568 additional common shares under a supplementary lot option that closed on June 28, 2019. As a result of the Subsequent Offering, we received net funds of approximately R$ 3,164.3 million before expenses, after deduction of subscription fees. We received net funds of approximately R$ 474.7 million before expenses, after deduction of subscription fees, as a result of the supplementary lot option. After the closing of the Subsequent Offering, State Grid's direct and indirect participation in our share capital decreased to 83.71%.

On September 30, 2019, we announced, jointly with State Grid, the closing of the purchase and sale of shares issued by CPFL Renováveis and the transfer by State Grid to us, of all shares of CPFL Renováveis held directly by State Grid, at a purchase price of R$ 16.85 per share. The total purchase price paid by us to State Grid was R$ 4.1 billion. On December 19, 2019, our board of directors and the board of directors of CPFL Geração approved the tender offer by CPFL Geração to acquire the remaining outstanding common shares of CPFL Renováveis, to allow for the conversion of CPFL Renováveis' registration as a publicly held company of category "A", into a publicly held company of category "B" and/or its exit from the Novo Mercado. This Tender Offer is subject to CVM registration and to B3 authorization. The price per share offered is R$ 16.85, adjusted by SELIC, from the date of the mandatory Tender Offer made by State Grid in November 2018. On April 27, 2020, the Company received approval from CVM related to the request of the Tender Offer for Conversion of Registration

as well as to Tender Offer for the Exit from the New Market. The Public Tender Offer Notice, containing all the terms and conditions of the Tender Offer, was announced by CPFL Geração on May 6, 2020.

On December 18, 2019, CPFL Energia's executive board agreed to: (i) terminate the Second Amended and Restated Deposit Agreement with Citibank N.A. ("Citibank"), related to its American Depositary Receipts ("ADRs"); (ii) delist its ADRs from the New York Stock Exchange ("NYSE"); and (iii) once the Company complied with the applicable requirements, cancel its registration with the U.S. Securities and Exchange Commission of the United States of America ("SEC"). The Company concluded that the economic rationale for maintaining a listing on the NYSE decreased due, in part, to: (i) increases in the traded volume of Brazilian shares in B3 S.A. – Bolsa, Brasil, Balcão ("B3") in Brazil by foreign investors, due to the internationalization of the Brazilian financial and capital markets, in addition to narrowing the distance between the disclosure standards of Brazil and the U.S. regarding financial reports; and (ii) a downward trend in recent years in the trading volume of the Company's ADRs on the NYSE. On February 10, 2020, CPFL Energia, through a Notice to the Market, reported that the delisting of its NYSE ADRs, mentioned in item (ii) above, became effective from that date. On May 8, 2020, CPFL Energy, through a Notice to the Market, reported that, on the delist of its NYSE ADRs, it had filed at U.S. SEC on that date, its post-effective Amendment to Form F-3 to cancel the registration of securities registered and untraded on the basis of that Form F-3. On June 15, 2020, CPFL Energia reported through a Notice to the Market, that in order to comply with the applicable criteria, it had filed on that date before the U.S. SEC, a Form 15F, to cancel its registration and terminate its disclosure obligations under the Exchange Act. After 90 days of the filing without any manifestation by the SEC, the cancelling of the registration and the termination of the disclosure obligations under the Exchange Act became effective.

On September 30, in continuation of the communication made through the Relevant Fact dated May 21, 2019, that concluded, on this date, the second stage of CPFL Renováveis' integration plan through the Corporate Restructuring of CPFL group companies ("Corporate Restructuring") (i) the partial spin off of CPFL Geração with the transfer of its net assets split to CPFL Renováveis; (ii) the total incorporation by CPFL Renováveis of CPFL Centrais Geradoras Ltda. ("CPFL Centrais Geradoras") and (iii) the capital increase of CPFL Renováveis through the payment of credits by CPFL Geração.

The Corporate Restructuring was approved by the National Electric Energy Agency ("ANEEL") on September 22, 2020, through Authoritative Resolutions no. 9.229/2020 and No. 9.230/2020, and the proposal was evaluated and approved internally by the Executive Boards and by the Boards of Directors of the companies involved. The new structure generates strengthening of administrative structures and brings synergies to the group.

As a result of the Corporate Restructuring and as a result of the operations:

1. The Share Capital of CPFL Renováveis became R$ 4,032,291,914.16 (four billion, thirty-two million, two hundred and ninety-one thousand, nine hundred and fourteen reais and sixteen cents), divided into 593,782,504 (five hundred and ninety-three million, seven hundred and eighty-two thousand, five hundred and four) common shares, fully subscribed and paid up;

2. The Share Capital of CPFL Geração became R$ 935,782,718.80 (nine hundred and thirty-five million, seven hundred and eighty-two thousand, seven hundred and eighteen reais and eighty cents), divided into 181,789,018,844 (one hundred and eighty-one billion, seven hundred and eighty nine million, eighteen thousand, eight hundred and forty-four) common shares, fully subscribed and paid-up;

3. There was the extinction of CPFL Centrais Geradoras, which is succeeded by CPFL Renováveis.

Information regarding the operation will be available on the CVM website (www.cvm.gov.br) and CPFL Energia's website (www.cpfl.com.br/ri).

9. Relevant assets

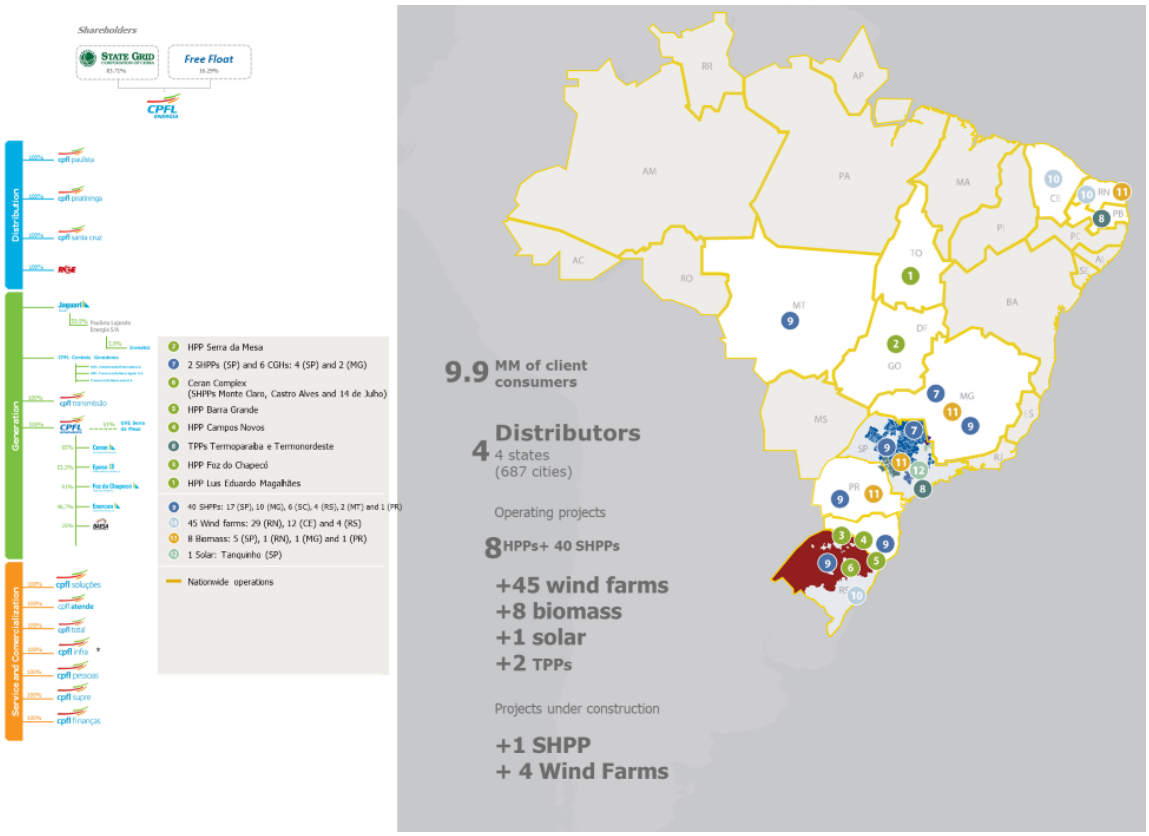
9.1 Describe the non-current assets relevant to the development of the issuer's activities, indicating in particular:

Our main properties consist of hydroelectric power plants. The net book value of our total fixed assets as of December 31, 2020 was R$ 8,798 million. None of our assets individually, generates more than 10% of our total revenues. In general, our facilities are appropriate to our current needs and are appropriate for the purposes for which they are intended.

In accordance with Brazilian law, essential properties, and facilities that we use to fulfill our obligations under our concession agreements may not be transferred, ceded, encumbered, or sold to any of our creditors or seized by them without the prior approval of ANEEL.

For more information about our activities, see items 7.1, 7.1-A, 7.2 and 7.3 of this Reference Form.

The map below shows the location of assets related to distribution (registered in our books as "intangible asset" or "financial asset of the concession"), generation, commercialization, and services activities.



a) fixed assets, including those rented or leased, identifying their location

Company	Property Type	Municipality	Address	Land Area (m²)
CPFL PLANALTO LTDA	Sharing of the Jaguariúna Headquarters - CPFL Planalto	JAGUARIUNA	Rua Vigato, nº 1.620	23,611
CIA PAULISTA DE FORÇA LUZ	SE Seccionadora Franca	FRANCA	Rodovia João Traficante, KM 18, Fazenda Tiririca e Ripa Quinhão 4, Franca-SP	28,000
CIA PAULISTA DE FORÇA LUZ	SE Paulínia 3	PAULINIA	Estrada Cosmopolis-Campinas, Gleba Cascata	9,981
CIA PAULISTA DE FORÇA LUZ	SE Jaci (Future)	JACI	RODOVIA MUNICIPAL ANTONIO VISSOTTO, KM 02 SÍTIO DO LUAR (RODOVIA JACI-MIRASSOL), JACI-SP	9,980
CIA PAULISTA DE FORÇA LUZ	SE Americana 7	AMERICANA	Av. Nicolau João Abdalla -Esquina com a Av. Graciliano Ramos- Loteamento Antônio Zanaga II	9,000
CIA PAULISTA DE FORÇA LUZ	SE Bebedouro 3	BEBEDOURO	Estrada Vicinal BED-Taiuva	8,371
CIA PAULISTA DE FORÇA LUZ	SE Herculândia 1	HERCULANDIA	Margeando a Rua André Valderramas - Chácara Santa Bárbara	4,224
CIA PAULISTA DE FORÇA LUZ	SE Araçatuba 5	ARAÇATUBA	Estrada Boiadeiro -Bairro Córrego do Barro Preto	9,905
CIA PAULISTA DE FORÇA LUZ	SE José Bonifácio 2	JOSE BONIFACIO	Rua Antonio Iza Pereira s/n	8,696
CIA PAULISTA DE FORÇA LUZ	SE Guapiaçu	GUAPIACU	Rodovia Francesco Pullici, Km1	9,731
CIA PAULISTA DE FORÇA LUZ	SE Guararapes 2	GUARARAPES	Estrada Municipal Natal Escotolin- GRR 156	9,975
CIA PAULISTA DE FORÇA LUZ	SE Piracicaba 10	PIRACICABA	Rodovia Piracicaba -São Pedro Km9	14,392
CIA PAULISTA DE FORÇA LUZ	SE São José do Rio Preto 7	SAO JOSE DO RIO PRETO	Av. Alberto Andaló, 3030	10,559
CIA PAULISTA DE FORÇA LUZ	SE São Pedro	SAO PEDRO	Rua Paulo Ribeiro da Fonseca- Travessa Miguel Carrara	4,956
CIA PIRATININGA FORÇA LUZ	SE Capela do Alto	CAPELA DO ALTO	Estrada Braz João Vieira- Bairro Iperó	9,968

CIA. JAGUARI DE ENERGIA	**EA/AG Santa Alice**	**SAO JOSE DO RIO PARDO**	**Avenida Coronel Vicente Dias Junior, 100- Vila Maschietto (Prolongamento Avenida Maria Aparecida Salgado Braghetta)-Fundos Com A Avenida Brasil**	**41,179**
CIA. JAGUARI DE ENERGIA	**Telecom Barra do Jacaré**	**BARRA DO JACARE**	**Rua Logradouro Rural, S/N1, AR Antena de Radio Rural, Barra do Jacaré-PR**	**33,986**
CIA. JAGUARI DE ENERGIA	**AG Jaguariúna II**	**JAGUARIUNA**	**RUA OSVALDO TONINI, Nº 107 – LOJA – NOVA JAGUARIÚNA – CEP: 13919-396**	**490**
CIA. JAGUARI DE ENERGIA	**SE Cerqueira Cesar 2**	**CERQUEIRA CESAR**	**Estrada Municipal - Fazenda Recanto das Abelhas- Bairro Três Ranchos**	**9,752**
CIA. JAGUARI DE ENERGIA	**SE Mococa V**	**MOCOCA**	**Fazenda Santa Clara- Gleba B**	**6,000**
CIA. JAGUARI DE ENERGIA	**AG/EA Avaré**	**AVARE**	**Rua Santa Catarina, 1670**	**1,389**
RGE SUL DISTRIB.ENER. S/A	**SE Passo do Sobrado**	**PASSO DO SOBRADO**	**Rodovia RS 405 - Km 17,5 - S/N - Taquari Mirim - Passo do Sobrado - RS**	**5,605**
RGE SUL DISTRIB.ENER. S/A	**SE Uruguaiana 8**	**URUGUAIANA**	**Estrada BR 290 - S/N - Estrada para Quaraí - Uruguaiana - RS**	**7,125**
RGE SUL DISTRIB.ENER. S/A	**SE Serafina Correa**	**SERAFINA CORRÊA**	**Esquina Nordeste - Projeção da Rua Perugia x Via Vivaldi, nº 192 - Serafina Correa - RS**	**9,989**
RGE SUL DISTRIB.ENER. S/A	**Estação Avançada Crissiumal II**	**CRISSIUMAL**	**RUA DA LADEIRA N°57, ESQUINHA COM A AVENIDA PALMEIRAS DAS MISSÕES, N°1499**	**872**
RGE SUL DISTRIB.ENER. S/A	**Estação Avançada Bom Jesus II**	**BOM JESUS**	**AVENIDA MANOEL SILVEIRA DE AZEVEDO ESQUINA COM A RUA MACHADO DE ASSIS N°3885**	**520**
RGE SUL DISTRIB.ENER. S/A	**Estação Avançada Marau II**	**MARAU**	**RUA JOÃO FATTINI, 489, PAVILHÃO 02, PARQUE EMPRESARIAL VIA, CEP: 99150-000**	**750**
RGE SUL DISTRIB.ENER. S/A	**SE Carlos Baborsa 2**	**CARLOS BARBOSA**	**Rua Domingos Canal- Bairro São Paulo**	**11,282**
RGE SUL DISTRIB.ENER. S/A	**SE Caxias 8**	**CAXIAS DO SUL**	**Rodivia RST 453- Desvio Rizzo- Entroncamento com a RS 122 (Rota do Sol)**	**12,972**
RGE SUL DISTRIB.ENER. S/A	**SE Cruz Alta 3**	**CRUZ ALTA**	**Rua Prudêncio Silveira II - Margeando a Rodovia José Di Pietro**	**9,291**
RGE SUL DISTRIB.ENER. S/A	**SE Erval Seco**	**ERVAL SECO**	**Linha do Caçador - Lote Colonial nº26**	**11,617**
RGE SUL DISTRIB.ENER. S/A	**SE Esteio 2**	**ESTEIO**	**Av. Luis Pasteur -Parque Amadro**	**10,441**
RGE SUL DISTRIB.ENER. S/A	**SE Gramado 2**	**GRAMADO**	**Distrito Renânia**	**8,195**
RGE SUL DISTRIB.ENER. S/A	**SE Igrejinha**	**IGREJINHA**	**Estrada Picada Francesa -Entrocamento com a Rodovia Pres. Tancredo Neves- ERS 115**	**9,828**
RGE SUL DISTRIB.ENER. S/A	**SE Mata**	**MATA**	**Estrada Municipal para o Distrito São Rafael**	**7,692**
RGE SUL DISTRIB.ENER. S/A	**SE Nova Santa Rita 2**	**NOVA SANTA RITA**	**Rua Carlos Gomes s/n Entre M.Oresco e BR 386**	**11,728**
RGE SUL DISTRIB.ENER. S/A	**SE Santa Maria 6**	**SANTA MARIA**	**Av Dom Ivo Lorscheiter (Trecho Projetado da Avenida)**	**10,000**
RGE SUL DISTRIB.ENER. S/A	**SE Santa Rosa 4**	**SANTA ROSA**	**Rua Estanislau Kwiatkowski, s/n**	**10,120**
RGE SUL DISTRIB.ENER. S/A	**SE São José do Sul**	**SAO JOSE DO SUL**	**Estrada Municipal Lindolfo Specht**	**9,666**
RGE SUL DISTRIB.ENER. S/A	**SE Galvão Peixoto**	**GALVAO PEIXOTO**	**Rodovia José Cutrale**	**11,935**
RGE SUL DISTRIB.ENER. S/A	**SE Uruguaiana 9**	**URUGUAIANA**	**Estrada Municipal UR-404**	**8,000**
RGE SUL DISTRIB.ENER. S/A	**EA Alegrete**	**ALEGRETE**	**Av. República Riograndense- Bairro Santos Dumont (lado ímpar- terreno F)**	**4,380**
CPFL ENERGI RENOVÁVEIS SA	**PCH - LUDESA**	**ABELARDO LUZ**	**LINHA LIMEIRA À ABELARDO LUZ - ABELARDO LUZ -SC - CEP: 89830-000**	**39,000**
CPFL ENERGI RENOVÁVEIS SA	**PCH - ANDORINHAS**	**IJUI**	**PCH ANDORINHAS, S/N, ZONA RURAL - IJUI -RS - CEP: 98700-000**	**60,000**
CPFL ENERGI RENOVÁVEIS SA	**PCH - DIAMANTE**	**NORTELANDIA**	**PCH - DIAMANTE, S/N, ZONA RURAL - NORTELANDIA -MT - CEP: 78430-000**	**2,259,000**
CPFL ENERGI RENOVÁVEIS SA	**PCH - GUAPORÉ**	**GUAPORE**	**PCH - GUAPORÉ, S/N, ZONA RURAL - GUAPORE -RS - CEP: 99200-000**	**236,000**
CPFL ENERGI RENOVÁVEIS SA	**PCH - PIRAPO**	**ROQUE GONZALES**	**PCH - PIRAPO, S/N, ZONA RURAL - ROQUE GONZALES -RS - CEP: 97970-000**	**202,000**
CPFL ENERGI RENOVÁVEIS SA	**PCH - PCH SALTINHO**	**VACARIA**	**PCH - PCH SALTINHO, S/N, ZONA RURAL -VACARIA -RS - CEP: 95200-000**	**318,000**

CPFL ENERGI RENOVÁVEIS SA	PCH - SÃO JOAQUIM	SAO JOAQUIM DA BARRA	PCH - SÃO JOAQUIM, S/N, ZONA RURAL -SÃO JOAQUIM DA BARRA -SP - CEP: 14600-000	29,000
CPFL ENERGI RENOVÁVEIS SA	PCH - JAGUARI	PEDREIRA	PCH - JAGUARI, S/N, ZONA RURAL - PEDREIRA -SP - CEP: 13920-000	303,000
CPFL ENERGI RENOVÁVEIS SA	PCH - AIURUOCA	AIURUOCA	PCH - AIURUOCA, S/N, ZONA RURAL - AIURUOCA - - CEP:	4,624,000
CPFL ENERGI RENOVÁVEIS SA	PCH - AIURUOCA	AIURUOCA	PCH - AIURUOCA, S/N, ZONA RURAL - AIURUOCA -MG - CEP: 37450-000	32,000
CPFL ENERGI RENOVÁVEIS SA	PCH - BARRA DA PACIENCIA	AÇUCENA	PCH - BARRA DA PACIENCIA, S/N, ZONA RURAL -ACUCENA -MG - CEP: 35150-000	199,000
CPFL ENERGI RENOVÁVEIS SA	PCH - BARRA DA PACIENCIA	GONZAGA	PCH - BARRA DA PACIENCIA, S/N, ZONA RURAL -GONZAGA -MG - CEP: 39720-000	310,000
CPFL ENERGI RENOVÁVEIS SA	PCH - COCAIS GRANDE	ANTONIO DIAS	PCH - COCAIS GRANDE, S/N, ZONA RURAL -ANTONIO DIAS -MG - CEP: 35177-000	300,000
CPFL ENERGI RENOVÁVEIS SA	PCH - CORRENTE GRANDE	AÇUCENA	PCH - CORRENTE GRANDE, S/N, ZONA RURAL -ACUCENA -MG - CEP: 35150-000	1,548,000
CPFL ENERGI RENOVÁVEIS SA	PCH - NINHO DA ÁGUIA	DELFIM MOREIRA	PCH - NINHO DA ÁGUIA, S/N, ZONA RURAL -DELFIM MOREIRA -MG - CEP: 37514-000	354,000
CPFL ENERGI RENOVÁVEIS SA	PCH - PAIOL	MATHIAS LOBATO	PCH - PAIOL, S/N, ZONA RURAL - MATHIAS LOBATO -MG - CEP: 35110-000	7,000
CPFL ENERGI RENOVÁVEIS SA	PCH - PAIOL	FREI INOCENCIO	PCH - PAIOL, S/N, ZONA RURAL -FREI INOCENCIO -MG - CEP: 35112-000	51,000
CPFL ENERGI RENOVÁVEIS SA	PCH - SÃO GONÇALO	SAO GONCALO DO RIO ABAIXO	PCH - SÃO GONÇALO, S/N, ZONA RURAL -SÃO GONÇALO DO RIO ABAIXO -MG - CEP: 35935-000	1,623,000
CPFL ENERGI RENOVÁVEIS SA	PCH - VARGINHA	CHALE	PCH - VARGINHA, S/N, ZONA RURAL - CHALE -MG - CEP: 36985-000	975,000
CPFL ENERGI RENOVÁVEIS SA	PCH - VARGINHA	SAO JOSE DO MANTIMENTO	PCH - VARGINHA, S/N, ZONA RURAL - SÃO JOSE DO MANTIMENTO -MG - CEP: 36990-000	95,000
CPFL ENERGI RENOVÁVEIS SA	PCH - VARGINHA	DURANDE	PCH - VARGINHA, S/N, ZONA RURAL - DURANDE -MG - CEP: 36974-000	14,000
CPFL ENERGI RENOVÁVEIS SA	PCH - VARZEA ALEGRE	CHALE	PCH - VARZEA ALEGRE, S/N, ZONA RURAL -CHALE -MG - CEP: 36985-000	43,000
CPFL ENERGI RENOVÁVEIS SA	PCH - VARZEA ALEGRE	Manhuaçu	PCH - VARZEA ALEGRE, S/N, ZONA RURAL -MANHUAÇU -MG - CEP: 36900-000	32,000
CPFL ENERGI RENOVÁVEIS SA	PCH - VARZEA ALEGRE	CONCEICAO DE IPANEMA	PCH - VARZEA ALEGRE, S/N, ZONA RURAL -CONCEIÇAO DE IPANEMA -MG - CEP: 36947-000	115,000
CPFL ENERGI RENOVÁVEIS SA	PCH - ALTO IRANI	ARVOREDO	PCH - ALTO IRANI, S/N, ZONA RURAL - ARVOREDO -SC - CEP: 89778-000	1,673,000
CPFL ENERGI RENOVÁVEIS SA	PCH - PLANO ALTO	XAVANTINA	PCH - PLANO ALTO, S/N, ZONA RURAL - XAVANTINA -SC - CEP: 89770-000	1,333,000
CPFL ENERGI RENOVÁVEIS SA	PCH - BOA VISTA 2	VARGINHA	PCH - BOA VISTA 2, S/N, ZONA RURAL -VARGINHA -MG - CEP: 06385-125	304,000
CPFL ENERGI RENOVÁVEIS SA	PCH - SANTA LUZIA	SAO DOMINGOS	PCH - SANTA LUZIA, S/N, ZONA RURAL -SÃO DOMINGOS -SC - CEP: 89835-000	4,195,000
CPFL ENERGI RENOVÁVEIS SA	PCH - NOVO HORIZONTE	BOCAIUVA DO SUL	PCH - NOVO HORIZONTE, S/N, ZONA RURAL -BOVAIUVA DO SUL -PR - CEP: 83450-000	50,000
CPFL ENERGI RENOVÁVEIS SA	PCH - LUDESA	ABELARDO LUZ	PCH - LUDESA, S/N, ZONA RURAL - ABELARDO LUZ -SC - CEP: 89830-000	1,089,000
CPFL ENERGI RENOVÁVEIS SA	PCH - LUDESA	SAO DOMINGOS	PCH - LUDESA, S/N, ZONA RURAL -SÃO DOMINGOS -SC - CEP: 89835-000	44,000
CPFL ENERGI RENOVÁVEIS SA	PCH - MATA VELHA	UNAI	PCH - MATA VELHA, S/N, ZONA RURAL -UNAI -MG - CEP: 38610-000	2,364,000
CPFL ENERGI RENOVÁVEIS SA	PCH - MATA VELHA	CABECEIRA GRANDE	PCH - MATA VELHA, S/N, ZONA RURAL -CABECEIRA GRANDE -MG - CEP: 38625-000	1,991,000
CPFL ENERGI RENOVÁVEIS SA	SOLAR JAGUATIRICA	OUROLANDIA	JAGUATIRICA, S/N, ZONA RURAL - OUROLÂNDIA -BA - CEP: 44718-000	455,000
CPFL ENERGI RENOVÁVEIS SA	PCH LAJE DO IPIRANGA	PONTE NOVA	LAJE DO IPIRANGA - BOM RETIRO, S/N, ZONA RURAL -PONTE NOVA -MG - CEP: 35430-001	297,000
CPFL ENERGI RENOVÁVEIS SA	PCH - BOM RETIRO	PONTE NOVA	PCH - BOM RETIRO, S/N, ZONA RURAL -PONTE NOVA -MG - CEP: 35430-001	290,000
CPFL ENERGI RENOVÁVEIS SA	SOLAR - LAGOA DO MORRO	BOM JESUS DA LAPA	SOLAR - LAGOA DO MORRO, S/N, ZONA RURAL -BOM JESUS DA LAPA -BA - CEP: 47600000	1,520,000
CPFL ENERGI RENOVÁVEIS SA	SOLAR - OURO BRANCO	JACOBINA	SOLAR - OURO BRANCO, S/N, ZONA RURAL -JACOBINA -BA - CEP: 44700-000	9,353,000

CPFL ENERGI RENOVÁVEIS SA	**PCH - LINHA SÃO PAULO**	**CHAPADA**	**PCH - LINHA SÃO PAULO, S/N, ZONA RURAL -CHAPADA -RS - CEP: 99530-000**	**65,000**
CPFL ENERGI RENOVÁVEIS SA	**PCH - LINHA SÃO PAULO**	**ALMIRANTE TAMANDARE DO SUL**	**PCH - LINHA SÃO PAULO, S/N, ZONA RURAL -ALMIRANTE TAMANDARE DO SUL -RS - CEP: 99523-000**	**220,000**
CPFL ENERGI RENOVÁVEIS SA	**Usina Serra da Mesa**	**Minacu**	**Estrada Minaçu a Serra da Mesa, SN, KM 37, Zona Rural, Minaçu-GO, CEP 76.450-000**	**1,000,000,000**
NECT SER ADM FINANC LTDA	**Shared Service Center - SKY - CPFL Finanças**	**INDAIATUBA**	**Avenida Presidente Vargas, 2921 - Vila Homero CEP: 13338-705**	**10,166**
CPFL SERV.EQUI.IND.COM.SA	**Base CCM Valinhos**	**VALINHOS**	**Estrada A, nº 30, Lt. 9-A1 – Qd. N, Macuco**	**2,328**
CPFL SERV.EQUI.IND.COM.SA	**Site Base CCM Valinhos**	**VALINHOS**	**Estrada Luiz de Queiroz Guimarães - km 0,350 - Bairro Macuco**	**7,205**
CPFL SERV.EQUI.IND.COM.SA	**Construction site**	**SAO MIGUEL DO GOSTOSO**	**Fazenda Santo Cristo, Area II**	**4,000**
CPFL SERV.EQUI.IND.COM.SA	**Nova Base CCM**	**MARILIA**	**Rua Carlos Tozin, nº 616 - Distrito Industrial**	**6,200**
CPFL SERV.EQUI.IND.COM.SA	**Project office - Piraju**	**PIRAJU**	**Praça Pedro Longo, 1830 - Conjunto Habitacional Augusto Morini**	**1,861**
CPFL SERV.EQUI.IND.COM.SA	**Construction site - Barra Bonita**	**BARRA BONITA**	**Rua José Irineu Ortigosa 1178**	**3,400**
CPFL SERV.EQUI.IND.COM.SA	**Construction site - Fundo com a Base CCM**	**FRANCA**	**RUA LAURA GUERNER GUIMARÃES, 2442 (Fundo com Rua Ângelo Verzola, 680 - Lote B, Bom Jardim - Base CCM)**	**3,575**
CPFL SERV.EQUI.IND.COM.SA	**New Base CCM Ourinhos**	**OURINHOS**	**R. Onófre Alves Moreira, 1100 - Parque Pacheco Chaves**	**10,500**
CPFL SERV.EQUI.IND.COM.SA	**Cadeia Reversa Santa Maria**	**SANTA MARIA**	**EIXO SECUNDÁRIO 1, 900 – DISTRITO INDUSTRIAL – CEP: 97030-440**	**9,344**
TI NECT SERV.INFORM. LTDA	**Sharing of the Campinas Headquarters - Authi**	**CAMPINAS**	**Rod Engenheiro Miguel Noel Nascentes Burnier, N° 1755 - Jardim Santana**	**48,936**

b) intangible assets, such as patents, trademarks, licenses, concessions, franchises and technology transfer agreements, domain name on the worldwide computer network, stating: i. duration, ii. events that may cause the loss of rights relating to such assets, iii. possible consequences of the loss of such rights to the issuer;

Concessions

Concession No.	Concessionaire	State	Term
Distribution			
014/1997	CPFL Paulista	São Paulo	30 years, from November 1997
09/2002	CPFL Piratininga	São Paulo	30 years, from October 1998
012/1997	RGE	Rio Grande do Sul	30 years, from November 1997
015/1999	CPFL Santa Cruz	São Paulo, Minas Gerais and Paraná	30 years, from July 2015
Transmission			
003/2013	CPFL Piracicaba	São Paulo	30 years, as of February 2013
006/2015	CPFL Morro Agudo	São Paulo	30 years, as of March 2015
020/2018	CPFL Maracanaú	Ceará	30 years, as of September 2018
005/2019	CPFL Sul I	Santa Catarina	30 years, as of March 2019
011/2019	CPFL Sul II	Rio Grande do Sul	30 years, as of March 2019

	Concession No.	Independent Energy Producers / Concessionaire	Plant	State	Duration
Conventional Generation + Renewable Generation					
Hydroelectric power plants					
	005/2004	Furnas / CPFL Renováveis	Serra da Mesa	Goiás	until 30/09/2040
	008/2001	CERAN	14 de julho, Castro Alves e Monte Claro	Rio Grande do Sul	35 years from March 2001
	036/2001	Barra Grande	Barra Grande	Rio Grande do Sul	35 years from May 2001
	043/2000	ENERCAN	Campos Novos	Santa Catarina	35 years from May 2000
	005/1997	Investco	Luiz Eduardo Magalhães	Tocantins	35 years from December 1998
	128/2001	Foz do Chapecó	Foz do Chapecó	Santa Catarina e Rio Grande do Sul	35 years from November 2001
Small Hydroelectric Power Plants					
	Letter No. 802/2013-SCG /ANEEL	CPFL Renováveis	Lavrinha (Micro hydroelectric power plant)	São Paulo	Indefinite period
	009/1999	CPFL Renováveis	White Monkey (Small hydroelectric power plant)	São Paulo	30 years from December 2012 (concession contract with application for termination under review by ANEEL). End of commercial operation in December 2020.
	Letter No. 1366 /2013-SCG/ANEEL	CPFL Renováveis	Pinheirinho (Micro hydroelectric power plant)	São Paulo	Indefinite period
	010/1999	CPFL Renováveis	Rio do Peixe I and II (Small hydroelectric power plant)	São Paulo	30 years from December 2012
	Letter No. 801/2013-SCG /ANEEL	CPFL Renováveis	Santa Alice (Micro hydroelectric power plant)	São Paulo	Indefinite period
	Letter No. 803/2013-SCG /ANEEL	CPFL Renováveis	São José (Micro hydroelectric power plant)	São Paulo	Indefinite period

	Letter No. 1367/2013-SCG /ANEEL	CPFL Renováveis	São Sebastião (Micro hydroelectric power plant)	São Paulo	Indefinite period
	Letter No. 799/2013-SCG /ANEEL	CPFL Renováveis	Turvinho (Micro hydroelectric power plant)	São Paulo	Indefinite period
	003/2011	Jayaditya	Americana	São Paulo	until November 2027
	Dispatch nº 1990	Sul Centrais	Andorinhas	Rio Grande do Sul	Indefinite period
	002/2011	Chimay	Buritis	São Paulo	until November 2027
	002/2011	Chimay	Capão Preto	São Paulo	until November 2027
	002/2011	Chimay	Chibarro	São Paulo	until November 2027
	002/2011	Chimay	Dourados	São Paulo	until November 2027
	004/2011	Mohini	Eloy Chaves	São Paulo	until November 2027
	002/2011	Chimay	Esmeril	São Paulo	until November 2027
	002/2011	Chimay	Gavião Peixoto	São Paulo	until November 2027
	Dispatch nº 1.987/2005	CPFL Sul Centrais	Guaporé	Rio Grande do Sul	Indefinite period
	004/2011	Mohini	Jaguari	São Paulo	until November 2027
	002/2011	Chimay	Lençóis	São Paulo	until November 2027
	004/2011	Mohini	Monjolinho	São Paulo	until November 2027
	004/2011	Mohini	Pinhal	São Paulo	until November 2027
	Dispatch nº 1989	CPFL Sul Centrais	Pirapó	Rio Grande do Sul	Indefinite period
	Dispatch nº 1988	CPFL Sul Centrais	Saltinho	Rio Grande do Sul	Indefinite period
	003/2011	Jayaditya	Salto Grande	São Paulo	until November 2027
	002/2011	Chimay	São Joaquim	São Paulo	until November 2027
	004/2011	Mohini	Socorro	São Paulo	until November 2027
	003/2011	Jayaditya	Santana	São Paulo	until November 2027
	003/2011	Jayaditya	Três Saltos	São Paulo	until November 2027

Authorizations

	Concession No.	**Independent Energy Producers / Concessionaire**	**Plant**	**State**	**Concession No.**
Conventional Generation + Renewable Generation					
Diesel thermal power plants					
	2277	EPASA	Thermoelectric Power Plant Termoparaíba	Paraíba	35 years from December 7, 2007
	2277	EPASA	Thermoelectric Power Plant Termonordeste	Paraíba	35 years from December 12, 2007
Small Hydroelectric Power Plants					
	Resolution 587	SPE Alto Irani Energia S.A.	Alto Irani	Santa Catarina	30 years from October 30, 2002
	Resolution 606	SPE Arvoredo Energia S.A.	Arvoredo	Santa Catarina	30 years from November 7, 2002
	Resolution 348	SPE Barra da Paciência Energia S.A.	Barra da Paciência	Minas Gerais	30 years from December 20, 1999
	Resolution 349	SPE Cocais Grande Energia S.A.	Cocais Grande	Minas Gerais	30 years from December 23, 1999
	Resolution No. 17	SPE Corrente Grande Energia S.A.	Corrente Grande	Minas Gerais	30 years from January 17, 2000
	Resolution No. 198	Figueirópolis Energética S.A.	Figueirópolis	Mato Grosso	30 years from May 4, 2004
	Resolution 705	Ludesa Energética S.A.	Ludesa	Santa Catarina	30 years from December 17, 2002
	Resolution No. 262	Mata Velha Energética S.A.	Mata Velha	Minas Gerais	30 years from May 16, 2002

	Resolution 370	SPE Ninho da Águia Energia S.A.	Ninho da Águia	Minas Gerais	30 years from December 30, 1999
	Resolution 652	Novo Horizonte Energética S.A.	Novo Horizonte	Paraná	30 years from November 26, 2002
	Resolution 406	SPE Paiol Energia S.A.	Paiol	Minas Gerais	30 years from August 7, 2002
	Resolution 607	SPE Plano Alto Energia S.A.	Plano Alto	Santa Catarina	30 years from November 7, 2002
	Resolution 2510	SPE Salto Góes Energia S.A.	Salto Góes	Santa Catarina	30 years from August 19, 2010
	Resolution No. 13	SPE São Gonçalo Energia S.A.	São Gonçalo	Minas Gerais	30 years from January 14, 2000
	Ordinance No. 352	SPE Santa Luzia Energética S.A.	Santa Luzia Alto	Santa Catarina	35 years from December 21, 2007
	Resolution 355	SPE Varginha Energia S.A.	Varginha	Minas Gerais	30 years from December 23, 1999
	Resolution 367	SPE Várzea Alegre Energia S.A.	Várzea Alegre	Minas Gerais	30 years from December 30, 1999
	Ordinance No. 502	SPE Boa Vista II Energia S.A.	Boa Vista II	Minas Gerais	35 years from 9 November 2015
	Ordinance No. 475	CPFL Sul Centrais	Diamante	Mato Grosso	30 years from November 13, 1997
Biomass Thermal Power Plants					
	Resolution 2106	CPFL Bioenergia	Baldin Thermoelectric Power Plant	São Paulo	30 years from September 24, 2009
	Resolution 3714	SPE Alvorada S.A.	Alvorada Thermoelectric Power Plant	Minas Gerais	30 years from October 29, 2012
	Resolution No. 2643	CPFL Bio Buriti S.A.	Buriti Thermoelectric Power Plant	São Paulo	30 years from December 16, 2010
	Resolution 3328	SPE Coopcana S.A.	Coopcana Thermoelectric Power Plant	Paraná	30 years from February 14, 2012
	Resolution 117	CPFL Bio Ester Ltda.	Ester Thermoelectric Power Plant	São Paulo	30 years from May 21, 1999
	Resolution No. 259	CPFL Bio Formosa S.A.	Baía Formosa Thermoelectric Power Plant	Rio Grande do Norte	30 years from May 15, 2002
	Resolution No. 2375	CPFL Bio Ipê S.A.	Ipê Thermoelectric Power Plant	São Paulo	30 years from May 3, 2010
	Ordinance No. 129	CPFL Bio Pedra S.A.	Pedra Thermoelectric Power Plant	São Paulo	35 years from February 28, 2011
Wind farms					
	Ordinance No. 134	Atlântica I Parque Eólico S.A.	Atlântica I	Rio Grande do Sul	35 years from February 28, 2011
	Ordinance No. 148	Atlântica II Parque Eólico S.A.	Atlântica II	Rio Grande do Sul	35 years from March 4, 2011
	Ordinance No. 147	Atlântica IV Parque Eólico S.A.	Atlântica IV	Rio Grande do Sul	35 years from March 4, 2011
	Ordinance No. 168	Atlântica V Parque Eólico S.A.	Atlântica V	Rio Grande do Sul	35 years from March 22, 2011
	Resolution No. 093	Bons Ventos Geradora de Energia S.A.	Bons Ventos	Ceará	30 years from March 10, 2003
	Ordinance No. 257	Campo dos Ventos II Energias Renováveis S.A.	Campo dos Ventos II	Rio Grande do Norte	35 years from April 18, 2011
	Resolution 3967	Campo dos Ventos I Energias Renováveis S.A.	Campo dos Ventos I	Rio Grande do Norte	30 years from March 26, 2013
	Resolution 3968	Campo dos Ventos III Energias Renováveis S.A.	Campo dos Ventos III	Rio Grande do Norte	30 years from March 26, 2013
	Resolution 3969	Campo dos Ventos V Energias Renováveis S.A.	Campo dos Ventos V	Rio Grande do Norte	30 years from March 26, 2013

	Resolution 680	Bons Ventos Geradora de Energia S.A.	Canoa Quebrada	Ceará	30 years from December 11, 2002
	Resolution 329	Rosa dos Ventos Geração e Comercialização de Energia S.A.	Canoa Quebrada	Ceará	30 years from June 19, 2002
	Ordinance No. 585	SPE Costa Branca Energia S.A.	Costa Branca	Rio Grande do Norte	35 years from October 14, 2011
	Resolution 625	Bons Ventos Geradora de Energia S.A.	Enacel	Ceará	30 years from November 13, 2002
	Ordinance No. 264	Desa Eurus I S.A.	Eurus I	Rio Grande do Norte	35 years from April 19, 2011
	Ordinance No. 266	Desa Eurus III S.A.	Eurus III	Rio Grande do Norte	35 years from April 27, 2011
	Ordinance No. 749	Eurus VI Energias Renováveis Ltda.	Eurus VI	Rio Grande do Norte	35 years from August 25, 2010
	Resolution 306	SIIF Cinco Geração e Comercialização de Energia S.A.	Foz do Rio Choró	Ceará	30 years from June 5, 2002
	Resolution 454	Eólica Icaraizinho Geração e Comercialização de Energia S.A.	Icaraizinho	Ceará	30 years from August 28, 2002
	Ordinance No. 556	SPE Juremas Energia S.A.	Juremas	Rio Grande do Norte	35 years from September 29, 2011
	Resolution 340	Rosa dos Ventos Geração e Comercialização de Energia S.A.	Lagoa do Mato	Ceará	30 years from June 26, 2002
	Ordinance No. 557	Macacos Energia S.A.	Macacos	Rio Grande do Norte	35 years from September 29, 2011
	Ordinance No. 664	Desa Morro dos Ventos I S.A.	Morro dos Ventos I	Rio Grande do Norte	35 years from July 27, 2010
	Ordinance No. 373	Desa Morro dos Ventos II S.A.	Morro dos Ventos II	Rio Grande do Norte	35 years from June 12, 2012
	Ordinance No. 685	Desa Morro dos Ventos III S.A.	Morro dos Ventos III	Rio Grande do Norte	35 years from August 4, 2010
	Ordinance No. 686	Desa Morro dos Ventos IV S.A.	Morro dos Ventos IV	Rio Grande do Norte	35 years from August 4, 2010
	Ordinance No. 663	Desa Morro dos Ventos VI S.A.	Morro dos Ventos VI	Rio Grande do Norte	35 years from July 27, 2010
	Ordinance No. 665	Desa Morro dos Ventos IX S.A.	Morro dos Ventos IX	Rio Grande do Norte	35 years from July 27, 2010
	Resolution 460	Eólica Paracuru Geração e Comercialização de Energia S.A.	Paracuru	Ceará	30 years from August 28, 2002
	Ordinance No. 584	Pedra Preta Energia S.A.	Pedra Preta	Rio Grande do Norte	35 years from October 14, 2011
	Resolution 307	Eólica Formosa Geração e Comercialização de Energia S.A.	Praia Formosa	Ceará	30 years from June 5, 2002
	Ordinance No. 609	Santa Clara I Energia Renováveis Ltda.	Santa Clara I	Rio Grande do Norte	35 years from July 2, 2010
	Ordinance No. 683	Santa Clara II Energia Renováveis Ltda.	Santa Clara II	Rio Grande do Norte	35 years from August 5, 2010
	Ordinance No. 610	Santa Clara III Energia Renováveis Ltda.	Santa Clara III	Rio Grande do Norte	35 years from July 2, 2010
	Ordinance No. 672	Santa Clara IV Energia Renováveis Ltda.	Santa Clara IV	Rio Grande do Norte	35 years from July 30, 2010
	Ordinance No. 838	Santa Clara V Energia Renováveis Ltda.	Santa Clara V	Rio Grande do Norte	35 years from October 11, 2010
	Ordinance No. 670	Santa Clara VI Energia Renováveis Ltda.	Santa Clara VI	Rio Grande do Norte	35 years from July 30, 2010

	Resolution 4592	Santa Mônica Energias Renováveis Ltda.	Santa Mônica	Rio Grande do Norte	30 years from April 1, 2014
	Resolution 4591	Santa Ursula Energias Renováveis Ltda.	Santa Úrsula	Rio Grande do Norte	30 years from March 31, 2014
	Resolution 778	Bons Ventos Geradora de Energia S.A.	Taíba Albatroz	Ceará	30 years from December 24, 2002
	Resolution 4563	São Benedito Energias Renováveis Ltda.	Ventos de São Benedito	Rio Grande do Norte	30 years from March 7, 2014
	Resolution 4562	Ventos de Santo Dimas Energias Renováveis Ltda.	Ventos de Santo Dimas	Rio Grande do Norte	30 years from March 7, 2014
	Resolution 4572	Ventos de São Martinho Energias Renováveis Ltda.	Ventos de São Martinho	Rio Grande do Norte	30 years from March 21, 2014
	Ordinance No. 387	Pedra Cheirosa I Energia S.A.	Pedra Cheirosa I	Ceará	35 years from August 4, 2014
	Ordinance No. 359	Pedra Cheirosa II Energia S.A.	Pedra Cheirosa II	Ceará	35 years from July 23, 2014
Solar Power Plants					
	Of. ANEEL nº 961/2012	SPE CPFL Solar I Energia S.A.	Tanquinho	São Paulo	Indeterminate

Event that may cause the loss of rights: ANEEL may impose penalties depending on the non-compliance with any provision existing in the relevant concession or authorization acts. In addition, the Brazilian government has powers to extinguish any concession through expropriation for reasons of public interest. In the cases of granting, in the registration modality, hydroelectric generating plants with installed capacity lower than 5,000 kW are also subject to the imposition of penalties for non-compliance with the supervening regulations.

Consequence of the loss of rights: warnings; fines for default, that can be applied up to the limit of 2.0% of the annual revenue generated under the concession / authorization, or, if the concession / authorization in question is not operational, 2.0% of the estimated value of the energy that would be generated in the period of twelve months prior to the occurrence of the default; embargo on the construction of new facilities and equipment; restrictions on the operation of existing facilities and equipment; intervention of ANEEL in the administration of the offending concessionaire. For more information, see item 4.1.d of this Reference Form – "*We may not be able to comply with the terms of our concession agreements and authorizations which may result in fines, other penalties and, depending on the severity of the non-compliance, in the termination of our concessions or authorizations.*".

c) companies in which the issuer has a stake:

Companies in which the issuer holds an interest									Book value	Book value - % change			Amount of dividends received		
Corporate Name	CNPJ	Country	State of the HQ	City of the HQ	Description of the developed activities	Issuer's interent	Type of company	CVM Registration	CVM Code	12/31/2020	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018
CPFL Paulista	33.050.196/0001-88	Brazil	SP	Campinas	Electrical energy distribution	100.00%	Controlled	Yes	00382-4	-44.8713%	-20.3282%	39.4382%	28.869996%	178,213,575	100,119,550	100,119,550
CPFL Piratininga	04.172.213/0001-51	Brazil	SP	Campinas	Electrical energy distribution	100.00%	Controlled	Yes	01927-5	-66.6339%	9.2574%	11.9672%	29.600153%	37,934,507	28,444,623	28,444,623
RGE	02.016.439/0001-38	Brazil	RS	Caxias do Sul	Electrical energy distribution	0.00%	Controlled	No	-		-100.0000%	9.3541%	4.089259%	-	23,524,787	23,524,787
RGE Sul (RGE)	02.016.440/0001-62	Brazil	RS	São Leopoldo	Electrical energy distribution	89.01%	Controlled	Yes	01652-7	-10.3414%	140.8260%	17.9723%		409,669,617	-	-
CPFL Santa Cruz	53.859.112/0001-69	Brazil	SP	Jaguariúna	Electrical energy distribution	100.00%	Controlled	No	-	13.8150%	18.7698%	15.1490%	7.623474%	-	45,769,737	45,769,737
CPFL Geração	03.953.509/0001-47	Brazil	SP	Campinas	Electrical energy generation	100.00%	Controlled	Yes	01895-3	13.1237%	16.8841%	11.5266%	9.068425%	423,552,506	298,511,244	298,511,244
CPFL Jaguari Geração	07.137.154/0001-79	Brazil	SP	Jaguariúna	Electrical energy generation	100.00%	Controlled	No	-	-2.6334%	-0.5883%	15.0779%	13.019094%	3,397,907	2,508,472	2,508,472
CPFL Renováveis	08.439.659/0001-50	Brazil	SP	Campinas	Holding and electrical energy generation	49.15%	Controlled	Yes	02054-0	35.6387%				-	-	-
CPFL Brasil	04.973.790/0001-42	Brazil	SP	Campinas	Electrical energy commercialization	100.00%	Controlled	No	-	3.7153%	19.2234%	-24.3654%	-11.884626%	197,473,797	2,858,900	2,858,900
CPFL Serviços	58.635.517/0001-37	Brazil	SP	São José do Rio Pardo	Electrical services	100.00%	Controlled	No	-	39.6381%	61.8934%	-22.9067%	150.441212%	-	- 194	- 194
CPFL Atende	09.606.475/0001-09	Brazil	SP	Ourinhos	Call center services	100.00%	Controlled	No	-	-49.7403%	25.4732%	0.1323%	12.754742%	6,723,255	10,093,961	10,093,961
CPFL Planalto	02.150.562/0001-47	Brazil	SP	Jaguariúna	Energy commercialization	100.00%	Controlled	No	-	-23.8213%	164.6159%	-25.7967%	56.745347%	-	5,303,761	5,303,761
CPFL Infra (former Nect)	08.971.542/0001-13	Brazil	SP	Indaiatuba	Administrative services	100.00%	Controlled	No	-	-95.7382%	-15.2994%	6.7248%	50.705014%	14,087,306	22,391,966	22,391,966
CPFL Total	12.116.118/0001-69	Brazil	SP	Jaguariúna	Administrative advisory services for tax collection and billing and others	99.99%	Controlled	No	-	-100.0000%	77.1576%	-3.2553%	-25.192932%	10,269,944	22,361,216	22,361,216
CPFL Telecom	12.116.119/0001-03	Brazil	SP	Campinas	Services in the telecommunication sector	100.00%	Controlled	No	-	-22.8502%	-22.0093%	-108.9015%	212.525524%	2,500,000	-	-
CPFL Centrais Geradoras	17.578.855/0001-05	Brazil	SP	Campinas	Electrical energy generation	0.00%	Controlled	No	-	-100.0000%	0.1394%	-1.1112%	4.644678%	-	-	-
CPFL Eficiência Energética	18.710.670/0001-67	Brazil	SP	Jundiaí	Energy efficiency management services	100.00%	Controlled	No	-	23.7989%	140.0082%	-21.5523%	-10.221815%	-	2,300,000	2,300,000
Authi	21.114.494/0001-05	Brazil	SP	Campinas	Computer services	100.00%	Controlled	No	-	4.8882%	-44.8065%	14.8116%	11.210066%	11,604,142	31,912,257	31,912,257
CPFL Pessoas	34.050.376/0001-22	Brazil	SP	Indaiatuba	Administrative services	100.00%	Controlled	No	-	14.7373%				-	-	-
CPFL Finanças	34.048.930/0001-12	Brazil	SP	Indaiatuba	Administrative services	100.00%	Controlled	No	-	44.5578%				-	-	-
CPFL Supre	34.049.289/0001-55	Brazil	SP	Indaiatuba	Administrative services	100.00%	Controlled	No	-	11.7687%				-	-	-
Alesta	38.316.293/0001-93	Brazil	SP	Jaguariúna	Financial services	100.00%	Controlled	No	-					-	-	-

9.2 Provide other information that the issuer deems relevant

Item 9.1(b)

With respect to our distribution subsidiaries CPFL Santa Cruz, CPFL Jaguari, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista, Law No. 12,783/13 determined that this type of distribution concession might be renewed, subject to certain conditions, for an additional term of up to 30 years. In this context, we applied for renewal of these concessions in 2014 and, on November 9, 2015, MME issued a decision extending the concessions to July 2045. The amendments relating to the renewals were signed on December 9, 2015. Since these extensions were granted under the new distribution concession laws and regulations, the concessions are now subject to the current standards and targets established by the Brazilian authorities.

On November 21, 2017, through Authorization Resolution No. 6,723/2017, ANEEL approved our proposal to group the concessions of our five distributors (CPFL Santa Cruz, Companhia Leste Paulista de Energia, Companhia Sul Paulista de Energia, Companhia Luz e Força de Mococa and CPFL Jaguari, together called as Grouped), pursuant to Normative Resolution No. 716/2016. On January 1, 2018, these companies were grouped by the company named CPFL Santa Cruz (company formerly named CPFL Jaguari). This operation was approved by the Extraordinary General Meetings held in each of the Grouped Companies.

According to Normative Resolution No. 716/2016, ANEEL may institute a policy that reconciles the variations in the old tariffs for each of the Merged Companies and the new unified tariff for CPFL Santa Cruz over time, until the first tariff review of the Merged Companies in March 2021, ANEEL decided to introduce the unified tariff during the March 2018 tariff adjustment. The tables below summarize our generation business concessions. In addition to these concessions, CPFL Centrais Geradoras, as an Independent Power Producer, with generation capacity lower than 5,000 kW, operates under a regulatory registration and not under a concession contract.

On December 4, 2018, through Authoritative Resolution No. 7,499/2018, ANEEL approved our proposal to consolidate the concessions of our two distribution companies (RGE and RGE Sul), pursuant to Normative Resolution No. 716/2016, as amended by Resolution No. 835/2018. RGE merged with RGE Sul (which now operates under the name RGE) in force as January 1, 2019. As a result of this merger operation and the related transfer of RGE's assets to RGE Sul, RGE has ceased to exist.

With respect to Serra da Mesa, we have contractual rights to 51.54% of the Assured Energy of this facility under a 30-year contract, which expires in 2028. The concession for Serra da Mesa, held by Furnas, was extended until November 12, 2039. On April 27, 2012 MME published the Ordinance no. 262 approving the renewal of the Serra da Mesa power plant concession.

The facilities Macaco Branco and Rio do Peixe II, of CPFL Geração, are hydroelectric projects with Installed Capacity higher than 5,000 kW that were granted through a process with the regulatory authorities and the administrator of the electrical power concessions, prior to the changes introduced by Law no. 13,360/2016. Under Law No. 13,360/2016, only hydroelectric plants with a capacity higher than 50,000 kW currently require a concession; those with capacity between 5,000 kW and 50,000 kW are subject to an authorization from ANEEL; and those with capacity equal to or lower than 5,000 kW only require a registration with ANEEL, rather than a concession or authorization.

The micro hydroelectric plants Lavrinhas, Pinheirinho, Santa Alice, São José, São Sebastião and Turvinho of CPFL Centrais Geradoras, as well as the small hydroelectric plants Andorinhas, Buritis, Guaporé, Manjolinho, Pirapó, Saltinho, Três Saltos and Santa Luzia Alto of CPFL Renováveis are hydroelectric projects with Installed Capacity equal to or lower than 5,000 kW that are registered with the regulatory authorities and the administrator of the electrical power concessions, but that do not require a concession or authorization process to operate, therefore they have no duration.

SPE CPFL Solar I Energia S.A. is a plant with reduced capacity, exempt from concession from the granting power, requiring only registration with the granting power (ANEEL).

Of CPFL Renováveis' Small Hydroelectric Plants, Lucia Cherobim is in the construction stage and Santa Luzia Alto is in the preparation stage. Penedo and Tombo are in the early stages of withdrawal. The authorizations for the Cachoeira Grande and Santa Cruz hydroelectric projects are no longer being submitted as a result of their withdrawal, which occurred in the second quarter of 2018.

Of the wind farms that CPFL Renováveis owns, Costa das Dumas, Farol de Touros, Figueira Branca, Gameleira, Baixa Verde, Cajueiro and the Iraúna complex are under development / construction.

Item 9.1(c)

On December 15, 2017, the merger of CPFL Jaguariúna Participações Ltda. into RGE Sul Distribuidora de Energia S.A. was approved. Therefore, the book value recorded in the issuer's current assets for RGE Sul at the reference date of December 31, 2016 was zero. Similarly, the book value recorded in the issuer's non-current assets for CPFL Jaguariuna at the reference dates of December 31, 2020, 2019 and 2018 was also zero.

On December 31, 2017, the grouping of the subsidiaries Companhia Luz e Força Santa Cruz, Companhia Leste Paulista de Energia, Companhia Jaguari de Energia, Companhia Sul Paulista de Energia and Companhia Luz e Força de Mococa into the company Companhia Jaguari de Energia was approved, whose trade name became "CPFL Santa Cruz". Therefore, the book value recorded in the issuer's non-current assets for the companies CPFL Leste Paulista, CPFL Sul Paulista, CPFL Mococa and Companhia Luz e Força Santa Cruz at the reference dates of December 31, 2020, 2019 and 2018 was zero.

On December 31, 2018, the grouping of the subsidiaries Rio Grande Energia S.A. and RGE Sul Distribuidora de Energia S.A. into the company RGE Sul Distribuidora de Energia S.A. was approved, whose trade name became "RGE". Therefore, the book value recorded in the issuer's current assets for Rio Grande Energia S.A. at the reference date of December 31, 2020 and 2019 was zero.

On September 30, 2019, the partial spin-off of Nect Serviços Administrativos de Infraestrutura Ltda. - "CPFL Infra" (previously named Nect Serviços Administrativos Ltda.) into four specific business segments (Supplies, Human Resources, Financial Services and Infrastructure) and the merger of the spun-off portion into the three new companies CPFL Supre, CPFL Finanças and CPFL Pessoas were approved. The operation aims to improve the quality of the services provided by the company through greater specialization of its activities. The net asset calculated in this transaction was R$ 16,746 and did generate neither any effect on the consolidated financial statements of the group, nor changes in the equity interest of the companies.

10. Comments of Executive Officers
10.1 Comment on:

The consolidated financial statements for the years of 2020, 2019 and 2018 are in accordance with the IFRS (*International Financial Reporting Standards*), as issued by the International Accounting Standards Board – IASB and in accordance with the accounting practices adopted in Brazil, following the standards issued by the Committee of Accounting Pronouncements (*Comitê de Pronunciamentos Contábeis* - "CPC").

a) General Financial and Asset conditions

- **2020**

The year 2020 was marked by the pandemic of the new Coronavirus (COVID-19), which brought up challenging consequences for our lives, for the Company and the Brazilian economy. In the first months of the pandemic, we behaved quickly, prioritizing appropriate preventive measures to preserve the health and safety of all our employees, as well as guaranteeing the financial health of our Company and the continuity of service provision with the same excellence as always.

During this period, we carried out an intense and challenging work with interactions with the Ministry of Mines and Energy - MME, Regulatory Agency - Aneel and other agents in the electricity sector, for the creation of the COVID Account, a bank loan that anticipates resources to the distributors at the same time, that mitigates tariff impacts for the consumer. This solution was fundamental to guarantee the liquidity of the electric sector during the year, mitigating the pressures caused by the reduction of the load and the increase of the defaults on the cash of the distributors in Brazil.

Despite all the challenges, the CPFL Energia group remained very active this year in search of sustainable growth and with a focus on all its stakeholders. We increased investments, promoting improvements in operational efficiency and management, seeking to adopt the best practices in the sector, we continue with the implementation of innovation, digitalization and new technologies in our businesses, aiming at greater efficiency of our costs always following the developments of the political and economic scenarios of Brazil in their markets.

In 2020, the supply of electricity (amount of energy billed to final consumers) totaled 51,331 GWh, a reduction of 3.8% (2,044 GWh) compared to 2019.

Operating cash generation, as measured by EBITDA, reached R $ 6,780 million, an increase of 6.0% (R$ 386 million), mainly reflecting the 3.2% increase (R$ 966 million) in net operating revenue and by an increase of 17.3% (R $ 61 million) in equity income. These effects were partially offset by the 0.6% increase (R$ 115 million) in the cost of electricity, by the 1.5% increase (R$ 52 million) in operating costs and expenses, including private pension expenses.

In 2020, investments of R $ 2,808 million were made to maintain and expand the business, of which R$ 2,317 million were allocated to distribution, R$ 283 million to generation and R $ 74 million to marketing, services and others. In addition, there was an investment of R$ 134 million related to the transmission segment, which, according to IFRIC 15, is recorded as "Contractual Asset of Transmission Companies" (other credits).
Among CPFL Energia's investments in 2020 we can highlight:

Distribution: investments were made in the expansion, maintenance, improvement, automation, modernization and reinforcement of the electrical system to meet market growth, in operational infrastructure, in customer service, among others. As of December 31, 2020, our distributors had 9.9 million customers, an increase of 0.1 million customers. Our distribution network consisted of 332,785 km of distribution lines (an increase of 3,415 km of lines), including 487,302 distribution transformers (an increase of 10,828 transformers). Our five distribution subsidiaries had 12,987 km of high voltage distribution lines between 34.5 kV and 138 kV (an increase of 131 km of lines). On this date, we had 559 high voltage to medium voltage transformer substations for subsequent distribution (increase of 04 substations), with a total transformation capacity of 19,038 MVA (increase of 335 MVA);

Generation: in 2020, R$ 283 million were invested, mainly for the construction of the SHP Lucia Cherobim and the wind farms of the Gameleira Complex (Costa das Dunas, Figueira Branca, Farol de Touros and Gameleira).

At the end of 2020, the Company's gross financial debt (including derivatives) reached R$ 19,196 million, an increase of 4.9%. Cash and cash equivalents totaled R$ 3,919 million, an increase of 102%. As a result, the net financial debt increased to R$ 15,278 million, registering a reduction of 6.6%.
Finally, CPFL Energia's management reiterates its commitment and trust with shareholders, customers, partners, society and other stakeholders, remaining optimistic about the advances in the Brazilian electric sector and confident in our business platform, based on operational efficiency, corporate governance, sustainability, financial discipline and synergistic growth, increasingly prepared to face the challenges and opportunities in the country.

- **2019**

The year 2019 signaled a new moment for the CPFL Energia Group. Three years after its control was acquired by Chinese conglomerate State Grid, CPFL Energia returned to the capital markets through a new share offering to access funds that may be necessary to ensure the Group's continuous growth. The idea was to keep the Company listed, go back to the market, so that investors could once again follow the trajectory of CPFL, which remains the same as before - a company that is concerned with transparency, financial discipline and strong governance.

Funds raised from the share offering were used to acquire State Grid's interest in CPFL Renováveis. As part of this process, in July 2019, we started to fully integrate the administrative activities of CPFL Renováveis and CPFL Energia (concluded in 3Q19) primarily to capture potential synergies between the organizational models of both companies. This initiative further reinforces the Management's commitment to the Company's growth and to creating value for its shareholders.

The CPFL group remained active this year, making improvements in its operations and management and seeking to adopt industry best practices. We continued the deployment of cutting-edge technologies in our business and the digitalization of support activities to achieve greater cost-efficiency, while constantly monitoring the developments in the political and economic scenario in our markets in Brazil.

The 2019 results reflected the growth in energy sales, our disciplined management of costs and expenses, as well as the decline in interest rates in Brazil.

Electricity supply (energy billed to final consumers) totaled 53,375 GWh, up 0.5%. The residential and commercial segments recorded growth of 3.8% and 4.8%, respectively, reflecting the slow recovery of economic activity, while the industrial segment registered a 4.6% decline. Electricity supply through other concessionaires, licensees and authorized suppliers reached 18,351 GWh, an increase of 3.3%.

Operating cash generation of the CPFL group, measured by EBITDA, reached R$ 6,394 million in 2019 (+13.4%), reflecting the positive results, mainly in the distribution business, whose EBITDA reached R$ 3,696 million in 2019 (+23.0%), mainly reflecting the conclusion of the tariff review process at CPFL Paulista, RGE Sul and RGE during the course of 2018. Moreover, the Company has been conducting organizational reviews in order to simplify its processes and structure to bring greater efficiency and focus on its business.

We continue to work on value-creation initiatives and on our investment plan in 2019, backed by financial discipline, as well as the engagement and commitment of our teams. We invested R$ 2,254 million during this period.

With the focus on optimizing the capital structure, consolidated financial leverage of CPFL Energia remains at adequate levels. The Company's net debt to EBITDA ratio was 2.52 times at the end of the year based on the criteria used to measure our financial covenants.

Another important development in the second quarter was the change in the dividend payment policy, which set the minimum payout at 50%. As such, starting from 2020, a balance will be achieved between growth and yield.

On the social and sustainability fronts, we invested R$150 million in the "CPFL in Hospitals Program", an initiative that will help public and philanthropic institutions to reduce their electricity bills through energy efficiency actions. Over the next 3 years, photovoltaic panels generating up to 25MWp of energy will be installed at the philanthropic hospitals, which will help reduce about 6,000 t/CO2 per year – the equivalent of planting about 900 trees.

Finally, the management of CPFL Energia reiterates its trust and commitment to shareholders, clients, partners, society and other stakeholders, while remaining optimistic about the advances in the Brazilian electricity sector and confident about our business platform, based on operational efficiency, corporate governance, sustainability, financial discipline and synergistic growth, and being increasingly prepared to face the challenges and opportunities in the country.

- **2018**

The CPFL group continued to be very active in 2018, promoting improvements in its operations and management, as well as following the unfolding of the political and economic scenarios of Brazil in its markets.

The 2018 results reflected the growth of energy sales in all consumption classes, our discipline in cost and expense management, as well as the drop-in interest rates in Brazil.

Electricity sales to final consumers (quantity of electricity billed to final consumers) totaled 53,091 GWh, a reduction of 0.5%. Industrial and commercial classes registered reductions of 5.6% and 0.1%, respectively, reflecting the slow recovery of economy activity, while residential class increased by 2.6%. Electricity sales to wholesalers, through other concessionaires, licensees and authorized reached 17,757 GWh, an increase of 8.7%.

CPFL group's operating cash generation, measured by EBITDA, reached R$ 5,637 million in 2018, an increase of 15.9%, reflecting the positive results of all business segments. We highlight the distribution segment, whose EBITDA reached R$ 3,004 million in 2018, an increase of 34.5%, mainly reflecting the results coming from the conclusion of the tariff revision process (4th cycle) of CPFL Paulista, RGE Sul (both in April 2018) and RGE (in June 2018). In addition, the Company is promoting organizational reviews in order to simplify its processes and structure, aiming at greater efficiency and focus on business.

The Company continued to work on value initiatives and in its investment plan in 2018, with financial discipline, efforts and commitment of its teams. The Company invested R$ 2,060 million in this period.

Among the value initiatives, it is worth mentioning the participation of CPFL Geração in the following transmission auctions: (i) in June 2018, the company won Lot 9 (Maracanaú II substation), in Ceará, and (ii) in December 2018, the company won Lot 5 (Itá substation), in Santa Catarina, and Lot 11 (Osório 3, Porto Alegre 1 and Vila Maria substations), in Rio Grande do Sul.

Furthermore, the company CPFL Soluções was created, which brings together services and products previously offered under the brands CPFL Brasil, CPFL Serviços and CPFL Eficiência. Thus, CPFL has an integrated platform for interaction with customers seeking solutions for energy trading, energy efficiency, distributed generation, energy infrastructure and consulting services.

It should also be noted that CPFL promoted the merger of the distribution company RGE ("Merged Company") into RGE Sul ("Mergee Company"). The grouping of the concessions of the two companies was carried out through the merger of the assets held by the Merged Company by the Mergee Company on December 31, 2018.

We also had the startup of the Boa Vista II SHPP (installed capacity of 29.9 MW), in November 2018, and the participation of CPFL Renováveis in the A-6 Auction of August 2018. The company won with the following projects: (i) Cherobim SHPP, with 28.0 MW of installed capacity, located in Paraná state, and (ii) Gameleira Wind Complex, with 69.3 MW of installed capacity, located in Rio Grande do Norte state.

Still in relation to CPFL Renováveis, we had the Mandatory Tender Offer of the company on November 26. As a result of the auction, State Grid acquired 243,771,824 common shares issued by the company,

representing 48.39% of its capital stock. The common shares were acquired at the price of R$ 16.85, totaling the amount of R$ 4.1 billion. State Grid and CPFL Geração (indirectly controlled by State Grid) jointly held 503,520,623 common shares issued by the company, equivalent to 99.94% of the total share capital of the company.

CPFL Energia's capital structure and consolidated leverage remained at adequate levels. The Company's net debt reached 3.05 times the EBITDA at the end of the quarter, under the criteria to measure our financial covenants, lower than in the previous year. It is worth mentioning that the reductions in interest rates benefited the Company.

Finally, CPFL's management remains optimistic about the advances of the Brazilian electricity sector and remains confident in its business platform, which is increasingly prepared and well positioned to face the challenges and opportunities in the country.

b) Capital structure:

Capital Structure	**2020**	**2019**	**2018**
Own Capital	40%	39%	38%
Third party capital	60%	61%	62%

As of December 31, 2020, the capital structure of the Company was represented by 40% of own capital and 60% of third party capital. There is no significant variation in the last 3 fiscal years in this structure.

c) Capacity to pay in relation to financial commitments Liquidity and Capital Resources

- ***2020***

On December 31, 2020, our working capital was positive, reflecting an excess of current assets over current liabilities of R$594 million, a decrease of R$869 million compared to a positive working capital balance of R$275 million at December 31, 2019.

This reduction was basically due to:

(i) an increase of R$649 million in our trade payables balance;

(ii) an increase of R$ 640 million in other accounts payable, mainly related to advances to suppliers, R&D and PEE and reimbursement to consumers and concessionaires;

These factors were partially offset by gains on active derivatives (SWAP) of R$ 463 million.

The Company timely monitors net working capital and, its cash generation, its profit projections, as well as its financing strategy, support and enable the plan to reduce this net working capital.

The following table presents a summary of pending contractual obligations and commitments as of December 31, 2020 (including other long-term contractual obligations):

	Payments due by period (in millions of reais)				
Contractual obligations as of December 31, 2020:	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Suppliers	4,366	3,910	274	-	183
Intercompany loan	2,442	2,442	-	-	-
Debt obligations (1)	23,398	5,563	10,076	5,466	2,293
Public utilities (1)	125	13	38	25	49
Post-employment benefit (2)	2,724	291	849	920	664
Regulatory charges	108	108	-	-	-

Others	528	340	3	3	182
Total of Balance Sheet items (1)	33,691	12,667	11,240	6,414	3,371
Leasings and rentals	691	81	132	105	374
Electricity purchase agreements (3)	121,314	15,955	31,167	30,960	43,233
Distribution and transmission systems service charges (4)	44,632	3,616	8,997	10,148	21,870
Premium of Hydrological Risk renegotiation (GSF) (5)	356	28	54	51	223
Generation projects (6)	1,144	878	265	-	-
Total of other commitments	168,137	20,558	40,615	41,264	65,700
Total of contractual obligations	201,828	33,225	51,855	47,678	69,071

(1) Includes interest payments, including future projected or estimated interest not recorded on our balance sheet.
(2) Estimated future contributions to the post-employment benefit.
(3) Amounts payable under long-term energy purchase agreements, which are subject to changing prices and provide for renegotiation under certain circumstances. The table represents the amounts payable for the contracted volumes applying the year-end 2020 price. See "—Background—Prices for Purchased Electricity" and Note 28 to our audited annual consolidated financial statements for more information.
(4) Estimated expenses related to distribution and transmission ESS through the end of the concessions.
(5) Estimated expenses for the payment of risk premium in connection with renegotiation of hydrological risk.
(6) The power plant construction projects include commitments made basically to make funds available for construction and acquisition of concession related to the subsidiaries in the generation segment.

Our capital requirements are primarily for the following purposes:

- We make capital expenditures to continue improving and expanding our distribution system and to complete our renewable generation projects.
- Repayment or refinancing of maturing debt. At December 31, 2020 we had outstanding debt maturing during the following 12 months in the total amount of R$ 6,398 million;
- Dividends on an annual basis. We paid R$ 2,068 million in dividends in 2020. Such payment excludes dividends paid by our subsidiaries to non-controlling shareholders.

The Company and its subsidiaries have the financial capacity to cover their non-current liabilities. One of the main strategies used to manage long-term liabilities is called pre-funding, that is, the Company anticipates cash needs for the 12-month horizon and prioritizes cash liquidity.

The Company's general liquidity index has evolved over the past three years, was 0.817 in 2020, 0.758 in 2019 and 0.716 in 2018, representing an increase of 7.7% in relation to the index of 2019

- ***2019***

On December 31, 2019, our working capital was positive, reflecting an excess of current assets over current liabilities of R$ 275 million, a decrease of R$ 712 million compared to a positive working capital balance of R$ 987 million at December 31, 2018. The main causes of this decrease in working capital were:

(i) an increase of R$ 862 million in our trade payables balance;

(ii) a decrease of R$ 237 million in our net sector financial assets and liabilities balance, from an assets position of R$1,331 million in 2018 to an asset position of R$1,094 million in 2019;

(iii) an increase of R$ 138 million in our private pension plan balance;

(iv) an increase of R$ 95 million in our short term debt balance, which includes loans and financing, debentures and related accrued interest; and

(v) a decrease of R$ 45 million in derivative instruments, net.

These factors were partially offset by an increase of R$ 46 million in our cash and cash equivalents balance, due to net cash generation of R$ 5,789 million in operating activities, offset by cash usage of R$ 2,674 million in financing activities and cash usage of R$ 3,068 million in investing activities.

As of December 31, 2019, we believe that our working capital is sufficient for our present requirements to meet operational needs for the next 12 months.

The following table presents a summary of pending contractual obligations and commitments as of December 31, 2019 (including other long-term contractual obligations):

Our capital requirements are primarily for the following purposes:

- We make capital expenditures to continue improving and expanding our distribution system and to complete our renewable generation projects.
- Repayment or refinancing of maturing debt. At December 31, 2019 we had outstanding debt maturing during the following 12 months in the total amount of R$ 3,459 million;
- Dividends on an annual basis. We paid R$487 million in dividends in 2019. Such payment excludes dividends paid by our subsidiaries to non-controlling shareholders.

The Company and our subsidiaries have financial capacity to afford its non-current liabilities. One of the main strategies to manage noncurrent liabilities is called pre-funding, that is, Company anticipates its cash needs in a forecast between 18 and 24 months and prioritize its cash liquidity.

Company's Overall Liquidity ratio was 0.758 in 2019 and 0.717 in 2018, which represents an increase of 5.8% when compared to 2018 ratio.

- ***2018***

On December 31, 2018, the Company's working capital was positive, reflecting an excess of current assets over current liabilities of R$987 million, an increase of R$ 2,785 million compared to a negative working capital balance of R$ 1,797 million at December 31, 2017, representing an excess of current assets over current liabilities. The main causes of this increase in working capital were:

- decrease of R$1,929 million in our short term debt balance, which includes loans and financing, debentures and related accrued interest;
- increase of R$1,160 million in net Sector Financial Assets and Liabilities balances, from an assets positions of R$171 million in 2017 to R$1,331 million in 2018;
- decrease of R$899 million in our Trade Payables balance;
- decrease of R$431 million in our Regulatory Charges balance; and
- increase of R$247 million in our Consumers Receivables balance.

Partially offset by:

- decrease of R$1,358 million in our cash and cash and equivalents, due to net cash generation of R$857 million in operating activities, offset by cash usage of R$364 million in financing activities and cash usage of R$1,851 million in investing activities;
- increase of R$235 million in dividends balance; and
- decrease of R$132 million in derivative financial instruments, net.

Our capital requirements are primarily for the following purposes:

- We make capital expenditures to continue improving and expanding our distribution system and to complete our renewable generation projects.
- Repayment or refinancing of maturing debt. At December 31, 2018 we had outstanding debt maturing during the following 12 months in the total amount of R$3,363 million;
- Dividends on an annual basis. We paid R$279 million in dividends in 2018. Such payment excludes dividends paid by our subsidiaries to non-controlling shareholders.

The Company and our subsidiaries have financial capacity to afford its non-current liabilities. One of the main strategies to manage noncurrent liabilities is called pre-funding, that is, the Company anticipates its cash needs in a forecast between 18 and 24 months and prioritize its cash liquidity.

The Company's Overall Liquidity ratio was 0.717 in 2018 and 0.661 in 2017, which represents an increase of 8.5% when compared to 2017 ratio.

For more detailed information about the sources of financing used by the Company, see item (f) of this item 10.1.

d) Sources used for financing working capital and investments in non-current assets

The main sources of resources come from operating cash generation and financing.

During 2020, subsidiaries of CPFL Energia brought in funding mainly for financing investments in our generation and distribution segment, as well as to reinforce the working capital of the companies.

New financing for investment with the Brazilian Economic and Social Development Bank ("BNDES"), new funding with financial institutions under foreign borrowing lines and new debenture issues were contracted.

The CPFL Group's liquidity policy is based on holding funds to cover the short-term obligations set forth in the base scenario, considering the execution of the funding plan for cash requirements for the current year. If there is an additional need for cash, CPFL has easy access to the capital market to raise funds to cover these additional needs.

By applying this strategy, we aim to reduce CPFL Energia's future cash flow exposure and its exposure to interest rate risk, as well as to maintain its liquidity level and its debt profile trough debt refinancing actions and decrease of costs.

For more information on financing sources utilized by the Company, see line (f) of this item 10.1.

Borrowings and debentures

2020 compared to 2019

Our total indebtedness decreased by R$2,370 million, or 13%, from December 31, 2019 to December 31, 2020, mainly due to the borrowing from its parent company State Grid (R$ 2,410 million) and new loans and financing (R$ 1,059 million). Our main fundings are as follows:

- Incurrence of new debt denominated in U.S. dollars or Euro, mainly in the amount of R$1,746 million by CPFL Paulista, R$420 million by CPFL Piratininga, R$108 million by CPFL Santa Cruz, R$929 million by RGE, R$120 million by CPFL Renováveis and R$107 million by CPFL Brasil. This debt was incurred in order to improve working capital, finance debt payments, refinance maturing debt and fulfill required investments.

- Incurrence of new debt denominated in reais from BNDES, mainly principally in the amount of R$527 million by RGE, R$481 million by CPFL Paulista, R$115 million by CPFL Santa Cruz and R$127 million by CPFL Piratininga to fulfill required investments.

- Incurrence of new intra group loan with its parent company State Grid in the amount of R$ 2,000 million by CPFL Renováveis and R$ 380 million by CPFL Brasil.

2019 compared to 2018

Our total indebtedness decreased by R$1,467 million, or 7.2%, from December 31, 2018 to December 31, 2019, as a result of the issuance of new debentures and other debt incurred by us, with amortization of principal loans and debentures in the amount of R$7,137 million, partially offset by the raising of R$5,257 million in loans and debentures. Our main fundings are as follows:

- Issuances of debentures, in the total of R$ 3,688 million, principally in the amount of R$1,380 million by CPFL Paulista, R$838 million by CPFL Renováveis, R$740 million by RGE, R$325 million by CPFL Brasil, R$215 million by CPFL Piratininga and R$190 million by CPFL Santa Cruz, to improve working capital, finance debt payments, refinance maturing debt and fulfill required investments.

- Incurrence of new debt denominated in U.S. dollars, principally in the amount of R$628 million by CPFL Paulista, R$43 million by CPFL Piratininga, R$42 million by CPFL Santa Cruz and R$13 million by CPFL Geração. This debt was incurred in order to improve working capital, finance debt payments, refinance maturing debt and fulfill required investments.

- Incurrence of new debt denominated in reais from BNDES, principally in the amount of R$154 million by RGE, R$100 million by CPFL Paulista, R$70 million by CPFL Santa Cruz and R$55 million by CPFL Piratininga to fulfill required investments.

- Issuances of promissory notes in the amount of R$476 million by CPFL Paulista (R$351 million) and CPFL Piratininga (R$125 million) to improve working capital.

e) Sources of financing for working capital and investments in non-current assets to cover liquidity shortfalls

In 2021 and 2022, we expect to continue to take advantage of the financing opportunities offered by the market, through the issuing debentures and debt for working capital, both in the domestic and overseas markets, and those offered by the government, through financing lines provided by BNDES, BNB or other development banks to expand and modernize the electricity system of the distribution companies, to undertake new investments in the generation segment.

f) Indebtedness levels and characteristics of such debts, also describing:

2020

Total debt outstanding at December 31, 2020 (including accrued interest and excluding derivatives) was R$21,280 million. Approximately R$8.027 million of our total outstanding debt, or 37.7%, was denominated in foreign currency, principally U.S. dollars and euros. We have entered into swap agreements in order to reduce our exposure to exchange rates that arises from these obligations. The amount of R$3,988 million of our total outstanding debt is due in 12 months.

2019

Total debt outstanding at December 31, 2019 (including accrued interest and excluding derivatives) was R$18,910 million. Approximately R$5,009 million of our total outstanding debt, or 26.5%, was denominated in foreign currency, principally U.S. dollars. We have entered into swap agreements in order to reduce our exposure to exchange rates that arises from these obligations. The amount of R$3,459 million of our total outstanding debt is due in 12 months.

2018

Total debt outstanding at December 31, 2018 (including accrued interest and excluding derivatives) was R$20,377 million. Approximately R$5,631 million of our total outstanding debt, or 27.6%, was denominated in foreign currency, principally U.S. dollars. We have entered into swap agreements in order to reduce our exposure to exchange rates that arises from these obligations. The amount of R$3,363 million of our total outstanding debt is due in 12 months.

i. Relevant loan and financing contracts

Main Financing Contracts in 2020 (including accrued interest):

- Floating rate. At December 31, 2020, we had R$3,436 million outstanding under a number of loan agreements indexed at floating rates based on the IPCA and TJLP indices (R$3,268 million), CDI rate (R$130 million) and other loan agreements (R$39 million). These loans are denominated in reais. The most significant part of these loans relates to: (i) loans indexed to the TJLP incurred by our generation subsidiary CPFL Renováveis (R$475 million) (ii) IPCA by our distribution subsidiaries, CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz, and RGE (R$2,791 million); and (ii) loans indexed to the CDI incurred by our generation subsidiary CPFL Renováveis (R$130 million).
- Fixed rate. At December 31, 2020, we had R$9 million outstanding under a number of loan agreements based on a fixed rate. These loans are denominated in reais. The most significant part of these loans relates to our generation subsidiary CPFL Geração (R$6 million).
- Debentures. At December 31, 2020, we had indebtedness of R$7,448 million outstanding under several series of debentures. The most significant part of these debentures was issued by CPFL Paulista (R$2,187 million), CPFL Piratininga (R$811 million), RGE (R$1,404 million), CPFL Geração (R$1,317 million) and CPFL Renováveis (R$1,133 million), and the terms of these debentures are summarized in Note 19 to our audited annual consolidated financial statements.
- Foreign currency-denominated debt. At December 31, 2020, we had the equivalent of R$8,027 million outstanding under other loans denominated in foreign currency, principally U.S. dollars and Euros (US$972million or R$5,055 million) and (EUR 466 million or R$2,972 million). We have entered into swap agreements in order to reduce our exposure to exchange rates that arises from these obligations.

See Notes 18, 19 and 35 to our audited annual consolidated financial statements for more information on our borrowings, debentures and derivatives.

Main Financing Contracts in 2019 (including accrued interest):

- Floating rate. At December 31, 2019, we had R$4,701 million outstanding under a number of loan agreements indexed at floating rates based on the TJLP and TLP indices (R$4,353 million), CDI and SELIC rate (R$263 million) and other loan agreements (R$84 million). These loans are denominated in reais. The most significant part of these loans relates to: (i) loans indexed to the TJLP and TLP incurred by our generation subsidiary CPFL Renováveis (R$2,626 million) and by our distribution subsidiaries, CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz, and RGE (R$1,717 million); and (ii) loans indexed to the CDI incurred by our generation subsidiary CPFL Renováveis (R$158 million).
- Fixed rate. At December 31, 2019, we had R$711 million outstanding under a number of loan agreements based on a fixed rate. These loans are denominated in reais. The most significant part of these loans relates to our generation subsidiary CPFL Renováveis (R$464 million).
- Debentures. At December 31, 2019, we had indebtedness of R$8,546 million outstanding under several series of debentures. The most significant part of these debentures was issued by CPFL Paulista (R$2,157 million), CPFL Renováveis (R$1,703 million), RGE (R$1,379 million), CPFL Piratininga (R$826 million) and CPFL Geração (R$1,619 million). The terms of these debentures are summarized in Note 19 to our audited annual consolidated financial statements.
- Foreign currency-denominated debt. At December 31, 2019, we had the equivalent of R$5,009 million outstanding under other loans denominated in foreign currency, principally U.S. dollars (US$4,178 million or R$1,036 million). We have entered into swap agreements in order to reduce our exposure to exchange rates that arises from these obligations.

See Notes 18, 19 and 35 to our audited annual consolidated financial statements for more information on our borrowings, debentures and derivatives.

Main Financing Contracts in 2018 (including accrued interest):

- *Floating rate*. At December 31, 2018, we had R$4,969 million outstanding under a number of loan agreements post fixed indexed based on the TJLP and TLP (R$4,348 million) and CDI and Selic (R$500 million) and other loan agreements (R$121 million). These loans are denominated in reais. The most significant part of these loans relates to: (i) loans indexed by TJLP and TLP to our indirect generation subsidiary CPFL Renováveis (R$2,894 million) and to our distribution subsidiaries, CPFL

Paulista, CPFL Piratininga, CPFL Santa Cruz, and Rio Grande Energia S.A. (R$1,439 million); and (ii) loans indexed by CDI to our indirect generation subsidiary CPFL Renováveis (R$268 million).

- *Fixed rate*. At December 31, 2018, we had R$893 million outstanding under a number of loan agreements based on the fixed rate. These loans are denominated in reais. The most significant part of these loans relates to our indirect generation subsidiary CPFL Renováveis (R$543 million).

- *Debentures*. At December 31, 2018, we had indebtedness of R$8,941 million outstanding under several series of debentures issued by CPFL Energia, CPFL Paulista, CPFL Piratininga, RGE, CPFL Santa Cruz, CPFL Brasil, CPFL Geração and CPFL Renováveis. The terms of these debentures are summarized in note 17 to our audited annual consolidated financial statements.

- *Foreign currency-denominated debt*. At December 31, 2018, we had the equivalent of R$5,631 million outstanding under other loans denominated in foreign currency, principally U.S. dollars (US$1,232 million or R$4,776 million). We have entered into swap agreements in order to reduce our exposure to exchange rates that arises from these obligations.

Furthermore, the contracts of loan and financial mentioned above also consider *working capital* contracts at December 31, 2018, is equivalent of R$639 million and the BNDES contracts is equivalent of R$ 4,931 million.

For further details on our borrowings, debentures and derivatives, see notes 16, 17 and 33 to our consolidated financial statements.

ii. Other long-term relationships with financial institutions

On the date of this document, the Group had no other long-term relationships with financial institutions, aside from those described in item (i) above.

iii. Level of subordination among debt

There is no subordination of the Company's debt, observing, however, that certain debts were contracted with real guarantees and, therefore, have preference over other debt if the Company were to reach bankruptcy within the limit of the real guarantee.

iv. Restrictions imposed by the issuer, particularly, regarding indebtedness limits and the hiring of new debt, the distribution of dividends, sale of assets, issue of new securities and the sale of shareholding control, as well as if the issue has been in compliance with such restrictions.

Covenants

Borrowings raised by Group companies require the compliance with certain restrictive financial clauses, under penalty of restriction in the distribution of dividends and/or advance maturity of the related debts. Furthermore, failure to comply with the referred obligations or restrictions may result in default in relation to other contractual obligations (cross default), depending on each borrowing agreement.

The calculations are made on an annual or semiannual basis, as appropriate. As the maximum and minimum ratios vary among the contracts, we present below the most critical parameters of each ratio, considering all contracts in effect at December 31, 2020.

Ratios required for the consolidated financial statements of CPFL Energia

- Debt indebtedness divided by EBITDA maximum of 3.75;
- EBITDA divided by the finance income/expense results minimum of 2.25.

Ratios required for the consolidated statements of CPFL Renováveis

- Debt indebtedness divided by EBITDA maximum of 3.75;

Ratios required for the individual of subsidiaries financial statements of CPFL Renováveis owners of the contract:

- Debt Service Coverage Ratio (DCSR) minimum between 1 and 1.2.
- Company capitalization ratio minimum 30%.

Ratios required for the individual financial statements of its subsidiaries CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz and RGE, which own contracts:

- Debt indebtedness divided by EBITDA maximum between 3.50 and 3.75; and
- Debt indebtedness divided by the sum of Equity and Debt indebtedness maximum of 0.9.

Ratio required in the consolidated financial statements of State Grid Brazil Power Participações S.A.

- Equity divided by Total Assets (disregarding the effects of IFRIC 12/OCPC 01) minimum of to 0.3.

For the purposes of determining covenants, the definition of EBITDA at the Company takes into consideration, mainly, the consolidation of subsidiaries, associates and joint ventures based on the Company's direct or indirect interests in those companies (for both EBITDA and assets and liabilities).

The Group's management monitors these ratios on a systematic and constant basis, so that all conditions are met. The Group's management believes that all covenants and financial and non-financial clauses whose indicators are properly complied at December 31, 2020.

Debentures

The debentures issued by the Group companies require the compliance with certain financial covenants.

The calculations are made on an annual or semiannual basis, as appropriate. As the maximum and minimum ratios vary among the contracts, we present below the most critical parameters of each ratio, considering all contracts in effect at December 31, 2020.

Ratios required in the consolidated financial statements of CPFL Energia

- Net indebtness divided by EBITDA maximum between 3 and 3.75.
- EBITDA divided by Finance Income (Costs) minimum of 2.25.

The Group's management monitors these ratios on a systematic and constant basis, so that all conditions are met. The Group's management believes that all covenants and financial clauses are properly complied at December 31, 2020.

g) Limits of the funds already contracted and ratio of the portions already used

The percentages utilized for our previously contracted financing, referring to the last three fiscal years, are presented below:

2020:

			2020	
Type	Approval	Company	Contracted balance	Released
BNDES Finem	2020	CPFL Paulista	1,315,507	37%
BNDES Finem	2020	CPFL Piratininga	424,487	30%
BNDES Finem	2020	RGE	244,385	47%
BNDES Finem	2020	CPFL Santa Cruz	1,485,619	35%
BNDES Finem	2020	CPFL Renováveis	221,936	0%
BNB FNE	2018	CPFLTransmissão Maracanaú	42,422	0%
BNB FNE	2019	SPE Costa das Dunas	70,482	0%
BNB FNE	2020	SPE Farol de Touros	61,672	0%

BNB FNE	2020	SPE Figueira Branca	26,430	0%
BNB FNE	2020	SPE Gameleira	44,051	0%

2019:

			2019	
Type	Approval	Company	Contracted balance	Released
BNDES Finem	2018	Boa Vista 2	144,500	83%
BNB FNE	2018	Pedra Cheirosa I e II	209,205	95%
BNDES Finem	2018	CPFL Paulista	953,392	53%
BNDES Finem	2018	CPFL Piratininga	347,264	67%
BNDES Finem	2018	CPFL Santa Cruz	174,954	85%
BNDES Finem	2018	RGE	1,133,024	60%
BNB FNE	2018	CPFL Transmissão Maracanaú	42,422	0%
BNB FNE	2019	SPE Costa das Dunas	70,482	0%

2018:

			2,018	
Type	Approval	Company	Contracted balance	Released
BNDES Finem	2012	CPFL Renováveis	555,127	100%
BNDES Finem	2012	CPFL Renováveis	2,000	71%
BNDES Finame	2012	CPFL Renováveis	4,691	80%
BNDES Finem	2013	CPFL Renováveis	391,245	91%
BNDES Finem	2014	CPFL Renováveis	383,748	100%
BNDES Finem	2015	CPFL Renováveis	764,109	83%
BNDES Finem	2015	CPFL Renováveis	84,338	100%
BNDES Finame	2017	CPFL Serviços	11,286	3%
BNDES Finem	2018	CPFL Renováveis	1,445	83%
BNB FNE	2018	CPFL Renováveis	209,205	97%
BNDES Finem	2018	CPFL Paulista	953,392	42%
BNDES Finem	2018	CPFL Piratininga	347,264	51%
BNDES Finem	2018	CPFL Santa Cruz	174,954	45%
BNDES Finem	2018	RGE	550,571	46%
BNDES Finem	2018	RGE Sul (RGE)	582,453	48%

h) Significant changes in each item of the financial statements

Management has presented consolidated balance sheets and financial statements of income for the fiscal years ended December 31, 2020, 2019 and 2018 with demonstrations of all variations and comments on the most relevant.

Comments on the most relevant variations in Assets:

	Consolidated Statements of Financial Position (in million of Brazilian Reais)								
ASSETS	**Dec 31, 2020**	**AH%**	**AH-R$**	**AV%**	**Dec 31, 2019**	**AH%**	**AH-R$**	**AV%**	**Dec 31, 2018**
Current assets									
Cash and cash equivalents	3.919	102,3%	1.982	8,0%	1.937	2,4%	46	4,4%	1.891
Securities	1.872	120,0%	1.021	3,8%	851	100,0%	851	1,9%	-
Consumers, concessionaires and licensees	5.207	4,4%	221	10,6%	4.986	9,6%	438	11,3%	4.548
Inventories	96	33,3%	24	0,2%	72	50,0%	24	0,2%	48
Dividends and interest on capital	81	-19,0%	(19)	0,2%	100	0,0%	-	0,2%	100
Income tax and social contribution to be offset	88	0,0%	-	0,2%	88	-29,0%	(36)	0,2%	124
Other taxes recoverable	337	1,8%	6	0,7%	331	14,9%	43	0,8%	288
Derivatives	745	165,1%	464	1,5%	281	-9,1%	(28)	0,6%	309
Sector financial asset	559	-48,9%	(535)	1,1%	1.094	-17,8%	(237)	2,5%	1.331
Concession financial asset	25	4,2%	1	0,1%	24	100,0%	24	0,1%	-
Other receivables	883	53,0%	306	1,8%	577	-24,4%	(186)	1,3%	763
Total current assets	**13.812**	33,6%	**3.471**	28,1%	**10.341**	10,0%	**939**	23,5%	**9.402**
	-				-				-
Consumers, concessionaires and licensees	828	16,1%	115	1,7%	713	-5,3%	(40)	1,6%	753
Intragroup loans	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-
Escrow Deposits	765	1,1%	8	1,6%	757	-11,4%	(97)	1,7%	854
Income tax and social contribution to be offset	35	-65,7%	(67)	0,1%	102	50,0%	34	0,2%	68
Other taxes recoverable	369	-0,5%	(2)	0,8%	371	99,5%	185	0,8%	186
Sector financial assets	109	3533,3%	106	0,2%	3	-98,7%	(221)	0,0%	224
Derivatives	1.340	262,2%	970	2,7%	370	6,3%	22	0,8%	348
Deferred tax assets	586	-45,0%	(479)	1,2%	1.065	11,4%	109	2,4%	956
Concession financial asset	10.348	17,9%	1.568	21,1%	8.780	18,2%	1.350	19,9%	7.430
Investments at cost	117	0,0%	-	0,2%	117	0,0%	-	0,3%	117
Other receivables	172	-76,6%	(562)	0,4%	734	-20,8%	(193)	1,7%	927
Investments	1.016	1,8%	18	2,1%	998	1,8%	18	2,3%	980
Property, Plant and Equipment	8.798	-3,1%	(286)	17,9%	9.084	-3,9%	(373)	20,6%	9.457
Contract asset – in progress	1.843	39,3%	520	3,8%	1.323	26,5%	277	3,0%	1.046
Intangible assets	8.970	-3,8%	(351)	18,3%	9.321	-1,5%	(142)	21,1%	9.463
Total noncurrent assets	**35.295**	4,6%	**1.558**	71,9%	**33.738**	2,8%	**929**	76,5%	**32.809**
Total assets	**49.107**	11,4%	**5.029**	100,0%	**44.078**	4,4%	**1.868**	100,0%	**42.212**
	(594)	-316,0%	(869)		**275**	-72,1%	(712)		**987**

Cash and cash equivalents:

The balance of R$ 3,919 million in 2020, which represents 8.0% of total assets, increased by 102.3% (R$ 1,982 million), compared to 2019, due to:

(i) cash generation of R$ 6,360 million from operating activities, basically from adjusted net income (R$ 7,191 million); the reductions: (a) payment of debt and debentures charges (R$ 761 million); (b) the net sectorial financial assets (R$ 500 million); (c) tax, civil and labor lawsuits (R$ 240 million); (d) dividends received from jointly-controlled subsidiaries (R$ 413 million); increases (a) payment of income tax and social contribution (R$ 718 million); (b) accounts payable to suppliers (R$ 746 million); (c) accounts receivable from consumers, concessionaires and permit holders (R$ 574 million); and (d) regulatory fees (R$ 124 million);

(ii) cash consumption of R$ 3,123 million in investment activities basically due to: (a) additions to contractual assets (R$ 2,314 million), (b) investments in securities (R$ 1,947 million) and (c) redemption in securities (R$ 1,500 million).

(iii) Cash consumption of R$ 1,255 million from financing activities, resulting from: a) amortization of loans and debentures net of funding and settlement of operations with derivatives (R$ 1,511 million); b) dividends paid (R$ 2,116 million), partially offset by receiving of intragroup loans from subsidiaries (R$ 2,380 million).

The balance of R$ 1,937 million in 2019, which represents 4.4% of total assets, increased by 2.4% (R$ 1,891 million), compared to 2018, due to:

(i) cash generation of R$ 5,789 million from operating activities, basically from adjusted net income (R$ 6,978 million); the reductions: (a) payment of debt and debentures charges (R$ 1,132 million); (b) the

net sectorial financial assets (R$ 602 million); (c) tax, civil and labor lawsuits (R$ 484 million); (d) dividends received from jointly-controlled subsidiaries (R$ 332 million); increases (a) payment of income tax and social contribution (R$ 964 million); (b) accounts payable to suppliers (R$ 889 million); (c) accounts receivable from consumers, concessionaires and permit holders (R$ 631 million); and (d) regulatory fees (R$ 82 million).

(ii) cash consumption of R$ 3,069 million in investment activities basically due to: (a) additions to contractual assets (R$ 2,054 million) and (b) investments in securities (R$ 1,185 million).

(iii) Cash consumption of R$ 2,674 million from financing activities, resulting from: a) purchase of shares in the subsidiary CPFL Renováveis (R$ 4,107 million), b) amortization of loans and debentures net of funding and settlement of operations with derivatives (R$ 1,661 million); c) dividends paid (R$ 534 million), partially offset by funds from the public offering carried out in June 2019, related to the Re-IPO (R$ 3,622 million).

Consumers, concessionaires and licensees:

The balance of R$ 6,035 million in 2020 in current and non-current, which represents 12.3% of total assets, showed an increase of 5.9% (R$ 336 million) compared to 2019, basically resulting from amounts related to sale of electricity at the Electricity Commercialization Chamber - CCEE (R$ 163 million) and the general increase in tariffs and in the billing mainly of the residential class R$ 122 million, offset by the reduction in the amounts related to the sale of electricity to other concessionaires and permissionaires (R$ 13 million) by the marketing subsidiary CPFL Brasil.

The balance of R$ 5,699 million in 2019 in current and non-current, which represents 12.9% of total assets, showed an increase of 7.5% (R$ 397 million) compared to 2018, basically resulting from amounts related to sale of electricity at the Electricity Commercialization Chamber - CCEE (R$ 175 million) and the general increase in tariffs and in the billing mainly of the residential class R$ 102 million, offset by the reduction in the amounts related to the sale of electricity to other concessionaires and permissionaires (R$ 24 million) by the marketing subsidiary CPFL Brasil.

Deferred tax assets and liabilities:

The balance of net tax debts (net liabilities) of R$ 182 million in 2020, reduced by R$ 199 million, compared to the balance of net tax debts (net assets) of R$ 17 million in 2019, basically due to the increase in liabilities related to the temporarily non-deductible / taxable differences in income tax and social contribution (R$ 428 million) and offset by the increase in assets arising from tax losses and negative bases (R$ 276 million).

The balance of net tax debts (net assets) of R$ 17 million in 2019, increased by R$ 197 million, compared to the balance of net tax debts (net liabilities) of R$ 180 million in 2018, basically due to the reduction in liabilities related to the temporarily non-deductible / taxable differences in income tax and social contribution (R$ 281 million) and offset by the reduction in assets arising from tax losses and negative bases (R$ 50 million).

Sector financial assets and liabilities:

The positive balance of net sectorial financial assets and liabilities of R$ 440 million in 2020, decreased by R$ 554 million, compared to the balance of R$ 994 million recorded in 2019, due to:

• CVA items (compensation account for the variation in the values of items in portion "A") in the amount of R$ 417 million, mainly with a reduction in the cost of electricity (R$ 773 million); transfer of Itaipu (R$ 351 million); neutrality of sector changes (R$ 101 million) and in the energy development account (CDE) of (R$ 25 million), partially offset by an increase in the system service charge account

(ESS) and a reserve energy charge (EER) of R$ 666 million and in the use charge account the basic network of R$ 198 million;

• Other financial components (R$ 137 million).

The positive balance of net sectorial financial assets and liabilities of R$ 994 million in 2019, decreased by R$ 514 million, compared to the balance of R$ 1,508 million recorded in 2018, due to:

• CVA items (compensation account for the variation in the values of items in portion "A") in the amount of R$ 510 million, mainly with a reduction in the cost of electricity (R$ 746 million); transfer of Itaipu (R$ 215 million); and in the energy development account (CDE) of (R$ 82 million), offset by an increase in the system service charge account (ESS) and a reserve energy charge (EER) of R$ 370 million and in the use, charge account the basic network of R$ 129 million;

• Other financial components (R$ 5 million).

Concession Financial Assets:

The balance of R$ 10,348 million in 2020, which represents 21.1% of total assets, increased by 17.9% when compared to 2019 (R$ 8,780 million) due, basically, to a net effect: i) of investments in services infrastructure electricity distribution and transmission (R$ 1,208 million), for expansion, maintenance, improvement, modernization and reinforcement of the electrical system; ii) the adjustment of the cash flow expectations of the distributors (R$ 406 million); compensated and iv) for the write-offs resulting from the distributors' infrastructure (R$ 46 million); the casualties resulting from the distributors' infrastructure.

The balance of R$ 8,780 million in 2019, which represents 19.9% of total assets, increased by 18.2% when compared to 2018 (R$ 7,430 million) due, basically, to a net effect: i) of investments in services infrastructure electricity distribution and transmission (R$ 1,087 million), for expansion, maintenance, improvement, modernization and reinforcement of the electrical system; ii) the adjustment of the cash flow expectations of the distributors (R$ 296 million); compensated and iv) for the write-offs resulting from the distributors' infrastructure (R$ 33 million); the casualties resulting from the distributors' infrastructure.

Property, Plant and Equipment:

The balance of R$ 8,798 million in 2020, which represents 17.9% of total assets, decreased by 3.1% (R$ 301 million) compared to R$ 9,084 million in 2019, in which the highlight is investments of R$ 327 million, mostly in CPFL Renováveis projects, offset by the effect of the depreciation of assets of R$ 462 million.

The balance of R$ 9,084 million in 2019, which represents 20.6% of total assets, decreased by 3.9% (R$ 373 million) compared to R$ 9,457 million in 2018, in which the highlight is investments of R$ 301 million, mostly in CPFL Renováveis projects, offset by the effect of the depreciation of assets of R$ 581 million.

Intangible Assets:

The balance of R$ 8,970 million in 2020, which represents 18.3% of total assets, decreased by 3.8% (R$ 351 million), compared to 2018, due to the recognition of the amortization for the year of R$ 1,123 million, partially offset by investments to expand, maintain, improve, modernize and strengthen the electrical system, as well as transfers of contractual and financial assets in the total amount of R$ 770 million.

The balance of R$ 9,321 million in 2019, which represents 21.1% of total assets, decreased by 1.5% (R$ 142 million), compared to 2018, due to the recognition of the amortization for the year of R$ 1,069 million, partially offset by investments to expand, maintain, improve, modernize and strengthen the

electrical system, as well as transfers of contractual and financial assets in the total amount of R$ 972 million.

Comments on the most relevant variations in Liabilities:

	Consolidated Statements of Financial Position (in million of Brazilian Reais)								
LIABILITIES AND EQUITY	**Dec 31, 2020**	**AH%**	**AH-R$**	**AV%**	**Dec 31, 2019**	**AH%**	**AH-R$**	**AV%**	**Dec 31, 2018**
Circulante									
Trade payables	3.910	19,9%	650	8,0%	3.260	35,9%	862	7,4%	2.398
Borrowings	2.797	0,8%	21	5,7%	2.776	13,5%	330	6,3%	2.446
Debentures	1.191	74,4%	508	2,4%	683	-25,5%	(234)	1,5%	917
Private pension plan	200	-11,1%	(25)	0,4%	225	158,6%	138	0,5%	87
Regulatory charges	108	-53,4%	(124)	0,2%	232	53,6%	81	0,5%	151
Income tax and social contribution payable	91	-58,4%	(128)	0,2%	219	119,0%	119	0,5%	100
Other taxes, fees and contributions	874	17,8%	132	1,8%	742	11,6%	77	1,7%	665
Intragroup loans	2.410	100,0%	2.410	4,9%	-	0,0%	-	0,0%	-
Dividends	907	35,6%	238	1,8%	669	25,5%	136	1,5%	533
Estimated payroll	133	6,4%	8	0,3%	125	5,0%	6	0,3%	119
Derivatives	1	-96,6%	(28)	0,0%	29	262,5%	21	0,1%	8
Sector financial liability	42	100,0%	42	0,1%	-	0,0%	-	0,0%	-
	20	-16,7%	(4)	0,0%	24	9,1%	2	0,1%	22
Use of public asset	13	8,3%	1	0,0%	12	0,0%	-	0,0%	12
Other payables	1.709	59,7%	639	3,5%	1.070	11,8%	113	2,4%	957
Total current liabilities	**14.406**	43,1%	**4.340**	29,3%	**10.066**	19,6%	**1.651**	22,8%	**8.415**
	-				-				-
Noncurrent liabilities									
Trade payables	457	-	97	0,9%	360	8,1%	27	0,8%	333
Borrowings	8.625	13,7%	1.038	17,6%	7.587	-15,6%	(1.403)	17,2%	8.990
Debentures	6.257	-20,4%	(1.607)	12,7%	7.864	-2,0%	(159)	17,8%	8.023
Private pension plan	2.760	28,2%	607	5,6%	2.153	86,1%	996	4,9%	1.157
Income tax and social contribution payable	165				156				-
Other taxes, fees and contributions	1	0,0%	-	0,0%	1	-90,0%	(9)	0,0%	10
Deferred tax liabilities	768	-26,7%	(280)	1,6%	1.048	-7,7%	(88)	2,4%	1.136
Provision for tax, civil and labor risks	616	2,5%	15	1,3%	601	-38,6%	(378)	1,4%	979
Derivatives	-	-100,0%	(6)	0,0%	6	-75,0%	(18)	0,0%	24
Sector financial liability	186	80,6%	83	0,4%	103	119,1%	56	0,2%	47
Decomissioning of assets and environmental expenses	185	-9,3%	(19)	0,4%	204	85,5%	94	0,5%	110
Use of public asset	112	23,1%	21	0,2%	91	1,1%	1	0,2%	90
Other payables	333	-40,1%	(223)	0,7%	556	51,9%	190	1,3%	366
Total noncurrent liabilities	**20.465**	-1,3%	**(274)**	41,7%	**20.729**	-2,5%	**(691)**	47,0%	**21.264**
	-				1				1
Equity									
Issued capital	9.388	0,0%	-	19,1%	9.388	63,5%	3.647	21,3%	5.741
Capital reserves	(1.644)	-0,2%	(3)	-3,3%	(1.641)	-449,9%	(2.110)	-3,7%	469
Legal reserve	1.218	17,6%	182	2,5%	1.036	15,0%	135	2,4%	901
Statutory reserve - concession financial asset	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-
Statutory reserve - working capital improvement	5.803	43,4%	1.757	11,8%	4.046	14,7%	518	9,2%	3.528
Dividends	865	-39,6%	(568)	1,8%	1.433	100,0%	1.433	3,3%	-
Accumulated comprehensive income	(1.695)	-33,7%	(427)	-3,5%	(1.268)	-237,2%	(892)	-2,9%	(376)
	13.935	7,2%	**941**	28,4%	**12.994**	26,6%	**2.731**	29,5%	**10.263**
Equity attributable to noncontrolling interests	300	3,8%	11	0,6%	289	-87,3%	(1.981)	0,7%	2.270
Total equity	**14.236**	7,2%	**952**	29,0%	**13.283**	6,0%	**750**	30,1%	**12.532**
Total liabilities and equity	**49.107**	11,4%	**5.018**	100,0%	**44.078**	4,4%	**1.710**	100,0%	**42.212**

Trades payable:

The balance of R$ 4,367 million in 2020 in current and non-current, which represents 8.9% of total liabilities and shareholders' equity, showed an increase of 20.6% (R$ 747 million) compared to 2019, basically due to the increase of supply of electricity (R$ 354 million) and materials and services (R$ 273 million); offset by the reduction in system service charges (R$ 86 million).

The balance of R$ 3,620 million in 2019 in current and non-current, which represents 8.2% of total liabilities and shareholders' equity, showed an increase of 32.6% (R$ 889 million) compared to 2018, basically due to the increase of supply of electricity (R$ 681 million) and materials and services (R$ 187 million); offset by the reduction in system service charges (R$ 60 million).

Borrowings and debentures:

The balance of R$ 18,870 million in 2020, of the total debt including loans, debentures and respective charges, which represent 38.4% of total liabilities and shareholders' equity, decreased by 0,21% (R$ 39 million) compared to R$ 18,909 million in 2019, basically due to the amortization of the principal of loans and debentures of R$ 7,096 million and payment of charges in the amount of R$ 1,132 million,

offset by the borrowing and debentures in the amount of R$ 4,666 million and the recognition of charges and monetary restatements of R$ 859 million.

The balance of R$ 18,909 million in 2019, of the total debt including loans, debentures and respective charges, which represent 42.9% of total liabilities and shareholders' equity, decreased by 7.2% (R$ 1,467 million) compared to R$ 20,377 million in 2018, basically due to the amortization of the principal of loans and debentures of R$ 7,137 million and payment of charges in the amount of R$ 1,132 million, offset by the borrowing and debentures in the amount of R$ 5,257 million and the recognition of charges and monetary restatements of R$ 1,388 million.

Main funding in 2020, 2019 and 2018 is disclosed in the Financial Statements.

Capital reserves:

The negative balance of R$ 1,644 million in 2020 (R$ 1,641 million in 2019), which represents -3.3% of total liabilities and shareholders' equity (3.7% in 2019), was constituted as a result of: (i) the acquisition of CPFL Renováveis' non-controllers in the amount of R$ 2,035 million in 2020 and 2019; and (ii) loss in interest without change of control of R$ 78 million referring to the reflex effect of the payment of the AFAC of CPFL Geração in CPFL Renováveis in 2020 (R$ 75 million in 2019).

The 2018 balance of R$469 million, equal to 1.1% of total liabilities and shareholders' equity, was accrued due to: (i) the business combination of DESA by the subsidiary CPFL Renováveis in 2014, of R$180 million; (ii) the public offering of CPFL Renováveis, in 2013, of R$60 million; and (iii) the business combination of CPFL Renováveis in 2011, of R$228 million.

Legal Reserve:

This variation refers to the accrual of the Legal Reserve, equal to 5% of Profit for the year in each of fiscal years.

Statutory reserve – financial asset of concession:

At the Extraordinary Shareholders' Meeting held on April 27, 2018, the Company approved the extinction of the statutory reserve of the financial asset of the concession and the transfer of the respective balance of R$ 827 million to the Retained Earnings account.

Statutory reserve – working capital improvement:

In 2020, the Company's Management is proposing the allocation of R$ 1,757 million to the statutory reserve - reinforcement of working capital. The balance of the statutory reserve - working capital increase on December 31, 2020 is R$ 5,803 million.

In 2019, the Company's Management destined R$ 519 million to the statutory reserve - reinforcement of working capital. The balance of the statutory reserve - working capital increase on December 31, 2019 was R$ 4,046 million.

In 2018, considering the current macro scenario with an incipient economic recovery, and considering the uncertainties regarding hydrology, the Company's Management proposed the allocation of R$ 2,235 million to the statutory reserve - working capital reinforcement. The balance of the statutory reserve - working capital reinforcement on December 31, 2018 is R$ 3,528 million.

Comments on the most relevant variations in the Statement of Income:

	Consolidated Statements of Income (in million of Brazilian Reais)									
	2,020	**AH%**	**AH-R$**	**AV%**	**2,019**	**AH%**	**AH-R$**	**AV%**	**2,018**	**AH%**
Operating revenue	**45,363**	0.8%	**353**	146.8%	**45,010**	5.6%	**2,385**	150.4%	**42,625**	151.5%
Electricity sales to final consumers	17,193	-9.5%	(1,800)	55.6%	18,993	6.0%	1,068	63.5%	17,925	63.7%
Electricity sales to wholesalers	4,908	-17.8%	(1,062)	15.9%	5,970	11.5%	615	19.9%	5,355	19.0%
Revenue from construction of concession infrastructure	2,573	23.2%	485	8.3%	2,088	17.8%	316	7.0%	1,772	6.3%
Other operating revenues	20,689	15.2%	2,730	67.0%	17,959	2.2%	386	60.0%	17,573	62.5%
Deductions from operating revenue	(14,464)	4.1%	613	-46.8%	(15,077)	-4.1%	(587)	-50.4%	(14,490)	-51.5%
Net operating revenue	**30,899**	3.2%	**966**	100.0%	**29,933**	6.4%	**1,796**	100.0%	**28,137**	100.0%
Cost of eletric energy service	**(18,486)**	-0.6%	**(115)**	-59.8%	**(18,371)**	-3.0%	**(533)**	-61.4%	**(17,838)**	-63.4%
Electricity purchased for resale	(15,342)	3.6%	565	-49.7%	(15,907)	-2.9%	(441)	-53.1%	(15,466)	-55.0%
Electricity network usage charge	(3,144)	-27.6%	(680)	-10.2%	(2,464)	-3.9%	(92)	-8.2%	(2,372)	-8.4%
Cost of infrastructure construction	**(2,564)**	-22.7%	(475)	-8.3%	**(2,089)**	-17.8%	(315)	-7.0%	**(1,774)**	-6.3%
Cost of operation	**(2,927)**	-1.1%	(33)	-9.5%	**(2,894)**	-5.9%	(160)	-9.7%	**(2,734)**	-9.7%
Operating expenses	**(2,218)**	-0.2%	**(4)**	-7.2%	**(2,214)**	-6.4%	**(133)**	-7.4%	**(2,081)**	-7.4%
Operating costs and expenses	**(5,145)**	-0.7%	(37)	-16.7%	**(5,108)**	-6.1%	(293)	-17.1%	**(4,815)**	-17.1%
Personnel	(1,475)	0.4%	6	-4.8%	(1,481)	-4.7%	(67)	-4.9%	(1,414)	-5.0%
Private pension plans	(174)	-54.0%	(61)	-0.6%	(113)	-25.6%	(23)	-0.4%	(90)	-0.3%
Materials	(281)	-0.7%	(2)	-0.9%	(279)	-8.1%	(21)	-0.9%	(258)	-0.9%
Third party services	(653)	8.7%	62	-2.1%	(715)	-3.3%	(23)	-2.4%	(692)	-2.5%
Depreciation and amortization	(1,378)	1.0%	14	-4.5%	(1,392)	-6.5%	(85)	-4.5%	(1,307)	0.0%
Others	(1,184)	-5.0%	(56)	-3.8%	(1,128)	-7.0%	(74)	-3.8%	(1,054)	-3.7%
Income from eletric energy services	**4,704**	7.8%	341	15.2%	**4,363**	17.7%	655	14.6%	**3,708**	13.2%
Equity interests in joint ventures	**409**	17.9%	62	1.3%	**347**	4.2%	14	1.2%	**333**	1.2%
Finance income (costs)	**(316)**	56.5%	**410**	-1.0%	**(726)**	34.2%	**377**	-2.4%	**(1,103)**	-3.9%
Finance income	937	3.7%	33	3.0%	904	18.6%	142	3.0%	762	2.7%
Finance costs	(1,253)	23.1%	377	-4.1%	(1,630)	12.6%	235	-5.4%	(1,865)	-6.6%
Profit before taxes	**4,797**	20.3%	**811**	15.5%	**3,986**	35.6%	**1,046**	13.3%	**2,940**	10.4%
Social contribution	(297)	11.9%	40	-1.0%	(337)	-57.5%	(123)	-1.1%	(214)	-0.8%
Income tax	(793)	12.0%	108	-2.6%	(901)	-60.9%	(341)	-3.0%	(560)	-2.0%
Profit for the year	**3,707**	34.9%	**959**	12.0%	**2,748**	26.9%	**582**	9.2%	**2,166**	7.7%
Profit attributable to owners of the Company	3,643	34.8%	940	11.8%	2,703	31.3%	645	9.0%	2,058	7.3%
Profit (loss) attributable to noncontrolling interests	64	39.1%	18	0.2%	46	-57.4%	- 62	0.2%	108	0.4%

Net operating revenue:

Net operating revenue is the sum of revenue from electric energy operations, other operating revenue and deductions from operating revenue (taxes and sector contributions). Below is a comparative table of revenue from 2020, 2019 and 2018.

	2020			2019			2018	
	R$	GWh	AH %	R$	GWh	AH %	R$	GWh
Revenue from Electric Energy Operations								
Residential	15,622	20,944	1.7%	15,357	20,355	13.3%	13,550	19,618
Industrial	4,516	11,865	-13.5%	5,223	13,198	0.7%	5,189	13,834
Commercial	5,897	9,761	-11.7%	6,675	10,700	10.5%	6,038	10,211
Rural	1,563	3,346	9.3%	1,430	3,231	7.1%	1,335	3,583
Public administration	771	1,172	-19.5%	958	1,468	8.9%	880	1,459
Public lighting	827	2,035	-1.3%	838	2,039	9.3%	767	2,003
Public services	1,176	2,173	-5.3%	1,242	2,348	8.0%	1,150	2,348
(-) Adjustment of revenues from excess demand and excess reactive power	-			-	-		-	
Billed	**30,370**	**51,296**	-4.3%	**31,722**	**53,339**	9.7%	**28,909**	**53,057**
Own comsuption	-	34	0.0%	-	36	0.0%	-	34
Unbilled (net)	261		569.2%	39		-65.2%	112	
(-) Reclassificacion to Network Usage Charge - TUSD - Captive Consumers	(13,438)		5.2%	(12,769)		15.1%	(11,096)	
Electricity sales to final consumers	**17,193**	**51,331**	-9.5%	**18,993**	**53,375**	6.0%	**17,925**	**53,091**
Furnas Centrais Elétricas S.A.	625	2,158	7.9%	579	2,875	6.4%	544	2,875
Other concessionaires and licensees	3,279	13,876	-22.2%	4,215	18,351	10.2%	3,825	17,757
(-) Reclassificacion to Network Usage Charge - TUSD - Captive Consumers	(124)	-	-6.8%	(133)	-	0.0%	(97)	-
Spot market energy	1,128	8,453	-13.8%	1,309	4,208	20.9%	1,083	3,828
Electricity sales to wholesalers	**4,908**	**24,488**	-17.8%	**5,970**	**25,435**	11.5%	**5,355**	**24,459**
Revenue due to Network Usage Charge - TUSD - Captive Consumers	13,562		5.1%	12,902		15.3%	11,193	
Revenue due to Network Usage Charge - TUSD - Free Consumers	3,851		14.6%	3,359		26.7%	2,651	
Compensation paid for failure to comply with the limits of continuity	(85)		0.0%	(84)		0.0%	(58)	
Revenue from construction of concession infrastructure	2,573		23.2%	2,088		17.8%	1,772	
Sector financial asset and liability (Note 8)	811		-234.7%	(602)		-149.8%	1,208	
Concession financial asset - fair value adjustment (Note 10)	388		38.1%	281		-18.6%	345	
Energy development account - CDE - Low-income, Tariff discounts - judicial injunctions ,and other tariff discounts	1,500		-1.1%	1,516		-1.3%	1,536	
Other revenues and income	662		12.8%	587		-15.9%	698	
Other operating revenues	**23,262**		16.0%	**20,047**		3.6%	**19,345**	
Total gross operating revenue	**45,363**		0.8%	**45,009**		5.6%	**42,626**	
ICMS	(6,793)		-2.1%	(6,937)		12.1%	(6,188)	
PIS	(683)		1.0%	(676)		2.6%	(659)	
COFINS	(3,145)		-0.9%	(3,174)		4.5%	(3,037)	
ISS	(25)		25.0%	(20)		17.6%	(17)	
Global reversal reserve - RGR	-		0.0%	(1)		0.0%	-	
Energy development account - CDE	(3,476)		-4.6%	(3,642)		-9.3%	(4,016)	
Research and development and energy efficiency programs	(232)		3.1%	(225)		8.2%	(208)	
PROINFA	(174)		-0.6%	(175)		15.1%	(152)	
Tariff flags and others	108		-159.7%	(181)		0.0%	(179)	
	(7)			(9)				
Others	(38)		0.0%	(38)		0.0%	(33)	
Deductions from operating revenues	**(14,464)**		-4.1%	**(15,077)**		4.1%	**(14,490)**	
Net operating revenue	**30,898**		3.2%	**29,932**		6.4%	**28,137**	

Main variations in the consolidated results between 2020 and 2019:

Net Operating Revenues

Compared to the year ended December 31, 2019 our net operating revenues increased 3.2% (or R$966 million) to R$30,898 million in the year ended December 31, 2020.

This increase in operating revenue was mainly due to the combined effect of: (i) an increase of R$ 1,413 million in sectorial financial assets and liabilities; (ii) an increase of R$ 1,152 million in revenue due to TUSD for captive and free consumers; (iii) a reduction of R$ 613 million in deductions from operating revenue, as discussed in the section "- Deductions from operating revenue" below, which represents an increase in net operating revenue and (iv) an increase of R$ 485 million in revenue from construction of the concession infrastructure. These increases were partially offset by (i) a reduction of R$ 1,800 million in sales of electricity to Final Consumers (net amount, considering the

reclassification for network usage fee - TUSD - Captive Consumers), as discussed in the section "Sales by Destination" below; and (ii) a reduction of R$ 936 million in other concessionaires and permissionaires.

The following discussion describes changes in our net operating revenues by destination and by segment, based on the items comprising our gross revenues.

Sales by Destination

Sales to Final Consumers

Compared to the year ended December 31, 2019, our gross operating revenues from sales to Final Consumers (which includes TUSD revenue from Captive Consumers) reduced 3.56% (or R$1,130 million) in the year ended December 31, 2020, to R$30,631 million. Our gross operating revenues primarily reflect sales to Captive Consumers in concession areas from our distribution subsidiaries, as well as TUSD revenue from the use of our network by Captive Consumers, both of which are subject to tariff adjustment as described below. Our gross operating revenue also reflects sales to Free Consumers in commercial and industrial categories.

Distribution companies' tariffs are adjusted every year, in percentages specific to each category of consumer. The month in which the annual tariff adjustment becomes effective varies by subsidiary, impacting both the year in which the tariff adjustment occurs as well as the following year. The adjustments for our largest subsidiaries occur in April (CPFL Paulista), June (RGE Sul) and October (CPFL Piratininga).

In 2020, our tariff adjustments were of 18.31%, 14.90%, 15.74% and 10.71% for CPFL Piratininga, CPFL Paulista, RGE, RGE Sul e Santa Cruz, respectively. Furthermore, the green tariff flag was in effect for most of 2020. For more information, see Note 27 to our consolidated and audited annual financial statements. Overall, average prices for end consumers in 2020 were lower for the Industrial and Public lighting classes:

- Residential and commercial consumers. With respect to Captive Consumers (which represent 97.4% of the total R$20.969 million sold to this category in our consolidated statements), average prices decreased 1.1% for residential consumers and increased 0.8% for commercial consumers. With respect to Free Consumers, the average price for the commercial consumers increased 0.9%.

- Industrial consumers. With respect to Captive Consumers, average prices increased 2.0%. With respect to Free Consumers, the average price for industrial consumers increased 3.2% due to permission Aires new tariff negotiations in agreements with Free Consumers.

The total volume of energy sold to Final Consumers in the year ended December 31, 2020 reduced 3.8% (or 2,043 GW) compared to the year ended December 31, 2019. This reduction represents the effect of a reduction of 4.9% (or 1456 GW) in the volume of energy sold to Final Captive Consumers and an increase of 2.0% (or 194 GW) in the volume of energy sold to Conventional Free Consumers.

The volume sold to residential and commercial categories, which accounts for 59.9% of our sales to Final Consumers, increased by 2.9% (or 588 GW) and reduced by 8.7% (or 939 GW), respectively. These changes were due to the combined effect of:

- Residential: an increase of 2.9% (or 588 GW) in the volume sold by our distribution subsidiaries to the residential customers mainly reflecting the increase in consumer units in 2020 compared to 2019.

- Commercial: a reduction of 8.7% (or 939 GW) due to (i) a reduction of 14.4% (or 1,233 GW) in the volume of energy sold to Captive Consumers in the commercial category, partially offset by the increase of 15.6 % (or 294 GW) in the volume sold by our marketing subsidiaries with a migration from Captive Consumers to the Free Consumers category.

The volume sold to industrial consumers, which represented 23.1% of our sales to Final Consumers in 2020 (compared with 24.7% in 2019), decreased by 10.1% (or 1,333 GW) in the year ended December 31, 2020 compared to the year ended December 31, 2019. This decrease was mainly due to (i) a decrease of 1,261 GW in the volume of Captive Consumers served by our distribution subsidiaries and (ii) a decrease of 71 GW in the migration of industrial consumers from the Captive Market to the Free Market.

Sales to wholesalers

Compared to the year ended December 31, 2019, our gross operating revenue from sales to wholesalers in the year ended December 31, 2020 decreased 17.8% (or R$ 1,062 million) to R$ 4,908 million (15.9 % of gross operating revenue), mainly due to (i) a reduction 22.2% (or R$ 936 million) in revenues from other concessionaires and licensees and (ii) a reduction 13.8% (or R$ 181 million) in energy sales in the short-term market, partially offset by an increase of R$ 46 million in sales to Furnas.

Other operating revenues

Compared to the year ended December 31, 2019, our other gross operating revenues (which excludes TUSD revenue from Captive Consumers) increased 35.8% (or R$2.555 million) to R$9,700 million in the year ended December 31, 2020 (21.4% of our gross operating revenues), mainly due to the net effect of:

(i) an increase of R$ 1,413 million in revenue from financial assets and liabilities in the sector, from a liability of R$ 602 million in the year ended December 31, 2019 to an asset of R$ 811 million in the year ended December 31, 2020. This revenue reflects differences in time between our budgeted costs included in the tariff at the beginning of the tariff period and the costs actually incurred by the distribution companies while that tariff is in effect, creating a contractual obligation to pay or be entitled to receive cash to or from consumers through subsequent tariffs or to pay or receive from the granting authority any amounts remaining at the expiration of the concession. This leads to an adjustment to recognize the future reduction (or increase) in tariffs to account for lower (or additional) costs in the current year, this adjustment being recognized as a positive (or negative) revenue item. The increase in this item on December 31, 2020 was mainly driven by (a) an increase of R$ 876 million in the Transfer of Itaipu, (b) an increase of R$ 550 million in Over-Contracting and (c) an increase of R$ 196 million in the Basic Network; partially offset by (a) a reduction of R$ 293 million in Electricity Costs. For more information, see Note 9 to our audited consolidated annual financial statements;

(ii) an increase of R$ 492 million in revenue due to TUSD referring to Free Consumers; and

(iii) an increase of R$ 485 million in revenue from the construction of the concession's infrastructure.

Deductions from operating revenues

We deduct certain taxes and industry charges from our gross operating revenue to calculate net revenue. The ICMS tax is calculated based on gross operating revenue from final consumers (billed), while federal PIS and COFINS taxes are calculated based on total gross operating revenue. The research and development and energy efficiency programs (regulatory charges) are calculated based on net operating revenue. Other regulatory charges vary depending on the regulatory effect reflected in our tariffs. These deductions represented 31.9% of our gross operating revenue in the year ended December 31, 2020 and 33.5% in the year ended December 31, 2019. Compared to the year ended December 31, 2019, these deductions reduced 4.1% (or R$613 million) to R$14.464 million in 2020, mainly due to (i) a reduction of 159.7% (or R$ 289 million) in tariff flags, (ii) a reduction of 4.6% (or R$ 166 million) in contributions made to the CDE Account, (iii) a reduction of 2.1% (or R$ 144 million) in ICMS taxes. These reductions were partially offset by an increase of 3.1% (or R$ 7 million) in the R&D and Energy Efficiency Program account.

Cost of Electric Energy

Electricity purchased for resale. Our costs for the purchase of energy for resale decreased 3.6% (or R$565 million) in the year ended December 31, 2020, to R$15,342 million (63.1% of our total operational costs and operating expenses) compared with R$15,907 million for the year ended

December 31, 2019 (representing 67.2% of our total operational costs and operating expenses), mainly due to a decrease of 4.7% (or 3,691 GW) in the volume of energy purchased, reflecting:

(i) a decrease of 11.9% (or R$1,695 million) and 5.49% (or 3,639 GWh) in the cost and volume of electric energy purchased through an auction in the Regulated Market, bilateral contracts and short-term energy; partially offset by

(ii) an increase of 37% (or R$1,034 million) in cost of electric energy purchased from Itaipu due mainly to the rise of the foreign currency - US$.

Electricity network usage charges. Our charges for the use of our transmission and distribution system increased 27.6% (or R$680 million) to R$3,144 million in the year ended December 31, 2020, reflecting the combined effect of: (i) an increase of R $ 460 million in Charges for the basic network; (ii) an increase of R$ 124 million in ESS, net of transfers from the CCEE's energy reserve account (conta de energia de reserva – CONER); and (iii) an increase of R $ 122 million in Basic Reserve Energy Charges.

Other costs and operating expenses

Our other costs and operating expenses comprise our cost of operation, services received from third parties, costs related to construction of concession infrastructure, sales expenses, general and administrative expenses and other operating expenses.

Compared to the year ended December 31, 2019, our other costs and operating expenses increased 7.1% (or R$511 million) to R$7,709 million in the year ended December 31, 2020, mainly due to: (i) an increase of 22.7% (or R$ 474 million) with costs related to the construction of concession infrastructure; (ii) an increase of 54.0% (or R $ 61 million) in expenses related to the private pension plan. These increases were partially offset by a reduction of 8.7% (or R $ 62 million) in expenses with third-party services.

Income from Electric Energy Service

Compared to the year ended December 31, 2019, our income from electric energy service increased 7.8% (or R$341 million) to R$4,704million in the year ended December 31, 2020, mainly due to our net operating revenue having increased by more, in absolute terms (R$966 million), partially offset by the increase in our cost of generating and distributing electric energy and other operating costs and expenses (R$647 million).

Profit for the year

Net Financial Expense

Compared to the year ended December 31, 2019, our net financial expense decreased 56% (or R$410 million), from R$726 million in 2019 to R$316 million in the year ended December 31, 2020, mainly due to a decrease of R$377 million in our financial expenses, partially offset by an increase of R$31 million in our financial income.

The reasons for the decrease in financial expenses are: (i) a decrease of R$ 2,359 million in the result of derivatives, (ii) a decrease of R$ 331 million in debt charges, partially offset by (iii) an increase of R$ 2,216 million in financial expenses from monetary and exchange adjustments and (iv) an increase of R$ 21 million in expenses related to the use of public goods - UBP.

The increase in financial income is mainly due to: (i) an increase 354% (or R$ 223 million) in revenue from monetary and exchange updates; partially offset by (ii) a decrease of 60% (or R $ 21 million) in tax credit restatement, (ii) a decrease of 81% (or R$ 71 million) in the sectorial financial asset update, and (iv) a decrease of 36% (or R$ 94 million) in income from financial investments.

At December 31, 2020, we had R$10,844 million (compared with R$13,901 million at December 31, 2019) in debt denominated in reais, which accrued both interest and inflation adjustments based on a variety of Brazilian indices and money market rates. The average CDI interbank rate during the year decreased to 2.79% in 2020, compared to 5.94% in 2019; and the average TJLP (which was replaced

by the TLP (Long-Term Rate) in financing contracts executed on or after January 1, 2018) decreased to 4.87% in 2020, compared to 6.20% in 2019. We also had the equivalent of R$8,027 million (compared with R$5,009 million at December 31, 2019) of debt denominated in foreign currency in U.S. dollars and euros. In order to reduce the exchange rate risk with respect to this foreign currency-denominated debt and variations in interest rates, we implemented a policy of using exchange and interest rate derivatives.

Income and Social Contribution Taxes

Our expenses with charge for income and social contribution taxes decreased to R$1,090 million in the year ended December 31, 2020 compared with R$1,238 million in the year ended December 31, 2019. Our effective rate of 29.4% on pretax income in the year ended December 31, 2020 was lower than the official rate of 34%, principally due to our ability to recognize further prior year tax loss carry-forwards. Our unrecorded tax credits relate to losses generated for which it is not probable that future taxable income will be sufficient to absorb such losses (see Note 10.5 to our audited annual consolidated financial statements).

Profit the year

Compared to the year ended December 31, 2019, and due to the factors discussed above, profit for the year increased 34.9% (or R$959 million), to R$3,707 million in the year ended December 31, 2020.

Main variations in the consolidated results between 2019 and 2018:

Net Operating Revenues

Compared to the year ended December 31, 2018 our net operating revenues increased 6.4% (or R$1,795 million) to R$29,932 million in the year ended December 31, 2019.

This increase in operating revenue was primarily due to the combined effect of: (i) an increase of R$2,417 million in revenue due to TUSD for Captive and Free Consumers; (ii) an increase of R$1,068 million in electricity sales to Final Consumers (net amount, considering of reclassification to network usage charge – TUSD – Captive Consumers), as discussed in the section "—Sales by Destination" below; and (iii) an increase of R$390 million in other concessionaires and licensees. These increases were partially offset by (i) a decrease of R$1,810 million in sector financial assets and liabilities; and (ii) an increase of R$587 million in deductions from operating revenues, as discussed in the section "—Deductions from operating revenues" below, which represents a decrease in net operating revenues.

The following discussion describes changes in our net operating revenues by destination and by segment, based on the items comprising our gross revenues.

Sales by Destination

Sales to Final Consumers

Compared to the year ended December 31, 2018, our gross operating revenues from sales to Final Consumers (which includes TUSD revenue from Captive Consumers) increased 9.44% (or R$2,740 million) in the year ended December 31, 2019, to R$31,761 million. Our gross operating revenues primarily reflect sales to Captive Consumers in concession areas from our distribution subsidiaries, as well as TUSD revenue from the use of our network by Captive Consumers, both of which are subject to tariff adjustment as described below. Our gross operating revenue also reflects sales to Free Consumers in commercial and industrial categories.

Distribution companies' tariffs are adjusted every year, in percentages specific to each category of consumer. The month in which the annual tariff adjustment becomes effective varies by subsidiary, impacting both the year in which the tariff adjustment occurs as well as the following year. The

adjustments for our largest subsidiaries occur in April (CPFL Paulista), June (RGE Sul) and October (CPFL Piratininga).

In the year ended December 31, 2019, overall average energy prices increased by 12.4%, mainly due to the result of the RTP for CPFL Piratininga and the RTA for CPFL Paulista, RGE Sul and CPFL Santa Cruz. In 2019, our tariff adjustments were of 13.7%, 12.0%, 10.1% and 1.9% for CPFL Santa Cruz, CPFL Paulista, RGE Sul and CPFL Piratininga, respectively. Furthermore, the green and yellow tariffs flags were in effect for the most part of 2019. For further information, see Note 27.2 of our audited annual consolidated financial statements. Overall, average prices for Final Consumers in 2019 were lower for all consumer classes:

- Residential and commercial consumers. With respect to Captive Consumers (which represent 97.9% of the total R$22,032 million sold to this category in our consolidated statements), average prices decreased 9.2% for residential consumers and 7.9% for commercial consumers, due to the RTP and RTA described above. With respect to Free Consumers, the average price for the commercial consumers increased 8.0%.

- Industrial consumers. With respect to Captive Consumers, average prices increased 6.8%, mainly due to the RTP and RTA described above. With respect to Free Consumers, the average price for industrial consumers increased 8.0% due to new tariff negotiations in agreements with Free Consumers.

The total volume of energy sold to Final Consumers in the year ended December 31, 2019 increased 0.5% (or 283 GW) compared to the year ended December 31, 2018. This increase represents the effect of a slight increase of 0.03% (or 14 GW) in the volume of energy sold to Final Captive Consumers and an increase of 2.88% (or 273 GW) in the volume of energy sold to Conventional Free Consumers.

The volume sold to residential and commercial categories, which accounts for 58.2% of our sales to Final Consumers, increased by 3.8% (or 738 GW) and increased by 4.8% (or 490 GW), respectively. These changes were due to the combined effect of:

- Residential: an increase of 3.8% (or 738 GW) in the volume sold by our distribution subsidiaries to the residential customers due to the greater economic strength of our residential consumers in 2019.

- Commercial: an increase of 26.8% (or 399 GW) in the volume sold by our commercialization subsidiaries due to (i) migration of Captive Consumers to the Free Consumers category; and (ii) an increase of 1.1% (or 94 GW) in the volume of energy sold to Captive Consumers in the commercial segment, partially offset by a decrease of 4.0% (or 4 GW) in the volume of energy from renewable sources sold to commercial consumers that opted to become Special Free Consumers.

The volume sold to industrial consumers, which represented 24.7% of our sales to Final Consumers in 2019 (compared with 26.1% in 2018), decreased by 4.6% (or 636 GW) in the year ended December 31, 2019 compared to the year ended December 31, 2018. This decrease was mainly due to (i) a decrease of 7.8% (or 481GW) in the volume of Captive Consumers served by our distribution subsidiaries and (ii) a decrease of 2.0% (or 155 GW) in the migration of industrial consumers from the Captive Market to the Free Market. With respect to commercial Free Consumers, volumes sold increased by 26.8% (or 399 GW).

Sales to wholesalers

Compared to the year ended December 31, 2018, our gross operating revenues from sales to wholesalers in the year ended December 31, 2019 increased 11.5% (or R$615 million) to R$5,970 million (19.9% of gross operating revenues), due mainly to (i) an increase of 10.2% (or R$390 million) in revenues from other concessionaires and licensees, primarily due to an increase of 34.3% (or 6,085 GW) in the volume of energy sold to other concessionaires and licensees, and (ii) an increase of 20.1% (or R$ 226 million) in sales of energy in the short-term market, primarily due to an increase of 9.94% (or 380 GW) in the volume of energy sold to spot market energy; partially offset by a decrease of R$36 million in the transfer of revenue relating to the availability of the electric network. For more information on net operating revenues from our segments, see "—Sales by Segment."

Other operating revenues

Compared to the year ended December 31, 2018, our other gross operating revenues (which excludes TUSD revenue from Captive Consumers) decreased 12.4% (or R$1,007 million) to R$7,145 million in the year ended December 31, 2019 (15.9% of our gross operating revenues), mainly due to the net effect of:

(i) a decrease of R$1,810 million in revenue from sector financial assets and liabilities, from an asset of R$1,208 million in the year ended December 31, 2018 to a liability of R$602 million in the year ended December 31, 2019. This revenue reflects differences in timing between our budgeted costs included in the tariff at the beginning of the tariff period and those actually incurred by us while such tariff is in effect, creating a contractual obligation to pay, or right to receive, cash to or from consumers through subsequent tariffs or to pay or receive from the granting authority any amounts remaining at the maturity of the concession. This leads to an adjustment in order to recognize the future decrease (or increase) in tariffs to account for lower (or additional) costs in the current year, such adjustment being recognized as a positive (or negative) revenue item. The decrease in this item at December 31, 2019 was mainly driven by (a) a decrease of R$809 million in the CDE Account; (b) a decrease of R$739 million in pass-through costs from Itaipu; (c) a decrease of R$612 million related to the cost of electricity; (d) a decrease of R$354 million in over-contracting; and (e) a decrease of R$26 million related to Transmission from Itaipu; partially offset by (a) an increase of R$225 million in the ESS and the EER; (b) an increase of R$220 million in other financial components; (c) an increase of R$217 million related to the neutrality of sector charges; and (d) an increase of R$72 million related to the Basic Network Charges. For further information, see Note 9 of our audited annual consolidated financial statements;

(ii) a decrease of R$111 million in other revenues and results;

(iii) an increase of R$708 million in revenue due to TUSD referring to Free Consumers; and

(iv) an increase of R$306 million in revenue from concession infrastructure construction.

Deductions from operating revenues

We deduct certain taxes and industry charges from our gross operating revenue to calculate net revenue. The ICMS tax is calculated based on gross operating revenue from final consumers (billed), while federal PIS and COFINS taxes are calculated based on total gross operating revenue. The research and development and energy efficiency programs (regulatory charges) are calculated based on net operating revenue. Other regulatory charges vary depending on the regulatory effect reflected in our tariffs. These deductions represented 33.5% of our gross operating revenue in the year ended December 31, 2019 and 34.0% in the year ended December 31, 2018. Compared to the year ended December 31, 2018, these deductions increased 4.1% (or R$587 million) to R$15,077 million in 2019, mainly due to (i) an increase of 12.1% (or R$749 million) in ICMS taxes; (b) an increase of 4.2% (or R$154 million) in PIS and COFINS taxes, mainly due to the increase in our gross operating revenues (the basis for calculation of these taxes). These increases were partially offset by a decrease of R$374 million in contributions made to the CDE Account as a result of the new quotas established by ANEEL in 2019.

Cost of Electric Energy

Electricity purchased for resale. Our costs for the purchase of energy for resale increased 2.9% (or R$441 million) in the year ended December 31, 2019, to R$15,907 million (67.2% of our total operational costs and operating expenses) compared with R$15,466 million for the year ended December 31, 2018 (representing 68.2% of our total operational costs and operating expenses), mainly due to an increase of 6.4% (or 4,717 GW) in the volume of energy purchased, reflecting:

(i) increases of 1.6% (or R$229 million) and 7.9% (or 3,822 GWh) in the cost and volume of electric energy purchased through an auction in the Regulated Market, bilateral contracts and short-term energy; and

(ii) an increase of 4.7% (or R$126 million) in cost of electric energy purchased from Itaipu.

Electricity network usage charges. Our charges for the use of our transmission and distribution system increased 3.9% (or R$92 million) to R$2,464 million in the year ended December 31, 2019, reflecting the combined effect of: (i) an increase of R$110 million in ESS, net of transfers from CCEE's energy reserve account (conta de energia de reserva – CONER); (ii) a decrease of R$34 million in Basic Network Charges; and (iii) an increase of R$15 million in Itaipu charges.

Other costs and operating expenses

Our other costs and operating expenses comprise our cost of operation, services received from third parties, costs related to construction of concession infrastructure, sales expenses, general and administrative expenses and other operating expenses.

Compared to the year ended December 31, 2018, our other costs and operating expenses increased 9.2% (or R$609 million) to R$7,198 million in the year ended December 31, 2019, mainly due to: (i) an increase of 17.7% (or R$314 million) in expenses relating to the construction of concession infrastructure; (ii) an increase of 6.6% (or R$86 million) in depreciation and amortization; (iii) an increase of 37.9% (or R$64 million) in expenses related to allowances for doubtful accounts; (iv) an increase of 25.6% (or R$23 million) in expenses with private pension plans; and (v) a decrease of 3.3% (or R$23 million) in expenses relating to services provided by third-parties. These increases were partially offset by a decrease of 10.0% (or R$21 million) on gain (loss) disposal, retirement and other noncurrent assets.

Income from Electric Energy Service

Compared to the year ended December 31, 2018, our income from electric energy service increased 17.7% (or R$655 million) to R$4,363 million in the year ended December 31, 2019, mainly due to our net operating revenue having increased by more, in absolute terms (R$1,796 million), than the increase in our cost of generating and distributing electric energy and other operating costs and expenses (R$1,054 million).

Profit for the year

Net Financial Expense

Compared to the year ended December 31, 2018, our net financial expense decreased 34.2% (or R$377 million), from R$1,103 million in 2018 to R$726 million in the year ended December 31, 2019, mainly due to a decrease of R$235 million in our financial expenses, offset by an increase of R$142 million in our financial income.

The reasons for the decrease in financial expenses are: (i) a decrease of R$615 million in financial expenses from monetary and exchange adjustments; and (ii) a decrease of R$74199 million in adjustment for inflation and exchange rate changes debt charges; partially offset by an increase of R$570 million in derivatives.

The increase in financial income is mainly due to: (i) an increase of 45.0% (or R$50 million) in other income; (ii) an increase of 17.9% (or R$40 million) in income from financial investments; (iii) an increase of 13.0% (or R$36 million) in income from fines for late payments; (iv) an increase of 133.3% (or R$20 million) in tax credits; and (v) an increase of 8.0% (or R$10 million) in income from monetary adjustments to sector financial assets (for more information, see Note 10 of our audited annual consolidated financial statements). These increases were partially offset by a decrease of 10.0% (or R$7 million) in monetary and exchange adjustments.

At December 31, 2019, we had R$13,901 million (compared with R$14,746 million at December 31, 2018) in debt denominated in reais, which accrued both interest and inflation adjustments based on a variety of Brazilian indices and money market rates. The average CDI interbank rate during the year decreased to 5.94% in 2019, compared to 6.47% in 2018; and the average TJLP (which was replaced by the TLP (Long-Term Rate) in financing contracts executed on or after January 1, 2018) decreased to 6.20% in 2019, compared to 6.72% in 2018. We also had the equivalent of R$5,009 million (compared with R$5,631 million at December 31, 2018) of debt denominated in foreign currency in U.S. dollars and

euros. In order to reduce the exchange rate risk with respect to this foreign currency-denominated debt and variations in interest rates, we implemented a policy of using exchange and interest rate derivatives.

Income and Social Contribution Taxes

Our net charge for income and social contribution taxes increased to R$1,238 million in the year ended December 31, 2019 compared with R$774 million in the year ended December 31, 2018. Our effective rate of 31.1% on pretax income in the year ended December 31, 2019 was lower than the official rate of 34%, principally due to our ability to recognize further prior year tax loss carry-forwards. Our unrecorded tax credits relate to losses generated for which it is not probable that future taxable income will be sufficient to absorb such losses (see Note 10.5 to our audited annual consolidated financial statements).

Profit the year

Compared to the year ended December 31, 2018, and due to the factors discussed above, profit for the year increased 26.9% (or R$582 million), to R$2,748 million in the year ended December 31, 2019.

10.2 Management discussion and Analysis on:

a) Operational results of the issuer, in particular:

The Company's operational segments are separated in accordance with the internal structure of financial information and Management, segmented by type of business: distribution activities, conventional sources for generation and renewable sources for generation, commercialization and services.

The profitability of each of our segments differs. Our Distribution segment primarily reflects sales to Captive Consumers and TUSD charges paid by Free Consumers at prices determined by the regulatory authority. The volume sold varies according to external factors such as weather, income level and economic growth. This segment represented 82.6% of our net operating revenue in 2020 (compared with 81.1% in 2019 and 79.9% in 2018); its contribution to our profit for the year was larger at 57.0% of our profit for the year for the year (66.8% in 2019 and 66.1% of our profit for the year in 2018).

The contributions of our Distribution, Generation (Conventional and Renewable), Commercialization and Services segments to the net operating revenues and profit for the year for the years ended December 31, 2020, 2019 and 2018 are presented in the following table:

	Distribution	Generation (Conventional and Renewable)	Commercialization	Services
2020				
Net operating revenue	82.6%	10.7%	9.7%	2.3%
Profit for the year	57.0%	44.9%	1.8%	2.8%
2019				
Net operating revenue	81.1%	10.5%	11.7%	2.1%
Profit for the year	66.8%	35.3%	1.7%	3.0%
2018				
Net operating revenue	79.9%	10.9%	12.4%	1.9%
Profit for the year	66.1%	41.0%	2.5%	2.0%

Our Generation sources segment consists in substantial part of Hydroelectric Power Plants, wind farms, Biomass Thermoelectric Power Plants, Small Hydroelectric Power Plants and a solar power plant. All of our generation sources require a high level of investment in fixed assets, and in the early years there is typically a high level of construction financing. Once these projects become operational, they generally result in a higher margin (operating income as a percentage of revenue) than the Distribution segment, but will also contribute to higher interest expenses and other financing costs.

As of December 31, 2020, 4.9% of the property, plant and equipment in our Generation Sources segment was under construction, compared to 3.0% as of December 31, 2019.

Our Commercialization segment sells electricity to Free Consumers and other concessionaries or licensees.

Our Services segment offers our consumers a wide range of electricity-related services. These services are designed to help consumers improve the efficiency, cost-electiveness and reliability of the electric equipment they use.

Our segments also purchase and sell electricity and value-added services from and to one another. In particular, our Generation, Commercialization and Services segments sell electricity and provide services to our Distribution segment. Our consolidated financial statements eliminate revenues and expenses that relate to sales from one subsidiary to another, which is reflected in the column entitled "Elimination" in the table below. However, the analysis of results by segment would be inaccurate if the same set-

offs were carried through with respect to sales between segments. As a result, sales from one segment to another have not been eliminated or set-off in the discussion of results by segments.

Beginning in 2018, all segment information related to prior periods was reclassified to conform to the 2018 presentation due to the way that our new management monitors the segments' results, intangible assets acquired in business combination transactions that were previously allocated to their respective segments are allocated to the segment "Others."

The "Total Assets" line is presented excluding in each segment the investments recorded in other segments.
As of September 2020, in order to improve the presentation of the accounting information, the Company began to present only the type of business related to generation activities (previously segregated between conventional generation and renewable generation) in segment information. For comparison purposes, the Generation segment information 2019 and 2018 is being restated following the same criteria used for 2020.

i. Description of any important components of the revenue;

Our operating revenue is from distribution, generation, commercialization and services activities related to energy, as explained below:

- Distribution: consists, in large part, of the supply of electric energy to captive customers, as well as the receipt of a tariff for use of the distribution network;
- Generation: consists of the sale of energy generated by conventional sources (hydroelectric plants and thermoelectric plants) and alternative and renewable sources, such as small hydroelectric plants, wind farms and thermoelectric plants run on sugarcane biomass and transmission assets;
- Commercialization: consists of supply and sale to wholesalers of electric energy to free customers, and sale to other concessionaires and licensees;
- Services: consist of the rendering of value-added services related to electric energy, such as self-production systems, distribution systems, transmission systems, electric maintenance, equipment recovery and energy efficiency, among other services provided.

In addition, to our four operating segments above, we consolidate a number of activities known as "Others". The activities consolidated under "Other" consist of (i) CPFL Telecom and (ii) our holding company expenses other than the amortization of intangible assets related to our concessions, which is allocated to our operational segments. Our transmission assets are held by CPFL Geração.

ii. Factors which materially affected the operational results

Operating Results by segments - 2020 versus 2019

Sales by segment

Distribution

Compared to the year ended December 31, 2019, net operating revenue for our distribution segment increased 5.2% (or R$1,272 million) to R$25,532 million for the year ended December 31, 2020. This increase primarily reflected the R$692 million increase in gross operating revenue due to the following fluctuations:

(i) an increase of R$1,413 million in revenue from sector assets;

(ii) an increase of 14.6% (or R$ 492 million) in revenue from TUSD from Captive Consumers;

(iii) an increase of 18.0% (or R$ 373 million) in revenue from the construction of the concession infrastructure;

(iv) an increase of 38.1% (or R$ 107 million) in the revenue from the update of the financial assets of the concession;

These increases were partially offset by:

(i) a decrease of R$ 1,235 in the supply of electric energy, excluding the transfer effect of captive consumer, mainly due to the R$ 856 million reductions in the commercial class and R$ 742 million in the industrial class, partially offset by the R$ 265 million and R$ 136 million increase in the residential and rural classes respectively;

(ii) a decrease of R$ 376 million in the supply of electric energy to other concessionaires and licensees; and

(iii) a decrease of R$ 112 million from short-term electricity revenue.

Generation (conventional and renewable sources)

Net operating revenues for our generation segment for the year ended December 31, 2020 amounted R$3,307 million, an increase of 5.3% (or R$166 million) compared to R$3,141 million for the year ended December 31, 2019, due primarily to: (i) an increase of R$112 million of transmission line concession construction revenue (RAP); and (ii) an increase of R$71 million of power supply from Furnas and other concessionaires and licensees. These increases were partially offset by (i) an increase of R$ 16 million of increase in sales taxes due to the increase in sales; and (i) a decrease of R$ 10 million in short term electric energy revenue.

Commercialization

Net operating revenues for our Commercialization segment for the year ended December 31, 2020 amounted R$2,983 million, a decrease of 14.6% (or R$508 million) compared to R$3,490 million for the year ended December 31, 2019, reflecting the combined effect of: (i) a decrease of 35.1% (or R$604 million) in other utilities and permissionaires; (ii) a decrease of 10.2% (or R$48 million) in ICMS, PIS and COFINS deductions from operating revenues; and (iii) an increase of 4.8% (or R$104 million) in sales of electricity to Final Consumers, driven by an increase of R$75 million and R$36 million in the commercial and industrial classes.

Services

Net operating revenue from our services segment for the year ended December 31, 2020 amounted R$725 million, an increase of 18.0% (or R$111 million) compared to R$614 million for the year ended December 31, 2019. This increase was primarily due to: (i) an increase of R$123 million in revenues from CPFL Serviços for construction and maintenance services; (ii) an increase of R$23 million in revenues from Nect Finanças; (iii) an increase of R$18 million in revenues from NECT Human Resources; (iii) an increase in revenues from ESCO, partially offset by decreases in Revenues from Nect and Nect TI in the amounts of R$44 million and R$33 million, respectively.

Income from Electric Energy Service by Segment

Distribution

Compared to the year ended December 31, 2019, income from electric energy service from our distribution segment increased 6.6% (or R$189 million) to R$3,065 million in the year ended December 31, 2020. As discussed above, segment net operating revenues increased by 5.2% (or R$1,272 million), while other costs and operational expenses related to the segment increased 7.9% (or R$390 million). The main contributing factors to the changes in operating costs and expenses were as follows:

Electricity costs. Compared to the year ended December 31, 2019, electricity costs increased 4.1% (or R$640 million), to R$16,263 million in the year ended December 31, 2020.

The cost of energy purchased for resale decreased 0.2% (or R$33 million), reflecting the combined effect of: (i) a decrease of 7.9% (or R$896 million) in the cost of electricity purchased through an auction in the Regulated Market, bilateral contracts and short-term energy, in addition to a decrease of 3.0% (or 1,411 GWh) in the volume of electricity purchased through an auction in the Regulated

Market, bilateral contracts and short-term energy; (ii) a decrease of 26.4% (or R$105 million) in PROINFA cost; (iii) an increase of 5. 3% (or R$ 65 million) in PIS and COFINS credits related to the purchase of electricity; offset by an increase of 37.0% (or R$ 1,034 million) in the purchases of electricity from Itaipu, with a slight decrease of 0.43% (or 48 GW) in the volume of electricity purchased from Itaipu.

In addition, as mentioned above, charges for the use of the transmission and distribution system increased by 4.1% (or R$640 million), to R$3,036 million for the year ended December 31, 2020, due to the combined effect of: (i) an increase of R$454 million in Basic network charges; (ii) an increase of R$ 124 million in ESS, net of transfers from CCEE's energy reserve account (conta de energia de reserva – CONER); (iii) an increase of R$ 123 million increase in EER; and (iv) an increase of R$ 68 million in PIS and COFINS credits related to the purchase of electricity.

Other operating costs and expenses. Compared to the year ended December 31, 2019, our other operating costs and expenses for the distribution segment increased by 7.9% (or R$390 million) to R$5,331 million for the year ended December 31, 2020. This increase was due to the combined effect of: (i) an increase of 18.0% (or R$372 million) in costs related to the construction of the concession infrastructure; (ii) an increase of 54.1% (or R$60 million) in private pension expenses; (iii) a decrease of 31.1% (or R$55 million) in expenses for loss (gain) on disposal, retirement and other noncurrent assets; and (iv) a decrease of 1.8% (or R$17 million) in personnel expenses.

Generation (conventional and renewable sources)

Compared to the year ended December 31, 2019, electricity service revenue from our generation segment increased 12.3% (or R$172 million) to R$1,569 million for the year ended December 31, 2020. This increase was due to the combined effects of (i) an increase of 5.3% (or R$166 million) in net operating revenue (as discussed under " - Sales by segment " above); (ii) a decrease of 16.3% (or R$74 million) in energy cost; and (iii) offset by an increase of 6.1% (or R$60 million) in other expenses.

Commercialization

Compared to the year ended December 31, 2019, electricity service revenue from our commercialization segment decreased 41.8% (or R$39 million) to R$54 million for the year ended December 31, 2020. This decrease was due to the net effect of: (i) a decrease of 14.6% (or R$508 million) in net operating revenue, as discussed under "Segment Sales" above; with the effect of (ii) a decrease of 14.0% (or R$467 million) in the cost of electric power; and (iii) an increase of 2.3% (or R$1 million) in other operating costs and expenses.

Services

Compared to the year ended December 31, 2019, income from electric energy service from our services segment increased 17.0% (or R$19 million) to R$131 million for the year ended December 31, 2020. This increase was due to the combined effect of an increase of 18.0% (or R$111 million) in net operating revenues, as discussed in " - Sales by Segment " above, which exceeded the increase of 18.9% (or R$90 million) in operating costs and expenses.

Profit for the year by Segment

In the year ended December 31, 2020, 57.0% of our profit for the year derived from our distribution segment, 44.9% from our generation segment, 1.8% from our commercialization segment, 2.8% from our services segment and negative 6.4% from Other. See the table under "—Background—Operating Segments" earlier for the equivalent contributions from our segments in 2019 and 2018.

Distribution

Compared to the year ended December 31, 2019, profit for the year from our distribution segment increased 15.1% (or R$277 million) to R$2,111 million for the year ended December 31, 2020, as result primarily from: (i) an increase of 16% (or R$3,075 million) in other operating income, offset by (ii) a decrease of 11% (or R$1,903 million) in income from electric energy service, (iii) an increase of 28% (or R$673 million) in charges for use transmission and distribution system and (iv) a decrease of 111% (or R$219 million) in net financial expenses; partially offset by an increase of 16% (or R$132 million) in income tax and social contribution related expenses.

The decrease in the segment's net financial expense was primarily due to:

(i) a decrease of 11% (or R$90 million) in financial expenses, mainly due to the combined effect of: (a) R$1,956 million increase in monetary and foreign exchange adjustments; offset by (b) R$1,973 million increase in derivative income; and (c) R$59 million increase in in expenses with debt charges;

(ii) an increase of 21% (or R$ 129 million) in financial revenues, mainly due to: (i) an increase of R$213 million in monetary and foreign exchange adjustments; (ii) a decrease of R$71 million in sector financial asset updates.

Generation (conventional and renewable sources)

Net income from our conventional sources segment generation increased 71.5% (or R$694 million) to R$1,665 million for the year ended December 31, 2020 from R$971 million for the year ended December 31, 2019. This increase was mainly due to the combined effect of:

(i) an increase in segment net operating revenues of 5.3% (or R$166 million), as described in the section above; (ii) a decrease in financial expenses of 34.5% (or R$267 million); and (iii) a decrease in electricity costs of 16.3% (or R$74 million), mainly due to purchases of electricity at auction in the Regulated Market, bilateral contracts and short-term energy.

Commercialization

Compared to the year ended December 31, 2019, profit for the year from our commercialization segment increased 38.7% (or R$18 million) to R$66 million for the year ended December 31, 2020, reflecting the combined effect of: (i) an increase of R$10 million in income tax and social contribution expenses; and (ii) a decrease of 1.7% (or R$2 million) in electricity service revenues.

Services

Compared to the year ended December 31, 2019, profit for the year from our services segment increased 22.6% (or R$19 million) to R$102 million for the year ended December 31, 2020, reflecting the combined effects of: (i) an increase of 17.4% (or R$118 million) in revenue from services rendered; and (ii) an increase of 18.9% (or R$90 million) in other operating costs and expenses.

Operating Results by segments - 2019 versus 2018

Due to the improvements in the presentation form for fiscal year 2020, with the single presentation of the business type referring to generation activities (previously segregated between conventional generation and renewable generation), for comparison purposes, the analyses performed between 2019 and 2018 for this segment have been restated.

Sales by segment

Distribution

Compared to the year ended December 31, 2018, net operating revenues from our distribution segment increased 8.0% (or R$1,793 million) to R$24,260 million in the year ended December 31, 2019. This

increase primarily reflected the increase of R$2,346 million in gross operating revenue due to the following fluctuations:

(i) an increase of 15.3% (or R$1,709 million) in revenue from TUSD from Captive Consumers;

(ii) an increase of 5.3% (or R$839 million) in the supply of electric energy, mainly due to increases of R$1,807 million and R$514 million in revenues from billed supply arising from residential and commercial consumer classes, respectively, partially offset by a decrease of 65.2% (or R$73 million) in revenue from net unbilled supply;

(iii) an increase of 26.7% (or R$709 million) in revenue from TUSD from Free Consumers;

(iv) an increase of R$589 million in supply of electric energy to other concessionaires and licensees; and

(v) an increase of R$322 million in revenue from short-term electric energy.

These increases were partially offset by:

(i) a decrease of R$1,810 million in revenue from sector financial assets and liabilities (see "— Other operating revenues" above);

(ii) an increase in the deductions from our distribution segments operating revenues of 4.0% (or R$553 million) to R$14,396 million in 2019, mainly due to the net effect of: (i) an increase of 9.5% (or R$880 million) in deductions related to PIS, COFINS and ICMS taxes, driven by the increase in our gross operating revenues (the basis for calculation of these taxes); and (ii) a decrease of 9.3% (or R$374 million) in contributions made to the CDE Account due to new quotas established by ANEEL in 2019 (see Note 27.4 to our audited annual consolidated financial statements and "—Deductions from operating revenues"); and

(iii) a decrease of R$161 million in other operating revenues and income.

Generation (conventional and renewable sources)

Net operating revenues from our generation segment for the year ended December 31, 2019 amounted R$3,141 million, an increase of 2.0% (or R$61 million) compared to R$3,080 million for the year ended December 31, 2018, due primarily to: (i) an increase of 2.3% (or R$58 million) in other concessionaries and licensees; (ii) an increase of 6.4% (or R$35 million) in revenue from sales from our facility Serra da Mesa to Furnas; and (iii) an increase of R$19 million of revenue from construction transmissions. These increases were partially offset by a decrease of 27.6% (or R$ 48 million) in energy sold in the spot market.

Commercialization

Net operating revenues from our commercialization segment in the year ended December 31, 2019 amounted to R$3,491 million, a decrease of 0.2% (or R$5 million) compared to R$3,496 million in the year ended December 31, 2018, reflecting the combined effect of: (i) a decrease of 8.8% (or R$166 million) in other concessionaries and licensees; (ii) a decrease of 38.0% (or R$49 million) in revenue from sales of electric energy in the short-term market; (iii) an increase of 4.2% (or R$19 million) in deductions of ICMS, PIS and COFINS taxes from operating revenues due to the increase in gross operating revenue in the segment (the tax assessable basis for these taxes); (iv) an increase of 11.8% (or R$227 million) in electric sales to Final Consumers, driven by an increase of R$90 million and R$122 million in industrial and commercial classes; and (v) an increase of 39.1% (or R$2 million) in other revenues and income.

Services

Net operating revenues from our services segment in the year ended December 31, 2019 amounted to R$614 million, an increase of 15.2% (or R$81 million) compared to R$533 million in the year ended December 31, 2018. This increase was due mainly to (i) an increase of R$95 million in revenues from construction and maintenance services; and (ii) an increase of R$14 million in revenues from administrative outsourcing, call center, distributed generation and energy efficiency. These increases

were partially offset by (i) a decrease of R$34 million in revenue from information technology; and (ii) an increase of 13.5% (or R$5 million) in deductions of PIS and COFINS from operating revenues, mainly due to the increase in gross operating revenues (the tax assessable basis for these taxes).

Income from Electric Energy Service by Segment

Distribution

Compared to the year ended December 31, 2018, income from electric energy service from our distribution segment increased R$638 million to R$2,876 million in the year ended December 31, 2019. As discussed above, net operating revenues from the segment increased by 8.0% (or R$1,793 million) while other costs and operational expenses related to the segment increased by 5.7% (or R$1,101 million). The main contributing factors to the changes in costs and operational expenses were as follows:

Electricity costs. Compared to the year ended December 31, 2018, electricity costs increased 4.0% (or R$601 million), to R$15,623 million in the year ended December 31, 2019.

The cost of energy purchased for resale increased 4.1% (or R$522 million), reflecting the combined effect of: (i) an increase of 2.9% (or R$319 million) in the cost of electric energy purchased through an auction in the Regulated Market, bilateral contracts and short-term energy, as well as an increase of 13.6% (or 5,403 GWh) in the volume of electric energy purchased through an auction in the Regulated Market, bilateral contracts and short-term energy; (ii) an increase of 4.7% (or R$126 million) in the purchases of electric energy from Itaipu, as well as a decrease of 0.9% (or 96 GW) in the volume of electric energy purchased from Itaipu; and (iv) a decrease of 0.9% (or R$11 million) in PIS and COFINS credits relating to purchases of electric energy.

In addition, as mentioned above, charges for the use of the transmission and distribution system increased 3.5% (or R$79 million), to R$2,363 million in the year ended December 31, 2019, mainly due to: (i) an increase of R$110 million in ESS, net of transfers from CCEE's energy reserve account (conta de energia de reserva – CONER); (ii) a decrease of R$38 million in Basic Network Charges; (iii) a decrease of R$15 million in Transmission from Itaipu charges; and (iv) a decrease of R$13 million in EER.

Other costs and operating expenses. Compared to the year ended December 31, 2018, our other costs and operating expenses for the distribution segment increased 11.3% (or R$500 million), to R$4,941 million in the year ended December 31, 2019. This increase was mainly due to (i) an increase of 16.7% (or R$296 million) in costs related to the construction of concession infrastructure; (ii) an increase of 40.4% (or R$67 million) in allowances for doubtful accounts mainly due to tariff increases and consumer default or late payment in the commercial and residential classes; (iii) a decrease of 27.3% (or R$38 million) in expenses with a loss (gain) on disposal, retirement and other noncurrent assets; (iv) an increase of 3.9% (or R$36 million) in personnel expenses; (v) an increase of 26.1% (or R$23 million) in private pension expenses; and (vi) a decrease of 7.2% (or R$13 million) in legal, judicial and indemnification expenses.

Generation (conventional and renewable sources)

Compared to the year ended December 31, 2018, income from electric energy service from our generation segment had a small decrease of 0.7% (or R$10 million) to R$1,397 million for the year ended December 31, 2019. This decrease was mainly due to the combined effect of: (i) an increase of 2.3% (or R$58 million) in other concessionaries and licensees; (ii) an increase of 6.4% (or R$35 million) in revenue from sales from our facility Serra da Mesa to Furnas; (iii) a decrease of 27.6% (or R$48 million) in energy sold in the spot market; (iv) a decrease of 7.1% (or R$30 million) in the cost of energy, including electricity network usage charges; and (v) a R$16 million decrease in other operating costs and expenses.

Commercialization

Compared to the year ended December 31, 2018, income from electric energy service from our commercialization segment decreased 1.7% (or R$2 million), to R$92 million in the year ended

December 31, 2019. This decrease was due to the net effect of: (i) a decrease of 0.3% (or R$10 million) in the cost of electric energy; (ii) a decrease of 0.2% (or R$5 million) in net operating revenue from the segment, as discussed in "—Sales by segment" above; and (iii) an increase of 12.0% (or R$6 million) in other costs and operating expenses, was mainly due to an increase of R$5 million in depreciation and amortization.

Services

Compared to the year ended December 31, 2018, income from electric energy service from our services segment increased 54.1% (or R$39 million), to R$112 million in the year ended December 31, 2019. This increase was due to the combined effect of an increase of 15.2% (or R$81 million) in net operating revenue, as discussed in "—Sales by segment" above, which exceeded the increase of 8.7% (or R$38 million) in operating costs and expenses.

Profit for the year by Segment

In the year ended December 31, 2019, 66.8% of our profit for the year derived from our distribution segment, 35.3% from our generation segment, 1.7% from our commercialization segment, 3.0% from our services segment and negative 6.8% from Other. See the table under "—Background—Operating Segments" earlier for the equivalent contributions from our segments in 2018 and 2017.

Distribution

Compared to the year ended December 31, 2018, profit for the year from our distribution segment increased 28.1% (or R$402 million), to R$1,835 million in the year ended December 31, 2019, as a result of: (i) an increase of 28.5% (or R$638 million) in income from electric energy service and (ii) a decrease of 36.1% (or R$112 million) in net financial expenses; partially offset by an increase of 70.5% (or R$349 million) in expenses related to income and social contribution taxes.

The decrease in the segment's net financial expense was mainly due to:

(i) a decrease of 7.1% (or R$63 million) in financial expenses, mainly due to the combined effect of: (a) a decrease of R$400 million in monetary and exchange adjustments; (b) an increase of R$394 million of revenues from derivatives; and (c) an increase of R$41 million in expenses with debt charges;

(ii) an increase of 8.5% (or R$45 million) in financial income, mainly due to: (i) an increase of R$37 million in late payment interest and fines; (ii) an increase of R$24 million in adjustments for inflation of tax credits; (iii) a decrease of R$10 million in discounts on purchases of ICMS credit; and (iv) a decrease of R$7 million in monetary and exchange adjustments.

Generation (conventional and renewable sources)

Profit the year from our generation segment increased 9.2% (or R$82 million) to R$971 million for the year ended December 31, 2019 from R$889 million for the year ended December 31, 2018. This increase was primarily due to the combined effect of: (i) an increase of 2.0% (or R$61 million) in Net Operating Revenue, (as discussed under '' - Sales by segment '' above); (ii) a decrease of 3.0% (or R$16 million) in operating costs and expenses; and (iii) an increase of 5.0% (or R$10 million) finance income.

Commercialization

Compared to the year ended December 31, 2018, profit for the year from our commercialization segment decreased 10.6% (or R$6 million), to R$47 million in the year ended December 31, 2019, reflecting the combined effect of: (i) a decrease of R$6 million in expenses from income and social contribution taxes; and (ii) a decrease of 1.7% (or R$2 million) in income from electric energy service.

Services

Compared to the year ended December 31, 2018, profit for the year from our services segment increased 94.0% (or R$40 million), to R$83 million in the year ended December 31, 2019, reflecting the combined effects of: (i) an increase of 15.2% (or R$81 million) in income from services rendered; and

(ii) an increase of R$8.7% (or R$38 million) in other costs and operating expenses related to third party services.

b) Variations in revenue attributable to changes in prices, exchange rates, inflation, changes in volumes and introduction of new products and services;

Regulated Distribution Tariffs

Our results of operations are significantly affected by changes in regulated electricity tariffs. In particular, most of our revenues are derived from sales of electricity to Captive Consumers at regulated tariffs. In 2019, sales to Captive Consumers represented 62.47% of the volume of electricity we delivered and 65.7% of our operating revenues, compared to 66.2% of the volume of electricity we delivered and 63.3% of our operating revenues in 2018. These proportions may decline if consumers migrate from captive to free status.

Our operating revenues and our margins depend, substantially, on the tariff-setting process, and our Management focuses on maintaining a constructive relationship with ANEEL, the Brazilian government and other market participants so that the tariff-setting process fairly reflects our interests and those of our consumers and shareholders.

Annual Adjustment — RTA and Periodic Revisions - RTP

On December 4, 2018, through the Resolution for Authorization No. 7,499/2018, ANEEL approved our proposal to consolidate the concessions of our two distribution companies (RGE and RGE Sul), pursuant to Normative Resolution No.716/2016, amended by Normative Resolution No. 835/2018. Effective as of January 1, 2019, RGE was merged with and into RGE Sul. This transaction was approved by Extraordinary General Meetings held on December 31, 2018 at each of RGE and RGE Sul. This merger is expected to optimize our administrative and operational costs and produce large-scale savings and synergy in 2019.

Tariff increases apply differently to different consumer classes, with generally higher increases for consumers using higher voltages, to reduce the effects of historical cross-subsidies in their favor that were mostly eliminated in 2007. The following table sets forth the average percentage increase in our tariffs resulting from each annual adjustment from 2017 through the date of this annual report. Rates of tariff increase should be evaluated in light of the Brazilian inflation rate.

	CPFL Paulista	CPFL Piratininga	RGE [6]	RGE Sul	CPFL Santa Cruz [4]
2020					
Economic adjustment [1]	6.10%	15.76%	10.07%	[5]	3.20%
Regulatory adjustment [2]	8.80%	2.55%	5.67%	[5]	7.51%
Total adjustment.....	**14.90%**	**18.31%**	**15.74%**	[5]	**10.71%**
2019					
Economic adjustment [1]	2.95%	(5.40%)	0.05%	[5]	2.02%
Regulatory adjustment [2]	9.07%	7.27%	10.00%	[5]	11.68%
Total adjustment.....	**12.02%**	**1.88%**	**10.05%**	[5]	**13.70%**
2018					
Economic adjustment [1]	8.67%	8.83%	15,.56%	11.57%	4.41%
Regulatory adjustment [2]	4.01%	11.18%	5.71%	6.88%	1.30%
Total adjustment.....	**12.68%**	**20.01%**	**21.27%**	**18.45%**	**5.71%**

(1) This portion of the adjustment primarily reflects the inflation rate for the period and is used as a basis for the following year's adjustment.
(2) This portion of the adjustment reflects settlement of regulatory assets and liabilities we present in our regulatory financial information, primarily the CVA, and is not considered in the calculation of the following year's adjustment.
(3) Annual adjustments for CPFL Piratininga occur in October.
(4) CPFL Santa Cruz, CPFL Mococa, CPFL Leste Paulista and CPFL Sul Paulista merged into CPFL Santa Cruz (formerly CPFL Jaguari) effective as of January 1, 2018.
(5) RGE merged into RGE Sul (which now operates under the name RGE) effective as of January 1, 2019.
(6) Annual adjustments for RGE occur in June.

Sales to Potential Free Consumers

Brazilian regulations permit Potential Free Consumers to opt out of the Regulated Market and become Free Consumers who contract freely for electricity. Our Potential Free Consumers represent a relatively small portion of our total revenues, as compared to our Captive Consumers. Even if a Potential Free Consumer migrates from the Regulated Market and purchases energy in the Free Market, the Free Consumer is still required to pay us the TUSD network usage charge for their energy. Regarding the decrease in energy sales revenues, we are able in some cases to reduce our energy purchases by the amount required to service these customers in the year of the consumer's migration, while in other cases we are able to offset the excess by adjusting our energy purchases in future years. Accordingly, we do not believe that the loss of Potential Free Consumers would have a material adverse effect on our results of operations.

Historically, relatively few of our Potential Free Consumers have elected to become Free Consumers. We believe this is because: (i) they consider the advantages of negotiating for a long-term contract at rates lower than the regulated tariff are outweighed by the need to bear additional costs (particularly transmission costs) and long term price risk; and (ii) some of our Potential Free Consumers, who entered into contracts before July 1995, may only change to suppliers that purchase from renewable energy sources, such as Small Hydroelectric Power Plants or biomass. We do not expect that a substantial number of our consumers will become Free Consumers, but the prospects for migration between the different markets (captive and free) over the long term, and its long-term implications for our financial results, are difficult to predict.

Prices for Purchased Electricity

The prices of electricity purchased by our distribution companies under long term contracts executed in the Regulated Market are: (i) approved by ANEEL in the case of agreements entered into before the New Industry Model Law; and (ii) determined in auctions for agreements entered into thereafter, while the prices of electricity purchased in the Free Market are agreed by bilateral negotiation based on prevailing market rates. In 2020, we purchased 74,715 GWh, compared to 78,406 GWh in 2019. Prices under long term contracts are adjusted annually to reflect increases in certain generation costs and inflation. Most of our contracts have adjustments linked to the annual adjustment in distribution tariffs, so that the increased costs are passed through to our consumers in increased tariffs. Since an increasing proportion of our energy is purchased at public auctions, the success of our strategies in these auctions affects our margins and our exposure to price and market risk, as our ability to pass through costs of electricity purchases depends on the successful projection of our expected demand.

We also purchase a substantial amount of electricity from Itaipu under take or pay obligations at prices that are governed by regulations adopted under an international agreement. Electric utilities operating under concessions in the Midwest, South and Southeast regions of Brazil are required by law to purchase a portion of Brazil's share of Itaipu's available capacity. In 2020, we purchased 10,973 GWh of electricity from Itaipu (14.7% of the electricity we purchased in terms of volume), as compared to 11,021 GWh (14.1% of the electricity we purchased in terms of volume) in 2019. The price of electricity from Itaipu is set in U.S. dollars to reflect the costs of servicing its indebtedness. Accordingly, the price of electricity purchased from Itaipu increases in Brazilian reais when the real depreciates against the U.S. dollar (and decreases when the real appreciates). The change in our costs for Itaipu electricity in any year is subject to the Parcel A Cost recovery mechanism described below.

Most of the electricity we acquired in the Free Market was purchased by our commercialization subsidiary CPFL Brasil, which resells electricity to Free Consumers and other concessionaires and licensees (including our subsidiaries).

Recoverable Cost Variations—Parcel A Costs

We use the CVA (the Parcel A cost variation account) to recognize some of our costs in the distribution tariff, referred to as "Parcel A Costs", that are beyond our control. When these costs are higher than the forecasts used in setting tariffs, we are generally entitled to recover the difference through subsequent annual tariff adjustments.

The costs of electricity purchased from Itaipu are set in U.S. dollars and are therefore subject to U.S. dollar exchange rates. If the U.S. dollar appreciates against the real, our costs will increase and,

consequently, our income will decrease in the same period. These losses will be offset in the future, when the next annual tariff adjustments occur.

See note 8 to our consolidated financial statements and "—Sector financial asset and liability".

c) Impact of inflation, changes in prices of main inputs and products, exchange and interest rate on the operating and financial results of the issuer;

Brazilian Economic Conditions

All of our operations are in Brazil, and we are affected by general Brazilian economic conditions. In particular, the general performance of the Brazilian economy affects demand for electricity, and inflation affects our costs and our margins.

Some factors may significantly affect demand for electricity, depending on the category of consumers:

- ***Residential and Commercial Consumers***. These segments are highly affected by weather conditions, labor market performance, income distribution and credit availability, amongst other factors. Elevated temperatures and increases in income levels cause an increased demand for electricity and, therefore, increase our sales. Conversely, rising unemployment and decreasing household income tend to reduce demand and depress our sales.
- ***Industrial consumers***. Consumption for industrial consumers is related to economic growth and investments, mostly correlated to industrial production. During periods of financial crisis, this category suffers the strongest impact.

Inflation primarily affects our business by increasing operating costs and financial expenses to service our inflation-indexed debt instruments. We are able to recover a portion of these increased costs through a recovery mechanism, but there is a delay in time, between when the increased costs are incurred and when the increased revenues are received following our annual tariff adjustments. The amounts owed to us under Parcel A Costs are primarily indexed to the variation of the SELIC rate until they are passed through to our tariffs and Parcel B costs are indexed to the IGP-M net of factor X.

Depreciation of the *real* increases the cost of servicing our foreign currency denominated debt and the cost of purchasing electricity from the Itaipu Power Plant, a Hydroelectric Facility that is one of our major suppliers and that adjusts electricity prices based in part on its U.S. dollar costs.

The following table shows the main performance indicators of Brazilian economy for the years ended December 31, 2020, 2019 and 2018:

	2020	2019	2018
Growth in GDP (in reais) (1)	(4.1%)	1.4%	1.8%
Unemployment rate - % average (2)	13.5%	11.9%	12.3%
Credit to individuals (non-earmarked resources) - % GDP	16.6%	15.0%	13.9%
Growth in Retail Sales	1.2%	1.9%	2.3%
Growth (contraction) in Industrial Production	(4.5%)	(1.1%)	1.0%
Inflation (IGP-M) (3)	23.1%	7.3%	7.5%
Inflation (IPCA) (4)	4.5%	4.3%	3.7%
Average exchange rate–US$1.00(5)	R$ 5.15	R$ 3.94	R$ 3.65
Year-end exchange rate–US$1.00	R$ 5.20	R$ 4.03	R$ 3.87
Depreciation (appreciation) of the *real* vs. U.S. dollar	28.9%	4.0%	17.1%

Sources: *Fundação Getúlio Vargas, Instituto Brasileiro de Geografia e Estatística* and the Brazilian Central Bank.
(1) Source: *IBGE.*

(2) Unemployment rate based on the National Household Sampling Survey (Pesquisa Nacional por Amostra de Domicílios, or PNAD), released by the Instituto Brasileiro de Geografia e Estatística (IBGE).
(2) Inflation (IGP-M) is the general market price index measured by the Fundação Getúlio Vargas.
(4) Inflation (IPCA) is a broad consumer price index measured by the Instituto Brasileiro de Geografia e Estatística (IBGE) and the reference for inflation targets set forth by the Brazilian Monetary Council (*Conselho Monetário Nacional*, or CMN).
(5) Represents the average of the commercial selling exchange rates on the last day of each month during the period.

After a large contraction between 2014 and 2016, a period marked by various political turbulences, the Brazilian economy made a slow and uneven recovery between 2017 and 2019. The expectation of a stronger recovery in 2020 was consensual, but was frustrated by the arrival of the COVID-19 pandemic.

The pandemic affected the Brazilian economy both because of the global recession and its consequent exacerbation of risks, with strong restrictions on financial conditions, and because of the adoption of measures to restrict the movement of people in Brazil. The shock brought by the pandemic imposed a strong retraction of the economy in the first half of the year, especially in the second quarter. The response in terms of economic policy, activating mechanisms to sustain income and inject liquidity into markets, both globally and locally, was successful in avoiding a collapse in consumption and ensuring a relatively strong recovery in the second half of the year. Even though the economy did not recover to pre-COVID19 levels, the good performance in the second half of the year ensured that Brazil performed relatively well in comparison to its peers, in line with the more ambitious stimulus package.

The actions taken by Brazil to face the pandemic involved sustaining formal employment, supporting those who did not have the cushion of protection of the formal market, via Emergency Aid, as well as making more credit available and reducing interest rates to unprecedented levels (2% aa, which corresponded to a negative real interest rate of almost 2.5% aa in 2020). Notwithstanding the need for these measures, the strong fiscal expansion has increased doubts about the sustainability of the debt in the coming years, raising the risk premiums of Brazilian assets. As a consequence, differently from usual, the strong increase in commodity prices at the end of 2020 did not translate into a significant exchange rate appreciation - on the contrary, the Real lost value last year. The reduction in interest rates is also one of the factors that help explain the more depreciated exchange rate.

In 2020, the combination of the pandemic and the maintenance of the income mass (which, in fact, even grew compared to 2019, when considering the Emergency Aid) impacted the economy in two ways: (i) there was an increase in savings, both for precautionary reasons and due to reduced spending opportunities (especially in services); and (ii) there was a change in the consumption pattern of families, with a greater appetite for goods consumed in homes (super and hypermarkets, furniture and appliances, construction material) and reduced consumption of goods and services linked to mobility (services provided to families, fuel, air transport, etc.).

Occupation fell in a record way as a result of the lower circulation; this was reflected in extremely low, unprecedented service inflation, with core inflation also well below the target. Besides, part of the efforts to confront the pandemic relied on the postponement of readjustments in administered prices, causing these also to end the year of 2020 at an exceptionally low level.

In turn, the idleness in industry, amplified in the first half of the year, was reverted in the second half - with the rebuilding of stocks encouraging higher levels of activity, especially in the sectors whose consumption was privileged by the new habits. Despite a higher level of activity, industrial prices remained relatively well accommodated, despite strong hikes in wholesale prices. The big highlight for consumer inflation in 2020 was food, influenced by price hikes in international markets and the exchange rate depreciation. All in all, inflation ended the year at 4.5%, slightly above the center of the target, 4%.

Our forecast scenario assumes that some political-fiscal arrangement will be reached to avoid a progressive corrosion of the credibility of public accounts and, at the same time, allow some strengthening of cash transfer programs. This arrangement will probably involve a relaxation - cautious, well-justified, and perhaps also temporary - of the spending cap, accompanied by proposals for the expansion of tax revenues (mainly through the reduction of tax breaks and subsidies). But achieving this arrangement will require a coordination effort, within the government and with Congress, which remains quite uncertain.

Even if this arrangement is reached, the fiscal liabilities will remain high, the resources to get public investment underway are scarce and the rebalancing of public accounts, it seems, will require some

increase in the tax burden in the short term. In other words, in order to regain its credibility, fiscal policy will necessarily have to be contractionary. There also seems to be political difficulties in advancing quickly in broad structural reforms and in processes of concessions and privatizations, which could stimulate private investment in a more consistent and lasting way.

2020 thus ended with the economy recovering some of the losses experienced because of the pandemic shock, but with fewer stimulus measures in sight, such recovery will depend fundamentally on the progress of vaccination as a way to circumvent the effects of the pandemic. Although there is still much uncertainty about the vaccination schedule in Brazil, it is estimated that with the doses already contracted (both CoronaVac and the AstraZeneca/Oxford vaccines) it will be possible to immunize risk groups in the first half of the year. Even if this is not enough to reduce the circulation of the virus, it should greatly relieve the health systems, allowing the gradual normalization of activities.

Thus, our base scenario continues to assume a somewhat more moderate growth for the GDP in 2021 than what is now anticipated by the median of market institutions. We project some stagnation of economic activity in the first half of the year, with some acceleration in the second half, enough to take growth to 3.2%, slightly above the statistical loading, which we now project to be around 2.9%. Inflation should be around 3.4%, just below the center of the target (3.75%). If this scenario is confirmed, the Central Bank should start adjusting the monetary stimulus from the middle of the year. The progressive normalization of economic activity and interest rates, as well as the continued commitment to fiscal anchors, should bring about some exchange rate appreciation, especially in the second half of the year, bringing the exchange rate to R$ 4.80 / US$.

Our credit risk and debt securities are rated by Standard and Poor's, Fitch Ratings and Moody's Investors Service. These classifications reflect, among other factors, the outlook for the Brazilian electricity sector, the political and economic context, country risk, hydrological conditions in the areas where our plants are located, our operational performance and our level of debt. In 2019, our rating was maintained as AAA with a stable outlook by Standard and Poor's, Moody's Investors Service and Fitch Rating. In 2020, our rating was confirmed as AAA by all three agencies.

10.3. Discussions and Analysis of the officers on the relevant effects that the events below have caused or are expected to cause to the issuer's financial statements and results

a) introduction or disposal of operational segment

Not applicable, as the company did not introduce or dispose any operational segments.

b) organization, acquisition or disposal of equity interest

Acquisition of interests in the subsidiary CPFL Renováveis

On September 30, 2019, the Company entered into a share purchase and sale agreement with its parent company State Grid Brazil Power Participações S.A. ("State Grid") thereby purchasing 243,771,824 shares of subsidiary CPFL Renováveis, thus increasing its total (direct and indirect) equity interest from 51.60% to 99.94% in CPFL Renováveis. The amount paid in cash was R$ 16.85 per share, totaling R$ 4,107,555. Considering that this transaction did not constitute a business combination, its accounting involved, in the stand-alone financial statements, an increase of R$ 2,072,635 in the Company's investment account and a decrease of R$ 2,034,920 in the capital reserve account, due to the transaction between shareholders. In the consolidated financial statements, the related effects were a decrease of R$ 2,072,635 in the shareholders equity attributable to noncontrolling interests and a decrease of R$ 2,034,920 in the capital reserve account.

On September 22, 2020, through Authorizing Resolutions No. 9,229/2020 and 9,230/2020, ANEEL authorized partial spin-off of CPFL Geração, with transfer of its spun-off net assets to CPFL Renováveis, the total merger of CPFL Centrais Geradoras into CPFL Renováveis and capital increase of CPFL Renováveis through the payment of credits by CPFL Geração, with all the operations being approved by

the Extraordinary Shareholders' Meeting ("ESM") held on September 30, 2020. The new structure aims to strengthen administrative structures and bring synergies to the Group.

As a result of the corporate restructuring, and as a result of the operations, the Capital of CPFL Geração and CPFL Renováveis became, on September 30, 2020, R $ 935,782 and R $ 4,032,291 respectively, in addition to the extinction of CPFL Centrais Geradoras, which is succeeded by CPFL Renováveis. After the aforementioned transactions, the participation of CPFL Energia and CPFL Geração in CPFL Renováveis became 49.15% and 50.85% respectively.

CPFL Geração's spun-off net assets as a consequence of these transactions amount to R$ 395,929 on June 30, 2020 (date of the technical report), with share capital R $ 108,129 and comprehensive income R $ 287,700 and R $ 564,118 on September 30, 2020 (date of approval at the EGM and completion of the transaction), with share capital R $ 108,129, comprehensive income R $ 281,840 and retained earnings of R$ 174,139, which have not generated any effect on the Group's consolidated financial statements.

Cancellation of the ADR program, delisting from the New York Stock Exchange ("NYSE") and delisting from the U.S. Securities and Exchange Commission ("SEC")

On December 18, 2019, the Company's Board of Directors Meeting approved the Company's intention to: (i) terminate the Second Amended and Restated Deposit Agreement ("Deposit Agreement") with Citibank N.A. ("Citibank") with respect to its American Depositary Receipts ("ADRs"); (ii) delist its American Depositary Shares ("ADSs") from the New York Stock Exchange ("NYSE"); and (iii) once the Company complies with the applicable requirements, cancel its registration with the U.S. Securities and Exchange Commission ("SEC"). The Company believes that the economic rationale for maintaining a listing on the NYSE has decreased partly due to: (i) increases in the volume of Brazilian shares traded on B3 S.A. – Bolsa, Brasil, Balcão ("B3") in Brazil by foreign investors due to the internationalization of the Brazilian financial and capital markets, as well as the narrowing of the differences between the Brazilian and the US international financial reporting standards; and (ii) a downward trend in recent years in the trading volume of the Company's ADSs on the NYSE.

On February 10, 2020, the Company, through a Notice to the Market, informed that the delisting of its NYSE ADSs, mentioned in item (ii) above, will be effective as of this date.

On May 8, 2020, the Company, through a Notice to the Market, informed that, regarding the delisting of its NYSE ADSs, on that date it filed its post-effective Amendment to Form F-3 with SEC USA, under the terms of the U.S. Securities Exchange Act of 1934 ("Exchange Act") to cancel the registration of registered and non-traded securities based on Form F-3.

On June 15, 2020, the Company, through a Notice to the Market, informed that, for compliance with the applicable criteria, on that date it filed with SEC a Form 15-F to cancel its registration and end its financial disclosure obligations under the Exchange Act. With the Form 15-F protocol, CPFL Energia's legal obligations to make financial disclosures under the Exchange Act are suspended and the cancelation of registration became effective on September 15, 2020.

Alesta Sociedade de Crédito Direto S.A. and incorporation of CPFL Total shares

Alesta Sociedade de Crédito Direto S.A., established on April 15, 2020, had its authorization to operate granted by the Central Bank of Brazil on July 22, 2020, and its purpose is (i) the carrying out of loan operations for financing and acquisition of credit rights exclusively through an electronic platform, using financial resources that originate from equity, (ii) the provision of credit analysis and credit collection services to third parties (iii) acting as an insurance representative in the distribution of insurance related to the operations mentioned in item (i), and (iv) holding of interest in other companies, as a partner or shareholder, except financial institutions.

On November 25, 2020, the Company's capital increase in the amount of R$ 7,094,369.00 was approved, from R$ 1,000 to R$ 8,094, through the issue of 7,094,269 new common shares with no par value.

On November 6, 2020, pursuant to article 252 et seq. of Law 6,404 / 76, the corporate transaction for the incorporation of CPFL Total shares was approved, so that it becomes a wholly-owned subsidiary of Alesta, with the consequent increase in capital by the shareholders CPFL Energia and CPFL Brasil in the total amount of R$ 30,031, from R$ 8,094 to R$ 38,125, through the issue of 30,031,232 new common shares with no par value, according to the list of replacement of shares, through the transfer of the CPFL Total shares. The operation was carried out on November 30, 2020 and aimed to improve the internal processes by specializing the activities developed and ensuring better use of technical expertise and obtaining synergistic gains with the unification of these assets in the structure of Alesta.

Partial spin-off of Nect

On September 30, 2019, the partial spin-off of Nect Serviços Administrativos de Infraestrutura Ltda. - "CPFL Infra" (formerly Nect Serviços Administrativos Ltda.) into four specific business segments (Supplies, Human Resources, Financial Services and Infrastructure) was approved, together with the merger of the spun-off portion into the three new companies; namely, CPFL Supre, CPFL Finanças and CPFL Pessoas. The purpose of the transaction is to improve the quality of services provided by the companies, through specialization in its activities. The net assets in this transaction were appraised at R$16,746 and did not have any effect on the consolidated financial statements of the group or result in any change in the equity interest of the companies.

Merger of RGE and RGE Sul

On December 4, 2018, through the Resolution for Authorization No. 7,499/2018, ANEEL approved our proposal to consolidate the concessions of our two distribution companies (RGE and RGE Sul), pursuant to Normative Resolution No. 716/2016. Effective as of January 1, 2019, RGE was merged with and into RGE Sul, and RGE Sul began doing business under the name RGE. This transaction was approved at the Extraordinary General Meetings held on December 31, 2018.

c) Unusual events or operations

Not applicable as there were no unusual events or operations in the period.

10.4. Discussions and Analysis on:

a) Significant changes to the accounting practices

2020

The 2020 financial statements were prepared in accordance with IFRS issued by IASB and in accordance with accounting practices adopted in Brazil, in compliance with guidelines issued by CPC including the effects of changes to pronouncements applicable as of 2020, of which the most important ones are:

Initial adoption by the Group of amendments to CPC 15/IFRS 3 on definition of a business, and amendments to CPC 48/IFRS 9, CPC 38/IAS 39 and CPC 40/IFRS 7 on Reference Interest Rate Reform as of January 1, 2020.

A number of other new standards also became effective as of January 1, 2020, but did not materially affect the Group's financial statements.

2019

The 2019 financial statements were prepared in accordance with IFRS issued by IASB and in accordance with accounting practices adopted in Brazil, in compliance with guidelines issued by CPC including the effects of changes to pronouncements applicable as of 2019, of which the most important ones are IFRS 16 and IFRIC 22.

a) IFRS 16 Leasing

Issued on January 13, 2016, it establishes, in the lessee's view, a new form for accounting for leases currently classified as operating leases, which are now recognized similarly to leases classified as finance leases. As regards the lessors, it virtually retains the requirements of IAS 17, including only some additional disclosure aspects. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019.

IFRS 16 introduces a single model of accounting for leases in the statement of financial position for lessees, eliminating the prior classification between finance and operating leases. The lessee shall recognize an asset relating to the right to use the leased asset and a lease liability that represents the obligation to make lease payments. Exemptions are available for short-term leases (contracts with a maximum term of 12 months) and low-value items (fair value of the identified leased asset is less than US$ 5,000).

The standard defines that a contract is or contains a lease if it conveys the right to control the use of the identified asset over a period of time in exchange for a certain consideration. The Company and its subsidiaries assessed the standard, mainly for the land lease agreements of the wind farms of CPFL Renováveis' indirect subsidiaries, as they involve material amounts and are long-term. As most of these agreements involve variable considerable payable to lessor based on the energy generated by each wind farm, IFRS 16 does not allow the recognition of the lease liability and, consequently, of the right of use relating to these agreements. For other agreements in which lessor is entitled to receive fixed consideration, the Group assessed the standard and concluded that there was no material impact on its adoption.

For other agreements in which the Company and/or its subsidiaries act as lessees, as a result of the initial application of IFRS 16, with respect to leases that were previously classified as operating, the amounts resulting from the right-of-use asset and from the lease liability were considered immaterial and were not recorded.

b) IFRIC 23 – Uncertainty over Income Tax Treatments

Issued in May 2017 in order to clarify the accounting for tax positions that may not be accepted by the tax authorities in regard to IRPJ and CSLL matters. In general lines, the main point of analysis of the interpretation refers to the probability of acceptance by the tax authorities of the tax treatment

chosen by the Group.

IFRIC 23 / ICPC 22 is effective for annual reporting periods beginning on or after January 1, 2019. The Group assessed the interpretation and the impact of adopting the standard was the reclassification of the balance of provision for tax risks related to income taxes to the line item Corporate income tax.

2018

The 2018 financial statements were prepared in accordance with IFRS issued by IASB and in accordance with accounting practices adopted in Brazil, in compliance with guidelines issued by CPC including the effects of changes to pronouncements applicable as of 2018, of which the most important ones are IFRS 9 and IFRS 15.

IFRS 9/CPC 48

The Group's distribution subsidiaries have material assets, recorded as financial asset of concession, previously classified as "available for sale", according to the requirements of IAS 39 / CPC 38. These assets represent the right to indemnity at the end of the concession period of the distribution subsidiaries. The designation of these instruments as available for sale occurred due to non-classification into the other three categories described in IAS 39 / CPC 38 (loans and receivables, fair value through profit or loss and held to maturity). These assets have been classified as measured at fair value through profit or loss according to the new standard, and the effects of the subsequent measurement have been recognized in profit or loss. On 2018 the amount registered related to this asset was R$ 7,430,149 (R$ 6,569,404 at 2017) and there were no material impacts related to the initial recognition due to the classification of financial assets.

The sector financial assets recorded in the Group's distribution companies related to the tariff definition mechanism, in respect of the timing differences between the budged costs and those that are actually incurred, were previously recorded as "loans and receivables" in accordance with the requirements of IAS 39 / CPC 38. After the application of IFRS 9 / CPC 48, these financial assets are classified as amortized cost. In 2018 the recorded amount for these assets was R$ 1,554,861 (R$ 565,837 in 2017) and there were no impacts on the balances as a result of the change in classification.

Accordingly, there was no significant measurement impact on the Group's consolidated financial statements due to the initial adoption related to the classification of financial assets.

As regards the changes in the calculation of impairment of financial instruments, the accumulated effects of the initial adoption were recognized retrospectively on January 1st 2018, representing a reduction of R$73,426 (R$48,461 net of tax effects) from the "Consumers, concessionaires and permit holders" line item.

Considering the changes in credit risk, the financial liabilities, which were designated at fair value through profit or loss up to the 2017 statements, generated impacts on the entries about changes in credit risk in other comprehensive income, instead of directly in the income statement for the year. The accumulated effects of the initial adoption were recognized retrospectively on January 1, 2018, amounting to a loss of R$ 51,736 (R$ 34,146 net of tax effects) in retained earnings, which the counterpart was the account of other comprehensive income.

IFRS 15 / CPC 47

Beginning January 1, 2018, the Group's management assessed the effects on its consolidated financial statements, comprising the new model of five steps mentioned above, and the compensation for non-compliance with technical indicators is now recognized as operating revenue, in line item Other Income, whereas until December 31, 2017 it was recognized in Other Operating Expenses. The amount recognized in 2018 was R$ 57,630.

The distribution companies have infrastructure concession assets during the construction period, previously recorded as "intangible assets". These assets are now recorded as "contract asset in progress" according to IFRS 15 / CPC 47 requirements. This change had no material impacts on consolidated financial statements.

In addition, the transmission subsidiaries had assets previously classified as financial assets, "loans and receivables", according to the requirements of IAS 39 / CPC 38, comprising two components: the right to receive the "Permitted Annual Revenue– RAP" to be received over the concession period and the indemnity at the end of the concession. These two components are now classified as contract asset, according to the requirements of IFRS 15/ CPC 47. This change did not have material impacts on the Group's consolidated financial statements.

b) Significant effects of changes in accounting practices

The changes in accounting practices in 2020, 2019 and 2018 and their effects are disclosed in item 10.4

c) Qualifications and emphases present in the auditor's report

The Independent Auditors' Report for the year ended December 31, 2020, dated March 17, 2021, issued by KPMG Auditores Independentes, does not contain any emphasis or qualification paragraphs.

The Independent Auditors' Report for the year ended December 31, 2019, dated March 5, 2020, issued by KPMG Auditores Independentes, does not contain any emphasis or qualification paragraphs.

The Independent Auditors' Report for the year ended December 31, 2018, dated March 11, 2019, issued by KPMG Auditores Independentes, does not contain any emphasis or qualification paragraphs.

10.5. Notes and comments of the officers on the critical accounting policies adopted by the issuer, exploring, in particular, accounting estimates made by management on uncertain and relevant matters for the description of the financial status and results, which require subjective or complex valuations, such as: reserves, contingencies, revenue recognition, tax credits, long-lived assets, useful lives of non-current assets, pension plans, adjustments of foreign currency, environmental remediation, testing criteria for asset recovery and financial instruments.

In preparing the financial statements, we make estimates concerning a variety of matters. Some of these matters are highly uncertain, and the estimates involve judgments we make based on the available information. It is also discussed determined accounting policies related to regulatory matters. In the discussion below, we have identified several other matters that would materially affect our financial presentation if either (i) we used different estimates that we could reasonably have used or (ii) in the future we change our estimates in response to changes that are reasonably likely to occur.

The discussion addresses only those most important estimates based on the degree of uncertainty and the likelihood of a material impact if a different estimate was used. There are many other areas in which estimates about uncertain matters are used, but the reasonably likely effect of changed or different estimates is not material to our financial presentation. Please, see the notes to our consolidated financial statements for a more detailed discussion of the application of these and other accounting policies.

IFRS 16 Leasing

The standard defines that a contract is or contains a lease if it conveys the right to control the use of the identified asset over a period of time in exchange for a certain consideration. The Company and its subsidiaries assessed the standard, mainly for the land lease agreements of the wind farms of CPFL Renováveis' indirect subsidiaries, as they involve material amounts and are long-term. As most of these agreements involve variable considerable payable to lessor based on the energy generated by each wind farm, IFRS 16 does not allow the recognition of the lease liability and, consequently, of the right of use relating to these agreements. For other agreements in which lessor is entitled to receive fixed consideration, the Group assessed the standard and concluded that there was no material impact on its adoption.

For other agreements in which the Company and/or its subsidiaries act as lessees, as a result of the initial application of IFRS 16, with respect to leases that were previously classified as operating, the amounts resulting from the right-of-use asset and from the lease liability were considered immaterial and were not recorded.

IFRIC 23 – Uncertainty over Income Tax Treatments

In general lines, the main point of analysis of the interpretation refers to the probability of acceptance by the tax authorities of the tax treatment chosen by the Group.

IFRIC 23 / ICPC 22 is effective for annual reporting periods beginning on or after January 1, 2019. The Group assessed the interpretation and the impact of adopting the standard was the reclassification of the balance of provision for tax risks related to income taxes to the line item Corporate income tax.

Intangible assets and Contract asset – in progress

Includes rights related to non-physical assets such as goodwill and concession exploitation rights, software and rights-of-way.

Goodwill that arises on the acquisition of subsidiaries is measured based on the difference between the fair value of the consideration transferred for acquisition of a business and the net fair value of the assets, adding the portion of noncontrolling interests and liabilities of the acquired subsidiary.

Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill and other intangible assets with indefinite useful lives, if any, are not subject to amortization and are tested annually for impairment.

Negative goodwill is recognized as a gain in the statement of profit or loss in the year of the business acquisition.

In the individual financial statements, fair value adjustments (value added) of net assets acquired in business combinations are included in the carrying amount of the investment and the amortization is classified in the individual statement of income as "equity interest in associates and joint ventures" in accordance with ICPC 09 (R2). In the consolidated financial statements, the amount is stated as intangible asset and its amortization is classified in the consolidated statement of profit and loss as "amortization of concession intangible asset" in other operating expense.

Intangible assets corresponding to the right to operate concessions may have three origins, as follows:

(i) Acquisitions through business combinations: the portion arising from business combinations that corresponds to the right to operate the concession amortized in straight-line method over the remaining period of the concessions.

(ii) Investments in infrastructure (application of ICPC01 (R1) and IFRIC 12 – Concession contracts) - in progress: under the electric energy distribution concession agreements with the subsidiaries, the recognized intangible asset corresponds to the concessionaires' right to charge the consumers for use of the concession infrastructure. Since the exploration term is defined in the agreement, intangible assets with defined useful lives are amortized over the concession period in proportion to a curve that reflects the consumption pattern in relation to the expected economic benefits.

Items comprised in the infrastructure are directly tied to the Company's electric energy distribution operation and shall comply with the same regulatory rules.

(iii) Use of public asset: certain generation concessions were granted with the condition of payments to the federal government for use of public asset. On the signing date of the respective agreements, the Company's subsidiaries recognized intangible assets and the corresponding liabilities, at present value. The intangible assets, capitalized by interest incurred on the obligation until the start-up date, are amortized on a straight-line basis over the remaining period of each concession.

As of January 1, 2018, the concession infrastructure assets of the distribution companies must be classified as contract assets during the construction or improvement period in accordance with the criteria of CPC 47 / IFRS 15.

Impairment of financial assets

CPC 48 / IFRS 9 replaces the 'incurred loss' model in IAS 39 / CPC 38 with an 'expected credit loss' (ECL) model.

The Group assesses evidence of impairment for certain receivables at both an individual and a collective level. Receivables that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

The Group recognizes impairment losses for ECLs on: (i) financial assets measured at amortized cost; (ii) debt investments measured at FVOCI; and (iii) contract assets.

The Group measures impairment allowances, adopting the simplified method of recognizing, at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date, which are measured at 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the expected credit losses, the Group considers a simplified approach of default assessment which consists in measuring the expected loss of a financial asset equivalent to the lifetime expected credit loss of an asset including reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative

information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group uses an allowance matrix based on its historical default rates observed along the expected lifetime of the trade receivables to estimate the expected credit losses for the lifetime of the asset where the history of losses is adjusted to consider the effects of the current conditions and its forecasts of future conditions that did not affect the period in which the historical data were based.

The methodology developed by the Group resulted in a percentage that is in compliance with IFRS 9 described as expected credit losses, comprising in a single percentage the probability of loss weighted by the expected loss and possible results, that is, comprising the Probability of Default ("PD"), Exposure At Default ("EAD") and Loss Given Default ("LGD").

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment losses related to consumers, concessionaires and licensees recognized in financial assets and other receivables, including contract assets, are recognized in profit or loss.

Pension Liabilities

We sponsor pension plans and disability and death benefit plans covering, substantially, all our employees. The determination of the amount of our obligations for pension benefits depends on certain actuarial assumptions, including discount rates, inflation and etc. For further information about the actuarial assumptions see note 20 to our consolidated financial statements.

Deferred Tax Assets and Liabilities

We account for income, which requires an asset and liability approach to recording current and deferred taxes. Accordingly, the effects of differences between the tax basis of assets and liabilities and the amounts recognized in our consolidated financial statements have been treated as temporary differences for the purpose of recording deferred income tax.

We regularly review our deferred tax assets for recoverability. If evidences are not enough to prove that it is more likely than not that we will not recover such deferred tax assets, then such asset is not registered in the balance sheet of the company. Also, if there are no evidences that allow us to expect sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, we could be required to establish a valuation allowance against all or a significant portion of our deferred tax assets resulting in a substantial increase in our effective tax rate and a material adverse impact on our operating results.

Provisions for tax, civil and labor risks

We and our subsidiaries are party to certain legal proceedings in Brazil arising in the normal course of business regarding tax, labor, civil and other matters.

Accruals for provision for tax, civil and labor risks are estimated based on historical experience, the nature of the claims, and the current status of the claims. The evaluation of these risks is performed by various specialists, inside and outside of the company. Accounting for provision for tax, civil and labor risks requires significant judgment by Management concerning the estimated probabilities and ranges of exposure to potential liability. Management's assessment of our exposure to provision for tax, civil and labor risks could change as new developments occur or more information becomes available. The outcome of the risks could vary significantly and could materially impact our consolidated results of operations, cash flows and financial position.

Financial Instruments

- Financial Assets

Financial assets are recognized initially on the date that they are originated or on the trade date at which the Company or its subsidiaries become parties to the contractual provisions of the instrument. Derecognition of a financial asset occurs when the contractual rights to the cash flows from the asset expire or when the risks and rewards of ownership of the financial asset are transferred.

Subsequent Measurement and gains and losses:

Financial assets measured at fair value through profit or loss (FVTPL)	These assets are subsequently measured at fair value. Net gains or losses, including interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on the derecognition is recognized in profit or loss.
Debt investments at fair value through other comprehensive income (FVOCI)	These assets are subsequently measured at fair value. Net gains and losses are recognized in other comprehensive income, except the interest income calculated using the effective interest method, foreign exchange gains and losses and impairment, that are recognized in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. The Group has no financial assets of this classification.
Equity instruments at fair value through other comprehensive income	These assets are subsequently measured at fair value. All gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss, except dividends which are recognized as income in profit or loss (unless the dividend clearly represents a recovery of part of the cost of the investment). The Group has no financial assets of this classification.

Subsequent measurement and gain and loss:

Financial assets measured at fair value through profit or loss (FVTPL)	These assets are subsequently measured at fair value. Net gains or losses, including interest or dividend income, are recognized in profit or loss.

Held-to maturity financial assets	These assets are measured at amortized cost using the effective interest method.
Loans and receivables	These assets are measured at amortized cost using the effective interest method.
Available-for-sale financial assets	These assets are measured at fair value and changes therein (other than impairment losses, interest income and foreign currency differences on debt instruments), are recognized in Other Comprehensive Income and accumulated in the fair value reserve. When these assets were derecognized, the gain or loss accumulated in equity are reclassified to profit or loss.

The rights of indemnity at the end of the concession term of the distribution subsidiaries are classified as measured at fair value through profit or loss and the changes in the fair value of this asset are recognized in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
(ii) its contractual terms give rise on specified dates to cash flows that are related solely to payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income (FVOCI): A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 35). On initial recognition, the Group may irrevocably designate a non derivative financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether:

- management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

(i) contingent events that would change the amount or timing of cash flows;
(ii) terms that may adjust the contractual coupon rate, including variable-rate features;
(iii) prepayment and extension features; and
(iv) terms that limit the Group's claim to cash flows from specified assets (e.g., based on the performance of an asset).

For transactions involving the purchase and sale of energy by the trading subsidiaries, the Group has an accounting policy defined according to the business strategy with instruments measured at amortized cost, which refer to agreements already entered into and still held with the purpose of receipt or delivery of energy in accordance with the requirements by the company related to purchase or sale. The transactions are usually long term and are never settled by the net cash amount or with another financial instrument and, even if some contract has a certain flexibility, the strategy of the Group's portfolio is not changed for this reason.

- Financial liabilities

Financial liabilities are initially recognized on the date that they are originated or on the trade date at which the Company or its subsidiaries become a party to the contractual provisions of the instrument. The Group have the following main financial liabilities:

(i) Measured at fair value through profit or loss: these are financial liabilities that are: (i) held for trading, (ii) Designated at fair value in order to match the effects of recognition of income and expenses to obtain more relevant and consistent accounting information, or (iii) derivatives. These liabilities are measured at fair value, which fair value changes recognized in profit or loss except for changes in fair value attributable to credit risk which are recognized in comprehensive income.

(ii) Measured at amortized cost: these are other financial liabilities not classified into the previous category. They are measured initially at fair value net of any cost attributable to the transaction and subsequently measured at amortized cost using the effective interest rate method.

The Group recognizes financial guarantees when these are granted to non-controlled entities or when the financial guarantee is granted at a percentage higher than the Company's interest to cover commitments of joint ventures. Such guarantees are initially measured at fair value, by recognizing (i) a liability corresponding to the risk of non-payment of the debt, which is amortized against finance income simultaneously and in proportion to amortization of the debt, and (ii) an asset equivalent to the right to compensation by the guaranteed party or a prepaid expense under the guarantees, which is amortized by receipt of cash from other shareholders or at the effective interest rate over the term of the guarantee. After initial recognition, guarantees are measured periodically at the higher of the

amount determined in accordance with CPC 25 / IAS 37 and the amount initially recognized less accumulated amortization.

Financial assets and liabilities are offset and presented at their net amount when there is a legal right to offset the amounts and the intent to realize the asset and settle the liability simultaneously.

The classifications of financial instruments (assets and liabilities) are described in Note 35.

- Issued Capital

Common shares are classified as equity. Additional costs directly attributable to share issues and share options are recognized as a deduction from equity, net of any tax effects.

Depreciation and Amortization of Intangible Assets

We account for depreciation using the straight line method, at annual rates based on the estimated useful life of assets in accordance with ANEEL and adopted local practices.

Amortization of intangible assets varies according to the way they are acquired:

- Intangible assets acquired in a business combination: The portion arising from business combinations that corresponds to the right to operate the concession is stated as an intangible asset. Such amounts are amortized over the remaining term of the concessions, on a straight line basis or based on the profit for the year curves projected for the concessionaires, as applicable;

- Investments in infrastructure (application of ICPC 01 and IFRIC 12 – Concession Agreements): Since the concession term is contractually defined, intangible assets acquired as investment in infrastructure have a pre determined useful life. We account for the amortization of these assets using a curve that reflects the consumption standard as compared to the expected profits;

- Public utilities: We account for the amortization of intangible assets relating to our use of a public asset using the straight line method for the remaining term of the concession.

Revenue recognition

The operating revenue in the normal course of our subsidiaries' activities is measured at the fair value of the consideration received or receivable. The operating revenue is recognized when it represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

IFRS 15 establishes a revenue recognition model that considers five steps: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Thus, revenue is recognized only when (or if) the performance obligation is satisfied, that is, when the "control" of the goods or services of a certain transaction is actually transferred to the customer.
The revenue from energy generation sales is recognized based on the assured energy and at tariffs specified in the terms of the supply contracts or the current market price, as appropriate.

The revenue from energy commercialization is recognized based on bilateral contracts with market agents and properly registered with the CCEE.

The revenue from services provided is recognized when the service is provided, under a service agreement between the parties.

The revenue from construction contracts is recognized based on the reach of the performance obligation over time, considering the fulfillment of one of the following criteria:

(i) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
(ii) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
(ii) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The provision of infrastructure construction services is recognized in accordance with IFRS 15, against a contract asset.

The revenues of the transmission companies, recognized as operating revenue, are:

- Construction Revenue: Refers to the services of construction of electric energy transmission facilities. These are recognized according to the percentage of completion of the construction works.
- Remuneration: Refers to the interest recognized under the straight-line method on the amount receivable from the construction revenue.
- Revenue from Operations and Maintenance: Refers to the services of operations and maintenance of electric energy transmission facilities aimed at non-interruption of availability of these facilities.

On December 1, 2020, the CVM issued Circular Official Letter no. 04 to provide guidance on the relevant aspects of CPC 47/IFRS 15 of CPC48/IFRS 9 that must be observed in the preparation of the Financial Statements of the Electricity Transmission Companies as of December 31, 2020, with emphasis on the need to assign margins for the recognition of revenue from construction and operation and maintenance of infrastructure, as well as for the rate used to remunerate the concession contracts, which must correspond to the remaining implicit rate of each project, after the allocation of construction and operation and maintenance margins.

The Company's Management reassessed the model and the assumptions used and concluded that the impacts of the application of the Office are immaterial for adjustments.

In compliance with the requirements established by the CVM letter and in accordance with its accounting policies, it clarifies that:

I. Assignment expected of construction margins between 5.1% and 7.8%, before taxes, and operation and maintenance margins 45% at the beginning of each project for the recognition of the respective revenues;
II. The monetary updating of the contractual assets recognized by the implicit rate established at the beginning of each project obtained after the allocation of the construction and operation margins. The implicit rate that remunerates the contract asset varies between 6.5% p.a. and 13.5% p.a..
III. The company monitors the return on its transmission investments and currently the expected IRR for its projects ranges between 10% p.a. and 16% p.a. before taxes.

No single consumer accounts for 10% or more of the CPFL Energia group's total revenue.

10.6. Description by the officers of relevant items not evidenced in the financial statements of the issuer

a) the assets and liabilities held by the issuer, directly or indirectly, which are not shown in its balance sheet (off-balance sheet items):

i. operational commercial leasing, active or passive;

ii. portfolios of receivables written off over which the entity has any liabilities, indicating the respective liabilities

iii. agreements for future purchase and sale of products or services;

iv. construction services not yet concluded;
v. agreements for future receipt of financing;

As of December 31, 2020, 2019 and 2018 there were no items that fail to appear on our balance sheet that have, or may come to have, a relevant effect on our financial condition, revenue or expenses, operating results, liquidity, investments or capital funds.

The Company has contractual obligations and commitments, such as commitments related to long-term contracts for the purchase and sale of energy and projects for the construction of plants, which are presented in a table in item 10.1, c, herein.

b) other items not evidenced in the financial statements.

There are no other relevant items not evidenced in the financial statements of the issuer.

10.7 With regard to each of the items not evidenced in the financial statements indicated in item 10.6, the officers must discuss on:

a) how such items change or may come to change the revenues, expenses, operational result, financial expenses and other items of the financial statements of the issuer;

There are no other relevant items not recorded in the financial statements.

b) the nature and purpose of the operation;

There are no other relevant items not recorded in the financial statements.

c) the nature and amount of the obligations undertaken and the rights granted to the issuer in view of the transaction.

There are no other relevant items not recorded in the financial statements.

10.8. The officers must indicate and discuss on the main elements of the business plan of the issuer, exploring in particular the following topics:

a) investments, including:

i. quantitative and qualitative description of the ongoing investments and the expected investments;

The main investments in the last years have been allocated for the maintenance and improvement of the distribution network and energy generation projects. The chart below presents the investments of the Company in the years ended on December 31, 2020, 2019 and 2018, and the forecast for the five-year period of 2021 - 2025:

	Year ended on December 31							
	2018	**2019**	**2020**	**2021***	**2022***	**2023***	**2024***	**2025***
				(in million)				
Distribution	1,770	2,033	2,317	2,502	2,907	2,655	2,663	2,586
Generation	237	138	283	465	324	220	137	132
Commercialization and other investments		62	74	69	51	49	56	52
Transmission	3	21	134	340	35	-	-	-
Total	**2,066**	**2,254**	**2,808**	**3,376**	**3,318**	**2,924**	**2,857**	**2,770**

** Planned investment, considering the Company's forecast*

We plan to make capital expenditures aggregating R$3,376 million in 2021, R$3,318 million in 2022, R$2,924 million in 2023, R$2,857 million in 2024 and R$2,707 million in 2025. Of total budgeted capital expenditures over this period, R$13,314 million are expected to be invested in our distribution segment, R$1,278 million in our generation segment. In addition, over this period, we plan to invest R$375 million in our transmission activities and R$278 million in our commercialization and services activities. Part of these expenditures, particularly in generation projects, is already contractually committed.

It is important to mention that the resources for the execution of projects and actions related to the sustainability theme contained in the Sustainability Plan 2020-24, totaling approximately R$ 1.8 billion, are already accounted for in the amounts above, in a total amount of about R$ 1 billion. The remaining amount will come from projects made possible with regulated resources from ANEEL programs and resources incentivized via the CPFL Institute.

ii. Sources of financing for the investments;

The main sources of resources for our subsidiaries come from operating cash generation and financing. For the two-year period of 2021-2022, our subsidiaries plan to raise funds mainly by (i) new financing from development banks (BNDES, BNB, others), (ii) new funding with financial institutions and (iii) new debenture issuances.

iii. Ongoing relevant disinvestments and expected disinvestments;

Not applicable in view of there being, currently, any disinvestment ongoing, as well as no disinvestment being expected to occur.

b) provided already disclosed, indicate the acquisition of new plants, equipment, patents or other assets which may materially influence the productive capacity of the issuer;

2020, 2019 and 2018

- There was no acquisition of new plants, equipment or other assets which may materially influence the productive capacity of the Company.

For further information on acquisitions of plants and other assets, see item 10.3.b above.

c) new products and services:

i. description of ongoing researches already disclosed;

Not applicable in view of the fact that there are no new products or services under development.

ii. total amounts expend by the issuer in research for the development of new products and services;

Not applicable in view of the fact that there are no new products or services under development.

iii. projects in development already disclosed;

Not applicable in view of the fact that there are no new products or services under development.

iv. total amounts expend by the issuer in the development of new products or services.

Not applicable in view of the fact that there are no new products or services under development.

10.9. Discussion and analysis of the officers on other factors which may significantly influence the operation performance and that have not been identified or discussed in other items of this section

There are no other factors which may significantly influence the operational performance of the company that have not been mentioned in this section.

11. Projections

11.1 Projections must identify:

a) object of projection;

Pursuant to Article 20 of CVM Instruction 480, the disclosure of projections and estimates is optional, provided that the Company has not disclosed projections or estimates. Thus, the Company also chose not to disclose in this Reference Form projections of any nature (including operational or financial) related to it or to its activities and those of its subsidiaries.

b) projected period and the validity of the projection;

Not applicable, since the Company does not disclose projections.

c) assumptions of the projection, with the indication of which can be influenced by the administration of the issuer and which escape its control.

Not applicable, since the Company does not disclose projections.

d) Amounts of indicators that are forecasted (in millions of reais)

Not applicable, since the Company does not disclose projections.

11.2 In the event that the issuer has disclosed, during the last 3 fiscal years, projections on the evolution of its indicators:

a) inform which ones are being replaced by new projections included in the form and which of them are being repeated on the form;

Pursuant to Article 20 of CVM Instruction 480, the disclosure of projections and estimates is optional, provided that the Company has not disclosed projections or estimates. Thus, the Company also chose not to disclose in this Reference Form projections of any nature (including operational or financial) related to it or to its activities and those of its subsidiaries.

b) regarding the projections for periods already elapsed, compare the projected data with the effective performance of the indicators, clearly indicating the reasons that led to deviations in the projections;

Not applicable, since the Company does not disclose projections.

c) for projections for periods still in progress, to inform whether the projections remain valid on the date of delivery of the form and, where appropriate, to explain why they were abandoned or replaced.

Not applicable, since the Company does not disclose projections.

12. General meeting and administration

12.1 Describe the issuer's administrative structure, as established in its bylaws and internal regulations, identifying:

a) attributions of the board of directors and of the permanent bodies and committees that report to the board of directors.

COMPANY BODIES AND THEIR ATTRIBUTIONS

a.1) Board of Directors

CPFL Energia's Board of Directors is a collegiate body, composed of a minimum of 5 (five) and a maximum of 9 (nine) members, all elected and removable by the General Meeting, with a unified term of 2 (two) years, being permitted reelection. Among its members, there must be at least 2 (two) or 20% (twenty percent) of independent directors, whichever is greater, in line with the provisions of the New Market Regulation of the B3 and the Company's Bylaws, and they must be expressly declared as such in the minutes of the General Meeting that elects them, and the director elected by means of the option provided for in Paragraphs 4 and 5 of Article 141 of the Brazilian Corporate Law is also considered as an independent director.

Among the members of the Board of Directors, at the first meeting that occurs after the election of said members, a Chairman is elected. The positions of Chairman of the Board of Directors and Chief Executive Officer (or main executive) of the Company cannot be held by the same person.

Currently, the Company's Board of Directors consists of 7 (seven) members, of which 2 (two) are considered independent.

The Board of Directors is the central decision-making forum of the Company and is responsible for determining the strategic guidelines of the Company and its subsidiaries and affiliates, as well as protecting the Company's corporate object and governance system. Its competencies and attributions are laid out both in the Brazilian Corporation Law, in the Company's Bylaws, Governance Guidelines and Internal Regulations.

a.2) Executive Board Officers

The Executive Board Officers is responsible for guiding all business and for the overall management of the Company and its subsidiaries and affiliates, as well as for the execution of the corporate strategy defined by the Board of Directors. Under the terms of the Bylaws, it is composed of up to 10 (ten) members, with 1 Chief Executive Officer, 1 Senior Executive Vice President, 1 Executive Vice President, 1 Regulated Operations Vice President, 1 Market Operations Vice President, 1 Legal & Institutional Relations Vice President, 1 Business Development Vice President, 1 Chief Financial Executive Officer, who accumulates the functions of Investor Relations Officer, 1 Strategy, Innovation and Business Excellence Vice President, and 1 Business Management Vice President, all elected by the Board of Directors, with a 2 (two)-years term, re-election allowed.

The powers and duties of the Executive Board are set forth in the Brazilian Corporation Law, in the Company's Bylaws, in its Internal Regulations and in the Corporate Governance Guidelines.

a.3) Fiscal Council

In accordance with the Brazilian Corporate Law and our Bylaws, the Fiscal Council is an independent body of the Company's management, with permanent functioning, composed of 3 (three) effective members and an equal number of substitutes, all elected and removable by the General Meeting, with a unified 1 (one)-year term, re-election allowed. At least 1 (one) of the members of the Fiscal Council will be considered an independent member.

The competencies of this body are foreseen in the Brazilian Corporation Law, in the Company's Bylaws, in the respective Internal Regulations and other applicable laws, highlighting, among them: the supervision of the acts of the managers and the evaluation of the fulfillment of their legal and statutory duties; the decision about the hiring, substitution, and remuneration of the independent auditors; and the examination and opinion on the financial statements for each fiscal year. The Fiscal Council must report its observations to the shareholders.

a.4) <u>Committees and Commissions</u>

The constitution of Committees and Commissions by the Board of Directors, whose composition and operation are defined in the Internal Regulations of the Advisory Committees and Commissions to the Board of Directors ("Internal Regulations of Committees and Commissions"), the most recent update of which was approved by the 379th Meeting of the Board of Directors of CPFL Energia, held on June 26, 2019.

Under the terms of the mentioned regulation, the members of the Committees and Commissions are appointed by the Chairman of the Board of Directors to serve, after approval by the collegial body, a 1 (one)-year term as of the date they take office, re-election allowed. These bodies are advisory and their attribution is to advise the Board of Directors on matters related to the Company, its subsidiaries and its affiliates.

Currently the Company has 5 (five) Advisory Committees to the Board of Directors, whose competencies and rules of operation are regulated in the mentioned Internal Regulations: Strategy and Process Management Committee, Human Resources Management Committee, Budget and Corporate Finance Committee, Risk Management Committee, and Related Parties Committee.

Each committee is composed of three (3) effective members and may have up to three (3) alternate members. The Related Parties Committee is composed of 2 (two) independent members, respecting the definitions of the New Market Regulation.

In addition to the Advisory Committees, our Board of Directors may create *ad hoc* working committees, if necessary. The responsibilities of a working committee should be defined by the Board of Directors when it is created.

For the term 2020/2021, the members of the Committees were appointed at the 419th Meeting of the Board of Directors held on August 13, 2020.

i. whether they have their own internal regulations, informing, in the affirmative case, the body responsible for approval, the date of approval and, should the issuer disclose such regulations, the sites on the World Wide Web where these documents may be consulted

CPFL Energia's corporate governance bodies have their own Internal Regulations.

The Company's Board of Directors has its operations disciplined in an Internal Regulation, in its last amendment, was approved at the 431st Meeting of the Board of Directors held on December 17, 2020.

The Company's Executive Board Officers, in its last update, was approved at the Executive Board Meeting held on September 30, 2019.

The Company's Fiscal Council approved the most recent version of its Internal Regulations at the 224th Meeting of the Fiscal Council dated December 10, 2020. The document was also analyzed by the Board of Directors at the 431st Meeting of the Board of Directors held on December 17, 2020.

Finally, the most recent Internal Regulations for Advisory Committees and Commissions to the Board of Directors were approved by the 379th Meeting of the Board of Directors of CPFL Energia, held on June 26, 2019.

These documents can be consulted on the Company's Investor Relations website: www.cpfl.com.br/ri (on this website, access under "Co-operative Governance" then select "Bylaws and Policies").

ii. whether the issuer has a statutory audit committee, informing, if so, its main duties, how it works and whether it meets the requirements of the regulations issued by the CVM on the subject

The Company has no statutory audit committee, as it is an optional body, as set forth in Article 22 of the New Market Regulation. It should be clarified that the Company's Fiscal Council, in addition to its other attributions, also functions as an audit committee, deliberating on matters related to internal audit, risks and compliance, Sarbanes Oxley.

In addition, the Risk Management Committee, established by the Board of Directors on June 26, 2019, is tasked with advising the Board regarding internal audit, risk and compliance, Sarbanes Oxley matters and in audit committee activities delegated to the Fiscal Council.

iii. how the board of directors evaluates the work of the independent auditor, indicating whether the issuer has a policy for hiring extra-audit services with the independent auditor, and informing the body responsible for approving the policy, the date of the approval and, if the issuer discloses the policy, the sites on the World Wide Web where the document may be consulted

The Board of Directors evaluates the work of the independent auditors by means of reports and clarifications. The extra-audit services are submitted for the prior approval of the Board of Directors and the Fiscal Council of the Company, with the declaration by the auditors of their independence and the absence of impediments to the performance of the contracted work.

b) with respect to the members of the statutory Executive Board officers, their individual duties and powers, indicating whether the Executive Board officers has its own internal regulation, and informing, if so, the body responsible for approval, the date of approval and, should the issuer disclose the regulation, the sites on the World Wide Web where the document may be consulted

The duties of the Company's Statutory Executive Board Officers are described in the Company's Bylaws and in its own Internal Regulation approved at the Executive Board Officers Meeting of September 30, 2019.

Currently, the Company's Statutory Executive Board Officers is composed of the following positions:

POSITION	RESPONSABILITIES
Chief Executive Officer	Guiding and leading all business and the general management of the Company and of its direct and indirect subsidiaries and affiliates; promoting the development and execution of corporate strategy, including corporate risk and people management and regulatory management; exercising the other attributions conferred by these Bylaws and by the Board of Directors. The Chief Executive Officer has as his exclusive duties: (i) convening and presiding over the meetings of the Executive Board Officers; (ii) granting leave of absence to members of the Executive Board Officers and appoint their substitutes; (iii) coordinating and guiding the work of the Vice-Presidents; (iv) proposing to the Board of Directors the areas of activity of each Vice President; (v) making decisions of an urgent nature within the competence of the Executive Board Officers, "ad referendum" of the latter; (vi) representing the Company at General Meetings of shareholders and/or quotaholders of the Company and of directly or indirectly controlled and/or affiliated companies, or appoint a Vice President Vice President or an attorney-in-fact to represent the Company on his/her behalf; and (vii) appointing the members of the Board of Directors and the Executive Board Officers of the companies directly or indirectly controlled and/or affiliated, in accordance with the number of shares or quotas held by the Company, in accordance with item "ad" of Art. 17 of the Company's Bylaws.
Senior Executive Vice President	Assisting the Chief Executive Officer in all his attributions. The Senior Executive Vice President will have the exclusive attributions in relation to the Company and its directly or indirectly controlled subsidiaries and associates: (i) overseeing new business development, administrative and financial areas; (ii) overseeing communication, legal, sustainability, information technology, supplies, and infrastructure issues; and (iii) overseeing the distribution, generation, transmission and service operations.
Executive Vice President	(i) assisting the Senior Executive Vice President in all his duties; and (ii) guiding and leading the management of the Company's human resources and those of companies directly or indirectly controlled and/or affiliated.
Regulated Operations Vice President	Guiding and leading the business related to the distribution of electric power, observing and enforcing the regulation and risks inherent to the business in the companies directly and indirectly controlled by the Company, and proposing and managing investments; proposing and implementing new projects, ensuring the excellence of operations; managing the processes related to the distribution operation and respective regulatory affairs, to operations engineering, and to the processes related to energy purchase and sale agreements of the distribution businesses, in harmony with the Company's strategic planning.

Market Operations Vice President	Guiding and leading the business of generation, commercialization, transmission and provision of services in companies directly and indirectly controlled by the Company and coordinating the business of CPFL Renováveis, being responsible for proposing and managing investments related to these businesses, proposing and implementing new projects, ensuring the excellence and development of operations, planning and carrying out the activities of service and energy sales, observing and enforcing the regulation and risks inherent to the business, and managing the operations engineering and energy efficiency processes, in harmony with the Company's strategic planning.
Legal and Institutional Relations Vice President	Guiding and leading external communications and institutional interlocution, as well as legal and sustainability matters; defining and ensuring compliance with the legal, environmental and communication principles and standards of the Company and of its direct or indirect subsidiaries, or affiliates, and carrying out corrective actions in the occurrence of any legal, regulatory, environmental and reputational incidents, in harmony with the Company's strategic planning.
Business Development Vice President	conducting and leading the evaluation of new business potential and the development of new businesses in the areas of distribution, generation, commercialization, transmission and provision of services related to electric power, as well as other related or complementary activities; studying potential new business and asset sales, in the Company and its direct or indirect subsidiaries, in harmony with the Company's strategic plan.
Chief Financial Executive Officer and Investor Relations Officer	Guiding and leading the administration of the financial activities of the Company and of its direct and indirect subsidiaries, including the analysis of investments, the proposal and contracting of loans and financing, treasury operations, financial and tax planning and control, and the management of activities inherent to accounting, also performing the functions of representative of the Company and of its direct subsidiaries in their relations with investors and the capital market.
Strategy, Innovation and Business Excellence Vice President	Conducting and leading the management of strategy and innovation (including Research and Development), as well as quality and excellence in business, in the Company and its direct or indirect subsidiaries, in line with the Company's strategic plan.
Business Management Vice President	Guiding and leading the information technology, supplies, infrastructure and logistics processes and systems, as well as proposing, evaluating, planning and implementing new projects and investments pertinent to such processes, in the Company and its direct or indirect subsidiaries, in harmony with the Company's strategic planning.

c) date of installation of the fiscal council, if this is not permanent, and of creation of the committees, informing whether it has its own internal regulations, and indicating, if so, the date of its approval by the fiscal council and, if the issuer discloses the regulations, the sites on the World Wide Web where the document may be consulted;

The Fiscal Council has permanent operation, and its members are elected for a 1 (one)-year term, reelection allowed. The members of the Company's Fiscal Council elected at the Ordinary and Extraordinary General Meeting held on April 30, 2021, shall take office at the first Meeting of the Fiscal

Council held after their election and shall remain in office until the Ordinary General Meeting that approves the accounts related to the fiscal year of 2021, to be held in 2022.

The Fiscal Council has its own regulations, and its latest update was approved by the body itself in a meeting dated December 10, 2020. The Regulations of the Fiscal Council can be found on the Company's Investor Relations website: www.cpfl.com.br/ri. (on this website, go to "Corporate Governance" then select "Bylaws and Policies").

d) whether there are performance evaluation mechanisms for the board of directors and each body or committee that reports to the board of directors, informing, if so:

i. the periodicity of the evaluation and its scope, indicating if the evaluation is done only in relation to the body or if it also includes the individual evaluation of its members

The Internal Regulations of the Board of Directors and the Internal Regulations of the Fiscal Council provide that, annually, in the last month of each fiscal year, the President of the respective body, with the assistance of the Corporate Governance Secretariat, must send a questionnaire to its members. assessment to be completed individually by the directors. The results of this evaluation are subsequently disclosed to all Directors, with the aim of improving the performance of these bodies.

In addition, in 2020 the same evaluation process was carried out with the members of the Advisory Committees of the Board of Directors and with the members of the Executive Board in order to continuously improve the performance of such bodies.

The assessment covers: (i) the configuration of the body and its meetings; (ii) the agency's interaction with the other Corporate Governance Agents; (iii) the monitoring of matters relevant to the Company; and (iv) the member's performance.

ii. methodology adopted and the main criteria used in the evaluation

The members of the governance bodies receive a self-assessment questionnaire made up of statements that should be classified into scores from 1 to 5, with 5 being the best score and 1 being the worst. In addition to the statements, members also have the possibility to include any comments or suggestions about the activities of the body to which they belong.

The main objectives of the evaluation are:

- Assess the performance of the body in meeting its objectives, as well as analyze the body's knowledge of the CPFL Group's business in matters relevant to the Company;
and
- Identify the strengths of the collegiate and the opportunities for improving processes regarding the matters subject to analysis / approval by the body.

Once completed, the questionnaires are analyzed by the Corporate Governance Secretariat and the weighted average is calculated. The scores are then classified into three levels: (i) Positive Points (weighted average equal to or greater than that corresponding to 7.5); (ii) Points of Attention (weighted average between that corresponding to 7.4 and 5); and (iii) Points for Improvement (weighted average lower than that corresponding to 5).

iii. how the evaluation results are used by the issuer to improve the functioning of this body; and

The results of the evaluations are analyzed by the Corporate Governance Secretariat and disclosed to all members of the respective bodies, guaranteeing the anonymity of those involved.

Considering such analysis, an action plan can be established by the body for the following year, based on the assessment, highlighting the improvements to be implemented.

The Company also carries out an evaluation of the Executive Board Officers, in accordance with the corporate and individual targets established under the Company's strategic plan and metrics of the Shareholder Value Generation System ("GVA"), previously defined and approved by the Board of Directors. Additionally, and in relation to the variable compensation of the Executive Board Officers, the Company evaluates its Executive Board Officers, checking the performance of its members, in accordance with the corporate and individual targets, established in accordance with the Company's strategic plan, previously defined and approved by the Board of Directors.

The Human Resources Management Committee is also responsible for monitoring the Succession Plan of the Executive Board and validating the calculations provided for in the administrative rule that establishes guidelines for the Short and Long Term Incentive Plan for the Company's Executive Board.

iv. whether external consulting or advisory services were contracted

Not applicable, since no external consulting or advisory services were contracted for the 2019 and 2020 fiscal years.

12.2 Describe the rules, policies and practices regarding the general meetings, indicating:

a) **deadline for calling them**

The Company does not adopt different practices or policies in relation to the deadline for calling a general meeting stipulated in the corporate legislation and by the rules issued by CVM.

The Brazilian Corporate Law requires that all General Meetings must be called by means of a notice published at least three (3) times in the Official Gazette of the Federal Government or of the State where the Company's headquarters are located, and in another widely circulated newspaper. The Company's publications are currently published in the "Diário Oficial do Estado de São Paulo", and also in the newspaper "Valor Econômico".

The Brazilian Corporate Law determines that the General Meetings must be called at least 30 (thirty) days in advance, on first call, and 8 (eight) days in advance, on second call.

Likewise, under the terms of art. 21-A of CVM Instruction 481 of December 17, 2009, whenever it is necessary to use the Remote Voting Ballot mechanism, the General Meeting will be called at least 30 (thirty) days before the first call, whenever: (i) there is an Ordinary General Meeting; (ii) there is an election of the members of the Fiscal Council; (iii) there is an election of the members of the Board of Directors, when the election is necessary due to vacancy in the majority of the positions of the board, due to vacancy in the council that has been elected by multiple vote or to fill the vacancies dedicated to the election separately; and (iv) the Extraordinary General Meeting is called for the same date as the Annual General Meeting.

b) responsibilities

The Company's General Shareholders' Meeting has the responsibility to deliberate on matters provided for in the Brazilian Corporate Law and in the Company's Bylaws.

In accordance with the Brazilian Corporate Law and the Company's Bylaws, it is the responsibility of the Ordinary General Meeting of the Company:

- to approve the management accounts for the last fiscal year;
- to evaluate, discuss and vote on the financial statements, based on an opinion from the Fiscal Council;
- to deliberate on the destination of the net profit of the fiscal year and the distribution of dividends;
- to elect the members of the Fiscal Council, effective and substitute;
- to elect the members of the Board of Directors, effective and substitute; and

In addition to the other attributions set forth in law and in other provisions of the Bylaws, it is responsibility of the Extraordinary General Meeting of the Company to approve:

- the cancellation of the Company's registration as a Publicly-Held Company with the Brazilian Securities and Exchange Commission;
- the exit from B3's New Market;
- the choice of a specialized company responsible for determining the economic value of the Company for purposes of the public offerings provided for in Chapter VII of the Bylaws, from among a triple list of companies appointed by the Board of Directors;
- the plans for granting stock options to managers and employees of the Company and other companies that are directly or indirectly controlled by the Company, without preemptive rights for the shareholders; and

The Company does not adopt policies or practices that differ from what is provided for in the corporate legislation.

c) addresses (physical or electronic) where the documents related to the general meeting will be available to shareholders for analysis

Company Headquarters: Rua Jorge Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília, CEP 13087-397, Campinas, São Paulo.
Investor Relations website: www.cpfl.com.br/ri
CVM website: www.cvm.gov.br
B3 website: www.b3.com.br

d) identifying and managing conflicts of interests

The Chairman of the Meeting must ensure compliance with the best corporate governance practices adopted by the Company, namely the IBGC Best Practices Code and the Corporate Governance Guidelines. The Code provides that a shareholder who, for whatever reason, has an interest that conflicts with that of the organization in a particular resolution:

- must immediately report the fact and abstain from participating in the discussion and voting on this matter;
- if you are representing a third party, you should only be authorized to vote if the power of attorney has been given by a non-conflicted shareholder and explicitly expresses the vote to be given, and you must abstain from participating in the discussion; and
- if the shareholder who has granted the power of attorney also has a conflict or the power of attorney is not explicit with regard to the vote to be given, he should not be allowed to participate and vote, even if representing the third party.

In addition, it emphasizes that the person who is not independent in relation to the matter under discussion or deliberation must manifest, in due time, his conflict of interests or particular interest. If not, another person must manifest the conflict, if he is aware of it. As soon as a conflict of interest has been identified in relation to a specific topic, the person involved must withdraw, even physically, from discussions and deliberations.

The Chairman of the Meeting must also ensure compliance with art. 115 of the Brazilian Corporate Law, which reinforces that the shareholder must exercise the right to vote in the company's interest and points out restrictions and penalties to shareholders who may eventually act in a conflicting way.

e) request of power of attorney by management for the exercise of voting rights

The Company adopts, as a corporate governance practice, the preparation of Manuals for Participation in Shareholders' Meetings ("Meeting Manuals), which are made available to its shareholders on the investor relations website (www.cpfl.com.br/ri), as well as on the CVM websites (www.cvm.gov.br), B3 SA - Brasil, Bolsa, Balcão (www.b3.com.br). In the aforementioned meeting manuals, the Company makes available to the shareholders a power of attorney model, as well as one or more employees of the Company who may be appointed as attorneys-in-fact to represent them, without any burden and with strict observance to the mandate granted to it., in order to allow the greater participation of the Company's shareholders in the meetings.

The Company does not adopt the practice of preparing public power of attorney requests, pursuant to CVM Instruction 481 of December 17, 2009, as amended ("CVM Instruction 481/09") as well as the granting of powers of attorney by electronic means. Notwithstanding the above, the Company is constantly studying mechanisms to allow greater participation of its shareholders in corporate resolutions, as well as is able to comply with the obligations set forth in CVM Instruction 481/09.

f) formalities required for acceptance of powers of attorney granted by shareholders, indicating whether the issuer requires or waives notarization, consularization, and certified translation and whether the issuer accepts powers of attorney granted by shareholders by electronic means

In recent years, bearing in mind that the Company's General Meetings have always taken place in person as determined by the legislation and regulations of the Securities and Exchange Commission, especially ICVM 481, the documents representing the shareholders, for the purpose of participating in the General Meetings , should be deposited at the headquarters of the Company, 48 (forty-eight) hours in advance

of the time scheduled for the beginning of the work, and the shareholders may be represented by a proxy appointed pursuant to Article 126 of the Brazilian Corporation Law (attorney-in-fact established less than 1 year, who is a shareholder, company administrator or lawyer, and, in the publicly-held company, the attorney-in-fact may also be a financial institution).

According to CVM's understanding, under the terms of Circular Letter CVM/SEP 002/16, legal entity shareholders may be represented at the meetings by their legal representatives or by duly appointed attorneys, in accordance with the acts of incorporation of such shareholder and the rules of the Civil Code, and it is not necessary that this attorney is a shareholder or manager of the Company or a lawyer.

In addition, the shareholder who attends the General Meeting bearing the required documents may participate and vote, even if he/she has failed to deposit them in advance. This request for prior deposit of powers of attorney is intended only to facilitate the work of preparing the documentation for the meetings and does not represent an obstacle to the participation of those shareholders who fail to deposit the powers of attorney in advance at the meetings.

The Company requests that the powers of attorney granted in Brazil be notarized and those granted abroad must be notarized by a Public Notary, duly qualified for this purpose, legalized by a Brazilian consulate or apostilled, as applicable, and translated into Portuguese by a certified translator, and must be registered at the Registry of Deeds and Documents, under the terms of the legislation in force.

The Company's Bylaws do not provide for the possibility of powers of attorney granted by electronic means.

However, in 2020, with the objective of following the health recommendations of the health authorities and preserving the health of the participants in the face of the COVID-19 pandemic, the Federal Government and the Securities and Exchange Commission issued rules that made it possible to hold meetings in a digital, in particular CVM Instruction No. 622, of April 17, 2020.

Thus, in the last fiscal year, for the Meetings that took place on July 27 and November 27, 2020, the Company exceptionally accepted a simple copy of powers of attorney granted in Brazil without recognition of a notarized signature and waived the formalities for powers of attorney granted abroad, maintaining, however, the need for translation into Portuguese by a sworn translator. As for the presentation deadline for filing documents, the Company demanded that it take place up to 2 (two) days before the date of the General Meeting pursuant to of the Assemblies Manual.

g) formalities required for acceptance of the remote ballot paper, when sent directly to the company, indicating whether the issuer requires or waives notarization and consularization

Shareholders may fill out and send the Remote Ballot Paper, at their discretion, (i) directly to the Company; or (ii) by instructions for completing transmitted to their respective custody agents or to the Company's bookkeeping agent, depending on whether or not their shares are deposited with a central depository.

If you choose to exercise your right to remote voting and send the Remote Ballot Paper directly to the Company, pursuant to CVM Instruction 481, as amended by CVM Instruction 561/15, by sending the Remote Ballot Paper directly to the Company, the shareholder must send the following documents to Rua Jorge Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília, CEP 13087-397, Campinas, São Paulo, to the attention of the Investor Relations Office:

- physical copy of the Remote Ballot Paper with (i) all its fields duly filled out, (ii) all its pages initialed, and (iii) at the end, the signature of the shareholder or of his/her legal representative(s), as the case may be, and under the terms of the regulations in effect;
- certified copy of the following documents, as applicable:

Individual Shareholder	**Corporate Shareholder**	**Shareholder constituted as an Investment Fund**
Identification document with photo.	Identification document with a photo of the shareholder's legal	Identification document with a photo of the legal representative(s) of the

Examples: RG, RNE, CNH or officially recognized professional class cards.	representative(s), a copy of the latest consolidated Bylaws or Articles of Association, and also the corporate documentation that grants him/her representation powers (minutes of election of directors or power of attorney).	administrator of the Investment Fund (or the manager, as the case may be), a copy of the fund's last consolidated regulation and of the Bylaws or Articles of Association of its administrator, in addition to the corporate documentation that grants them powers of representation (minutes of election of directors or power of attorney).

The Remote Ballot Paper must be received no later than 7 (seven) days before the date of the respective Meeting.

The Company clarifies that the remote ballot paper must be notarized and, those granted abroad must be notarized and apostilled by a Public Notary, duly qualified for this purpose, as well as consularized at a Brazilian consulate or apostilled, as applicable, and, if applicable, translated into Portuguese by a certified translator.

Once the Remote Ballot Paper and the documents that accompanied it have been received, the Company will notify the shareholder of their receipt and of their acceptance or non-acceptance, under the terms of art. 21-U of CVM Instruction 481/09.

Shareholders who choose to exercise their remote voting rights through service providers must transmit their voting instructions to their respective custody agents or to the bookkeeping agent for the shares issued by the Company, depending on whether or not their shares are deposited with a central depository, and provided that the rules determined by them are observed. For more information, see item (k) below.

In addition, if it is convenient, the shareholder may also send scanned copies of the above-mentioned documents to the e-mail address assembleias@cpfl.com.br.

h) whether the company provides an electronic system for receiving remote ballot paper or for remote participation

Not applicable, since as of the date of this Reference Form, the Company does not provide an electronic system for receiving remote ballot paper or remote participation.

i) instructions for the shareholder or group of shareholders to include proposals for resolutions, group of candidates or candidates for members of the board of directors and the fiscal council on the remote ballot paper

As provided in Article 21-L of CVM Instruction No. 481/09, shareholders representing the minimum percentages established in the Brazilian Corporate Law and in Exhibits 21-L-I and 21-L-II of CVM Instruction No. 481/09 may request, respectively, the inclusion in the remote ballot paper of (i) candidates for the company's board of directors and fiscal council, whenever a general meeting is called for their election subject to the remote voting procedure, according to paragraph 1 of Article 21-A, or (ii) resolution proposals for the Company's ordinary general meetings.

The inclusion requests described above must be received by the Company's Investor Relations Office (i) in the event of an ordinary general meeting, between the first business day of the fiscal year in which the ordinary general meeting is to be held and up to 25 (twenty-five) days prior to the date scheduled for its holding, as disclosed in the Company's Calendar of Corporate Events; or (ii) in the event of an extraordinary general meeting called for the election of members of the board of directors and of the fiscal council, between the first business day after the occurrence of an event that justifies the calling of said general meeting and up to 25 (twenty-five) days prior to the date of the meeting, in which case the Company's management will communicate to the market, even if provisionally, the date of the respective general meeting, as well as the deadline for the inclusion of candidates on the remote Bullet Paper.

Any and all requests for inclusion of proposals or candidates in the remote ballot paper, as described above, must observe the applicable legal requirements, as well as the provisions of articles 21-L and 21-M of CVM Instruction No. 481/09 and must be sent to the following physical and electronic addresses:

Investors Relations Department
Rua Jorge Figueiredo Corrêa, nº 1.632, parte, Jardim Professora Tarcília, CEP 13087-397
E-mail address: ri@cpfl.com.br

j) whether the company provides forums and pages on the World Wide Web designed to receive and share shareholder comments on meeting agendas.

On the Company's Investor Relations website: www.cpfl.com.br/ri, there is a link, called "Contact IR", in which some ways of contact and/or clarification of doubts with the Company's Investor Relations Office are made available (by e-mail or telephone), so that shareholders' comments on meeting agendas can be received through these channels.

k) Other information necessary for remote participation and the exercise of remote voting rights.

The Company clarifies that the remote voting system began to be adopted on January 1, 2017, in compliance with CVM Instruction 481/09.

In addition to sending the Ballot Paper directly to the Company, shareholders may also exercise remote voting through instructions transmitted to their respective custody agents or to the Company's bookkeeping agent, depending on whether or not their shares are held in a central depository.

For this purpose, shareholders should contact their custody agents or the bookkeeping agent for the shares issued by the Company and check the procedures established by them for the issue of voting instructions via Remote Ballot Paper, as well as the documents and information that may be required by them.

12.3 Describe the rules, policies and practices regarding the board of directors, indicating:

The Company is governed by Corporate Governance Guidelines that bring together and consolidate the set of interaction mechanisms among the Shareholders, the Board of Directors, the Advisory Committees and Commissions to the Board of Directors, the Fiscal Council, and the Executive Board Officers of the Company. The Board of Directors has its working rules disciplined in its Internal Regulation.

The positions of Chairman of the Board of Directors and Chief Executive Officer cannot be accumulated by the same person.

As informed in item 12.1, the Company's Bylaws state that the Board of Directors is composed of a minimum of 5 (five) members, all elected and removable by the General Meeting, with a unified 1 (one)-year term, reelection allowed. According to the Brazilian Corporate Law, combined with a CVM decision, non-controlling shareholders have the right to elect at least one member (and his respective alternate) of the Board of Directors, provided that they hold at least 10.0% of the voting shares. Non-controlling shareholders holding more than 5.0% of the voting shares may request the adoption of the multiple voting process. This process gives each voting share a number of votes equivalent to the number of members of the Board of Directors, and gives each shareholder the right to cumulate their votes on a single candidate, or distribute them among several candidates.

The General Meeting may elect alternate Directors to replace the titular Directors to whom they are linked in their absences or temporary impediments.

The Board of Directors has a Chairman and a Vice Chairman who are elected from among its members in the first meeting that takes place after the election of the directors.

The position of director may become permanently vacant due to resignation, dismissal, incapacity, loss of office, proven impediment, death or the occurrence of other situations provided for by law, in which case the substitute director, if elected, will occupy the director's position until the election of his/her substitute, which must take place at the first shareholders meeting held after the vacancy occurs. A director may resign upon written notice to the Chairman of the Board of Directors, becoming effective, in relation to the Company, as of the receipt of said notice, and in relation to third parties, as of the registration of the resignation document with the Commercial Board and its publication, to be carried out by the resigning director.

The Company's Bylaws do not provide for mandatory retirement by age for our directors.

Currently, the Company's Board of Directors is composed of 7 (seven) sitting members, 2 (two) of whom are Independent Directors.

All members of the Board of Directors, when invested in their respective positions, must adhere to the Code of Conduct, the Policies for the Disclosure of Material Act or Fact and the Trading of Securities Issued by the Company, by signing the respective terms.

a) number of meetings held in the last fiscal year, discriminating between the number of ordinary and extraordinary meetings

The Board of Directors must hold at least 12 annual meetings, on an ordinary basis, according to the Corporate Calendar to be released in the last month of the previous fiscal year, however, extraordinary meetings may be held, if the Chairman of the Board of Directors so requests., on its own initiative or at the provocation of any member. In the fiscal year 2020, the Company's Board of Directors met 34 (thirty-four) times, 12 (twelve) of which were ordinary and 22 (twenty-two) of extraordinary meetings.

b) if any, the provisions of the shareholders' agreement that establish a restriction or enforceability on the exercise of voting rights by board members

Currently, there is no shareholders' agreement in force, given that State Grid Brazil Power Participações S.A. ("SGBP"), holds, directly and indirectly, 83.71% of the Company's shares, being the sole controlling shareholder. On January 23, 2017, when took place the closing of the Share Purchase Agreement dated September 2, 2016, whereby SGBP became the controlling shareholder of CPFL Energia, the then existing Shareholders' Agreement dated March 22, 2002, entered into between the former controlling shareholders, was terminated, as disclosed in the Material Fact dated January 23, 2017.

c) rules for identification and management of conflicts of interest

The provisions of Article 156 of the Brazilian Corporate Law apply to the Company, which prohibits the management from intervening in any corporate operation in which their interests' conflict with those of the Company, as well as in the deliberation made by the other managers, and must inform them of his/her impediment and have the nature and extent of his/her interest recorded in the minutes of the meeting of the board of directors or of the Executive Board officers. Under the terms of Paragraph 1 of the same article, the administrator may only contract with the Company if he/she observes reasonable or equitable conditions, identical to those that prevail in the market or under which the Company would contract with third parties, under penalty of the deal being declared void and the administrator concerned being obliged to transfer to the Company the advantages he/she has gained from it.

In this context, it is worth noting that the Internal Regulations of the Board of Directors, in accordance with the aforementioned law, state that (i) the Board of Directors is responsible for preventing and managing situations of conflict of interests or divergence of opinions; and (ii) any director having an actual or potential conflict of interests must abstain from participating in that part of the meeting in which the matter causing the conflict of interests is considered.

In addition, the Corporate Governance Guidelines of the Group state that Governance Agents are responsible for preventing and managing situations of conflict of interests or difference of opinion and any Governance Agent who has an actual or potential conflict of interests must abstain from participating in the meeting at which such a matter is considered. In addition, he/she may be called upon to give specific information.

In the scope of transactions with related parties, the Company also seeks to implement mechanisms to avoid possible conflicts of interests. The Company's Bylaws establish, as an attribution of the Company's Board of Directors, to previously and expressly authorize the execution of contracts by the Company or its subsidiaries, with shareholders or with people controlled by them or related to them, directly or indirectly, in amounts over R$ 12,745,999.99, (as updated by IGP-M). Furthermore, transactions involving related parties must be previously submitted to the Related-Parties Committee, which, under the terms of the Internal Regulations of Advisory Committees and Commissions of the Board, as already explained in item 12.1 (a.4) above, has the authority to evaluate the processes involving related parties, in order to ensure the observation of market conditions, analyzing any transactions of this type that are submitted to the Board.

d) whether the issuer has a formally approved policy for the nomination and filling of positions on the board of directors, informing, if so:

The Company does not have a nomination policy.

The management selection process seeks professionals who are in line with the Company's principles and values. Accordingly, shareholders must make available to the General Meeting the updated curriculum of candidates for positions on the Board of Directors and Fiscal Council. The Directors are chosen from among senior professionals, with diversified backgrounds and collectively have proven experience in the electricity sector or in their respective areas of expertise.

12.4 If it exists, describe the arbitration clause inserted in the bylaws for the resolution of conflicts between shareholders and between shareholders and the issuer by arbitration.

The Company's Bylaws determine that its shareholders, managers and members of the Fiscal Council, effective and alternate, undertake to resolve, by arbitration, before the Market Arbitration Chamber, any and all disputes or controversies that may arise between them, related to or arising from, especially, the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in the Brazilian Corporate Law, in the Company's Bylaws, in the rules issued by the National Monetary Council, by the Brazilian Central Bank and by CVM, as well as in the other rules applicable to the operation of the capital markets in general, besides those contained in the New Market Listing Regulations, in the Arbitration Rules, in the Sanctions Rules and in the Arbitration Clauses of the New Market Participation Agreement of B3.

12.5 With respect to each of the issuer's directors and fiscal council members, please indicate:

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF or Passport	(e) Elective position to be held	(f) Date of election	(g) Investiture date	(h) Time of office	(i) Other positions or functions in the Company	(j) Indicated by the controller	(k) Independent Member	(l) Cosnecutive Terms	Percentage of participarion in meetings of the Board of Directors in the last fiscal year (%)	(n) Convictions
Bo Wen	02/17/1965	Administrator	242.163.038-03	Effective Member of the Board of Directors	04/30/2021	04/30/2021	Until OGM/2023	No	Yes	No	3	100%	N/A
Yuehui Pan	07/18/1981	Accountant	061.539.517-16	Effective Member of the Board of Directors	04/30/2021	04/30/2021	Until OGM/2023	Senior Executive Vice President	Yes	No	2	100%	N/A
Gustavo Estrella	03/11/1974	Administrator	037.234.097-09	Effective Member of the Board of Directors	04/30/2021	04/30/2021	Until OGM/2023	Chief Executive Officer	Yes	No	2	100%	N/A
Anselmo Henrique Seto Leal	02/07/1982	Engineer	220.943.838-14	Effective Member of the Board of Directors	04/30/2021	04/30/2021	09/16/2021 (ii)	No	Yes	No	2	100%	N/A
Zhao Yumeng	08/28/1973	Administrator	239.777.708-88	Effective Member of the Board of Directors	09/17/2021	09/17/2021	Until OGM/2023	No	Yes	No	2	100%	N/A
Li Hong	08/14/1970	Accountant	PE1406167	Effective Member of the Board of Directors	04/30/2021	04/30/2021	05/12/2022 (iv)	No	Yes	No	2	100%	N/A
Liu Yanli	09/10/1975	Administrator	PE1783682	Effective Member of the Board of Directors	05/12/2022	05/12/2022	Until OGM/2023 (iv)	No	Yes	No	0	N/A	N/A
Antonio Kandir	05/02/1953	Engineer	146.229.631-91	Effective Member of the Board of Directors(Independent Member)	04/30/2021	04/30/2021	Until OGM/2023	Effective member of the Related Parties Committee	Yes (i)	Yes (i)	6	100%	N/A

Marcelo Amaral Moraes	07/10/1967	Administrator	929.390.077-72	Effective Member of the Board of Directors(Independent Member)	04/30/2021	04/30/2021	Until OGM/2023	Effective member of the Related Parties Committee	Yes (i)	Yes (i)	5	100%	N/A

The table above indicates the main data of the members of the Board of Directors.

(i) In compliance with the provisions of article 15 of the Novo Mercado Regulation, which determines that at least 2 (two) directors or 20% (twenty percent), whichever is greater, must be filled in the vacancies on the Board of Directors by independent directors, the controlling shareholders indicate to Mr. Antonio Kandir to occupy, together with Mr. Marcelo Amaral Moraes, vacancies for independent member of the Board of Directors.

(ii) Director Anselmo Henrique Seto Leal resigned from his position on 09/16/2021.

(iii) Election of Mr. Zhao Yumeng at the AGOE of 04/29/2022, appointed by the Board of Directors to fill the vacant position due to the resignation of Mr. Anselmo Henrique Seto Leal, in compliance with the provisions of Article 150 of Law No. 6,404, of December 15, 1976.

(iv) Director Li Hong resigned from his position on 05/11/2022, with effect from 05/12/2022, Ms. Liu Yanli was appointed by the Board of Directors to fill the vacant position, pursuant to Article 150 of Law No. 6,404 of December 15, 1976.

The Company informs that to determine the independence of the Director it uses the criteria expressed in the Novo Mercado Regulation, as defined in article 16, paragraphs 1 and 2 of the Regulation.

The table below indicates the main data of the members of the Board of Executive Officers:

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF or Passport	(e) Elective position to be held	(f) Election date	(g) Investure date	(h) Term of office	(i) Other positions or functions in the Company	(j) Indicated by the controller	(k) Independent Member	(l) Consecutive Terms	(m) Convictions
Gustavo Estrella	03/11/1974	Administrator	037.234.097-09	Chief Executive Officer	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	Effective member of the Board of Directors	Yes	No	2	N/A
Futao Huang	02/28/1971	Engineer	239.777.588-37	Strategy Officer	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	Effective Member of the Strategy and Process Management Committee and Effective Member of the	Yes	No	1	N/A

								Human Resources Management Committee				
Luis Henrique Ferreira Pinto	03/26/1961	Eletrical Engineer	029.352.408-47	Executive Vice President of Regulated Operations	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	N/A	Yes	No	1	N/A
Karin Regina Luchesi	10/28/1976	Engineer	219.880.918-45	Executive Vice President of Market Operations	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	N/A	Yes	No	1	N/A
Gustavo Pinto Gachineiro	04/29/1971	Lawyer	247.699.058-23	Executive Vice President of legal and Institutional Relations	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	N/A	Yes	No	1	N/A
Vitor Fagali	04/13/1977	Administrator	260.735.068-99	Executive Vice President of Business Development	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	Effective Member of the Strategy and Process Management Committee	Yes	Não	1	N/A
Yuehui Pan	08/17/1981	Accountant	061.539.517-16	Executive Vice President of Investor Relations	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	Senior Executive Vice President	Yes	Não	1	N/A

Flavio Henrique Ribeiro	06/02/1979	Administrator	276.489.428-79	Executive Vice President of Business Management	13/05/2021	13/05/2021	Until the first CAR that occurs after OGM 2023	Não	Yes	Não	1	N/A

The table below indicates the main data of the effective and alternate members of the Fiscal Council:

(a) Name	**(b) Date of Birth**	**(c) Job Title**	**(d) CPF or Passport**	**(e) Elective position to be held**	**(f) Date of election**	**(g) Investiture date**	**(h) Time of office**	**(i) Other positions or functions in the Company**	**(j) Indicated by the controller**	**(k) Independent Member**	**(l) Cosnecutive Terms**	**Percentage of participarion in meetings of the Board of Directors in the last fiscal year (%)[1]**	**(n) Convictions**
Vinicius Nishioka	10/08/1976	Accountant	025.099.447-03	Effective Member of the Fiscal Council	04/29/2022	04/29/2022	Until OGM/2023	No	Yes	No	2	100%	N/A
Ran Zhang	02/23/1983	Accountant	063.980.997-96	Effective Member of the Fiscal Council	04/29/2022	04/29/2022	Until OGM/2023	No	Yes	No	5	100%	N/A
Márcio Prado	03/02/1977	Administrator	275.181.668-10	Effective Member of the Fiscal Council	04/29/2022	04/29/2022	Until OGM/2023	No	No	Yes	1	100%	N/A
Luiz Claudio Gomes do Nascimento	04/15/1973	Administrator	001.408.237-35	Alternate Member of the Fiscal Council	04/29/2022	04/29/2022	Until OGM/2023	No	Yes	No	1	N/A	N/A
Li Ruijuan	09/16/1983	Accountant	065.511.207-33	Alternate Member of the Fiscal Council	04/29/2022	04/29/2022	Until OGM/2023	No	Yes	No	1	N/A	N/A
Paulo Nóbrega Frade	04/18/1979	Administrator	272.844.948-16	Alternate Member of the Fiscal Council	04/29/2022	04/29/2022	Until OGM/2023	No	No	Yes	5	N/A	N/A

(1) As informações aqui destacadas se referem à participação nas reuniões no período de 2021 até abril de 2022

BOARD OF DIRECTORS

Member of the Board of Directors: Bo Wen

Graduated in Power and Automation Systems Engineering from Chongqing University of China in 1988, he obtained a Masters in Management Science from Xian Jiaotong University of China in 2002. He started his career at State Grid Gansu Electric Power Company, having experience in the area of planning of grids, grid dispatch, project design and construction, grid operation and maintenance, procurement, rural electrification, law and policy research, as well as business management, acting as field engineer, section head, division head, manager general, department director, deputy chief engineer in different branches and regional headquarters. In 2005, he was named Senior Vice President of State Grid Gansu Electric Power Company. In 2009, he was appointed Executive Vice President of State Grid Xinjiang Electric Power Company. From 2011 to 2018, he also held the positions of Board Member and Technical Director of National Grid Corporation of the Philippines, as well as General Director of the State Grid Corporation of China branch in the Philippines. Since 2018, he has held the position of Chairman of our Board of Directors, President CEO of State Grid Brazil Power Participações S.A. and Senior Vice President of State Grid International Development Corporation.

Member of the Board of Directors: Yuehui Pan

Graduated in Financial Management from Changsha University of Science and Technology in 2004, Master in Business Administration from North China Electric Power University and MBA from Kellogg School of Management, Northwestern University. He started his career in the Finance Department at China Power Technology Import and Export Company from 2004 to 2009 and then took on the role of Director of the Financial Asset Management Department at State Grid International Development Co., Ltd. from 2009 to 2010. He also served as Assistant Director, between 2011 and 2013, and Director from 2013 to 2018, in the Financial Department of State Grid Brasil Holding S.A. Subsequently, he served as Chairman of the Fiscal Council of Belo Monte Transmissora de Energia S.A., and Chairman of the Fiscal Council of CPFL Energia and CPFL Renováveis. He is certified by the American Institute of the Chartered Financial Analyst and the China Institute of the Certified Public Accountants. In 2018, he became Deputy Chief Financial Officer of the Company, with a term of office until January 31, 2019. He was elected Chief Financial and Investor Relations Officer of the Company. He also serves as Chief Executive Officer, Chief Financial Officer and Investor Relations Officer for several of our subsidiaries. In 2020, Mr. Pan was elected as a member of the Board of Directors of CPFL Energia.

Member of the Board of Directors: Gustavo Estrella

Graduated in Business Administration from the University of the State of Rio de Janeiro (UERJ) in 1997. He became a Master in Finance from the Brazilian Institute of Capital Markets (IBMEC/RJ) in 2000. He worked at Grupo Lafarge and at the companies Light and Brasil Telecom . He has been with CPFL since 2001, serving as Economic and Financial Planning Manager, Investor Relations Officer and Planning and Control Officer. In 2013, he assumed the positions of Chief Financial and Investor Relations Officer of CPFL Energia and Chief Financial and Investor Relations Officer of CPFL Paulista, CPFL Piratininga, CPFL Geração and RGE, as well as Chief Financial Officer of several subsidiaries of the CPFL Group. , ending his term on January 31, 2019, assuming the position of Chief Executive Officer of CPFL Energia as of February 1, 2019. He was also a member of the Board of Directors of RGE, CPFL Paulista and CPFL Piratininga, having

ended his term in April 2019. Currently, in addition to being Chief Executive Officer of CPFL Energia, he is also Chairman of the Board of Directors of Instituto CPFL and CPFL Transmissão, and effective member of the Board of Directors of CPFL Energia, CPFL Renováveis, ABDIB-Brazilian Association of Infrastructure and Basic Industries and ONS-National Electric System Operator.

Member of the Board of Directors: Yumeng Zhao

Graduated in Electromagnetic Instruments and Measurement from Huazhong University of Science and Technology in 1994. He holds a Masters in Electrical Power Systems and Automation from Hefei University of Technology and an MBA from the Royal Melbourne Institute of Technology. He began his career in 1994 in the Electric Energy Sector of the State Grid Group. He held the position of Head of Marketing Department of Hefei Power Supply Company from 2004 to 2006, became Manager of Marketing Department of State Grid Anhui Electric Power Company in 2006, Vice Manager of Xuancheng Power Supply Compnay from 2006 to 2013, President of Chuzhou Electric Power Company from 2009 to 2013 and General Manager of Anqing Power Supply Company from 2013 to 2016. From 2016 to 2017, he was Assistant President of State Grid International Development Co. Ltd. He was also a member of the Board of Directors and Director of CPFL Energia from 2017 to 2020. Currently, Yumeng Zhao holds the positions of General Manager of State Grid Chile Holding SpA, Chairman of the Board of Directors of Chilquinta Energia S.A. and member of the Board of Directors of CPFL Energia.

Member of the Board of Directors: Liu Yanli

Graduated in Computer Science from Hunan University of Finance and Economics in 1998 and Master in Accounting from Xiamen University in 2006. She is certified by the Association of Official Certified Accountants (ACCA) and the Chinese Institute of Public Accountants (CPA). Mrs. Liu Yanli is currently Executive Vice President and Chief Financial Officer (CFO) of State Grid International Development Co., Ltd.. She is also a Board Member of CDP RETI S.p.A. in Italy, Director of State Grid International Australia Development Co.,LTD. and member of the Audit and Compliance Committee of SGSP (Australia) Assets PTY LTD.

Mrs. Liu also has over 20 (twenty) years of international professional experience in M&A, investment & financing, and listed company operations. In the last 10 (ten) years, Ms. Liu led the investment and financing team successfully completing several international M&A and green faithful projects in Italy, Australia, Portugal, Brazil, Hong Kong and Greece.

Member of the Board of Directors: Antonio Kandir

Graduated in Mechanical Production Engineering from the Polytechnic School of the University of São Paulo (USP), Master in Economics from the State University of Campinas - UNICAMP and Doctor in Economics from the State University of Campinas - UNICAMP. He was Minister of State for Planning and Budget, Federal Deputy, President of the National Privatization Council, Brazilian Governor at the IDB, Special Secretary for Economic Policy, President of the Institute for Applied Economic Research (IPEA). He currently sits on the boards of directors of companies (i) CSU Cadsystem, a high-tech service provider (since 2014); (ii) Comiex Empreendimentos e Participações Ltda., an investment management company (since 2017); (iii) GOL Linhas Aéreas Inteligentes, an airline (since 2016); (iv) Vibra Agroindustrial S.A., a poultry company (since 2015); (v) AEGEA Saneamento e Participações S.A., a sanitation company (since 2014); and (vi) MRV Engenharia e Participações S.A. (since 2018), a construction company. None of the aforementioned companies is part of CPFL Energia's economic group, nor is it controlled by a shareholder holding more than 5% of CPFL Energia's common shares. He is also a member of CPFL Energia's Related Parties Committee.

Member of the Board of Directors: Marcelo Amaral Moraes

Graduated in Economics from the Federal University of Rio de Janeiro (1986-1990), completed an MBA from COPPEAD at UFRJ in November 1993 and a postgraduate degree in Business Law and Arbitration from Fundação Getúlio Vargas in November 2003. He is Chairman of the Fiscal Council from Vale S.A. (since 2004), where he also held the position of Alternate Member of the Board of Directors (2003). He also serves as a member of the Fiscal Council of GOL Linhas Aéreas S.A. (since 2018), member of the Fiscal Council of Linux S.A. (since 2018) and Member of the Fiscal Council of Ultrapar S.A. (since 2019). Mr. Moraes was also Chairman of the Supervisory Board of Aceco TI S.A (2016-2018) and was a member of the Board of Directors of Eternit S.A. (2016-2018). His main professional experiences in recent years include: (i) Executive Director of Stratus Investimentos Ltda. (2006-2010), private equity manager; (ii) Executive Director of Capital Dynamics Investimentos Ltda. (2012-2015), private equity manager; and (iii) Observer Member of the Board of Directors of Infinity Bio-Energy S.A. (2011-2012). He is also a member of CPFL Energia's Related Parties Committee. None of the aforementioned companies is part of CPFL Energia's economic group, nor is it controlled by a shareholder holding more than 5% of CPFL Energia's common shares.

FISCAL COUNCIL

Effective Member of the Fiscal Council: Vinicius Nishioka

Bachelor's degree in Accounting from the Federal University of Rio de Janeiro and Law from Universidade Gama Filho, with specialization from the Institute of Accounting, Actuarial and Financial Research Foundation (FIPECAFI) and an MBA in Business Management from IBMEC-RJ. Experience in finance, taxes, capital markets, planning and budgeting, accounting and auditing, with experience in multinational companies such as KPMG Auditores Independentes and Cargill. Solid knowledge of the Brazilian electricity sector acquired in more than 20 years of experience, having participated in important projects at ANEEL, LIGHT, TAESA, ENEL, ENDESA, EDF, Grupo ELETROBRÁS, ENERGISA, CEMIG, CPFL and NEOENERGIA. In 2016, he joined the State Grid group as Deputy Financial Director at Xingu Rio Transmissora de Energia (Bipole 2 of Ultra High Voltage 800kV in Direct Current) and, since 2019, he has served as Deputy Financial Director at State Grid Brazil Holding.

Effective Member of the Fiscal Council: Ran Zhang

Graduated in Accounting and Finance from London South Bank University (2002-2004) and Master in Accounting from Beijing Technology and Business University. Manager of the Financial Assets Department at China Electric Power Technology Import and Export Corporation (2009-2010), being responsible for accounting and cost control in this sector. From 2010 to 2012, she was responsible for Tax Planning and Internal Risk Control at State Grid International Development Co., Ltd, where she was also responsible for accounting consolidation and cost control for the Financial Assets Department (2012-2016). She was Chief Financial Officer of BELO MONTE TRAN. DE ENERGIA SPE S.A. (2016-2018). She is currently Director of the Financial Assets Department at State Grid Brazil Holding S.A. She is certified by The Association Of Chartered Certified Accountants.

Effective Member of the Fiscal Council: Márcio Prado

Graduated in production engineering from the Polytechnic School of the University of São Paulo in 2001, having presented a graduation project entitled "A model for evaluating companies in the cellular telephony sector in Brazil" guided by prof. Reinaldo Pacheco da Costa. In 2004, Márcio completed his master's degree in Economics at PUC-Rio, having defended the thesis with the theme "An Empirical Analysis for the Term Structure of the Brazilian Interest Rate" supervised by Prof. Franklin de Oliveira Goncalves. Márcio worked as a business analyst at between 2000 and 2001 focused on the telecommunications sector at Credit Suisse bank. , Márcio worked as an infrastructure sector analyst at the brokerage firm Goldman Sachs. During his time as an analyst, Márcio received several market awards/recognitions for his analysis (Broadcast award for the best stock picker in Brazil, Institutional Investor rankings as a of the best analysts in Latin America, Thomson Reuters award as the analyst with the best forecasts in Latin America). sector conferences, with emphasis on ANEEL+15 (conference to celebrate Aneel's 15th anniversary). Since 2017, Márcio has worked as an analyst and co-manager of investment funds, having been a founding partner of Miles Capital in 2017. Currently, Márcio is an analyst and co-manager of Vinland Capital equity funds. Márcio holds the CNPI and CGA-20 licenses from ANBIMA and is a portfolio manager recognized by the CVM..

Alternate Member of the Fiscal Council: Paulo Nóbrega Frade

Graduated in business administration from FGV – SP in 2002. He joined Claritas in April 2002, working in the variable income trading area. Moving, after a period of 3 years, to fundamental analysis in the variable income area itself. He is currently the head of investment analysis at Claritas Investimentos and a member of the Fiscal Council of São Martinho S.A.

Alternate Member of the Fiscal Council: Luiz Cláudio Gomes do Nascimento

Graduated in Business Administration from Cândido Mendes University (1995). Postgraduate in Finance - Economic Engineering and Industrial Management from the Federal University of Rio de Janeiro – UFRJ (1997). Master in Business Administration from IBMEC (2001). Business Management – COPPEAD – UFRJ (2013). Mr. Luiz Cláudio has more than 25 years of financial experience in the banking, services and industrial sectors, working in the Treasury, Financial Planning, Controllership and Accounting areas, as well as significant experience in asset and debt management: loans, investments, foreign exchange, guarantees , insurance, currency and commodity hedging, accounts payable, collections, collections and credit analysis transactions. He was a Senior Financial Analyst at Banco Boavista InterAtlântico S.A. from 1994 to 2000. He worked as Treasury and Finance Coordinator at TNL Contax S/A from 2001 to 2006. He worked as financial manager at Nexan Ficap S/A from 2007 to 2009. He worked as Treasury and Finance Manager at Eneva S/A from 2010 to 2015. Subsequently, he served as General Financial Manager and then Deputy Financial Director of Belo Monte Transmissora de Energia S.A., from 2015 to 2018. He had a stint as CFO at Othon Group S.A. in 2018, returning to Belo Monte Transmissora de Energia S.A. in 2019. Currently, Luiz Cláudio serves as Investment and Finance Manager at State Grid Brazil Holding S.A., since 2019.

Alternate Member of the Fiscal Council: Li Ruijuan

Graduated in Accounting from Changsha University of Science & Technology (2002-2006). He served as a Commercial Analyst for State Grid Gu Yuan Electric Power Company (2006-2010) and Administrative Specialist for State Grid Gu Yuan Electric Power Compnay (2010-2012). From 2012 to 2017, he worked in the

Finance, Accounting, Engineering and Infrastructure Department of State Grid Gu Yuan Electric Power Company. From 2017 to 2018 he was a Specialist in the Audit Department at State Grid International Development Limited. Since 2018, he has been the Coordinator of the Finance and Assets Department at State Grid Brazil Holding.

BOARD OF EXECUTIVE OFFICERS

Gustavo Estrella

Graduated in Business Administration from the University of the State of Rio de Janeiro (UERJ) in 1997. He became a Master in Finance from the Brazilian Institute of Capital Markets (IBMEC/RJ) in 2000. He worked at Grupo Lafarge and at the companies Light and Brasil Telecom . He has been with CPFL since 2001, serving as Economic and Financial Planning Manager, Investor Relations Officer and Planning and Control Officer. In 2013, he assumed the positions of Chief Financial and Investor Relations Officer of CPFL Energia and Chief Financial and Investor Relations Officer of CPFL Paulista, CPFL Piratininga, CPFL Geração and RGE, as well as Chief Financial Officer of several subsidiaries of the CPFL Group. , ending his term on January 31, 2019, assuming the position of Chief Executive Officer of CPFL Energia as of February 1, 2019. He was also a member of the Board of Directors of RGE, CPFL Paulista and CPFL Piratininga, having ended his term in April 2019. Currently, in addition to being Chief Executive Officer of CPFL Energia, he is also Chairman of the Board of Directors of Instituto CPFL and CPFL Transmissão, and effective member of the Board of Directors of CPFL Energia, ABDIB-Brazilian Association of Infrastructure and Basic Industries and ONS-National Electric System Operator.

YueHui Pan

Graduated in Financial Management from Changsha University of Science and Technology in 2004, Master in Business Administration from North China Electric Power University and MBA from Kellogg School of Management, Northwestern University. He started his career in the Finance Department at China Power Technology Import and Export Company from 2004 to 2009 and then took on the role of Director of the Financial Asset Management Department at State Grid International Development Co., Ltd. from 2009 to 2010. He also served as Assistant Director, between 2011 and 2013, and Director from 2013 to 2018, in the Financial Department of State Grid Brasil Holding S.A. Subsequently, he served as Chairman of the Fiscal Council of Belo Monte Transmissora de Energia S.A., and Chairman of the Fiscal Council of CPFL Energia and CPFL Renováveis. He is certified by the American Institute of the Chartered Financial Analyst and the China Institute of the Certified Public Accountants. In 2018, he became Deputy Chief Financial Officer of the Company, with a term of office until January 31, 2019. He was elected Chief Financial and Investor Relations Officer of the Company. He also serves as Chief Executive Officer, Chief Financial Officer and Investor Relations Officer for several of our subsidiaries. In 2020, Mr. Pan was elected as a member of the Board of Directors of CPFL Energia.

Luis Henrique Ferreira Pinto

Graduated in Electrical Engineering from Faculdade de Engenharia de Barretos in 1985. Graduated in Electrical Engineering from the Federal University of Itajubá (UNIFEI) in 1990, and in Electrical Engineering from Universidade Estadual de Campinas (UNICAMP) in 2001; and two specializations, including an MBA

in Business Management (2004) and an MBA in Financial Management, Controllership and Auditing (2011), at Fundação Getúlio Vargas - FGV. At the Company, he held several positions, such as: Operation Planning Engineer (1986 to 2000); Manager of the Transmission Services Division (2000 to 2001); Manager of CPFL's Electric System Planning Division (2001 to 2002); Manager of the Operational Control Department at CPFL Paulista and CPFL Piratininga (2002 to 2006); Director of Operations at RGE (2006 to 2009); Executive Director of RGE (2009 to 2011); Chief Executive Officer of RGE (2011 to 2013); Chief Executive Officer of CPFL Paulista and CPFL Piratininga (2013 to 2015). In May 2015, he was elected Vice President of Regulated Operations at CPFL Energia, responsible for the Group's Distribution business and Chairman of the Boards of Directors of CPFL Paulista, CPFL Piratininga, RGE and RGE Sul. Throughout his career he was: CPFL Representative in the Coordinating Group of the Interconnected Operation of the South/Southeast of Brazil Electric System - GCOI/GTPO/ELETROBRAS (1986 to 1996); CPFL representative in defining the configuration of companies for the privatization of the Distribution Sector in the State of São Paulo (1995); Representative of the CPFL Paulista, CPFL Piratininga and RGE distributors in the work group for the CPFL Energia Share Offering, on the São Paulo and New York Stock Exchanges (Initial Public Offering – IPO) (2006); Coordinator of the Technical Losses Group at the Brazilian Association of Electric Energy Distributors (ABRADEE) (2005 to 2006); Professor of the Course on Technical Losses in the Electricity Sector at COGI Foundation (2005 to 2006); Member of the Board of the NGO Parceiros Voluntários (2009 to 2012). Commanded the grouping of the five distributors CPFL Santa Cruz, CPFL Jaguariúna, CPFL Sul Paulista, CPFL Mococa and CPFL Leste Paulista (2017); and the grouping of the two distributors RGE and RGE Sul (2018); Member of the Board of Directors of ABRADEE (Brazilian Association of Electric Energy Distributors) from 2017 to 2019 and Member of the Board of Directors of CPFL Transmissão since October 2021.

Gustavo Pinto Gachineiro

Graduated in Law from the University of São Paulo in 1993, he holds an MBA from Fundação Getúlio Vargas in 2007. He worked as a lawyer at Bardella S/A Industrias Mecânicas from 1995 to 1997 and at Promon Eletrônica from 1997 to 1999. He was Legal Manager at Stiefel Laboratories in 1999, Legal Director of AT&T Brazil from 1999 to 2003 and Legal Director of Elucid (Grupo Rede) in 2003. At Global Village Telecom (GVT), he served from 2003 to 2008 as Legal Director, from 2008 to 2012 as Legal and HR (provisional) and from 2012 to 2015 as Vice President of Legal Affairs and Institutional Relations. After the acquisition of GVT by the Telefonica Group, he served as Vice President of Corporate Affairs of Telefonica Brasil S/A (Vivo) from 2015 to 2017. He was elected Vice President of Legal Affairs and Institutional Relations of CPFL Energia in 2017 and Vice President of the Board of Administration of the CPFL Institute. In 2018, he assumed the position of member of the Advisory Board of ABDIB.

Karin Regina Luchesi

Graduated in Materials Production Engineering from the Federal University of São Carlos and an Executive MBA in Finance from Insper. She also holds an MBA in Strategic Innovation from HSM, a Specialization in Energy Law from Universidade Candido Mendes and Leading Change and Organizational Renewal from Stanford and is a certified Counselor by the IBGC. He began his career in 2000 already working in the Electricity Sector, at the Electric Energy Commercialization Chamber – CCEE. He has been with CPFL since September 2001, having worked for seven years as Manager of the Energy Purchase and Sale Contract Management Department. In June 2011, he took over the Distribution Energy Commercialization Department, having responded from January to May 2014 by the Energy Planning and Energy Management Department. On May 5, 2014, she assumed the position of President of CPFL Geração, also holding the position of Statutory Director of CPFL Transmissão. He also held, during May 2014 and May 2015, the position of Chairman of the Board of Directors of the companies CERAN, FOZ DO CHAPECÓ and ENERCAN. Since May 2014, he has been Chairman of the Board of Directors of EPASA. In May 2015, she was elected Vice

President of Market Operations at CPFL Energia. He also holds the Presidency of the Board of Directors of CPFL Geração, the position of member of the Board of Directors of CPFL Renováveis and also the position of member of the Board of Directors of CPFL Transmissão.

Huang Futao

Graduated from Beijing Electric Power College (currently Beijing Jiaotong University) in Power Systems Communication Engineering and Master in Electric Power Systems and Automation from Shandong University. He started his career at State Grid Group in 1992. In 2003 he became manager of the Marketing Department at Shandong Nuclear Power Engineering Co. Ltd in Shenzhen; Chief Engineer of Renewable Energy Company of Shandong Luneng Group Co., Ltd. in 2010; Vice President of Shenzhen Energy International Trade Co., Ltd. in 2015; Director of the Australia office of Shandong Luneng Group Co., Ltd. in 2016; and Officer and Vice-President of CPFL Renováveis in 2017. In 2020, Mr. Futao Huang became Vice President of Strategy and temporarily assumed the Executive Vice President of CPFL Energia, Vice President of SGBP, member of the Board of Directors of CPFL Geração, CPFL Renováveis and Instituto CPFL.

Vitor Fagali de Souza

Graduated in Business Administration from PUCCAMP and MBA in finance from FGV. He participated in the executive programs at Singularity University and Ohio University. Investment analyst certified by CVM / APIMEC (CNPI) and Independent Director by IBGC. Executive with more than 20 years of experience in the financial and electrical sector. He joined CPFL Energia in 2003, was elected Vice President of Business Development in January 2020, served as Director of Planning and Control from 2013 to December 2019, and previously held different positions in the areas of investment analysis, relationship with Investors and financial planning. He was a Director of Vivest (Closed Private Pension Entity) between 2018 and 2020. He participated in important projects such as the IPO of CPFL Energia in 2004 and the Re-IPO in 2019, the IPO of CPFL Renováveis in 2013 and the respective OPA in 2018, in addition to the implementation of the Zero-Based Budget in 2012 and updated in 2018. He started his career as an accounting auditor at Arthur Andersen / Deloitte where he worked for 4 years before joining CPFL Energia.

Flavio Henrique Ribeiro

Executive with 23 years of experience in areas such as Digital, IT, Infrastructure, Logistics Operator, Facilities/Utilities, Business Operations, Engineering, BPO, Shared Services Center and HR. Career developed in countries such as Chile, Peru, Argentina, Colombia, Mexico and Brazil.

Currently responsible for developing and executing the strategy of all areas of IT, Digital, Shared Services Center, as well as for maintaining the operation and governance of all these areas and processes. Also responsible for monitoring and managing all critical operations of the CPFL Group's businesses through KPI's and 24/7 controls.

Knowledge and management of all systems, subsystems and processes in all areas of Business Support, change and implementation of processes, development and implementation of strategy in all respective areas, implementation of key performance indicators (KPIs) and BSC for the entire company and group. He also has knowledge in digitization, automation and implementation of 100% of customer and employee service platforms in the cloud (Cloud), end-to-end development and implementation of Fintech, Customer Experience and electronic payment solutions (Credit Card, PIX , etc.).

12.6 In relation to each of the persons who acted as a member of the board of directors or the fiscal council in the last fiscal year, inform, in table format, the percentage of participation in the meetings held by the respective body in the same period, which occurred after taking office.

Included in item 12.5 above.

12.7 Provide the information mentioned in item 12.5 in relation to the members of the statutory committees, as well as the audit, risk, financial and remuneration committees, even if such committees or structures are not statutory.

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF	(e) Elective position held	(f) Date of election	(g) Investiture date	(h) Term of office	(i) Others positions or functions in the company	(l) Consecutive terms	(m) Percentage of participation in Committee meetings in the last fiscal year (%)	(n) Convictions
Vitor Fagali	04/13/1977	Administrator	260.735.068-99	Effective member of the Strategy and management processes committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Business Development Vice President	2	89%	N/A
Futao Huang	02/28/1971	Engineer	239.777.588-37	Effective member of the Strategy and management processes committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Vice President of Strategy, Innovation and Business Excellence	2	33%	N/A
Tuo Ji	01/18/1987	Administrator	239.777.678-28	Effective member of the Strategy and management processes committee	05/13/2021	05/13/2021	1 year - until the new	N/A	2	67%	N/A

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF	(e) Elective position held	(f) Date of election	(g) Investiture date	(h) Term of office	(i) Others positions or functions in the company	(l) Consecutive terms	(m) Percentage of participation in Committee meetings in the last fiscal year (%)	(n) Convictions
							election by BDM				
Gustavo Uemura	04/25/1974	Engineer	173.604.938-03	Alternate member of the Strategy and management processes committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Supply Officer	2	6%	N/A
Mingyan Liu	11/13/1972	Engineer	064.001.617-08	Alternate member of the Strategy and management processes committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	6%	N/A
Xugen Fan	10/06/1984	Engineer	238 354 778-62	Membro suplente do Comitê de Estratégia e Processos de Gestão	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	0	N/A	N/A
Futao Huang	02/28/1971	Engineer	239.777.588-37	Alternate member of the Strategy and management processes committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Vice President of Strategy, Innovation and Business Excellence	2	33%	N/A
Rafael Lazzaretti	11/30/1983	Engineer	312.219.028-14	Effective member of the Human Resources Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Comercial Officer	2	83%	N/A
Li Zhang	06/11/1983	Administrator	PE1079201 (passport)	Effective member of the Human Resources Committee	05/13/2021	05/13/2021	1 year - until the new	N/A	2	83%	N/A

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF	(e) Elective position held	(f) Date of election	(g) Investiture date	(h) Term of office	(i) Others positions or functions in the company	(l) Consecutive terms	(m) Percentage of participation in Committee meetings in the last fiscal year (%)	(n) Convictions
							election by BDM				
Valter Matta	07/18/1963	Lawyer	063.726.418-52	Alternate member of the Human Resources Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Corporate Governance Officer	2	17%	N/A
Ye Jin	05/15/1989	Human Resources	242.746.678-63	Alternate member of the Human Resources Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	17%	N/A
YunWei Liu	07/24/1969	Administrator	239.777.718-50	Alternate member of the Human Resources Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	50%	N/A
Rodrigo Agnew Ronzella	02/23/1974	Lawyer	120.740.488-82	Effective member of the Budget and Corporate Finance Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Human Resources, People Management and Performance Officer	2	100%	N/A
Zhangyan Fu	25/05/1973	Economist	239.866.048-63	Effective member of the Budget and Corporate Finance Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	0	N/A	N/A

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF	(e) Elective position held	(f) Date of election	(g) Investiture date	(h) Term of office	(i) Others positions or functions in the company	(l) Consecutive terms	(m) Percentage of participation in Committee meetings in the last fiscal year (%)	(n) Convictions
Mingzhi Han	05/05/1984	Accountant	240.791.968-81	Alternate member of the Budget and Corporate Finance Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	100%	N/A
Sergio Luis Felice	08/13/1967	Accountant	119.410.838-54	Alternate member of the Budget and Corporate Finance Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Accounting and Tax Planning Officer	2	N/A	N/A
Yi Li	09/12/1978	Financier	242.742.868-00	Alternate member of the Budget and Corporate Finance Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	N/A	N/A
Yunlong Zhang	31/07/1991	Lawyer	046.258.838-65	Alternate member of the Budget and Corporate Finance Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	0	N/A	N/A
Yunwei Liu	07/24/1969	Administrator	239.777.718-50	Effective member of the Risk Management Committee and alternate member of the Human Resources Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	N/A	N/A

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF	(e) Elective position held	(f) Date of election	(g) Investiture date	(h) Term of office	(i) Others positions or functions in the company	(l) Consecutive terms	(m) Percentage of participation in Committee meetings in the last fiscal year (%)	(n) Convictions
Gustavo Henrique de Aguiar Sablewski	08/06/1980	Lawyer	285.123.398-02	Effective member of the Risk Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	Chief Legal Officer	2	100%	N/A
Sheng Xu	03/19/1983	Engineer	239.865.998-43	Effective member of the Risk Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	0	60%	N/A
Fu Li	07/08/1979	Administrator	PE0241328 (passport)	Alternate member of the Risk Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	20%	N/A
Bo Tan	10/02/1984	Computer scientist	242.768.088-55	Alternate member of the Risk Management Committee	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	0	N/A	N/A
Hongwu Ding	02/13/1977	Administrator	PE1079204 (passport)	Effective member of the Committee of Related Parties	05/13/2021	05/13/2021	1 year - until the new election by BDM	N/A	2	N/A	N/A
Marcelo Amaral Moraes	07/10/1967	Economist	929.390.077-72	Effective member of the Committee of Related Parties	05/13/2021	05/13/2021	1 year - until the new election by BDM	Member of the Board of Directors (Effective) / Independent	2	N/A	N/A

(a) Name	(b) Date of Birth	(c) Job Title	(d) CPF	(e) Elective position held	(f) Date of election	(g) Investiture date	(h) Term of office	(i) Others positions or functions in the company	(l) Consecutive terms	(m) Percentage of participation in Committee meetings in the last fiscal year (%)	(n) Convictions
Antonio Kandir	05/02/1953	Engineer	146.229.631-91	Effective member of the Committee of Related Parties	05/13/2021	05/13/2021	1 year - until the new election by BDM	Member of the Board of Directors (Effective) / Independent	2	N/A	N/A

On May 12, 2022, the name of the composition of some of the Company's committees was changed, becoming effective as follows:

(a) Nome	(b) Data de Nascimento	(c) Profissão	(d) CPF	(e) Cargo eletivo ocupado	(f) Data de eleição	(g) Data da posse	(h) Prazo do mandato	(i) Outros cargos ou funções exercidas na Companhia	(l) Número de mandatos consecutivos	(m) Percentagem de participação em reuniões do Comitê no último exercício (%)	(n) Condenações
Vitor Fagali	04/13/1977	Administrator	260.735.068-99	Effective Member of the Strategy, Growth, Innovation and ESG Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor Vice-Presidente de Desenvolvimento de Negócios	N/A	N/A	N/A

(a) Nome	(b) Data de Nascimento	(c) Profissão	(d) CPF	(e) Cargo eletivo ocupado	(f) Data de eleição	(g) Data da posse	(h) Prazo do mandato	(i) Outros cargos ou funções exercidas na Companhia	(l) Número de mandatos consecutivos	(m) Percentagem de participação em reuniões do Comitê no último exercício (%)	(n) Condenações
Futao Huang	02/28/1971	Engineer	239.777.588-37	Effective Member of the Strategy, Growth, Innovation and ESG Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor Vice-Presidente de Estratégia, Inovação e Excelência de Negócio	N/A	N/A	N/A
Liu Mingyan	11/13/1972	Administrador	064.001.617-08	Effective Member of the Strategy, Growth, Innovation and ESG Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Li Fu	08/07/1979	Administrador	239.777.628-69	Alternate Member of the Strategy, Growth, Innovation and ESG Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Gustavo Uemura	04/25/1974	Engineer	173.604.938-03	Alternate Member of the Strategy, Growth, Innovation and ESG Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor de Suprimentos	N/A	N/A	N/A
Xugen Fan	06/10/1984	Engineer	238 354 778-62	Alternate Member of the Strategy, Growth,	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A

(a) Nome	(b) Data de Nascimento	(c) Profissão	(d) CPF	(e) Cargo eletivo ocupado	(f) Data de eleição	(g) Data da posse	(h) Prazo do mandato	(i) Outros cargos ou funções exercidas na Companhia	(l) Número de mandatos consecutivos	(m) Percentagem de participação em reuniões do Comitê no último exercício (%)	(n) Condenações
				Innovation and ESG Committee							
Futao Huang	02/28/1971	Engineer	239.777.588-37	Effective Member of the People Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor Vice-Presidente de Estratégia, Inovação e Excelência de Negócio	N/A	N/A	N/A
Li Zhang	06/11/1983	Administrator	PE1079201 (passaporte)	Effective Member of the People Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Rafael Lazzaretti	11/30/1983	Engineer	312.219.028-14	Effective Member of the People Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor Comercial	N/A	N/A	N/A
Valter Matta	07/18/1963	Lawyer	063.726.418-52	Alternate Member of the People Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor de Governança Corporativa	N/A	N/A	N/A
Ye Jin	05/15/1989	Human Resources	242.746.678-63	Alternate Member of the People Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
YunWei Liu	07/24/1969	Administrator	239.777.718-50	Alternate Member of the People	05/12/2022	05/12/2022	1 year – Until new	N/A	N/A	N/A	N/A

(a) Nome	(b) Data de Nascimento	(c) Profissão	(d) CPF	(e) Cargo eletivo ocupado	(f) Data de eleição	(g) Data da posse	(h) Prazo do mandato	(i) Outros cargos ou funções exercidas na Companhia	(l) Número de mandatos consecutivos	(m) Percentagem de participação em reuniões do Comitê no último exercício (%)	(n) Condenações
				Management Committee			election by BDM				
Rodrigo Agnew Ronzella	02/23/1 974	Lawyer	120.740.488-82	Effective Member of the Finance and Risk Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor de Recursos Humanos, Gestão de Pessoas e Performance	N/A	N/A	N/A
Zhangyan Fu	05/25/1973	Economist	239.866.048-63	Effective Member of the Finance and Risk Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Mingzhi Han	05/05/1984	Accountant	240.791.968-81	Effective Member of the Finance and Risk Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Sergio Luis Felice	08/13/1967	Accountant	119.410.838-54	Alternate Member of the Finance and Risk Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Diretor de Contabilidade e Planejamento Tributário	N/A	N/A	N/A
Yi Li	09/12/1978	Financier	242.742.868-00	Alternate Member of the Finance and Risk Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A

(a) Nome	(b) Data de Nascimento	(c) Profissão	(d) CPF	(e) Cargo eletivo ocupado	(f) Data de eleição	(g) Data da posse	(h) Prazo do mandato	(i) Outros cargos ou funções exercidas na Companhia	(l) Número de mandatos consecutivos	(m) Percentagem de participação em reuniões do Comitê no último exercício (%)	(n) Condenações
Li De	03/14/1985	Contador	900.014.908-85	Alternate Member of the Finance and Risk Management Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Qi Jun	11/18/1972	Economist	900.741.938-21	Effective Member of the Related Parties Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Marcelo Amaral Moraes	07/10/1967	Economist	929.390.077-72	Effective Member of the Related Parties Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Membro do Conselho de Administração (Efetivo) / Independente	N/A	N/A	N/A
Antonio Kandir	05/02/1953	Engineer	146.229.631-91	Effective Member of the Related Parties Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	Membro do Conselho de Administração (Efetivo) / Independente	N/A	N/A	N/A
Ricardo Florence	02/26/1955	Administrator	812.578.998-72	Effective Member of the Audit Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Marcelo Amaral Moraes	07/10/1967	Economist	929.390.077-72	Effective Member of the Audit Committee	05/12/2022	05/12/2022	1 year – Until new election by BDM	N/A	N/A	N/A	N/A
Antonio Kandir	05/02/1953	Engineer	146.229.631-91	Effective Member of	05/12/2022	05/12/2022	1 year – Until new	Membro do Conselho de Administração	N/A	N/A	N/A

(a) Nome	(b) Data de Nascimento	(c) Profissão	(d) CPF	(e) Cargo eletivo ocupado	(f) Data de eleição	(g) Data da posse	(h) Prazo do mandato	(i) Outros cargos ou funções exercidas na Companhia	(l) Número de mandatos consecutivos	(m) Percentagem de participação em reuniões do Comitê no último exercício (%)	(n) Condenações
				the Audit Committee			election by BDM	(Efetivo) / Independente			

Vitor Fagali: Graduated in Business Administration from PUCCAMP and MBA in finance from FGV. He participated in the executive programs at Singularity University and Ohio University. Investment analyst certified by CVM / APIMEC (CNPI) and Independent Director by IBGC. Executive with more than 20 years of experience in the financial and electrical sector. He joined CPFL Energia in 2003, was elected Vice President of Business Development in January 2020, served as Director of Planning and Control from 2013 to December 2019, and previously held different positions in the areas of investment analysis, relationship with Investors and financial planning. He was a Director of Vivest (Closed Private Pension Entity) between 2018 and 2020. He participated in important projects such as the IPO of CPFL Energia in 2004 and the Re-IPO in 2019, the IPO of CPFL Renováveis in 2013 and the respective OPA in 2018, in addition to the implementation of the Zero-Based Budget in 2012 and updated in 2018. He began his career as an accounting auditor at Arthur Andersen / Deloitte where he worked for 4 years before joining CPFL Energia.

Futao Huang: Graduated from Beijing Electric Power College (currently Beijing Jiaotong University) in Power Systems Communication Engineering and Master in Electric Power Systems and Automation from Shandong University. He started his career at State Grid Group in 1992. In 2003 he became manager of the Marketing Department at Shandong Nuclear Power Engineering Co. Ltd in Shenzhen; Chief Engineer of Renewable Energy Company of Shandong Luneng Group Co., Ltd. in 2010; Vice President of Shenzhen Energy International Trade Co., Ltd. in 2015; Director of the Australia office of Shandong Luneng Group Co., Ltd. in 2016; and Officer and Vice-President of CPFL Renováveis in 2017. In 2020, Mr. Futao Huang became Vice President of Strategy at CPFL Energia, Director and Chief Executive Officer of CPFL Geração and member of the Board of Directors of Instituto CPFL.

Tuo Ji: BA in Electrical Engineering and Automation from the College of Electrical &Electronic Engineering at Huazhong University of Science and Technology in China (2008), with a PhD in Philosophy in Electrical Systems from Washington State University, Pullman, WA, United States (2014). He served as a Senior Engineer at Jiangsu Electric Power Company Research Institute between 2014 and 2016 and then joined State Grid International Development Co. Ltd as a Senior Consultant, where he worked between January and December 2016. He joined the CPFL Energia group as statutory director of CPFL Eficiência Energética, served as assistant director in Strategy and Innovation and, in 2019, was elected Deputy Administrative Director of CPFL Atende. member of the Company's Strategy and Management Process Committee until 05/12/2022.

Gustavo Uemura: Graduated in Production Engineering from Faculdade de Engenharia Industrial (FEI), with a postgraduate degree in Marketing from ESPM and Administration from FGV SP, as well as a Professional Master's in Business Administration from FGV/Brazil and Columbia University/USA. He has been Supply Chain Director at CPFL Energia since 2017, having held leadership positions in other companies in the consumer goods sector, as Director of Supply and Manufacturing Chain in Brazil and Latin America at Johnson Controls – Building Efficiency Division (2012 to 2012). 2017). Previously, he was also Purchasing and Supplies Director at DELL Computers Brazil (2008-2012), Purchasing and Supplies Manager at Philips – Lightning Division, in Brazil (2000-2004), America (2004-2006) and Europe (2006-2008).

Mingyan Liu: BA in Electrical Engineering from Shandong University of Technology in China (1993) and Master's in Engineering Project Management from North China Electric Power University in China (2007). He worked at Qingdao Electric Power Company (QDEPC) between 1993 and 2017, where he held the position of Vice President for four years, having previously worked in several divisions of the company, including substations operation, Marketing Director, Benchmarking, Commercial and Strategic planning. In 2017, he joined State Grid International Development Co. Ltd as General Manager of foreign operations. He joined the CPFL Group as Regulatory Affairs Officer at CPFL Piratininga and, in 2019, he was elected Deputy Regulatory Affairs Officer at CPFL Paulista. He was a member of the Company's Strategy and Management Processes Committee until 05/12/2022.

Xugen Fan: Bachelor of Water Conservation and Hydroelectric Engineering at Wuhan University (2002-2006). From 2006 to 2009, he worked for the monitoring and control of a hydroelectric plant system as an Engineer, at NARI (State Grid Electric and Power Research Institute) Hydropower Branch. From 2009 to 2013, he served as project manager for a secondary system in a hydroelectric plant, at NARI Hydropower Branch. From 2013 to 2018, he was Manager of the Project Management Department at

NARI Brasil. From 2018 to the present day, Mr. Xugen Fan works as a project manager for ElectraNet （Australia） in the Department of Overseas Operations for State Grid International Development Limited.

Rafael Lazzaretti: Rafael worked at the consulting firm Roland Berger from 2006 to 2009 as a strategy consultant. He was responsible for the execution of several projects in the financial services and energy sectors, focusing on strategic planning, process review and organizational restructuring. Since 2009 at CPFL Energia, Rafael has held different managerial positions. Until 2013, he was Strategy Manager, coordinating and preparing the Strategic Plan for the CPFL holding company and its businesses, as well as its implementation through projects and the deployment of the company's executives' short-term goals. Rafael also served as Innovation Manager, leading the company's main innovation and R&D projects (such as Solar Roofs, Electric Mobility, Storage and CPFL Inova, the company's open innovation and approach to startups program), and as Director of Strategy and Innovation, being responsible for the development, implementation and monitoring of the Strategic Plan, and the Group's energy efficiency and innovation projects, as well as energy risk management. Currently, Rafael is Commercial Director of CPFL's Distributors, being responsible for the entire relationship with customers, including customer service and experience (with digitization actions), billing, delinquency management and commercial loss management. Rafael is also a member of the Fiscal Council of Instituto CPFL and of the Human Resources Management Committee, an advisory body to the Board of Directors of CPFL Energia.

Li Zhang: Between 2012 and 2016 he was Human Resources Manager at State Grid Shaanxi Electric Power Company. Responsible for the company's employees, long-term development needs and personnel configuration, personnel development and evaluation, rewards, labor relations management, organizational and salary structure development for the company. Between 2011 and 2012 he was Training Assistant at State Grid Shaanxi Electric Power Company, responsible for supporting day-to-day administration, including investigating employee needs and improving the training plan.

Valter Matta: Graduated in Law from the Pontifical Catholic University of São Paulo (PUC-SP), he has a master's degree in International Economic Law and International Business Transactions from the University of London (London School of Economics) and an MBA in leadership and organizational management from FranklinCovey Business School. Mr. Matta participated in leadership, management, communication and marketing courses offered by renowned institutions such as Fundação Dom Cabral, Fundação Getulio Vargas and Harvard University. He has extensive experience in several legal areas, such as corporate law and governance, capital markets, mergers and acquisitions and contracts. Before joining CPFL, Mr. Matta was a corporate partner at TozziniFreire Advogados (one of the largest Brazilian "full service" law firms) for 15 years. He is currently Corporate Governance Director of the CPFL Group.

YunWei Liu: He was legal advisor to Jilin Nobel Electric Power Industry Group Company, responsible for the legal affairs of Jilin Electric Power Company Limited in Jilin Province. He has extensive experience with the regulation of the electricity sector. He is an expert in court proceedings at State Grid Corporation of China, is a member of the State Grid Lawyers Supervision and Administration Commission. Participated in the purchase of the Philippine Concessionaire "National Transmission Corporation".

Ye Jin: Graduated with an honors degree (BA Hons) in International Communication from the University of Nottingham, Ningbo, China (2007-2011) and an MA in Human Resource Management from Rutgers University, in the United States (2011-2013). He served at State Grid Zhejiang Electric Power Corporation from 2013 to 2017 in positions such as Compensation Specialist, Training and Development Specialist, as well as Human Resources Generalist. From 2017 to 2018, he worked in the Human Resources department at State Grid International Development Co., Ltd. as an HR expert. Currently, she works as a Human Resources Consultant at RGE Sul Distribuidora de Energia S.A., a CPFL group company.

Rodrigo Agnew Ronzella: Graduated in Letters from Faculdades Integradas Maria Imaculada and in Law from PUC-Campinas, he has an extension in Public and Private International Law from PUC-Campinas and a specialization in Tax Law from PUC-São Paulo. MBA in Economics and Business Law from Fundação Getúlio Vargas (FGV), and an MBA in Human Resources from Fundação Instituto de Administração (FIA). He worked as a Tax Lawyer at International Paper from 1998 to 2001; as Legal

Manager from 2001 to 2007 and as Legal and HR Director for South America from 2007 to 2013 at Takata; as Director of Human Resources for Latin America from 2013 to 2015, as Director of Human Resources, Communication and Marketing for Latin America from 2015 to 2017 and later as Director of Human Resources – Global Strategic Initiatives at EATON in 2017. Human Resources Director at CPFL Energia in October 2017.

Mingzhi Han: Graduated in Accounting, with a Master's degree in Professional Accounting and Master of Commerce from the University of Sydney, Australia. She worked as an accountant at State Grid, from 2009 to 2017. Responsible for financial reports and executive performance analysis in subsidiaries in Brazil, and Australia. She joined the CPFL group in 2017, as Officer of CPFL Brazil and, in 2019, was elected Chief Financial and Investor Relations Officer of CPFL Piratininga.

Sergio Luis Felice: Accounting and Tax Planning Officer at CPFL Energia. He began his career in accounting and tax. Served as Audit Manager at Arthur Andersen for fourteen years. In 2002, he joined Deloitte Touche Tohmatsu, as Audit and Outsourcing Manager, and in January 2004 joined the CPFL Group. For ten years, he served on the Funcesp Steering Committee and is currently on the Fiscal Council of the same Foundation. Sergio holds a degree in Economics from the Universidade Estadual de Campinas (UNICAMP) and in Accounting, from the Pontifícia Universidade Católica de Campinas (PUCCAMP).

Yi Li: Graduated in finance from Xi'an JiaoTong University in 2002. He holds a Master's degree in Business Administration from Xi'an JiaoTong University. He started his career in the Financial Department of the Northwest Agency of the State Grid, from 2002 to 2011, acting as Financial Manager, Asset Manager and Energy Tariff Manager. Subsequently, he served as Deputy Director of the Audit Department of the Northwest Branch of StateGrid from 2011 to 2017. During his tenure, he worked at the headquarters of the Audit Department of State Grid for 1 year, being responsible for the informalization and business audit work international standards. From November 20, 2017, he started to act as financial director of SGID until November 31, 2018. He acts as advisor to the CPFL Group's accounting team, from December 1, 2018 to the present date.

Zhang Yunlong: Graduated in Political Science and Law from East China University in 2013, Master in Business Law from Gould School of Law, University of Southem California. He started his career in the Asset Management Department of YINGDA SECURITIES Co. (2014-2016). He then served as project manager for the investment banking department at YINGDA SECURITIES CO (2016-2017). He also worked in the Financial Department of the State Grid International Development Co. (2017-2018), After that, he served as Audit and Compliance Advisor at CPFL Energia (2018-2019) and, in 2019, he started to work in the Department of Relations with CPFL Energia Investors. He also obtained the Chinese legal professional qualification certificate.

Gustavo Henrique de Aguiar Sablewski: Graduated in Law from PUC/Campinas, post-graduated in Tax Law from the School of Law of OAB, also holds an MBA in Business Management in Taxation and Accounting from the Universidade Federal Fluminense (UFF). He served as Strategic Legal Manager for 12 years in companies in the energy market, and as a speaker at events by AMCHAM/RJ, IBC Brazil and others. He served as Strategic Legal Manager for CPFL Energia, from 2014 to 2017, having been appointed Chief Legal Officer in May 2017.

Xu Sheng: Graduated in Computer Science from the University of New Brunswick, Canada (2008) and Master in Control Engineering from North University of China (2011). Mr. Xu worked in the Dispatch and Telecommunications Department of the State Grid Corporation of China, as Dispatch and Automation Control Manager (2008 to 2017); Construction Manager of the Dispatch and Control Center (2009 to 2012); Manager of PAS, AGC, AVC and SE systems (2009 to 2017); and Innovation Project Manager (2014 to 2017). Currently, he holds the position of Deputy Commercial Director at Distributors.

Fu Li: Between 2006 and 2007, he was general manager of the 220kv Transmission Line Project in Pakistan. Between 2008 and 2011, he was Marketing Manager at Shanghai Overseas Marketing. Between 2012 and 2013, he was Deputy Manager of the Transmission Line Project and 220kV substation in Kenya. Between 2014 and 2015, he was Manager of the 500kV Transmission Line Project in Ethiopia.

Between 2015 and 2016, he was Deputy Manager of the international area of Shanghai International. Since 2017, he has been acting as Statutory Officer of CPFL Serviços.

Bo Tan: Graduated in Computer Science from the Malaysian University of Sciences (2002-2006) and Master in Technoprene in Sciences also from the University of Malaysia (2007-2009). From 2009 to 2018, he served in the positions of power substation operator and power substation technician for State Grid Shaanxi Electrical Power Company, being responsible for the load of the Qiaoling 330kV power substation, from 2012 to 2017. He is responsible for matters security at State Grid International Company since 2018

HongWu Ding: Worked in large energy companies, foreign companies, has been engaged in international project management, materials management, etc. It is PMP (Project Management Professional) certified. Completed intensive management programs, centralized bid acquisition strategy and other key projects of State Grid Corporation of China. He is currently a member of the Related Parties Committee of CPFL Energia.

Ricardo Florence: Mr. Ricardo Florence dos Santos is an independent member of the Board of Directors of Movida Aluguel de Carros S.A. since 2016, as a member of the Fiscal Council of Marfrig Global Foods, of the Advisory Board of Granol Industria, Comércio e Exportação since 2020, as a member of the Audit Committee of CPFL Energia and of the Fiscal Council of Companhia Estadual de Transmissão de Energia Elétrica – CEEE- T since 2021 and served as a member of the Fiscal Council of CPFL Energia from 2017 to 2021. He accumulates the Audit and Financial committees at MOVIDA. He served as Vice President of Finance (CFO) at Marfrig Global Foods S.A between 2013 and 2016 and as Statutory Investor Relations Officer between 2007 and 2014. A chemical engineer graduated from Escola Politécnica da USP and in Business Administration from Universidade Mackenzie, he has MBA in Strategy and Finance from IBMEC-SP. He previously worked at Grupo Pão de Açúcar for 16 years (1984-2000) in various positions as Director of Strategic Planning, Finance and Statutory Director of Investor Relations. He was also responsible for the IR areas of UOL Inc. (Folha de São Paulo Group – 2000/2001) and Brasil Telecom (2005-2007). He worked in several IPO processes, mergers, acquisitions and asset sales in the companies where he worked. He was a member of the Boards of Directors of Grupo Pão de Açúcar (1995-1999), UOL – Grupo Folha (2001) and IBRI – Brazilian Institute of Investor Relations (1998-2001 and 2014-2019), where he was also CEO in 2010 to 2013 and the Advisory Board of Dentalcorp S.A. (2002 to 2006). Mr. Ricardo Florence dos Santos does not hold positions in other companies or organizations in the third sector.

Marcelo Amaral Moraes: Independent director to CPFL Energia since 2017. Graduated in Economics from the Federal University of Rio de Janeiro (1986-1990), completed an MBA from COPPEAD at UFRJ in November 1993 and a post-graduate degree in Business Law and Arbitration from Fundação Getúlio Vargas in November 2003. He is Chairman of the Fiscal Council of Vale SA (since 2004), where he also held the position of Alternate Member of the Board of Directors (2003). He also serves as a Member of the Fiscal Council of GOL Linhas Aéreas S.A. (since 2018), Member of the Fiscal Council of Linx S.A. (since 2018) and Member of the Fiscal Council of Ultrapar S.A. (since 2019). Mr. Moraes was Chairman of the Fiscal Council of Aceco TI S.A (2016-2018). He was also a member of the Board of Directors of Eternit S.A. (2016-2018). His main professional experiences in recent years include: (i) Executive Director of Stratus Investimentos Ltda. (2006-2010), private equity manager; (ii) Executive Director of Capital Dynamics Investimentos Ltda. (2012-2015), private equity manager; and (iii) Observer Member of the Board of Directors of Infinity Bio-Energy S.A. (2011-2012). He is also a member of our Related Parties committee. None of the aforementioned companies is part of the economic group of CPFL Energia, nor is it controlled by a shareholder holding more than 5% of the common shares of CPFL Energia.

Qi Jun: He graduated in economics from the Tianjin University of Finance and Economics. He worked in different entities and organizations, as Deputy Advisor of the Business Development and Strategy department of State Grid International Development Co., Ltd, from January to March 2020, Head of the Business Development department of RNE (Redes Energéticas Nacionais, Portugal) from May 2012 to December 2019. And in April 2022, he assumed the position of Commercial Director of RGE Sul

Distribuidora de Energia S.A. He became a member of the Company's Related Parties Committee on 05/12/2022.

ZhangYan Fu: Worked at State Grid Yingda International Holdings Group Co. Ltd., a State Grid subsidiary, from 2011 to 2016. He worked as a risk management manager from 2011 to 2014, being a senior manager from 2014 to 2015 and a supervisor from 2015 to 2016. ZhangYan Fu joined the State Grid International Development Company group in 2017 as a member of the Executive Board of CPFL Brasil and joined as a member of the Executive Board of CPFL Geração in 2019.

Li De: He holds a Masters in Accounting from the National University of Ireland, Maynooth. He served as, Finance Department Manager at China Machinery Engineering Argentina S.A (CMEC Argentina) from May 2015 to March 2019, Finance Director at CMEC Middle East and Arabia from June 2019 to November 2020, Assistant to the Finance Department and Treasury of State Grid International Development, from December 2020 to March 2021, financial advisor to Companhia Piratininga de Força e Luz from August 2021 to the present. He became a member of the Company's Finance and Risk Management Committee on 05/12/2022..

Antonio Kandir: Mr. Kandir was Minister of Planning and Budget of the State, a Congressman, President of the Conselho Nacional de Desestatização, Governor of the Inter-American Development Bank, Special Secretary of Economic Policy, President of the Instituto de Pesquisa Econômica Aplicada (IPEA), CEO of Kandir e Associados S/C Ltda. (1992-1994), coordinator of studies in Itaú Planejamento e Engenharia (1981-1982), and Officer of private equity and hedge funds. He is a partner at Governança & Gestão Investimentos Ltda. (since 2004) and of GG Capital Investimentos Ltda. (2012-2016). He also worked as a professor at the State University of Campinas - UNICAMP, at the Pontifical Catholic University of São Paulo (1984-1985), Assistant Faculty Fellow at the University of Notre Dame (1987). Graduated in Mechanical Engineering from Escola Politécnica of the Universidade de São Paulo (USP), earned a master's degree in economics from the State University of Campinas – UNICAMP and a Ph.D. in economics from the State University of Campinas – UNICAMP. He currently sits on the Boards of Directors of the following companies: (i) CSU Cardsystem S.A., a technology services provider; (ii) Amil Saúde, a health plan company; (iii) Companhia Providência Indústria e Comércio, a TNT woven fabrics industry; (iv) GOL Linhas Aéreas Inteligentes, an aviation company; (v) Banco Ribeirão Preto, a finance company. None of these companies is part of CPFL Energia's economic group, nor is it controlled by a shareholder that holds more than 5% of CPFL Energia's common shares.

The Officer stated that he has not been subject, in the last five years, to criminal conviction, to conviction in CVM administrative proceedings and to final and unappealable conviction, in the judicial or administrative sphere, which has suspended or disqualified him from practicing professional or commercial activity.

12.8 In relation to each of the persons who acted as a member of the statutory committees, as well as the audit, risk, financial and remuneration committees, even if such committees or structures are not statutory, inform, in table format, the percentage of participation in meetings held by the respective body in the same period, which occurred after taking office

The information below refers to the period from January 2021 to April 2022:

Strategy and Management Processes Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Futao Huang	Effective	22	100%
Vitor Fagali	Effective	19	86%
Tuo Ji	Effective	21	95%
Gustavo Uemura	Alternate	3	14%
Mingyan Liu	Alternate	0	0%
Xugen Fan	Alternate	0	0%

Human Resources Management Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Rafael Lazzaretti	Effective	12	92%
Futao Huang	Effective	13	100%
Li Zhang	Effective	13	100%
Valter Matta	Alternate	1	8%
Ye Jin	Alternate	0	0%
Yunwei Liu	Alternate	0	0%

Related Parties Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Marcelo Moraes	Effective	5	100%
Antonio Kandir	Effective	5	100%
Hongwu Ding	Effective	5	100%

Budget and Corporate Finance Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Rodrigo Agnew Ronzella	Effective	5	83%
Yuehui Pan	Effective	6	100%
Mingzhi Han	Effective	6	100%
Sergio Luis Felice	Alternate	1	17%
Yi Li	Alternate	0	0%
Yunlong Zhang	Alternate	0	0%

Risk Management Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Yunwei Liu	Effective	5	100%
Sheng XU	Effective	5	100%
Gustavo Henrique de Aguiar Sablewski	Effective	4	80%
Fu Li	Alternate	0	0%
Bo Tan	Alternate	0	0%

Audit Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Ricardo Florence	Effective	4	100%
Marcelo Moraes	Effective	4	100%
Antonio Kandir	Effective	4	100%

As of May 2022, the committees will have the following name and composition:

Strategy, Growth, Innovation and ESG Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Futao Huang	Effective	N/A	N/A
Vitor Fagali	Effective	N/A	N/A
Liu Mingyan	Effective	N/A	N/A
Gustavo Uemura	Alternate	N/A	N/A
Li Fu	Alternate	N/A	N/A
Xugen Fan	Alternate	N/A	N/A

People Management Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Rafael Lazzaretti	Effective	N/A	N/A
Futao Huang	Effective	N/A	N/A
Li Zhang	Effective	N/A	N/A
Valter Matta	Alternate	N/A	N/A
Ye Jin	Alternate	N/A	N/A
Yunwei Liu	Alternate	N/A	N/A

Related Parties Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Marcelo Moraes	Effective	N/A	N/A
Antonio Kandir	Effective	N/A	N/A
Qi Jun	Effective	N/A	N/A

Finance and Risk Management Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Rodrigo Agnew Ronzella	Effective	N/A	N/A
ZhangYan Fu	Effective	N/A	N/A
Mingzhi Han	Effective	N/A	N/A
Sergio Luis Felice	Alternate	N/A	N/A
Yi Li	Alternate	N/A	N/A
Li De	Alternate	N/A	N/A

Audit Committee	Effective or Alternate Member	Total participation in meetings of this respective body since its inauguration	Percentage of participation in Committee meetings in the last fiscal year (%)
Ricardo Florence	Effective	N/A	N/A
Marcelo Moraes	Effective	N/A	N/A
Antonio Kandir	Effective	N/A	N/A

12.9 Inform the existence of marital relationship, stable union or kinship up to the second degree between:

a. administrators of the issuer

There is no marital relationship, stable union or kinship up to the second degree between the members of the Board of Directors and the Fiscal Council of CPFL Energia and the administrators of CPFL Energia.

b. (i) administrators of the issuer and (ii) administrators of subsidiaries, direct or indirect, of the issuer

There is no marital relationship, stable union or kinship up to the second degree between the members of the Board of Directors and the Fiscal Council of CPFL Energia and the directors of subsidiaries, direct or indirect, of CPFL Energia.

c. (i) administrators of the issuer or its subsidiaries, direct or indirect and (ii) direct or indirect controllers of the issuer

There is no marital relationship, stable union or kinship up to the second degree between the members of the Board of Directors and the Fiscal Council of CPFL Energia and the direct or indirect controllers of CPFL Energia.

d. (i) administrators of the issuer and (ii) administrators of the issuer's direct and indirect parent companies

There is no marital relationship, stable union or kinship, up to the second degree, between the members of the Board of Directors and the Fiscal Council of CPFL Energia and the directors of the direct and indirect parent companies of CPFL Energia.

12.10 Inform about subordination relationships, service provision or control maintained, in the last 3 fiscal years, between administrators of the issuer and:

a) company controlled, directly or indirectly, by the issuer, with the exception of those in which the issuer directly or indirectly detains the entire share capital

In the last 3 (three) fiscal years, some members of the Board of Directors of CPFL Energia have held positions in the administration (executive officer or member of the Board of Directors) in companies controlled, directly or indirectly, by CPFL Energia, with the exception of those in which CPFL Energia directly or indirectly owns the entire share capital, as below:

Gustavo Estrella (Member of the Board of Directors): Mr. Gustavo Estrella held, from February 2013 to January 2019, the position of Director in the companies controlled by CPFL Energia: Sul Geradora Participações SA and Paulista Lajeado Energia SA, in addition to holding the position of Vice-Chairman of the Board of Directors of CPFL Energias Renováveis SA

Bo Wen (Member of the Board of Directors): Mr. Bo Wen has served as Chairman of the Board of Directors of CPFL Energias Renováveis S.A. since April 2019

Yuehui Pan (Member of the Board of Directors): Mr. Pan has, in recent years, held the positions of **(i)** Chief Financial and Investor Relations Officer at CPFL Energia S.A., Companhia Paulista de Força e Luz, Companhia Piratininga de Força e Luz, RGE Sul Distribuidora de Energia S.A., Companhia Jaguari de Energia, CPFL Energias Renováveis SA, CPFL Geração de Energia SA; **(ii)** Superintendent Director of CPFL Total Serviços Administrativos Ltda.; **(iii)** Executive Director of CPFL Serviços, Equipamentos, Indústria e Comércio S.A., Sul Geradora Participações S.A., Comercialização de Energia Cone Sul Ltda., CPFL Planalto Ltda., Paulista Lajeado Energia S.A.; **(iv)** Chief Financial Officer of CPFL Telecomunicação LTDA, CPFL Transmissão de Energia Piracicaba Ltda., CPFL Transmissão de Energia Morro Agudo Ltda., CPFL Transmissão de Energia Maracanaú Ltda., CPFL Transmissão de Energia Sul I Ltda., CPFL Transmissão de Energia Sul II Ltda., CPFL Jaguari de Geração de Energia Ltda., CPFL Comercialização Brasil SA, Clion Assessoria e Comercialização de Energia Elétrica Ltda., CPFL Brasil Varejista SA, Nect Serviços Administrativos de Infraestrutura Ltda., Nect Serviços de Recursos Humanos Ltda. , Nect Serviços Administrativos Financeiros Ltda., Nect Serviços Administrativos de Suprimentos e Logística Ltda., TI Nect Serviços de Informática Ltda., CPFL Geração Distribuída de Energia Ltda., CPFL Eficiência Energética Ltda., CPFL Serves Contact and Service Center Ltda .; and (v) Chief Financial Officer of the following subsidiaries of CPFL Renováveis: Atlântica I Parque Eólico SA, Atlântica II Parque Eólico SA, Atlântica IV Parque Eólico SA, Atlântica V Parque Eólico SA, Campo dos Ventos I Energias Renováveis S.A., Campo dos Ventos II Energias Renováveis S.A., Campo dos Ventos III Energias Renováveis S.A., Campo dos Ventos V Energias Renováveis S.A., Cherobim Energética S.A., Chimay Empreendimentos e Participações Ltda. , Companhia Energética Novo Horizonte, Companhia Hidroelétrica Figueirópolis, CPFL Bio Buriti Ltda., CPFL Bio Ester LTDA, CPFL Bio Formosa LTDA, CPFL Bio Ipê LTDA, CPFL Bio Pedra Ltda., CPFL Bioenergia SA, CPFL Sul Centrais Elétricas Ltda., Desa Eurus I SA, Desa Eurus III SA, Desa Morro dos Ventos I SA, Desa Morro dos Ventos II SA, Desa Morro dos Ventos III SA, Desa Morro dos Ventos IV SA, Desa Morro dos Ventos IX SA, Desa Morro dos Ventos VI SA, Desa PCH II Energia SA,

Eólica Holding SA, Eólica Paracuru Geração de Comercialização de Energia SA, Eurus VI Energias Renováveis Ltda., Jayaditya Empreendimentos e Participações Ltda., Ludesa Energética SA, Mata Velha Energética SA, Mohini Empreendimentos e Participações Ltda., PCH Holding 2 SA, PCH Holding SA, Pedra Cheirosa I Energia SA, Pedra Cheirosa II Energia SA, Rosa dos Ventos Geração e Comercialização de Energia SA, Santa Clara I Energias Renováveis Ltda., Santa Clara II Energias Renováveis Ltda., Santa Clara III Energias Renováveis Ltda., Santa Clara IV Energias Renováveis Ltda., Santa Clara V Energias Renováveis Ltda., Santa Clara VI Energias Renováveis Ltda., Santa Luzia Energética SA, Santa Mônica Energias Renováveis SA , Santa Ursula Energias Renováveis SA, São Benedito Energias Renováveis SA, São Domingos Energias Renováveis SA, SIIF Cinco Geração e Comercialização de Energia SA, SPE Aiuruoca Energia Ltda., SPE Alto Irani Energia SA, SPE Arvoredo Energia SA, SPE Baixa Verde Energia SA , SPE Barra da Paciência Energia SA, SPE Bio Alvorada SA, SPE Bio Coopcana SA, SPE Boa Vista 2 Energia SA, SPE Cachoeira Grande Energia Ltda., SPE Cajueiro Energia SA, SPE Cherobim Energia SA, SPE Cocais Grande Energia SA, SPE Corrente Grande Energia SA, SPE Costa Branca Energia SA, SPE Costa das Dunas Energia SA SPE CPFL Solar 1 Energia SA, SPE Farol de Touros Energia SA, SPE Figueira Brande Energia SA, SPE Gameleira Energia SA, SPE Juremas Energia SA, SPE Macacos Energia SA, SPE Navegantes Energia SA, SPE Ninho da Águia Energia SA, SPE Paiol Energia SA, SPE Pedra Preta Energia SA, SPE Plano Alto Energia SA, Spe Salto Góes Energia SA, SPE São Gonçalo Energia SA, SPE Turbina 16 Energia SA, SPE Turbina 17 SA, SPE Varginha Energia SA, SPE Várzea Alegre Energia SA, Varginha Energética SA, Ventos de Santo Dimas Energias Renováveis SA , Ventos de São Martinho Energias Renováveis SA.[2]

Fiscal year 12/31/2020

Legal entities, indirect subsidiaries of the Company, to which the administrators exercise subordinate relationship:

Administrator	CPF	Adm's position.	Related person	CNPJ	Position in the related co.
Gustavo Estrella	037.234.097-09	Member of the Board of Directors and Chief Executive Officer	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Vice-Chairman of the Board of Directors
Yuehui Pan	061.539.517-16	Chief Financial and Investor Relations Officer	CPFL Energias Renováveis S.A. e subsidiárias da CPFL Renováveis listadas no item (v) acima	08.439.659/0001-50	Diretor Financeiro e de Relação com Investidores
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Centrais Elétricas da Paraíba S.A. - EPASA	10.366.780/0001-41	Chairman of the Board of Directors

[2] Due to the number of companies / companies, these were indicated in the table for the Years 12/31/2020 and 12/31/2019 as "*CPFL Renováveis subsidiaries listed in item (v) above*"

Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Paulista Lajeado Energia S.A.	03.491.603/0001-21	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Sul Geradora Participações S.A.	02.689.862/0001-07	Member of the Board of Directors

Note: Centrais Elétricas da Paraíba - EPASA is a jointly controlled enterprise of indirect investment by the Company

Fiscal year 12/31/2019

Legal entities, indirect subsidiaries of the Company, to which the administrators exercise subordinate relationship:

Administrator	CPF	Adm's position.	Related person	CNPJ	Position in the related co.
Gustavo Estrella	037.234.097-09	Member of the Board of Directors and Chief Executive Officer	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Vice-Chairman of the Board of Directors
Yuehui Pan	061.539.517-16	Chief Financial and Investor Relations Officer	CPFL Energias Renováveis S.A. e subsidiárias da CPFL Renováveis listadas no item (v) acima	08.439.659/0001-50	Chief Financial and Investor Relations Officer
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Centrais Elétricas da Paraíba S.A. - EPASA	10.366.780/0001-41	Chairman of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Paulista Lajeado Energia S.A.	03.491.603/0001-21	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Sul Geradora Participações S.A.	02.689.862/0001-07	Member of the Board of Directors and Executive Officer

Note: Centrais Elétricas da Paraíba - EPASA is a jointly controlled enterprise of indirect investment by the Company

Fiscal year 12/31/2018

Legal entities, indirect subsidiaries of the Company, to which the administrators exercise subordinate relationship:

Administrator	CPF	Adm's position.	Related person	CNPJ	Position in the related co.
Gustavo Estrella	037.234.097-09	Member of the Board of Directors and	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Vice-Chairman of the Board of Directors

		Chief Executive Officer			
Gustavo Estrella	037.234.097-09	Chief Financial and Investor Relations Officer	Paulista Lajeado Energia S.A.	03.491.603/0001-21	Chief Financial and Investor Relations Officer
Gustavo Estrella	037.234.097-09	Member of the Board of Directors and Chief Executive Officer	Sul Geradora Participações S.A.	02.689.862/0001-07	Member of the Board of Directors
Yuehui Pan	061.539.517-16	Chief Financial and Investor Relations Officer	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Centrais Elétricas da Paraíba S.A. - EPASA	10.366.780/0001-41	Chairman of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	CPFL Energias Renováveis S.A.	08.439.659/0001-50	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Paulista Lajeado Energia S.A.	03.491.603/0001-21	Member of the Board of Directors
Karin Regina Luchesi	219.880.918-45	Market Operations Vice President	Sul Geradora Participações S.A.	02.689.862/0001-07	Member of the Board of Directors and Executive Officer

Note: Centrais Elétricas da Paraíba - EPASA is a jointly controlled enterprise of indirect investment by the Company

b) direct or indirect controller of the issuer

In the last three (3) fiscal years, some members of the Board of Directors of CPFL Energia have held positions in administration (executive officer or member of the Board of Directors) in a directly or indirectly controlling entity or company of CPFL Energia, such as:

Bo Wen (Member of the Board of Directors): Since 2011, he has served as Managing Director of the Philippine Office of the State Grid Corporation of China (SGCC, a utility company, an indirect controller of CPFL Energy) and simultaneously as senior vice president of State Grid International Development Corporation. As of 2011, he served as director of the Board of the National Grid Corporation of the Philippines and simultaneously served as technical director of the corporation for more than seven years. In 2019, he was elected CEO of CPFL Energia's direct parent company, State Grid Brazil Power Participações S.A.

Li Hong (Member of the Board of Directors): Serves as Chief Financial Officer at State Grid International Development Limited Co.

Fiscal year 12/31/2020

Legal entities, indirect controlling shareholders of the Company, to which the directors exercise subordinate relationship:

Administrator	CPF	Adm's position.	Related person	CNPJ	Position in the related co.

Wen Bo	242.163.038-03	Chairman of the Board of Directors	State Grid Brazil Power Participacoes Ltda.	26.002.119/0001-97	CEO
Wen Bo	242.163.038-03	Chairman of the Board of Directors	State Grid International Development Co. Ltd	N/A	Senior Vice President
Li Hong	PE1406167	Member of the Board of Directors	Top View Grid Investment Limited	N/A	Member of the Board of Directors
Li Hong	PE1406167	Member of the Board of Directors	International Grid Holdings Limited	N/A	Member of the Board of Directors
Li Hong	PE1406167	Member of the Board of Directors	State Grid International Development Co. Ltd	N/A	Chief Financial Officer
Pan Yuehui	061.539.517-16	Chief Financial Officer	ESC Energia S.A.	15.146.011/0001-51	Executive Officer
Pan Yuehui	061.539.517-16	Chief Financial Officer	State Grid Brazil Power Participacoes Ltda.	26.002.119/0001-97	Executive Officer

Fiscal year 12/31/2019

Legal entities, indirect controlling shareholders of the Company, to which the directors exercise subordinate relationship:

Administrator	CPF	Adm's position.	Related person	CNPJ	Position in the related co.
Wen Bo	242.163.038-03	Chairman of the Board of Directors	State Grid Brazil Power Participacoes Ltda.	26.002.119/0001-97	CEO
Wen Bo	242.163.038-03	Chairman of the Board of Directors	State Grid International Development Co. Ltd	N/A	Senior Vice President
Li Hong	PE1406167	Member of the Board of Directors	Top View Grid Investment Limited	N/A	Member of the Board of Directors
Li Hong	PE1406167	Member of the Board of Directors	International Grid Holdings Limited	N/A	Member of the Board of Directors
Li Hong	PE1406167	Member of the Board of Directors	State Grid International Development Co. Ltd	N/A	Chief Financial Officer
Qu Yang	061.362.877-22	Member of the Board of Directors	ESC Energia S.A.	15.146.011/0001-51	Executive Officer
Pan Yuehui	061.539.517-16	Chief Financial Officer	ESC Energia S.A.	15.146.011/0001-51	Executive Officer

Pan Yuehui	061.539.517-16	Chief Financial Officer	State Grid Brazil Power Participacoes Ltda.	26.002.119/0001-97	Executive Officer

Fiscal year 12/31/2018

Legal entities, indirect controlling shareholders of the Company, to which the directors exercise subordinate relationship:

Administrator	CPF	Adm's position.	Related person	CNPJ	Position in the related co.
Bo Wen	242.163.038-03	Member of the Board of Directors	State Grid Corporation of China	N/A	General Director of the Philippine Office
Bo Wen	242.163.038-03	Member of the Board of Directors	State Grid International Development Corporation	N/A	Senior Vice President
Shirong Lyu		Member of the Board of Directors	State Grid Corporation of China	N/A	Deputy General Director of the Department of International Cooperation
Hong Li		Member of the Board of Directors	State Grid International Development Limited	N/A	Chief Financial Officer

c) if relevant, supplier, customer, debtor or creditor of the issuer, its subsidiary or controlling or controlled of any of these persons

There are no relationships of subordination, provision of services or control maintained, between the members of the Board of Directors and the Fiscal Council of CPFL Energia and the suppliers, customers, debtors or creditors of CPFL Energia, or its subsidiaries or the controlling or controlled members of any of these persons.

12.11 Describe the provisions of any agreements, including insurance policies, that provide for the payment or reimbursement of expenses borne by administrators arising from the compensation for damages caused to third parties or the issuer, penalties imposed by state agents, or agreements with the purpose of terminating administrative or judicial proceedings, due to the performance of their duties.

The Company maintains a civil liability insurance policy for statutory officers, members of the board of directors and of the fiscal council (Directors & Officers Liability Insurance; "D&O") with Chubb Seguros Brasil S.A, with an insured amount of R$ 150,000,000.00 One hundred and fifty million Reais), with coverage under usual market conditions. The total cost of the insurance is R$ 629,350.00 (six hundred twenty nine thousand three hundred and fifty reais).

The contracted insurance policy is 30.10.0017170.28.

The contracted D&O period of validity is until September 30, 2021 and the covered risks include protection to the personal assets of the administrators, in case they are held responsible for harmful acts caused to third parties, arising from the management of the companies in the CPFL Energia S.A. Group. The coverage is extended to all companies in which the Company has an equity interest of more than 51% (fifty-one percent).

Coverage "C" has also been contracted for all insurance indemnities arising from capital market claims brought against the Company, in the amount of US$ 200,000.00 for the capital market. There is no coverage for Capital Market complaints for the United States and Canada..

The "A" and "B" coverages contracted do not offer a deductible

12.12 Provide other information that the issuer deems relevant

(i) with respect to the meetings held in the last 3 (three) years: (i) the date of the meetings; (ii) cases in which the meeting was held on second call; and (iii) the exact quorum for each meeting;

2018:	27/04 – 96.14%	
2019:	31/01 – 95.96%	30/04 – 95.91% at OGM and 95.92% at EGM.
2020:	15/01 – 86.49%	27/07 – 90.71% at OGM and 90.79% at EGM 27/11 – 88.58%

There was no assembly held on second call.

(ii) describe the training programs for members of the Board of Directors, its Committees, the Board of Executive Officers, and the Fiscal Council, further indicating the topics covered, the frequency of the trainings given in the previous fiscal year, and the participation rate; and

The members of committees and commissions receive training to the extent that relevant topics are identified. The foreign board members, upon being elected, receive training about the Company, the Brazilian electric power market and other topics relevant to the performance of their activities.

Inform how the Governance of the company has been given with regard to the facts that have an impact against third parties in the meetings of the Board of Directors.

The Company's Investor Relations Officer is present at the meetings of the Board of Directors, unless exceptionally impossible, and is available to answer any questions from the Directors.

Corporate Governance Practices

CPFL Energia adopts differentiated corporate governance practices, based on the principles of transparency, equity, accountability and corporate responsibility, in line with the best practices existing in Brazil and abroad.

The Company's Corporate Governance Guidelines bring together and consolidate a set of interaction mechanisms among the shareholders, the Board of Directors, the Advisory Committees and Commissions of the Board of Directors, the Fiscal Council, and the Board of Executive Officers.

Through these Guidelines, CPFL Energia presents its corporate governance model, which guides its actions and the practices adopted by the Company and its subsidiaries and affiliates, in compliance with the respective Bylaws and Articles of Association.

The Corporate Governance Guidelines are approved by the Board of Directors and, together with the Bylaws, the Internal Regulations of the Board of Directors, the Internal Regulations of the Fiscal Council, the Internal Regulations of Advisory Committees and Commissions of the Board of Directors, the existing policies and those to be issued in matters of governance, such as Securities Trading, Disclosure of Material Act or Fact, Risk Management, Anti-corruption and the Code of Ethics and Business Conduct, establish the set of governance practices adopted by CPFL Energia.

The Management is committed to focus on:
1. Transparency/Disclosure – the intention to provide stakeholders with information that is of interest of them and not just that, which is required by law or regulation;

2. Fairness/Justice – fair and equal treatment of all shareholders and other stakeholders, considering their rights, duties, interests and expectations;

3.. Accountability - providing information by our Administration in a clear, precise, plausible and timely manner, fully assuming the consequence of its acts and omissions, fulfilling its duties in a diligent and responsible manner; and

4. Corporate responsibility/compliance – total focus on the economic and financial viability of our company, reducing the negative externalities that affect our business and operations and increasing the positive externalities, taking into consideration the various types of capital (financial, industrial, intellectual, human, social, environmental, reputational, etc.) in the short, medium and long term.

The Company implemented this model in 2003 and redesigned it in 2017 in order to adapt its corporate governance structure to the current scenario of how to do business and the decision-making process, considering our new corporate structure. In October 2019, the Company's Board of Directors approved the update of its Corporate Governance Guidelines with respect to their application to its subsidiaries and affiliates.

In 2014, the Company completed 10 years of going public on B3 and NYSE. With over 100 years of operations in Brazil, the Company has shares listed on B3's New Market, a differentiated listing segment that brings together companies that adhere to the best corporate governance practices.

All CPFL shares are Common, i.e., they give voting rights and shareholders are assured a 100% Tag Along in case of transfer of shareholding control.

Additional information related to item 12.5

In compliance with the provisions of the New Market Regulation, which determines the filling of at least 2 (two) or 20% (twenty percent) of the Board of Directors' positions by independent directors, whichever is greater, the controlling shareholders jointly nominated Mr. Marcelo Amaral Moraes and Mr. Antonio Kandir to fill the positions of independent member of the Board of Directors at the Ordinary General Meeting held on April 30, 2019. The Company informs that to determine the independence of the Board Member it uses the criteria expressed in the New Market Regulation, as defined in article 16, paragraphs 1 and 2 of the Regulation.

As announced to the market by the company on October 15, 2020, Mr. Lyu Shirong informed his resignation with effect from October 19, 2020 to the positions of: (i) Senior Executive Vice President to which he was elected at the Board of Directors' meeting held on August 5, 2019, with the consequent withdrawal of the interim positions of Vice President of Strategy, Innovation and Business Excellence, which he assumed since January 20, 2020, and of Executive Vice President Director , which took over since June 1, 2020; (ii) Full member of the Strategy and Management Processes Committee, for which he was elected at the Board of Directors' meeting held on August 13, 2020; and (iii) Full member of the Human Resources Management Committee, for which he was elected at the Board of Directors' meeting held on August 13, 2020. In addition, pursuant to the 424th Meeting of the Board of Directors of CPFL Energia that took place in October 23, 2020, Mr. Lyu Shirong will retain the position of member of the Board of Directors of CPFL Energia with effect from 00:00 on November 27, 2020 and the appointment of his replacement, Mr. Yuehui Pan, for the position of member of the Board of Directors of CPFL Energia; which was elected by a majority of votes at the Extraordinary General Meeting held on November 27, 2020.

Due to the resignation of Mr. Shirong Lyu, the Company's Board of Directors approved the appointment of Mr. Futao Huang to the position of Vice President of Strategy, Innovation and Business Excellence. Mr. Huang will be duly elected by the Company's decision-making bodies as soon as he is. His election was then held at the 433rd Meeting of the Board of Directors of CPFL Energia, which took place on December 31, 2020 when he took up the position of Vice President of Strategy, Innovation and Business Excellence and assumed the interim position of Executive Vice President Director of the Executive Board until the election of a new member.

13. Management Remuneration

13.1 Policy or practice of remuneration of the board of directors, of the statutory and non-statutory executive board, of the fiscal council and committees.

a) objectives of the remuneration policy or practice, informing whether the remuneration policy has been formally approved, the body responsible for its approval, the date of approval and, if the issuer discloses the policy, locations on the worldwide computer network where the document can be consulted:

The remuneration policy practiced by CPFL Energia aims to attract, retain, motivate and develop professionals with the standard of excellence required by the CPFL Energia Group.

The variable remuneration of statutory executive officers is based on targets contracted according to the Company's Strategic Planning.

The People Management Committee of CPFL Energia, the advisory body of the Board of Directors, verifies the adherence of fixed and variable remuneration plans to the Company's strategic plan, as well as assesses the fulfillment of the contracted targets, in the short and long term.

The Corporate Governance Guidelines were approved by the Board of Directors, and the last update was approved on December 15, 2017.

This document can be consulted on the Company's Investor Relations website: www.cpfl.com.br/ri (on this website, access "Cooperative Governance").

b) composition of the remuneration:

i. i. elements of remuneration and the objectives

The Company has a Board of Directors composed of 7 members, being 2 of them internal directors, unpaid for their functions as Board members, 2 of them independent members, remunerated according to market standards and 4 of them external members, only 1 of them being remunerated, according to market standards. No member of the board of directors receives additional remuneration for their duties as a member of the board's advisory committee.

As for the Fiscal Council, consists of three members, being 2 of them internal directors remunerated in accordance with market standards and legal guidelines. The members of the Board of Directors and the members of the Fiscal Council receive fixed monthly remuneration.

The members of the Executive Board, in addition to the fixed remuneration received monthly, are entitled to (i) benefits, (ii) short-term incentives and (iii) long-term incentives.

With regard to variable remuneration, (i) direct and indirect benefits (medical care, dental care, life insurance, meal voucher), aim to align to market practices, and provide executive retention (ii) short-term incentives are aimed at directing the behavior of the executives to improve the company's business strategy and achieve results; and (iii) long-term incentives aim to create long-term vision and commitment, align the interests of the Company's statutory executive officers to the group of shareholders and reward for generating results and creating value in a sustainable way.

The advisory committees of the Company's Board of Directors, i.e., the Management, Risk and Sustainability Processes Committee, the People Management Committee, and the Committee of Related Parties, have in their composition some members of the Board of Directors, and no additional remuneration is paid for the performance of this function.

ii. in relation to the last three fiscal years, the proportion of each element in the total remuneration

2018	Board of Directors	Fiscal Council	Statutory Executive Board

Fixed remuneration	83.5%	83.4%	30.6%
Benefits (includes post-employment benefits)	-	-	4%
Other	16.5%	16.6%	17.6%
Short-term incentives	-	-	30%
Long-term incentives	-	-	17.8%
TOTAL	100.0%	100.0%	100.0%

2019	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
Fixed remuneration	83.4%	83.4%	28.8%
Benefits (includes post-employment benefits)	-	-	4.3%
Other	16.6%	16.6%	14.9%
Short-term incentives	-	-	24.3%
Long-term incentives	-	-	27.7%
TOTAL	100.0%	100.0%	100.0%

2020	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
Fixed remuneration	83.3%	83.4%	32.4%
Benefits (includes post-employment benefits)	-	-%	5.7%
Other	16.7%	16.6	17.9%
Short-term incentives	-	-	28.9%
Long-term incentives	-	-%	15.2%
TOTAL	100%	100%	100%

iii. calculation and adjustment methodology of each of the elements of remuneration

The members of the Board of Directors and the members of the Company's Fiscal Council (as mentioned in item i of this topic) receive fixed monthly remuneration. The alternate members do not receive any remuneration, unless they replace the full-time board member to which they are linked. Under this circumstance, the Company pays the alternate member the amount equivalent to 50% of the monthly remuneration of the regular member, if he participates in an ordinary meeting of the board, or, the full monthly remuneration of the regular member if the latter is temporarily unable to perform his/her duties.

The adjustment of the remuneration of the members of the Board of Directors and of the Fiscal Council of the Company is made based on market research, carried out by a specialized company.

The proposal for fixed remuneration defined by the Company's Board of Directors for statutory executive officers, as well as any adjustment, is based on market research conducted annually by specialized companies. These market researches were conducted by Mercer Human Resource Consulting Ltd. The proposal for the variable remuneration is detailed in item 13.3.

iv. reasons justifying the composition of the remuneration

The composition of the remuneration considers the responsibilities of each position and has as parameters the amounts practiced by the market for professionals who perform equivalent functions.

v. the existence of unpaid members by the issuer and the reason for this fact

The non-remunerated members of the Board of Directors and of the Fiscal Council perform other functions in the group or are appointed and remunerated by the controlling shareholder.

c) key performance indicators that are taken into account in determining each element of the remuneration:

The remuneration of the members of the Board of Directors and of the Fiscal Council of the Company is fixed and does not take into consideration any individual or company performance indicators.

Regarding the short-term variable remuneration of statutory executive officers, the Company performs the evaluation of its Executive Board, assessing the performance of its members, according to corporate goals (EBITDA in relation to the budgeted amount and Business Growth, according to the weighted average EBITDA of the businesses of Commercialization, Energy Efficiency and Services) and individual goals (PMSO in relation to the budgeted value, market value of CPFL Energia, NPV of the business carried out, goal related to the sustainability of the business, investment in BRR - Regulatory Remuneration Base, among others), established in accordance with the strategic plan of the Company, previously defined and approved by the Board of Directors. The Board of Directors has the support of the People Management Committee to monitor and evaluate the performance of the Executive Board in relation to the fulfillment of its annual goals.

Regarding the long-term variable remuneration, adopted as of 2017, the Board of Directors will define, based on the multiannual budget in force at the time of the deliberation, the EBITDA, and Net Income targets for the three (3) vesting period (acquisition period) years. The Board of Directors has the support of the People Management Committee to monitor and evaluate the performance of the Executive Board in relation to the fulfillment of its annual goals.

d) how remuneration is structured to reflect the evolution of performance indicators:

The remuneration of the Board of Directors and of the Fiscal Council are reviewed annually through market research, and possible adjustments are defined by the Board of Directors, with the support of the People Management Committee, and are subsequently submitted to the approval of the Company's Shareholders General Meeting.

With regard to statutory officers, variable remuneration is entirely based on formally contracted quantitative and qualitative goals, which reflect the evolution of the Company's performance indicators.

e) how the remuneration policy or practice aligns with the issuer's short, medium, and long-term interests:

The remuneration policy of the statutory officers is aligned with the interests of the Company, as it is based on criteria linked to the Company's previously defined economic and financial performance. The People Management Committee, which advises the Company's Board of Directors, is a body that contributes to the verification of the alignment of remuneration.

Our remuneration policy seeks to encourage employees to seek the best profitability of investments and projects developed by the Company, in such a way as to align their interests with those of the Company through the following perspectives: (i) in the short term: salaries and a package of benefits compatible with the market; (ii) in the medium term: payment of participation in our results and bonuses, according to the fulfillment of pre-established goals; and (iii) in the long term: granting of phantom stocks through a specific program, with the possibility of converting to cash bonuses, as described in item 13.4. As of 2017, the new LTI program (modality: Long-Term Incentive [Bonus]) comprises the annual granting of an incentive, payable in cash, as a bonus, tied to the Company's average performance in the 3 fiscal years following each granting (including the fiscal year in which the granting took place), subject to the

permanence of the beneficiary in the Company or in one of its subsidiaries, during a vesting period of 3 years, being the corresponding amount paid at the end of this period.

f) existence of remuneration borne by subsidiaries, direct or indirect controllers or controlled:

We have members of the Board of Directors and of the Fiscal Council not remunerated by the Company, who perform other functions in the group, or who are appointed and remunerated by the controlling shareholder. Part of the members of the Executive Board receive a portion of their remuneration proportionally to the services provided to each of the subsidiaries.

g) existence of any remuneration or benefit linked to the occurrence of a particular corporate event, such as the disposal of the issuer's corporate control:

In relation to the members of our Board of Directors and of our Fiscal Council, there is no remuneration or benefit linked to the occurrence of a particular corporate event.

As for statutory officers, there is a provision for indemnification in the event of a significant change in the shareholders that make up the majority control block, which implies the termination of the position of the officer, unilateral dismissal by the Board of Directors, or changes in the working conditions analogous to an indirect termination of the employment contract, as provided for in Article 483 of the CLT, or that makes the performance of the position less attractive.

h) practices and procedures adopted by the Board of Directors to define the individual remuneration of the board of directors and of the Executive Board officers, indicating:

i. the bodies and committees of the issuer participating in the decision-making process, identifying how they participate in

The decision regarding the remuneration of the members of the Board of Directors, of the Fiscal Council and of the Executive Board has the participation of the People Management Committee and of the Board of Directors.

i. ***i.criteria and methodology used for the setting of individual remuneration, indicating whether there is the use of studies for the verification of market practices, and, if so, the comparison criteria and the scope of those studies***

The individual remuneration of the members of the Board of Directors, of the Fiscal Council and of the Executive Board is defined based on the results of market research conducted by an independent company. The proposals for the individual compensation are taken for discussion by the People Management Committee and later, for the information of the Board of Directors.

ii. ***how often and how the Board of Directors assesses the adequacy of the issuer's remuneration policy***

The remuneration policy is evaluated annually by the Board of Directors at the time of the definition of the overall remuneration and of the analysis and establishment of short- and long-term goals.

13.2 In relation to the remuneration of the board of directors, of the statutory executive board and of the fiscal council, recognized in the results of the last three fiscal years and to the one foreseen for the current fiscal year, prepare a table with the following content:

TOTAL REMUNERATION RECOGNIZED IN THE FISCAL YEAR 2018				
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**TOTAL**
b. Total number of members	7.00 members	4.50 members	8.25 members	19.45 members
c. Number of paid members	-	-	7.67 members	11.33 members
d.i. Annual fixed remuneration	-	-		
Salary or compensation	-	236,000	8,772,000	9,525,000
Direct and indirect benefits	-	-	397,000	397,000
Remuneration for participation in committees	-	-	-	-
Other	102,000	47,000	5,043,000	5,192,000
Description of other fixed remuneration	-	-	Others refers to Social Security and FGTS (Severance Indemnity Fund)	Others refers to Social Security and FGTS (Severance Indemnity Fund)-
d.ii. Variable remuneration	-	-		-
Bonus	-	-	8,619,000	8,619,000
Profit sharing	-	-	-	-
Remuneration for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other	-	-	5,123,000	5,123,000
Description of other variable remuneration	-	-	Others refers to Social Security and LTI	Others refers to Social Security and LTI -
d.iii. Post-employment benefits	-	-	754,000,000	754
d.iv. Benefits motivated by the termination of office	-	-	-	-
d.v. Stock-based compensation, including stock options	-	-	-	-
Description of stock-based compensation	-	-	-	-
Observation	The number of members of the Company's Board of Directors, Fiscal Council and Statutory Executive Board was calculated in line with the provisions of CVM Official Letter SEP No. 01/2021.			
e. Amount of remuneration for each Body	619,000	283,000	28,708,000	-
f. Total remuneration of the Bodies	-			**29,610**,000

TOTAL REMUNERATION RECOGNIZED IN THE FISCAL YEAR 2019				
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**TOTAL**
b. Total number of members	8.33 members	3.00 members	9.33 members	20.67 members

c. Number of paid members	2.50 members	2.00 members	6.75 members	11.25 members
d.i. Annual fixed remuneration				
Salary or compensation	639,000	279,000	9,240,000	10,158,000
Direct and indirect benefits	-	-	548,000	548,000
Remuneration for participation in committees	-	-	-	-
Other	128,000	56,000	4,783,000	4,967,000
Description of other fixed remuneration	Others refers to Social Security	Others refers to Social Security	Others refers to Social Security and FGTS (Severance Indemnity Fund)	Others refers to Social Security and FGTS (Severance Indemnity Fund)
d.ii. Variable remuneration				
Bonus		-	7,811,000	7,811,000
Profit sharing		-	-	-
Remuneration for participation in meetings		-	-	-
Commissions		-	-	-
Other		-	8,879,000	8,879,000
Description of other variable remuneration			Others refers to Social Security and LTI	Others refers to Social Security and LTI
d.iii. Post-employment benefits		-	843,000	843,000
d.iv. Benefits motivated by the termination of office		-	-	-
d.v. Stock-based compensation, including stock options		-	-	-
Description of stock-based compensation				
Observation	The number of members of the Company's Board of Directors, Fiscal Council and Statutory Executive Board was calculated in line with the provisions of CVM Official Letter SEP No. 01/2021.			
e. Amount of remuneration for each Body	767,000	335,000	32,104,000	
f. Total remuneration of the Bodies				33,206,000

TOTAL REMUNERATION RECOGNIZED IN THE FISCAL YEAR 2020				
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**TOTAL**
b. Total number of members	7.00 members	3.00 members	9.00 members	19.00 members
c. Number of paid members	3.00 members	1.58 members	8.17 members	12.75 members
d.i. Annual fixed remuneration				
Salary or compensation	712,000	240,000	9,322,000	10.274,000
Direct and indirect benefits	-	-	729,000	729,000
Remuneration for participation in committees	-	-	-	-
Other	142,000	48,000	5,157,000	5,374,000
Description of other fixed remuneration	Others refers to Social Security	Others refers to Social Security	Others refers to Social Security and FGTS (Severance	Others refers to Social Security and FGTS

			Indemnity Fund)	(Severance Indemnity Fund)
d.ii. Variable remuneration				
Bonus	-	-	8,328,000	8,328,000
Profit sharing	-	-	-	-
Remuneration for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other	-	-	4,373,000	4,373,000
Description of other variable remuneration			Others refers to Social Security and LTI	Others refers to Social Security and LTI
d.iii. Post-employment benefits	-	-	907,000	907,000
d.iv. Benefits motivated by the termination of office	-	-	-	-
d.v. Stock-based compensation, including stock options	-	-	-	-
Description of stock-based compensation				
Observation	The number of members of the Company's Board of Directors, Fiscal Council and Statutory Executive Board was calculated in line with the provisions of CVM Official Letter SEP No. 01/2021.			
e. Amount of remuneration for each Body	854,000	288,000	28,816,000	
f. Total remuneration of the Bodies				

TOTAL REMUNERATION RECOGNIZED IN THE FISCAL YEAR 2021				
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**TOTAL**
b. Total number of members	7.00 members[(2)]	3.00 members[(2)]	9.00 members[(3)]	19.00 members
c. Number of paid members	3.00 members	2.00 members	6.00 members	11.00 members
d.i. Annual fixed remuneration				
Salary or compensation	915,000	335,000	7,943,000	9,193,000
Direct and indirect benefits	-	-	581,000	581,000
Remuneration for participation in committees	-	-	-	-
Other	183,000	67,000	2,224,000	2,474,000
Description of other fixed remuneration	Others refers to Social Security	Others refers to Social Security	Others refers to Social Security and FGTS (Severance Indemnity Fund)	Others refers to Social Security and FGTS (Severance Indemnity Fund)
d.ii. Variable remuneration				
Bonus	-	-	8,408,000	8,408,000
Profit sharing	-	-	-	-

Remuneration for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other	-	-	5,739,000	5,739,000
Description of other variable remuneration			Others refers to Social Security and LTI	Others refers to Social Security and LTI
d.iii. Post-employment benefits	-	-	720,000	720,000
d.iv. Benefits motivated by the termination of office	-	-	-	-
d.v. Stock-based compensation, including stock options	-	-	-	-
Description of stock-based compensation				
Observation				
e. Amount of remuneration for each Body	1,098,000(1)	402,000(1)	25,615,000(1)	
f. Total remuneration of the Bodies				27,115,000

(1) Amounts consider remuneration for the period from May 2021 to April 2022, to be approved in the 2021 AGM

(2) Amount considering the approval of the number of members at the 2021 AGM.

(3) Amount considering the approval of the amendment of the Bylaws at the 2021 AGM.

13.3 Variable remuneration of the board of directors, the statutory executive board, and the fiscal council, of the last three fiscal years and that foreseen for the current fiscal year

FISCAL YEAR ENDED DECEMBER 31, 2018(1)				
	Board of Directors	**Fiscal Council**	**Statutory Executive Board**	**Total**
Total number of members	7.00	4.50	8.25	19.45
Number of paid members	2.00	1.67	7.67	11.33
Bonus				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	5,051,000(1)	5,051,000(1)
ii. Maximum amount provided for in the compensation plan	N/A	N/A	10,102,000(1)	10,102,000(1)
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	6,734,000(1)	6,734,000(1)
iv. Amount effectively recognized in the result of the fiscal year	N/A	N/A	6,734,000(1)	6,734,000(1)
Profit Sharing				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	N/A	N/A
ii. Maximum amount provided for in the compensation plan	N/A	N/A	N/A	N/A
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	N/A	N/A
iv. Amount effectively recognized in the income from the financial year	N/A	N/A	N/A	N/A

(1) In the amount of remuneration, all charges, and provisions to meet accrual basis accounting are not included.

FISCAL YEAR ENDED DECEMBER 31, 2019(1)

	Board of Directors	Fiscal Council	Statutory Executive Board	Total
Total number of members	8.33	3.00	9.33	20.67
Number of paid members	2.50	2.00	6.75	11.25
Bonus				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	4,577,000(1)	4,577,000(1)
ii. Maximum amount provided for in the compensation plan	N/A	N/A	9,154,000(1)	9,154,000(1)
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	6,102,000(1)	6,102,000(1)
iv. Amount effectively recognized in the result of the fiscal year	N/A	N/A	6,102,000(1)	6,102,000(1)
Profit Sharing				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	N/A	N/A
ii. Maximum amount provided for in the compensation plan	N/A	N/A	N/A	N/A
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	N/A	N/A
iv. Amount effectively recognized in the income from the financial year	N/A	N/A	N/A	N/A

(1) In the amount of remuneration, all charges, and provisions to meet accrual basis accounting are not included.

FISCAL YEAR ENDED DECEMBER 31, 2020(1)				
	Board of Directors	**Fiscal Council**	**Statutory Executive Board**	**Total**
Total number of members	7.00	3.00	9.00	19.00
umber of paid members	3.00	1.58	8.17	12.75
Bonus				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	7,627,000	7,627,000
ii. Maximum amount provided for in the compensation plan	N/A	N/A	15,525,000	15,525,000
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	10,168,000	10,168,000
iv. Amount effectively recognized in the result of the fiscal year	N/A	N/A	10,168,000	10,168,000
Profit Sharing				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	N/A	N/A
ii. Maximum amount provided for in the compensation plan	N/A	N/A	N/A	N/A
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	N/A	N/A
iv. Amount effectively recognized in the income from the financial year	N/A	N/A	N/A	N/A

(1) In the amount of remuneration, all charges, and provisions to meet accrual basis accounting are not included.

FISCAL YEAR ENDED DECEMBER 31, 2021(1)

	Board of Directors	Fiscal Council	Statutory Executive Board	Total
Total number of members	7.00	3.00	9.00	19.00
Number of paid members	3.00	2.00	6.00	11.00
Bonus				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	4,927,000	4,927,000
ii. Maximum amount provided for in the compensation plan	N/A	N/A	9,853,000	9,853,000
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	6,569,000	6,569,000
Profit Sharing				
i. Minimum amount provided for in the remuneration plan	N/A	N/A	N/A	N/A
ii. Maximum amount provided for in the compensation plan	N/A	N/A	N/A	N/A
iii. Amount foreseen in the remuneration plan, if the targets are met	N/A	N/A	N/A	N/A
iv. Amount effectively recognized in the income from the financial year	N/A	N/A	N/A	N/A

(1) In the amount of remuneration, all charges, and provisions to account for the accruals for the fiscal year are included.
(2) Amounts consider remuneration for the period from May 2021 to April 2022, to be approved in the 2021 AGM.
(3) Amount considering the approval of the number of members at the 2021 AGM.
(4) Amount considering the approval of the amendment of the Bylaws at the 2021 AGM.

13.4 Compensation plan for the board of directors and for the statutory executive board based on shares, in force in the last fiscal year and planned for the current fiscal year

a) general terms and conditions;

At a Meeting of the Board of Directors, held on May 4, 2016, a Long-Term Incentive Plan – "LTI", based on the Phantom Stocks Performance mode, was approved, which consists of the granting of virtual shares ("phantom stocks"), which, after a grace period (vesting) as reported in item 13.4 (j) of this Reference Form, and if a minimum expected valuation target for CPFL on the stock exchange is reached, as provided for in a specific norm and revised year by year, may be converted into cash bonuses, and in no case the granting of physical shares may be conferred.

This plan is monitored annually by the Board of Directors, through analysis and opinions of its People Management Committee, which is the body responsible for evaluating both the model and general conditions of the plan as well as the grants and conversions, established in accordance with market practices, and subsequent recommendation for the approval to the Board of Directors, after these analyses. The Board of Directors has the power to stop the plan at any time.

Eligibility for the plan is direct to professionals who hold the statutory position of President or Vice President in our Company, as well as President of our subsidiaries ("Executives"), and conditioned on performance, for the Group of Officers and Managers of level 2, and it is also limited to a maximum of 50% of the Executive Board and of 10% of the level 2 management, active in the company and performing the function on the date of the grant approved by the Board of Directors, scheduled to take place until June of each year.

The performance of Officers and Managers is measured by observing the positioning in the matrix of evaluation of potential and performance (nine box grid), or, if this evaluation method is to be replaced, through another instrument of forced distribution. The current instrument in practice assesses not only adherence to the competencies required for the exercise of the function, but also the achievement of individual goals and the potential of the professional.

The initial amount of phantom stocks is calculated based on the valuation of CPFL Energia, divided by the number of shares available in the market, and the number of virtual shares granted to each eligible member is based on targets defined by the best market practices, always in number of remunerations, subsequently validated by the People Management Committee and approved at a Meeting of the Board of Directors.

The balance of exercisable options was settled in 2017, and for the other installments, the settlement will be automatic at the time they become exercisable. During the fiscal years 2018, 2019 and 2020, there were no new phantom stock grants under the LTI. In addition, there is no forecast of new phantom stock grants for the fiscal year 2021.

b) main objectives of the plan;

The design of the program was structured in order to align the interests of the eligible executives, officers, and managers, with the interests of the shareholders, with the objective of long-term commitments and creation of constant and sustainable value. Similarly, because the calculation of the results is evaluated in the long term, it also aims to retain the Company's talents who are the ones adding more value through their individual performance, as determined by the potential and performance evaluation matrix.

c) how the plan contributes to these objectives;

The achievement of the valuation goal established for the Company in its long-term strategic plan signals that the objectives outlined in the program were recognized by the market and that also the goals established in the strategic plan were achieved.

d) how the plan is part of the issuer's remuneration policy;

The plan is part of the compensation mix of the eligible members in a way to establish greater participation in the variable package, not incorporated to the remuneration, and conditioned to results that provide the creation of economic value for the company.

e) how the plan aligns the interests of the administration with those of the issuer in the short, medium, and long term;

The plan aims to stimulate the commitment of the eligible members in the long-term, considering that the policy was designed to meet the expectations of the Company's strategic plan. In the short term, the alignment of these interests is by a specific instrument, through the agreement of individual goals and people management, in addition to the portion attributed to corporate results of the Group and/or to the results of the unit of management, not linked to the LTI.

f) maximum number of involved shares;

169,407 phantom stocks were granted in 2016, taking into account the initial value based on CPFL Energia's valuation, divided by the number of shares available on the market. This value was used for the calculation of the phantom stocks granted to eligible members, as detailed in item 13.4. (a) of this Reference Form. As for the LTI, the balance of exercisable options was settled in 2017 and no new phantom stocks were granted in the years 2017, 2018 and 2019.

g) maximum number of options to be granted;

The number of phantom stocks granted is fixed and their conversion into cash bonuses is exclusively due at the market value determined by the weighted average of the share price of the last 45 trading sessions counted from the last business day of December of the year preceding the year of conversion. The conversion will only be effective after formal approval by the Board of Directors.

h) conditions for the acquisition of shares;

As detailed in item 13.4. (a), for the granting of phantom stocks, the members, upon eligibility and performance, must be active in the Company and performing their function on the date of the grant approved by the Board of Directors, scheduled to take place up to the month of June of each year.

i) criteria for setting the purchase or exercise price;

The initial value of phantom stocks is calculated based on the valuation of CPFL Energia, divided by the number of shares available in the market, and the number of virtual shares granted to each eligible member is based on targets defined by the best market practices, always in number of remunerations, subsequently validated by the People Management Committee and approved at a Meeting of the Board of Directors.

j) criteria for the setting of the period for the exercise;

The total grace period (vesting) will be 4 years for the exercise, as follows:

- 1/3 of the granted phantom stocks may be converted into awards in the second year after the grant year;
- 1/3, or 2/3, if the first conversion has not been exercised, of the granted phantom stocks may be converted into awards in the third year after the grant year; and
- 100% of the granted phantom stocks not yet converted may be converted in the fourth year after the grant year.

k) form of settlement

Once the minimum valuation target established in the Company's strategic plan is achieved, the settlement of virtual shares (phantom stocks) in awards (after the grace period) consists of the calculation of the Company's share price, according to the weighted average (volume) of the share prices of the last 45 trading sessions, counted from the last working day of December of the year preceding the year of conversion, in addition to the dividends distributed in the period, proportional to the number of virtual shares.

l) restrictions on the transfer of shares;

Since the plan does not provide for effective delivery of shares, this item does not apply.

m) criteria and events that, when verified, will cause the suspension, alteration, or termination of the plan;

In case of extraordinary events, the Board of Directors, at its judgment and based on the evaluation of the People Management Committee, respecting the grants already made and their respective conversions, has the power to change, suspend or even extinguish the long-term incentive plan, preserving the grants already made or compensating them in an equivalent way.

n) effects of the administrator's departure from the issuer's administrative bodies on his rights provided for in the share-based compensation plan.

Event	**Non-exercisable *Phantom stocks* ("unvested")**	**Exercisable *phantom stocks***
Voluntary Termination by the Executive	*Phantom stocks* are cancelled	*Phantom stocks* may be converted, as long as previously approved by the PMC - People Management Committee and within 30 days of the announcement of the termination.
Termination for Just Cause	*Phantom stocks* are cancelled	
Unilateral termination by the initiative of the company, without Just Cause, anticipated, or at the End of Contract without renewal.	*Phantom stocks* are cancelled	*Phantom stocks* may be converted, as long as previously approved by the PMC - People Management Committee and within 30 days of the announcement of the termination.
Death or Retirement by Permanent Disability	The grace period will be anticipated, and *phantom stocks* will be paid to dependents, based on the last conversion amount determined.	*Phantom stocks* will be converted based on the last calculated conversion value and paid to dependents.

13.5 Remuneration based on shares of the board of directors and the executive board, recognized in the results of the last 3 fiscal years and the foreseen for the current fiscal year

REMUNERATION BASED ON SHARES FOR THE FISCAL YEAR ENDED On 12/31/2016[(i)]	
Body	**Statutory Executive Board**
Total number of members	7 members
Number of paid members	7 members
Granting of stock purchase options:	
Grant date	05/04/2016
Number of options granted	169,407
Deadline for options to become exercisable	Planned vesting of 4 years, with option of anticipation of 1/3 of the granted *phantom stocks*, which may be converted into awards in the second year after the grant year (2018)
Maximum period for the exercise of options	Balance of exercise options was settled in 2017. For the other installments, the settlement will be automatic at the time they become exercisable.
Limitation period for the transfer of shares	There will be no transfer of shares
Weighted average exercise price:	
(a) For options open at the beginning of the financial year	18.38
(b) For options lost during the fiscal year	-
(c) For options exercised during the financial year	-
(d) For options expired during the financial year	-
Fair value of options on the date of grant	N/A
Potential dilution in the case of the exercise of all granted options	There is no issue/delivery of shares, and there is no dilution of the capital

[(i)] Due to the new LTI Plan implemented as of 2017 by the CPFL Group, which proposes to use the "Long Term Bonus" mode and not tie the concession of the Grant to stock values.

There were no new grants during the fiscal year 2018, 2019 and 2020 and no new grants are expected for the fiscal year 2021.

13.6 Open options of the board of directors and of the statutory executive board at the end of the last fiscal year

The balance of exercisable options was settled in 2017, and, for the remaining installments, settlement will be automatic when they become exercisable. During the 2018, 2019 and 2020 fiscal years, there were no new grants for phantom stocks under the ILP. In addition, there is no provision for new grants of phantom stocks for the fiscal year 2021.

13.7 Exercised options and shares delivered related to the remuneration based on shares of the board of directors and the statutory executive board, in the last 3 fiscal years

EXERCISED OPTIONS AND SHARES DELIVERED FOR THE YEAR ENDED IN 12/31/2018 (R$ thousand)	
a. Body	**Statutory Executive Board**
b. number of members	8.25
c. number of paid members	5
d. in relation to the exercised options inform:	
i. number of shares	56,209
ii. weighted average exercise price	20.01
iii. total value of the difference between the exercise value and the market value of the shares related to the exercised options	-
e. in relation to the delivered shares inform:	
i. number of shares	N/A
ii. weighted average purchase price	N/A
iii. total value of the difference between the acquisition value and the market value of the acquired shares	N/A

EXERCISED OPTIONS AND SHARES DELIVERED FOR THE YEAR ENDED IN 12/31/2019 (R$ thousand)	
a. Body	**Statutory Executive Board**
b. number of members	9.33
c. number of paid members	5
d. in relation to the exercised options inform:	
i. number of shares	47,024
ii. weighted average exercise price	20,01
iii. total value of the difference between the exercise value and the market value of the shares related to the exercised options	-
e. in relation to the delivered shares inform:	
i. number of shares	N/A
ii. weighted average purchase price	N/A
iii. total value of the difference between the acquisition value and the market value of the acquired shares	N/A

EXERCISED OPTIONS AND SHARES DELIVERED FOR THE YEAR ENDED IN 12/31/2020 (R$ thousand)	
a. Body	**Statutory Executive Board**
b. number of members	8.17
c. number of paid members	3.00
d. in relation to the exercised options inform:	
i. number of shares	29,606
ii. weighted average exercise price	20.01

iii. total value of the difference between the exercise value and the market value of the shares related to the exercised options	-
e. in relation to the delivered shares inform:	
i. number of shares	N/A
ii. weighted average purchase price	N/A
iii. total value of the difference between the acquisition value and the market value of the acquired shares	N/A

13.8 Necessary information for the understanding of the data disclosed in items 13.5 to 13.7, such as the explanation of the pricing method for the value of shares and options

a) pricing model

For the granting of phantom stocks, the initial value that was considered was the result of CPFL Energia's valuation, divided by the number of shares available in the market.

For subsequent settlement of phantom stocks (award after the grace period), the price to be considered is CPFL's share price, calculated as the weighted average (volume) of the price of the share in the last 45 trading sessions counted from the last business day of December of the year preceding the year of conversion, in addition to the dividends distributed in the period, proportional to the number of phantom stocks.

The plan was frozen at the share price of December 31, 2016, the exercisable balance was fully settled in 2017, and the outstanding balance will be updated by SELIC up to the first date each installment becomes exercisable. There were no new grants during the 2018, 2019 and 2020 fiscal years, as well as no new grants are expected for the 2021 fiscal year.

b) data and assumptions used in the pricing model, including weighted average stock price, exercise price, expected volatility, option life frame, expected dividends, and risk-free interest rate

Information on average prices was disclosed in the previous items. The price of the option will only be determined when the vesting deadline is reached, and 1/3 of the grant becomes exercisable as of the second year, 1/3 as of the third year and 1/3 in the fourth year after the grant. The other items are not applicable to the stock-based LTI model applied by the Group.

c) method used and the assumptions assumed to incorporate the expected effects of the anticipated exercise

There is expectation of anticipated exercise in the stock-based LTI model applied by the Group.

d) determination of expected volatility

Not applicable in the stock-based LTI model applied by the Group, considering that the volatility of the shares was not considered in the calculation to determine the value of the bonus.

e) e) if any other characteristic of the option has been incorporated into the measurement of its fair value

There are no other characteristics of the options incorporated in the measurement of its value.

13.9 Report the amount of shares or quotas directly or indirectly held, in Brazil or abroad, and other securities convertible into shares or quotas issued by the issuer, its direct or indirect controlling shareholders, controlled or under common control companies, by members of the board of directors, of the statutory executive board or of the fiscal council, grouped by body

SECURITIES ISSUE BY CPFL ENERGIA - 12/31/2020			
Body	**Common stock**		
	Directly	**Indirectly**	**Total**
Statutory Executive Board	500	-	500
Board of Directors	101,600	-	101,600
Fiscal Council	-	-	-

13.10 Existing pension plans granted to members of the board of directors and statutory executive board

Only statutory officers have pension plans. The members of the Fiscal Council and of the Board of Directors do not enjoy this benefit.

a. Body	**Statutory Executive Board**	
b. Number of members	9.00	
c. Number of paid members	4	4
d. Plan name	PGBL Bradesco	PGBL Bradesco
e. Number of officers who meet the conditions to retire	-	-
f. Conditions for early retirement	There is not	There is not
g. Updated amount of accumulated contributions in the pension plan until the end of the last fiscal year, discounting the portion related to contributions made directly by the officers	2,025	2,025
h. Total accumulated amount of contributions made during the last fiscal year, discounting the portion related to contributions made directly by the officers*	R$ 464	R$ 464
i. If there is the possibility of early redemption and what conditions	The amount referring to the participant's share may be redeemed at any time, however the redemption of the company share follows the rules established in the contract (vesting clause).	

** values already monetarily updated.*

13.11 Remuneration of the members of the board of directors, the statutory executive board, and the fiscal council

TOTAL REMUNERATION RECOGNIZED FOR THE FISCAL YEAR 2018 (R$ thousand)			
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
b. Total number of members	7.00 members	4.50 members	8.25 members
c. Number of paid members	2.00 members	1.67members	7.67 members
d. amount of highest individual remuneration	308	206	8,280
e. amount of the lowest individual remuneration	306	77	231
f. average amount of individual remuneration	307	169	3,743
g. observations	The amounts reported in this item correspond to all compensation installments presented in item 13.2, including social charges. The amount of the highest annual remuneration corresponds to 12 months of the function for the Board of Directors, 12 months for the Fiscal Council, and 12 months for the Statutory Executive Board. The amount of the lowest annual remuneration considers only the members who have held the function for 12 months. Amount of the lowest individual remuneration does not include members active for less than 12 months, in the Fiscal Council. It should be emphasized that part of the Company's officers received remuneration from controlled companies, so, the presented amount of the lowest remuneration does not consider the amounts disclosed in item 13.15 of this Reference Form.		

TOTAL REMUNERATION RECOGNIZED FOR THE FISCAL YEAR 2019 (R$ thousand)			
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
b. Total number of members	8.33 members	3.00 members	9.33 members
c. Number of paid members	2.50 members	2.00members	6.75 members
d. amount of highest individual remuneration	310	152	8,484
e. amount of the lowest individual remuneration	166	67	419
f. average amount of individual remuneration	256	111	4,922
g. observations	The amounts reported in this item correspond to all compensation installments presented in item 13.2, including social charges. The amount of the highest annual remuneration corresponds to 12 months of the function for the Board of Directors, 12 months for the Fiscal Council, and 12 months for the Statutory Executive Board. The amount of the lowest annual remuneration considers only the members who have held the function for 12 months. The amount of the lowest individual remuneration does not include members active for less than 12 months, in the Fiscal Council. It should be emphasized that part of the Company's officers received remuneration from controlled companies, so, the presented amount of the lowest remuneration does not consider the amounts disclosed in item 13.15 of this Reference Form.		

TOTAL REMUNERATION RECOGNIZED FOR THE FISCAL YEAR 2020 (R$ thousand)			
a. Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
b. Total number of members	7.00	3.00	9.00

c. Number of paid members	3.00	1.58	8.17
d. amount of highest individual remuneration	329	222	8,655
e. amount of the lowest individual remuneration	196	20	173
f. average amount of individual remuneration	285	182	3,528
g. observations	The amounts reported in this item correspond to all the portions of remuneration presented in item 13.2, including charges. The amount of the highest annual remuneration corresponds to 12 months of exercise of the function for the Board of Directors, for the Fiscal Council, and for the Statutory Executive Board. Value of the lowest annual remuneration corresponds to 12 months of exercise of the function in the statutory board. Value of the lowest individual remuneration considers an active member for 5 months in the Fiscal Council. It is noteworthy that part of the Company's executive officers receive remuneration for subsidiaries, therefore, the amount of the lowest remuneration presented does not consider the amounts disclosed in item 13.15 of this Reference Form.		

13.12 Description of contractual arrangements, insurance policies or other instruments that structure compensation or indemnity mechanisms for the administrators in the event of removal from office or retirement, as well as the financial consequences for the issuer

The LTI Norm which establishes the guidelines for LTI programs defines the treatment to be given to the exercise of the Virtual Units of Value ("VUVs") convertible (post-vesting) and non-convertible (pre-vesting), in the event of the removal of any of the Company's Executives:

Event	Non-exercisable Phantom stocks ("*unvested*")	Exercisable phantom stocks ("*vested*")
Voluntary Termination by the Executive	Phantom stocks are cancelled	Phantom stocks may be converted, as long as previously approved by the PMC - People Management Committee and within 30 days of the announcement of the termination.
Termination for Just Cause	Phantom stocks are cancelled	
Unilateral termination at the initiative of the company, without Just Cause, anticipated or at the End of Contract without renewal.	Phantom stocks are cancelled	Phantom stocks may be converted as long as the intention of conversion is manifested within 30 days of the termination, informing the People Management Committee.
Death or Retirement by Permanent Disability	The grace period will be anticipated, and phantom stocks will be paid to dependents based on the last conversion amount determined.	Phantom stocks will be converted based on the last calculated conversion value and paid to dependents.

In the event [the termination] occurs before the end of the term of office, by the Company's initiative, the Statutory Officer(s) shall be entitled to:

- full fees for the month of the termination;
- 13th month remuneration proportional to the number of months worked in the year;
- 1 monthly remuneration, by way of Notice; and
- indemnification of convertible installments of the Long-Term Incentive - LTI.

It is guaranteed to the administrator, in addition to the other rights, the payment of a special and exclusive indemnity, corresponding to the amount of 06 (six) monthly remunerations, if there are significant changes of the shareholders that make up the majority control block of the company, which results in:

i) termination of the position, object of the Contracting Instrument for Administration;
ii) unilateral termination by the Board of Directors; and
iii) changes in working conditions, analogous to an indirect termination of employment contract, as provided for in Article 483 of the Consolidation of Labor Laws ("CLT"), or that makes the performance of the position less attractive, such as: remuneration, benefits, functions, attributions, authority, or responsibilities. In this case, the administrator may terminate the Contracting Instrument for Administration, being entitled to the indemnification established herein.

Plan in force as of 2017

The LTI Norm which establishes the guidelines for LTI programs defines the treatment to be given to the Incentive in the event of the removal of any of the Company's Executives:

If the Beneficiary is terminated by the initiative of the Company or its Subsidiaries, without just cause, the beneficiary's right to the Incentive will be defined as follows:

(a) if occurred during the first year of the vesting period: the beneficiary will not be eligible for any amount relating to the Incentive;
(b) if it occurred between the first and second years of the vesting period: the beneficiary will be entitled to 50% of the value of the Incentive to which he would be entitled if he had remained until the end of the *vesting period*;
(c) if it occurred between the second and third years of the vesting period: the beneficiary shall be entitled to 100% of the value of the Incentive to which he would have been entitled if he had remained until the end of the *vesting period*.

If the beneficiary is terminated on its own initiative; or at the initiative of the Company or its Subsidiaries with just cause, the beneficiary will not be entitled to any amount related to the Incentive.

In case of death or permanent disability of the beneficiary, the 3-year vesting period will be anticipated to the time of the occurrence of the event and the payment of the Incentive will be made on a date to be stipulated by the Company's Board of Directors.

13.13 In relation to the last 3 fiscal years, indicate the percentage of the total remuneration of each body recognized in the result of the issuer, referring to members of the board of directors, statutory executive board or fiscal council that are related parties to the controlling shareholders, direct or indirect, as defined by the accounting rules that deal with this matter.

FINANCIAL YEAR 2018			
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
Percentage of total remuneration	0%	100%	-

FINANCIAL YEAR 2019			
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
Percentage of total remuneration	62%	100%	-

FINANCIAL YEAR 2020			
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**
Percentage of total remuneration	77%	100%	-

13.14 In relation to the last 3 fiscal years, Amounts recognized in the result of the issuer as remuneration of members of the board of directors, statutory executive board, or fiscal council, grouped by body, for any reason other than the function they occupy, such as commissions and consulting or advisory services provided.

There was no payment of any remuneration, in the last three fiscal years, to members of the Board of Directors, the Fiscal Council or the Executive Board for any reason other than the function they occupy in the Company.

13.15 In relation to the last 3 fiscal years, amounts recognized in the results of direct or indirect controlling shareholders, of companies under common control and subsidiaries of the issuer, as remuneration of members of the board of directors, statutory executive board, or fiscal council of the issuer, grouped by body, specifying to what title such values were paid to such individuals

2018 FISCAL Year(1) – OTHER REMUNERATION RECEIVED, SPECIFYING TO WHAT TITLE THEY WERE PAID				
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**Total**
	(In R$ thousand)			
Direct and indirect controllers	-	-	-	-
Issuer's subsidiaries	-	-	9,143	9,143
Companies under common control	-	-	-	-

(1) Remuneration as executive pay. The amount includes all charges and provisions to account for the accruals for the fiscal year.

2018 FISCAL YEAR - REMUNERATION RECEIVED AS COMPENSATION FOR THE EXERCISE OF THEIR POSITION IN THE ISSUER				
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**Total**
	(In R$ thousand)			
Direct and indirect controllers	-	-	-	-
Issuer's subsidiaries	-	-	-	-
Companies under common control	-	-	-	-

2019 FISCAL YEAR (1) – OTHER REMUNERATION RECEIVED, SPECIFYING TO WHAT TITLE THEY WERE PAID				
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**Total**
	(In R$ thousand)			
Direct and indirect controllers	-	-	-	-
Issuer's subsidiaries	-	-	4,028	4,028
Companies under common control	-	-	-	-

(1) Remuneration as an honorary fee. The amount includes all charges and provisions to account for the accruals for the fiscal year.

2019 FISCAL YEAR - REMUNERATION RECEIVED AS COMPENSATION FOR THE EXERCISE OF THEIR POSITION IN THE ISSUER				
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**Total**
	(In R$ thousand)			
Direct and indirect controllers	-	-	-	-
Issuer's subsidiaries	-	-	-	-
Companies under common control	-	-	-	-

2020 FISCAL YEAR [1] – OTHER REMUNERATION RECEIVED, SPECIFYING TO WHAT TITLE THEY WERE PAID				
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**Total**
	(In R$ thousand)			
Direct and indirect controllers	-	-	-	-
Issuer's subsidiaries	-	-	6,357	6,357
Companies under common control	-	-	-	-

(1) Remuneration as an honorary fee. The amount includes all charges and provisions to account for the accruals for the fiscal year.

2020 - REMUNERATION RECEIVED AS COMPENSATION FOR THE EXERCISE OF THEIR POSITION IN THE ISSUER				
Body	**Board of Directors**	**Fiscal Council**	**Statutory Executive Board**	**Total**
	(In R$ thousand)			
Direct and indirect controllers	-	-	-	-
Issuer's subsidiaries	-	-	-	-
Companies under common control	-	-	-	-

13.16 Provide other information that the issuer deems relevant.

The number of members of the Company's Board of Directors, Fiscal Council and Statutory Executive Board were calculated in accordance with the provisions of item 10.2.13.b of the Circular Letter/CVM/SEP/No. 02/2020, as detailed in the spreadsheets below, for each fiscal year:

FISCAL YEAR ENDED DECEMBER 31, 2020												
Month	**Jan**	**Feb**	**Mar**	**Apr**	**Mai**	**Jun**	**Jul**	**Aug**	**Set**	**Oct**	**Nov**	**Dec**
Board of Directors	9	9	9	9	9	9	9	7	7	7	7	7
Fiscal Council	2	2	2	2	2	2	3	3	3	3	3	3
Statutory Executive Board	9	9	9	9	9	9	9	9	9	9	9	9

FISCAL YEAR ENDED DECEMBER 31, 2019												
Month	**Jan**	**Feb**	**Mar**	**Apr**	**Mai**	**Jun**	**Jul**	**Aug**	**Set**	**Oct**	**Nov**	**Dec**
Board of Directors	7	7	7	7	9	9	9	9	9	9	9	9
Fiscal Council	3	3	3	3	3	3	3	3	3	3	3	3
Statutory Executive Board	8	9	9	9	9	9	9	10	10	10	10	10

FISCAL YEAR ENDED DECEMBER 31, 2018												
Month	**Jan**	**Feb**	**Mar**	**Apr**	**Mai**	**Jun**	**Jul**	**Aug**	**Set**	**Oct**	**Nov**	**Dec**
Board of Directors	7	7	7	7	7	7	7	7	7	7	7	7
Fiscal Council	3	3	3	3	3	3	3	3	3	3	3	3
Statutory Executive Board	8	8	8	8	8	8	8	8	8	9	9	9

At the Ordinary and Extraordinary General Meeting of July 27,2020, the amount of up to R $ 36,285,186.40 (thirty-six million, two hundred and eighty-five thousand, one hundred and eighty-six reais and forty cents) was approved, as the remuneration to be distributed to the members of the Board of Directors and the Executive Board. However, in the period from May 2020 to April 2021, the amount corresponding to the remuneration of the members of the Board of Directors and the Executive Board corresponding to R $ 24,788,383.80 (twenty-four million, seven hundred and eighty) was actually realized and eight thousand, three hundred and eighty-three reais and eighty cents). The difference between the amount initially proposed and the amount actually realized was mainly due to vacant positions in the Executive Board.

14. Human resources

14.1 Describe the issuer's human resources, providing the following information:

a) number of employees (total, by groups based on the activity performed and by geographical location)

The number of employees disclosed below comprises all CPFL Energia subsidiaries, which are consolidated for the purpose of presenting the Consolidated Financial Statements of the Company:

Geographic location	Activity Performed	Number of Employees 2020	Number of Employees 2019	Number of Employees 2018
Bahia	Renewable Energy Generation	6	2	0
	Corporate	0	4	0
	Total Bahia	**6**	**6**	**0**
Ceará	Renewable Energy Generation	93	5	14
	Corporate	13	0	0
	Total Ceará	**106**	**5**	**14**
Distrito Federal	Corporate	0	0	1
	Total Distrito Federal	**0**	**0**	**1**
Minas Gerais	Distribution	6	6	6
	Renewable Energy Generation	24	12	0
	Corporate	2	0	0
	Total Minas Gerais	**32**	**18**	**6**
Mato Grosso	Renewable Energy Generation	8	8	0
	Corporate	1	1	0
	Total Mato Grosso	**9**	**9**	**0**
Paraná	Distribution	14	13	15
	Renewable Energy Generation	5	1	0
	Total Paraná	**19**	**14**	**15**
Pernanbuco	Commercialization	0	0	1
	Total Pernambuco	**0**	**0**	**1**
Rio Grande do Norte	Renewable Energy Generation	34	23	0
	Corporate	7	6	0
	Total Rio Grande do Norte	**41**	**29**	**0**
Rio Grande do Sul	Distribution	3,256	3,255	3,362
	Services	35	42	36
	Corporate	336	347	332
	Generation	42	46	45
	Renewable Energy Generation	11	9	5
	Total Rio Grande do Sul	**3,680**	**3,699**	**3,780**
Santa Catarina	Generation	2	2	0
	Renewable Energy Generation	14	7	1
	Corporate	3	1	0
	Total Santa Catarina	**19**	**10**	**1**
São Paulo	Distribution	3,784	3,795	3,918
	Services	3,986	3,645	3,666
	Commercialization	55	52	54
	Corporate	1,689	1,740	1,460
	Generation	19	45	40
	Renewable Energy Generation	160	233	421
	Total São Paulo	**9,693**	**9,510**	**9,559**
Total Geral	**Total Geral**	**13,605**	**13,300**	**13,377**

b) number of outsourced third parties (total, by groups based on the activity performed and by geographical location)

Our companies outsource some activities inherent to the concession of public electricity service and other activities, through a service contract measured in units by activities. Thus, there is no control of people involved and neither the quantitative control of man/hour (Mh).

c) turnover rate

The turnover rate was 13.5% in 2020, 16.9% in 2019 and 16.2% in 2018.

14.2 Comment on any relevant changes that occurred in relation to the numbers disclosed in item 14.1 above.

There were no relevant changes in relation to the numbers disclosed in the previous item that are not aligned with the way the Company conducts business.

14.3 Describe the compensation policies of the issuer's employees, stating:

a) policy of salaries and variable remuneration

Salaries are defined according to the evaluation of market-aligned positions based on periodic salary surveys. Salary increases are, 15% per year, at the most; and increases due to promotions (move to better valued positions) are, 25% at the most. Both processes cannot occur in periods of less than 12 months. Exceptions to the rules are forwarded for the approval of the Vice President or of the President of the subsidiary of the area.

In accordance with the legislation and with the Company's remuneration policy, employees are eligible for the profit sharing program. The amounts, indicators and targets are established in collective bargaining agreements ("PLR") for each company of the Group. The renewal of these PLR agreements follows a specific timetable considering the validity period of each agreement.

b) benefits policy

The benefits offered to our employees are aligned with the best practices of the labor market, as well as with the labor legislation, and they are:

- ✓ Medical-Hospital Care, employee, and dependents;
- ✓ Dental Care, employee, and dependents;
- ✓ Private Pension Plan (except Service Center, CPFL Atende and CPFL Total);
- ✓ Profit sharing, according to the collective labor agreement signed by each company with their respective union;
- ✓ Meal voucher and/or Food Assistance;
- ✓ Daycare Assistance;
- ✓ Transportation voucher and/or Chartered Bus (chartered bus at localities that have the service available);
- ✓ Life Insurance (100% CPFL Group);
- ✓ Corporate Credit Card (Directors and Executives);
- ✓ Tribute for time of service;
- ✓ End of Year programs (toys and school supplies to eligible dependents);
- ✓ Christmas voucher
- ✓ Parking space at the Home Office and Regional Offices (within the limitation of available spaces);
- ✓ Vehicle - (Officers above);
- ✓ Medical Check-Up - (Managers above);
- ✓ Annual Influenza Vaccination Campaign;
- ✓ Vacation Bonus (except CPFL Services, Service center, CPFL Total, CPFL Efficiency and Authi);
- ✓ Transfer Policy;
- ✓ Professional Requalification (except CPFL Serviços, CPFL Atende, Service center, CPFL Total, CPFL Eficiência);
- ✓ Payroll linked Personal Loan;
- ✓ Quality of Life Programs: Talk To Me Program (Psychosocial Support), Labor Gymnastics (major locations), Gympass Program (nationwide network of fitness and sports centers), Running Group, Sports Workshops (Campinas Home Office), participation in Sesi Games, Futsal Championship (Campinas Home Office), "Caminhada Agita" (incentive to quality of life), celebration of world day combating sedentary lifestyle (largest localities);

c) characteristics of the remuneration plans based on activities of non-management employees, identifying

Not applicable because there are no compensation plans based on activities of non-management employees.

14.4 Describe the relations between the issuer and the unions, indicating whether there have been work stoppages and strikes in the last 3 social exercises

The CPFL Group maintains a relationship with 39 unions, recognizing them as the legal and legitimate representatives of employees for the referral of their claims.

The collective instruments concluded with these trade unions represent for CPFL, the fundamental instrument to govern the labor relations and their provisions will be fully complied with during the period of their validity.

The Group considers it indispensable for the healthy development of relations with trade unions, the permanent mutual respect between the parties and the frankness in the procedures, ensuring total impartiality, whatever the trade union entity. The Group believes that it maintains good relations with the unions representing its employees, evidenced by the fact that we have not had any strike that has materially affected the Group's operations in the last 30 years. In the last 05 fiscal years we had at CPFL Piratininga, with the Unions of Urbanitarians of Santos and Electricians of São Paulo, at CPFL Santa Cruz, with the Union of Electricians of Ipaussu, and in the last fiscal year of 2017, at CPFL Paulista, Brasil and Geração, with the Union of Electricians of Campinas, mobilizations that were triggered within a natural negotiation process, that did not bring material losses to the Company or compromised the essentiality of its service provision.

The Group guarantees to its employees, free union membership, in accordance with Article 8 of the Federal Constitution.

Currently, the Group has collective agreement instruments with the unions listed below:

1. STIEEC - Union of workers in the electricity industry of Campinas
2. SEESP - Union of engineers in the state of São Paulo
3. SINTEC - Union of mid-level industrial technicians in the state of São Paulo
4. SINDLUZ - Union of workers in the services of wiring, traction, light, and power of Araraquara
5. SINDLUZ - Union of employees in the generation, transmission, and distribution of electricity in the municipality of Bauru
6. SINDLUZ - Union of employees in the generation, transmission, and distribution of electricity in the municipality of Ribeirão Preto
7. SINDLUZ - Union of employees in the generation, transmission, and distribution of electricity in the municipality of São José do Rio Preto
8. SINTIUS - Union of workers in the urban industries of Santos, Baixada Santista, Litoral Sul and Vale do Ribeira
9. STIEESP - Union of workers in the electricity industry of São Paulo
10. SINIPAUC - Workers' union in the Ipaussu hydroelectric power industry
11. SINDERGEL - Union of employees in the generation, transmission, and distribution of electricity companies in the municipality of Mococa
12. SINDSUL - Union of electricians in southern Minas Gerais
13. SENERGISUL - Union of active employees, retirees and pensioners, the generation, transmission and distribution of electricity or related companies in the state of Rio Grande do Sul, and assisted by private security foundations, originated in the electricity sector
14. SENGE - Union of engineers in Rio Grande do Sul
15. SEAAC - Union of employees and advisory companies of Campinas
16. SEMAPI - RS Union of Employees in the Advisory, Evaluation, Information and Research companies and State Foundations
17. SINTETEL - Union of workers in telecommunications companies, desk telephone operators, in the state of São Paulo
18. SCONTMOC - Union of workers in the furniture construction and industrial assembly industries of Mococa and region
19. STICMS - Union of workers in the furniture construction and industrial assembly industries of Salto and region

20. STCOMCIR - Union of workers in the furniture construction and industrial assembly industries of Itapetininga and region
21. SCOTRUCA - Union of workers in the furniture construction and industrial assembly industries of Bauru and region
22. SITRACOM - Union of workers in the furniture construction and industrial assembly industries of Marília and region
23. SINDSOR - Union of workers in the furniture construction and industrial assembly industries of Sorocaba and region
24. STCOMBTU - Union of workers in the furniture construction and industrial assembly industries of Botucatu and region
25. SINTICOM - Union of workers in the furniture construction and industrial assembly industries of Campinas and region
26. STICM - Union of workers in the furniture construction and industrial assembly industries of Jundiaí and region
27. STICOMPI- Union of workers in the furniture construction and industrial assembly industries of Piracicaba and region
28. CTFRANCA - Union of workers in the furniture construction and industrial assembly industries of Franca and region
29. SINDARAC - Union of workers in the furniture construction and industrial assembly industries of Araçatuba and region
30. STICMA - Union of workers in the furniture construction and industrial assembly industries of Araraquara and region
31. STRICOMO - Union of workers in the furniture construction and industrial assembly industries of Ourinhos and region
32. FETICOM - Federation of construction and furniture workers in the state of São Paulo
33. FSCM – Federation of workers in the construction, furniture, and wood industry of CUT, in the state of São Paulo
34. CTRIBEIR - Union of workers in the Construction Industries, Tiles, Hydraulics, and Marble, Cement and Granites products of Ribeirão Preto.
35. CTRIOPRE - Union of workers in the Construction and Furniture Industries of São José do Rio Preto
36. CT JAÚ - Union of workers in the construction and furniture industry of Jaú
37. SENALBA - Union of employees in cultural, recreational, social assistance, guidance, and professional training entities in the state of São Paulo.
38. SINDELETRO - Union of Electricians of Ceará
39. SINTERN - Union of Electricians of Rio Grande do Norte

14.5 Provide other information that the issuer deems relevant.

The Company informs that it does not have a specific policy regarding the activities of the human resources department.

All human resources information has been disclosed in items 14.1 to 14.4 of this Reference Form.

15. Control and economic group
15.1 Identify the shareholder or group of controlling shareholders, indicating in relation to each of them:

SHAREHOLDING COMPOSITION									Trim/Year: 4Q2020	
CPFL ENERGIA S/A									Per unit of shares	
	TABLE 1 - Company: CPFL Energia S.A.	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**964,521,902**	**83.707%**	**100.00%**	**-**	**0.00%**	**0.00%**	**964,521,902**	**83.71%**
1.1	Esc Energia S.A.	15.146.011/0001-51	234,086,204	20.315%	100.00%	-	0.00%	0.00%	234,086,204	20.32%
1.2	State Grid Brazil Power Participações S.A.	26.002.119/0001-97	730,435,698	63.392%	100.00%	-	0.00%	0.00%	730,435,698	63.39%
	Non-Controllers		**187,732,538**	**16.2838%**	**100.00%**	**-**	**0.00%**	**0.00%**	**187,732,538**	**16.2838%**
1.3	Members of the Board of Directors		102,100	0.0089%	100.00%	-	0.00%	0.00%	102,100 -	0.0089%
1.4	Members of the Executive Board		-	0.0000%	100.00%	-	0.00%	0.00%	-	0.0000%
1.5	Other Shareholders		187,630,438	16.2838%	100.00%	-	0.00%	0.00%	187,630,438	16.2838%
	Total		**1,152,254,440**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1,152,254,440**	**100.00%**
	TABLE 2 - Company: 1.1 ESC Energia S.A.	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**1,042,392,615**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1,042,392,615**	**100.00%**
1.1.1	State Grid Brazil Power Participações S.A.	26.002.119/0001-97	1,042,392,615	100.000%	100.00%	-	0.00%	0.00%	1,042,392,615	100.00%
	Non-Controllers		**-**	**0.000%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**
1.1.2	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**1,042,392,615**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1,042,392,615**	**100.00%**
	TABLE 3 - Company: 1.2 State Grid Brazil Power Participações S.A.	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**

	Controllers		**29,165,194,229**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**29,165,194,229**	**100.00%**
1.2.1	International Grid Holdings Limited	11.823.391/0001-60	29,165,194,229	100.000%	100.00%	-	0.00%	0.00%	29,165,194,229	100.00%
	Non-Controllers		**1**	**0.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1**	**0.00%**
1.2.2	Top View Grid Investment Limited	11.823.389/0001-91	1	0.000%	100.00%	-	0.00%	0.00%	1	0.00%
1.2.3	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**29,165,194,230**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**29,165,194,230**	**100.00%**
	TABLE 4 - Company: 1.2.1 International Grid Holdings Limited	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**1**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1**	**100.00%**
1.2.1.1	State Grid International Development Limited	12.906.328/0001-50	1	100.000%	100.00%	-	0.00%	0.00%	1	100.00%
	Non-Controllers		**-**	**0.000%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**
1.2.1.2	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**1**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1**	**100.00%**
	TABLE 5 - Company: 1.2.2 Top View Grid Investment Limited	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**1**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1**	**100.00%**
1.2.2.1	State Grid International Development Limited	12.906.328/0001-50	1	100.000%	100.00%	-	0.00%	0.00%	1	100.00%
	Non-Controllers		**-**	**0.000%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**
1.2.2.2	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**1**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**1**	**100.00%**
	TABLE 6 - Company: 1.2.1.1 State Grid International Development Limited	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**21,429,327,845**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**21,429,327,845**	**21.32%**
1.2.1.1.1	State Grid International Development Co., Ltd	18.022.960/0001-18	21,429,327,845	100.000%	100.00%	-	0.00%	0.00%	21,429,327,845	21.32%
	Non-Controllers		**-**	**0.000%**	**0.00%**	**79,091,019,116**	**100.00%**	**100.00%**	**79,091,019,116**	**78.68%**

1.2.1.1.2	State Grid Overseas Investment Ltd		-	0.000%	0.00%	79,091,019,116	100.00%	100.00%	79,091,019,116	78.68%
1.2.1.1.3	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**21,429,327,845**	**100.000%**	**21.32%**	**79,091,019,116**	**100.00%**	**78.68%**	**100,520,346,961**	**100.00%**
	TABLE 7 - Company: 1.2.1.1.1 State Grid International Development Co., Ltd	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**7,131,288,000**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**7,131,288,000**	**100.00%**
1.2.1.1.1.1	State Grid Corporation of China		7,131,288,000	100.000%	100.00%	-	0.00%	0.00%	7,131,288,000	100.00%
	Non-Controllers		**-**	**0.000%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**
1.2.1.1.1.2	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**7,131,288,000**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**7,131,288,000**	**100.00%**
	TABLE 8 Company: 1.2.1.1.2 State Grid Overseas Investment Ltd	**CNPJ or CPF**	**QUOTAS / SHARES ON**	**% ON**	**% Total**	**PN SHARES**	**% PN**	**% Total**	**TOTAL**	**% Total**
	Controllers		**100**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**100**	**100.00%**
1.2.1.1.2.1	State Grid Corporation of China		100	100.000%	100.00%	-	0.00%	0.00%	100	100.00%
	Non-Controllers		**-**	**0.000%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**
1.2.1.1.2.2	Other Shareholders		-	0.000%	0.00%	-	0.00%	0.00%	-	0.00%
	Total		**100**	**100.000%**	**100.00%**	**-**	**0.00%**	**0.00%**	**100**	**100.00%**

15.2 In a table form, list containing the information below about shareholders, or groups of shareholders that act together or represent the same interest, with a stake equal to or greater than 5% of the same class or type of shares and that are not listed in item 15.1:

We have listed shareholders, or groups of shareholders who act together or represent the same interest, with a stake equal to or greater than 5% of the same class or type of shares, in the table presented in item 15.1 of this Reference Form.

15.3 In a table form, describe the distribution of capital, as determined at the last general meeting of shareholders:

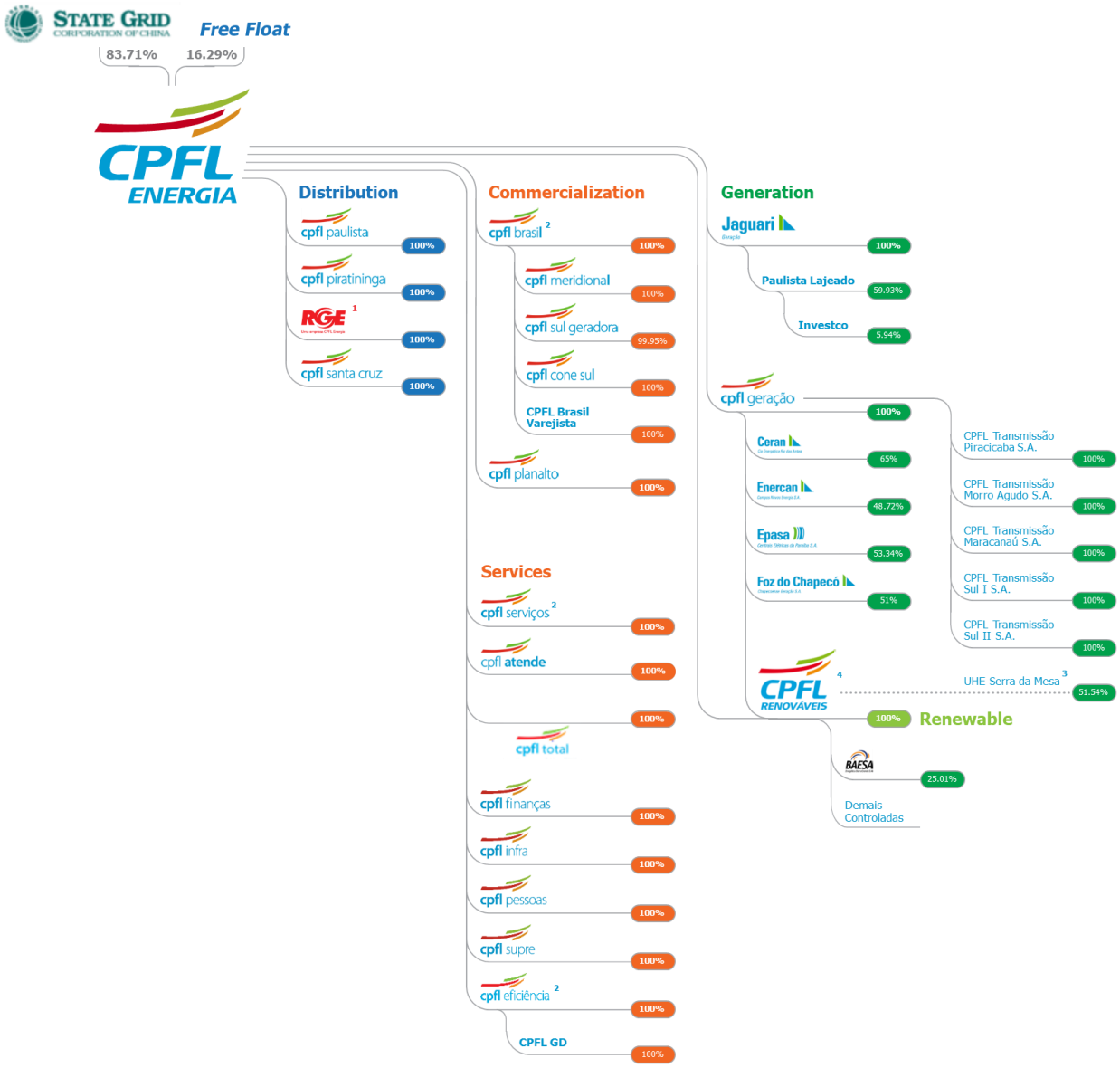
Position on April 30, 2021 (*):

Custody Bank of Brazil and B3	Number of Shareholders
a) Individuals	26,667
b) Legal entities	4,825
c) Institutional	1,100

d) number of outstanding shares, by class and species

The total common shares held by the controlling shareholders and administrators, on April 30, 2021, it is 964,521,902(83.71%) remaining, therefore 187,732,538(16.29%) common shares in circulation.

15.4 Insert the shareholders organization chart of the of the issuer and the economic group in which it is inserted, indicating:



Reference date: 12/31/2020
Notes:
(1) RGE is held by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%);
(2) CPFL Soluções = CPFL Brasil + CPFL Serviços + CPFL Eficiência;
(3) 51.54% stake of the availability of power and energy of Serra da Mesa HPP, regarding the Power Purchase Agreement between CPFL Renováveis and Furnas;
(4) CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);
(5) Alesta is framed in the "Others" segment. To facilitate the visualization and for having incorporated CPFL Total shares, it is presented in the "Services" segment

The Company informs that the organization chart presented here has an example list of the companies of CPFL Group. The companies of the CPFL Group described in full are in item 15.4. (e) below.

a) all direct and indirect controllers;

The Company has as direct controlling shareholder the company State Grid Brazil Power Participações S.A. ("SGBP"), a company controlled by State Grid Corporate of China ("SGCC"). SGCC is a state-owned company owned by the government of the People's Republic of China, founded in 2002.

More information about the Company's shareholding composition, as well as the indication of all our direct and indirect controlling shareholders, see items 15.1 and 15.2 of this Reference Form.

b) main subsidiaries and affiliates of the issuer;

We present below the subsidiaries of CPFL Energia, by segment of operation, on December 31, 2020:

Distributors

- ✓ Companhia Paulista de Força e Luz – CPFL Paulista
- ✓ Companhia Piratininga de Força e Luz – CPFL Piratininga
- ✓ Companhia Jaguari de Energia – CPFL Santa Cruz
- ✓ RGE Sul Distribuidora de Energia S.A. – RGE

Generators and Transmitters

- ✓ CPFL Geração de Energia S.A. – CPFL Geração
- ✓ Paulista Lajeado Energia S.A. – Paulista Lajeado
- ✓ Companhia Energética Rio das Antas – CERAN
- ✓ Energética Barra Grande S.A. – BAESA (jointly controlled)
- ✓ Campos Novos Energia S.A. – ENERCAN (jointly controlled)
- ✓ Foz do Chapecó Energia S.A. (jointly controlled)
- ✓ Centrais Elétricas da Paraíba S.A. – EPASA (jointly controlled)
- ✓ CPFL Energias Renováveis S.A. – CPFL Renováveis (CPFL Renováveis' subsidiaries can be checked in its Reference Form)
- ✓ CPFL Transmissão de Energia Piracicaba Ltda. – CPFL Piracicaba
- ✓ CPFL Transmissão de Energia Morro Agudo Ltda. – CPFL Morro Agudo
- ✓ CPFL Transmissão de Energia Maracanaú Ltda. – CPFL Maracanaú
- ✓ CPFL Transmissão de Energia Sul I Ltda. – CPFL Sul I[1]
- ✓ CPFL Transmissão de Energia Sul II Ltda. – CPFL Sul II[1]

[1] Companies incorporated in March 2019.

Commercial Companies

- ✓ CPFL Comercialização Brasil S.A. – CPFL Brasil
- ✓ Clion Assessoria e Comercialização de Energia Elétrica Ltda. – CPFL Meridional
- ✓ CPFL Comercialização Cone Sul Ltda. – CPFL Cone Sul
- ✓ CPFL Planalto Ltda. – CPFL Planalto
- ✓ CPFL Brasil Varejista Ltda. – CPFL Brasil Varejista

Services

- ✓ CPFL Serviços, Equipamentos, Indústria e Comércio S.A. – CPFL Serviços
- ✓ CPFL Atende Centro de Contratos e Atendimento Ltda. – CPFL Atende
- ✓ NECT Serviços Administrativos de Suprimentos e Logística Ltda. – CPFL Supre
- ✓ NECT Serviços Administrativos Financeiros Ltda. – CPFL Finanças
- ✓ NECT Serviços Administrativos de Recursos Humanos Ltda. – CPFL Pessoas
- ✓ NECT Serviços Administrativos de Infraestrutura Ltda. – CPFL Infra
- ✓ CPFL Total Serviços Administrativos Ltda. – CPFL Total
- ✓ CPFL Eficiência Energética Ltda. – CPFL Eficiência
- ✓ TI Nect Serviços de Informática Ltda. – Authi
- ✓ CPFL Geração Distrubuída de Energia Ltda. – CPFL GD

Other

- ✓ CPFL Jaguari de Geração de Energia Ltda. – CPFL Jaguari Geração
- ✓ Chapecoense Geração S.A – Chapecoense (jointly controlled)
- ✓ Sul Geradora Participações S.A. – Sul Geradora
- ✓ CPFL Telecomunicações Ltda. – CPFL Telecom
- ✓ FINERGY Sociedade DE Crédito Direto S.A - Finergy

c) shares of the issuer in companies of the group;

Energy distribution	Company type	Equity interest	Location (state)	Number of municipalities	Approximate number of consumers (in thousands)	Concession period	End of the concession
Companhia Paulista de Força e Luz ("CPFL Paulista")	Publicly-held corporation	Direct 100%	Interior of São Paulo	234	4,675	30 years	November 2027
Companhia Piratininga de Força e Luz ("CPFL Piratininga")	Publicly-held corporation	Direct 100%	Interior and coast of São Paulo	27	1,828	30 years	October 2028
RGE Sul Distribuidora de Energia S.A. ("RGE")	Publicly-held corporation	Direct and Indirect 100%	Interior of Rio Grande do Sul	381	2,975	30 years	November 2027
Companhia Jaguari de Energia ("CPFL Santa Cruz")	Privately-held corporation	Direct 100%	Interior of São Paulo, Paraná and Minas Gerais	45	476	30 years	July 2045

					Installed power (MW)	
Energy generation and Energy transmission	Company type	Equity interest	Location (state)	Number of plants / type of energy	Total	CPFL share
CPFL Energias Renováveis S.A. ("CPFL Renováveis")	Publicly-held corporation	Direct and Indirect 100%	(b)	(b)	(b)	(b)
CPFL Geração de Energia S.A. ("CPFL Geração")	Publicly-held corporation	Direct 100%	São Paulo	n/a	n/a	n/a
CERAN - Companhia Energética Rio das Antas ("CERAN")	Privately-held corporation	Indirect 65%	Rio Grande do Sul	3 Hydropower	360	234
Foz do Chapecó Energia S.A. ("Foz do Chapecó")	Privately-held corporation	Indirect 51% (c)	Santa Catarina and Rio Grande do Sul	1 Hydropower	855	436
Campos Novos Energia S.A. ("ENERCAN")	Privately-held corporation	Indirect 48.72%	Santa Catarina	1 Hydropower	880	429
Centrais Elétricas da Paraíba S.A. ("EPASA")	Privately-held corporation	Indirect 53.34%	Paraíba	2 Thermal	342	182
Paulista Lajeado Energia S.A. ("Paulista Lajeado")	Privately-held corporation	Indirect 59.93% (a)	Tocantins	1 Hydropower	903	38
CPFL Transmissão Piracicaba S.A ("CPFL Transmissão Piracicaba")	Limited liability company	Indirect 100%	São Paulo	n/a	n/a	n/a
CPFL Transmissão Morro Agudo S.A ("CPFL Transmissão Morro Agudo")	Limited liability company	Indirect 100%	São Paulo	n/a	n/a	n/a
CPFL Transmissão Maracanaú S.A. ("CPFL Maracanaú")	Limited liability company	Indirect 100%	Ceará	n/a	n/a	n/a
CPFL Transmissão Sul I S.A. ("CPFL Sul I")	Limited liability company	Indirect 100%	Santa Catarina	n/a	n/a	n/a
CPFL Transmissão Sul II S.A. ("CPFL Sul II")	Limited liability company	Indirect 100%	Rio Grande do Sul	n/a	n/a	n/a

Energy commercialization	Company type	Core activity	Equity interest
CPFL Comercialização Brasil S.A. ("CPFL Brasil")	Privately-held corporation	Energy commercialization	Direct 100%
Clion Assessoria e Comercialização de Energia Elétrica Ltda ("CPFL Meridional")	Limited liability company	Commercialization and provision of energy services	Indirect 100%
CPFL Comercialização de Energia Cone Sul Ltda ("CPFL Cone Sul")	Limited liability company	Commercialization of energy and participation in the capital of other companies	Indirect 100%
CPFL Planalto Ltda ("CPFL Planalto")	Limited liability company	Energy commercialization	Direct 100%
CPFL Brasil Varejista de Energia Ltda ("CPFL Brasil Varejista")	Limited liability company	Energy commercialization	Indirect 100%

Provision of services	Company type	Core activity	Equity interest
CPFL Serviços, Equipamentos, Industria e Comércio S.A. ("CPFL Serviços")	Privately-held corporation	Manufacturing, commercialization, rental and maintenance of electro-mechanical equipment and service provision	Direct 100%
Nect Serviços Administrativos de Infraestrutura Ltda ("CPFL Infra")	Limited liability company	Provision of infrastructure and fleet services	Direct 100%
Nect Servicos Administrativos de Recursos Humanos Ltda ("CPFL Pessoas")	Limited liability company	Provision of human resources services	Direct 100%
Nect Servicos Administrativos Financeiros Ltda ("CPFL Finanças")	Limited liability company	Provision of financial services	Direct 100%
Nect Servicos Adm de Suprimentos E Logistica Ltda ("CPFL Supre")	Limited liability company	Supply and logistics services	Direct 100%
CPFL Atende Centro de Contatos e Atendimento Ltda ("CPFL Atende")	Limited liability company	Provision of call center services	Direct 100%
CPFL Total Serviços Administrativos S.A. ("CPFL Total")	Privately-held corporation	Collection services	Indirect 100%
CPFL Eficiência Energética Ltda ("CPFL Eficiência")	Limited liability company	Energy efficiency management	Direct 100%
TI Nect Serviços de Informática Ltda ("Authi")	Limited liability company	Provision of IT services	Direct 100%
CPFL Geração Distribuída de Energia Ltda ("CPFL GD")	Limited liability company	Provision of maintenance services for energy generation companies	Indirect 100%

Others	Company type	Core activity	Equity interest
CPFL Jaguari de Geração de Energia Ltda ("Jaguari Geração")	Limited liability company	Holding company	Direct 100%
Chapecoense Geração S.A. ("Chapecoense")	Privately-held corporation	Holding company	Indirect 51%
Sul Geradora Participações S.A. ("Sul Geradora")	Privately-held corporation	Holding company	Indirect 99.95%
CPFL Telecomunicações Ltda ("CPFL Telecom")	Limited liability company	Telecommunication services	Direct 100%
Alesta Sociedade de Crédito Direto S.A. ("Alesta") (e)	Privately-held corporation	Financial services	Direct 100%

a) Paulista Lajeado holds a 7% interest in the installed power of Investco S.A. (5.94% interest in total capital).

b) CPFL Renováveis has operations in the states of São Paulo, Minas Gerais, Mato Grosso, Goiás, Santa Catarina, Ceará, Rio Grande do Norte, Paraná and Rio Grande do Sul and its main activities are: (i) holding investments in companies of the renewable energy segment; (ii) identification, development, and exploration of generation potentials; and (iii) sale of electric energy. At December 31, 2020, CPFL Renováveis had a portfolio of 116 enterprises with 3,322.3 MW of installed capacity (3,008.7 MW in operation):

- Hydropower generation: 41 small hydroelectric plants - SHP's (481 MW) with 40 SHPs in operation (453.1 MW) and 1 SHP under construction/development (28 MW), 3 hydroelectric power plants (HPP) in operation (848 MW) and 6 small hydroelectric power plants (SHPP) in operation (4 MW). CPFL Renováveis has 51.54% of the assured energy and power of the Serra da Mesa hydropower plant, which concession is owned by Furnas, 25.01% of BAESA - Energética Barra Grande S.A. "BAESA" and 100% of Rio do Peixe) and 6 electric generating plants - EGPs in operation (4 MW).

- Wind power generation: 57 enterprise (1,594.1 MW) with 45 in operation (1,308.5 MW) and 12 under construction/development (285.6 MW);

- Biomass power generation: 8 plants in operation (394 MW);

- Solar power generation: 1 solar plant in operation (1.1 MW).

c) The joint venture Chapecoense has as its direct subsidiary Foz do Chapecó and fully consolidates its financial statements.

d) According to the Material Fact published on September 30, 2020 and also described in note 13.5, on September 30, 2020, the second stage of the corporate restructuring plan was approved at the Extraordinary General Meeting with the objective of integrating CPFL Renováveis, in continuity with the communication made through the material fact dated May 21, 2019.

e) On April 15, 2020, the establishment of Alesta Sociedade de Crédito Direto S.A. was approved. The Company is a private financial institution that operates in the category of Direct Credit Company, established in the form of a closely-held corporation, more information see note 13.6.

d) participation of group companies in the issuer;

The participation of shareholders in Company's equity as of December 31, 2020, 2019 and 2018 was distributed as follows:

	Number of Shares			
	12/31/2020		12/31/2019	
Shareholders	**Common**	**Stake %**	**Common**	**Stake %**
State Grid Brazil Power Patricipações S.A.	730.435.698	63,39%	730.435.698	63,39%
ESC Energia S.A.	234.086.204	20,32%	234.086.204	20,32%
Executive Board members	102.100	0,00%	189	0,00%
Remaining shareholders	187.630.438	16,28%	187.732.349	16,29%
Total	**1.152.254.440**	**100%**	**1.152.254.440**	**100%**

e) main companies under common control.

The companies under common control are those controlled directly or indirectly by our controlling shareholder. Transactions with these companies are disclosed in item 16.2 of this Reference Form.

15.5 With respect to any shareholders' agreement filed at the issuer's head office, or at the head office of a controlling shareholder of which it is part, which defines the exercise of the voting rights or the transfer of shares issued by the issuer, please indicate:

Not applicable, considering that there is no current shareholders' agreement filed at the Company's headquarters since State Grid Brazil Power Participações S.A. became the sole controller of the Company.

15.6 Indicate relevant changes in the holdings of the control group members and administrators of the issuer.

In January 2017, State Grid Brazil Power Participações S.A. ("State Grid") acquired, directly and indirectly, a total of 556,164,817 common shares issued by the Company, representing 54.64% of its voting and total capital. With the completion of the transaction, State Grid Brazil Power Participações S.A. became the sole controlling shareholder of the Company, and as a result, the former Shareholders' Agreement signed between the former controlling shareholders was terminated.

In the Material Fact and Notice to the Market released on November 30 and December 5, 2017, respectively, the Company informed that the Auction was successfully carried out. As a result of the auction, State Grid acquired 408,447,534 common shares issued by the Company, representing 88.45% of the total shares of the OPA and 40.12% of the Company's share capital. The common shares were acquired at the price of R$ 27.69, totaling R$ 11,309,912,216.46. State Grid then held, together with ESC Energia S.A., 964,521,902 common shares issued by the Company, raising its joint stake from 54.64% to 94.75% of the Company's total share capital.

On April 2, 2019, we requested B3 to extend the deadline for the fulfillment of the obligation to remake our free float, in compliance with the requirements of the Regulamento do Novo Mercado, by conducting a subsequent public offer to distribute our common shares resulting in a minimum free float at the level of 15% of our share capital. B3 approved our application on April 18, 2019, with the expectation of a subsequent public offering resulting in a minimum free float at the level of 15% by October 31, 2019.

In accordance with the relevant fact disclosed on May 30, 2019, the Company informed its shareholders and the market in general that at a meeting of the Company's Board of Directors, held on May 29, 2019, the realization of a primary public offering was approved with restricted placement efforts, pursuant to CVM Instruction no. 476, of January 16, 2009, as amended, of the common distribution of the Company's shares.

The public offering consisted of the primary public distribution of 116,817,126 Common Shares. Pursuant to Article 5b of CVM Instruction 476, the number of Shares initially offered could be increased by an additional lot in percentage equivalent to up to 15% (fifteen percent) of the total Shares initially offered, i.e., up to 17,522,568 Common Shares issued by the Company, under the same conditions and price of the Shares initially offered, hereinafter referred to as the Supplementary Lot.

After the approval and realization of the public offering of common shares of CPFL Energia, occurred on June 12, 2019, and after the confirmation and approval of the offer of the Supplementary Lot of shares, occurred on June 27, 2019, the 964,521,902 common shares held by State Grid, together with ESC Energia S.A., now represented 83.71% of the Company's total share capital.

For more information about the stock offering, see item 18. 9 of this Reference Form.

15.7 Describe the main corporate events that occurred in the group that have had a relevant effect for the issuer, such as incorporations, mergers, spin offs, incorporation of shares, corporate control disposals and acquisitions, acquisitions, and disposals of significant assets, through which the issuer or any of its subsidiaries or affiliates have passed through, indicating:

- **2018**

Event	**Acquisition of Controlling Interest on Transmission Companies**
Main Business Conditions	**CPFL Transmissão Maracanaú S.A.** On July 27, 2018, CPFL Transmissão Maracanaú S.A. was incorporated, currently called CPFL Transmissão de Energia Maracanaú Ltda., exclusively to implement and operate the transmission facilities object of the ANEEL Transmission Auction 002/2018, a substation of 230/69 KV, located in the municipality of Maracanaú, in the State of Ceará, in addition to a 2 km transmission line stretch. The line and the acquisitions of the equipment necessary for the modifications, replacements, and adjustments in the line entrances of the Cauípe and Fortaleza II substations will be transferred without charge to the transmission concessionaire that owns the sectioned line Companhia Hidroelétrica do São Francisco - CHESF. According to the contract with the granting authority, the deadline for the works to begin operations ends in March 2022.
Involved Companies	(i) CPFL Geração S.A. (ii) CPFL Transmissão Maracanaú S.A.
Effects resulting from the transaction in the shareholders structure, especially on the participation of the controller, of shareholders with more than 5% of the company's capital and of the Company's administrators	There was no change in our shareholders structure
Shareholders position before and after the transaction	There was no change in our shareholders structure
Mechanisms used to ensure fair treatment among shareholders	An appraisal report was used to ascertain the value of the property to be incorporated.

Event	**Grouping of Southern Distributors**
Main Business Conditions	On December 4, 2018, through Authorization Resolution No. 7,499/2018, ANEEL authorized the grouping of concession areas that are covered by Concession Agreements No. 012/1997 and 013/1997, which belonged respectively to energy distribution companies RGE Sul Distribuidora de Energia S.A. ("incorporator")

	and Rio Grande Energia S.A. ("incorporated"), which from January 1, 2019 began to operate only under a sole distributor, the incorporator RGE Sul Distribuidora de Energia S.A., under the commercial name of RGE, maintaining the right to operate the distribution activities for a period of 30 years, valid until November 6, 2027, which may be extended for a maximum of the same period. .
Involved Companies	(i) RGE Sul Distribuidora de Energia S.A. (ii) Rio Grande Energia S.A.
Effects resulting from the transaction in the shareholders structure, especially on the participation of the controller, of shareholders with more than 5% of the company's capital and of the Company's administrators	There was no change in our shareholders structure
Shareholders position before and after the transaction	There was no change in our shareholders structure
Mechanisms used to ensure fair treatment among shareholders	An appraisal report was used to ascertain the value of the property to be incorporated.

- **2019**

Event	**Acquisition of Controlling Interest on Transmission Companies**
Main Business Conditions	**CPFL Sul I** On March 18, 2019, CPFL Transmissão Sul I S.A., currently called CPFL Transmissão de Energia Sul I Ltda., was incorporated, exclusively to implement and operate the transmission facilities object of the ANEEL Transmission Auction 004/2018 Lot 5, a Substation of 525/230kV, located in the municipality of Itá, in the State of Santa Catarina and two transmission lines in 230kV, in double circuit, with an approximate extension of 55km, connecting SE Ita to SE Xanxerê, and another with an extension of approximately 104km, connecting SE Ita to SE Pinhalzinho. The lines and acquisitions of the equipment necessary for modifications, replacements and adjustments in the entries of lines of SE Xanxerê and SE Pinhalzinho will be part of CPFL Transmissão Sul I S.A.'s assets and will not be transferred to another concessionaire. **CPFL Sul II** On March 18, 2019, CPFL Transmissão Sul II S.A., currently called CPFL Transmissão de Energia Sul II Ltda., was incorporated, exclusively to implement and operate the transmission facilities object of the ANEEL Transmission Auction 004/2018 Lot 11, composed of three substations. According to the contract with the

	granting authority, the commercial operation must begin in March 2023.
Involved Companies	(i) CPFL Geração S.A. (ii) CPFL Transmissão Sul I S.A. (iii) CPFL Transmissão Sul II S.A.
Effects resulting from the transaction in the shareholders structure, especially on the participation of the controller, of shareholders with more than 5% of the company's capital and of the Company's administrators	There was no change in our shareholders structure
Shareholders position before and after the transaction	There was no change in our shareholders structure
Mechanisms used to ensure fair treatment among shareholders	An appraisal report was used to ascertain the value of the property to be incorporated

- **2020**

Event	**Integration of CPFL Renováveis**
Main Business Conditions	On September 22, 2020, through Authorizing Resolutions 9,229 / 2020 and 9,230 / 2020, ANEEL authorized the partial spin-off of CPFL Geração with version of its spun-off net assets to CPFL Renováveis, the total merger of CPFL Centrais Geradoras by CPFL Renewables, and capital increase of CPFL Renováveis through the payment of credits by CPFL Geração, with all operations approved by the Extraordinary General Meeting ("AGE") held on September 30, 2020. The new structure aims to strengthen administrative structures and bring synergies to the Group.
Companies Involved	(i) CPFL Geração (ii) CPFL Renováveis
Effects resulting from the transaction in the shareholders structure, especially on the participation of the controller, of shareholders with more than 5% of the company's capital and of the Company's administrators	As a result of the Corporate Restructuring and as a result of the operations: 1. The Share Capital of CPFL Renováveis now amounts to R $ 4,032,291,914.16 (four billion, thirty-two million, two hundred and ninety-one thousand, nine hundred and fourteen reais and sixteen cents), divided into 593,782,504 (five hundred and ninety-three million, seven hundred and eighty-two thousand, five hundred and four) common shares, fully subscribed and paid in; 2. The Share Capital of CPFL Geração is now R $ 935,782,718.80 (nine hundred and thirty-five million, seven hundred and eighty-two thousand, seven hundred and eighteen reais and eighty cents), divided into 181,789,018,844 (one hundred eighty-one billion, seven hundred and eighty-nine million, eighteen thousand, eight hundred and forty-four) common shares, fully subscribed and paid in;

<table>
<tr><td></td><td>3. There is the extinction of CPFL Centrais Geradoras, which is succeeded by CPFL Renováveis.</td></tr>
<tr><td>Shareholders position before and after the transaction</td><td>Before:

<table><tr><th>Shareholders</th><th>Common shares</th><th>%</th></tr><tr><td>CPFL Geração de Energia S.A.</td><td>277,435,256</td><td>53.23</td></tr><tr><td>CPFL Energia S.A.</td><td>243,771,824</td><td>46.77</td></tr></table>
After:

<table><tr><th>Shareholders</th><th>Common shares</th><th>%</th></tr><tr><td>CPFL Geração de Energia S.A.</td><td>301,937,337</td><td>50.85</td></tr><tr><td>CPFL Energia S.A.</td><td>291,845,167</td><td>49.15</td></tr></table></td></tr>
<tr><td>Mechanisms used to ensure fair treatment among shareholders</td><td>An appraisal report was used to determine the collection to be incorporated.</td></tr>
</table>

Event	**Incorporation of Alesta Sociedade de Crédito Direto S.A. and incorporation of CPFL Total shares.**
Main Business Conditions	Established on April 15, 2020, its authorization for operation was granted by the Central Bank of Brazil on July 22, 2020, and its purpose is (i) to carry out financing loan operations and to acquire credit rights exclusively through electronic platform, using financial resources that originate from equity, (ii) the provision of credit analysis and credit collection services to third parties (iii) acting as an insurance representative in the distribution of insurance related to operations mentioned in item (i), and (iv) participation in the capital of other companies, as partner or shareholder, except financial institutions.
Companies Involved	(i) CPFL Total (ii) Alesta Sociedade de Crédito Direto S.A.
Effects resulting from the transaction in the shareholders structure, especially on the participation of the controller, of shareholders with more than 5% of the company's capital and of the Company's administrators	There was no change in our corporate structure (CPFL Energia).
Shareholders position before and after the transaction	There was no change in our corporate structure (CPFL Energia).
Mechanisms used to ensure fair treatment among shareholders	An appraisal report was used to determine the collection to be incorporated.

15.8 Provide other information that the issuer deems relevant.

According to Chinese legislation, the population of the Democratic Republic of China owns the State Grid Corporation of China, so the entity has no shareholders.

All information about control and economic group were disclosed in items 15.1 to 15.7 of this Reference Form.

16. Transactions with related parties

16.1 Describe the rules, policies, and practices of the issuer regarding the execution of transactions with related parties, as defined by the accounting rules that deal with this subject, indicating, when there is a formal policy adopted by the issuer, the body responsible for its approval, approval date and, if the issuer discloses the policy, locations on the worldwide computer network where the document can be consulted.

Technical Pronouncement CPC 05(R1) Related Parties of the Brazilian Accounting Pronouncements Committee, approved by CVM Resolution No. 642/10, is the accounting rule that deals with the necessary disclosures on Related Parties in the explanatory notes to the financial statements. In addition, in compliance with the Listing Rules of Novo Mercado of B3, CPFL Energia must disclose to the market information about contracts concluded with related parties that exceed the limit established by the Regulation.

The Company conducts transactions with related parties during the normal course of its operations and activities. These operations fall mainly into the following categories:

- Purchase and sale of energy and charges: Refers to electricity purchased or sold by distribution, commercialization, and generation subsidiaries through short or long-term contracts and TUSD. Such transactions, when carried out on the Free Market, are carried out under conditions that we consider similar to market conditions at the time of the transaction, in accordance with internal policies previously established by our administration. When carried out in the Regulated Market, the prices charged are defined through mechanisms established by the regulatory authority.
- Intangible assets, Fixed Assets, Materials and Service: Refers to the purchase of equipment, cables, and other materials for use in distribution and generation activities and contracting of services such as construction consulting and information technology.

In compliance with the above requirements and preserving its commitment to defense and value creation in line with the best corporate governance practices, the Company has internal mechanisms for monitoring and controlling transactions involving Related Parties. However, the Company does not have a formalized related party transaction policy.

The Company's Bylaws provide, in its Art. 17 (m), that the conclusion of contracts by the Company with shareholders or with persons controlled by them, or somehow related with them, directly or indirectly, of a value exceeding R$ 12,746,000.00 (twelve million, seven hundred and forty-six thousand reais) (adjusted by IGPM) must be subject to the approval of the Board of Directors

To advise the Board of Directors on matters related to the Company, its subsidiaries and its affiliates, the Committee of Related Parties, an advisory body composed of three members, of which one member is considered independent, was created. The Committee must meet at the request of the Board of Directors whenever there is a need for analysis and opinion on the matters within its competence.

The Committee of Related Parties is responsible for advising the Board of Directors on the following issues involving transactions with related parties:

(i) Evaluation of the selection process of suppliers and service providers for the realization of works, acquisition of materials and services;

(ii) Evaluation of the process of closing contracts(s) for the purchase and/or sale of energy;

(iii) Issuance of the list of Related Parties; and

(iv) Examination and evaluation of other operations.

16.2 With the exception of transactions carried out between issuer and companies in which the issuer directly or indirectly holds the entire share capital, inform, in relation to transactions with related parties that, according to accounting standards, must be disclosed in the individual or consolidated financial statements of the issuer and that have been concluded in the last fiscal year or are in force in the current fiscal year:

a) name of the related parties

b) relationship of the parties with the issuer

c) transaction date

d) subject of the contract

(e) whether the issuer is a creditor or debtor

f) amount involved in the business

g) existing balance

(h) amount corresponding to the interest of such related party in the business, if it is possible to assess it

(i) related guarantees and insurance

j) duration

k) conditions for termination or extinction

l) when such relationship is a loan or other type of debt, also inform:

i. nature and reasons for the operation

ii. interest rate charged.

16.2 EN.xlsx

16.3 For each of the transactions or set of transactions mentioned in item 16.2 above, that occurred in the last fiscal year:

a) identify the measures taken to address conflicts of interest

Preserving its commitment to defense and value creation, in line with the best corporate governance practices and with the B3 Novo Mercado Regulation, the Company has internal mechanisms for monitoring and controlling transactions involving Related Parties.

Until the Extraordinary General Meeting held on April 30, 2019, the Company's Bylaws provided, in its Art. 17 line "m", that the Board of Directors has the responsibility of prior and expressly authorize the conclusion of contracts by the Company, or by companies directly or indirectly controlled, with shareholders or with persons controlled by them or related to them, directly or indirectly, of a value greater than R$ 11,851,000.00 (eleven million, eight hundred and fifty-one thousand reais). Due to the amendment of certain provisions of the Company's Bylaws approved at the Ordinary and Extraordinary Shareholders' Meeting held on April 30, 2019, this limit was changed to R$ 12,746,000.00 (twelve million, seven hundred and forty-six thousand reais).

It must be emphasized that the Internal Rules of Procedure of the Board of Directors itself provides that: (i) it is the role of the Board of Directors to prevent and manage situations of conflict of interest or divergence of opinions; and (ii) any board member who has an actual or potential conflict of interest, or who is connected to the related party, whose preponderant activities imply the existence, effective or potential, of conflict of interest with a particular matter to be examined by the Board, shall refrain from participating in the part of the meeting in which such matter is examined.

By internal practice of corporate governance, the operations involving Related Parties to the Shareholders are, prior to the resolution of the Board of Directors, submitted to the Committee of Related Parties, advisory body of the Board whose attribution is to examine and express opinion on the compliance with usual market practices, in transactions with Parties Related to CPFL Energia's controlling shareholders. In this sense, according to the powers assigned to it by the Board of Directors, it is up to the Committee of Related Parties to evaluate such transactions.

In order to ensure the identification of transactions between CPFL Energia and its subsidiaries with CPFL Energia's shareholders, avoiding any conflicts of interest, the controlling shareholder provided the Company with an updated list of affiliated companies considered Related Parties. Based on this list, the Company identifies transactions with Related Parties and prior to submission for approval by the Board of Directors, the Committee of Related Parties expresses its opinion on compliance with the common market practices.

Some of our controlled companies are also subject to ANEEL rules. In this context, ANEEL Normative Resolution No. 699/2016 provides that certain acts and legal business between concessionaires, provisionary concessionaires (permissionárias), authorized and their related parties are subject to prior or subsequent controls by ANEEL, depending on the specific case.

The Company clarifies that all transactions described in item 16.2 of this Reference Form are subject to the legal policies and provisions described in this item 16.3.(a).

b) demonstrate the strictly commutative nature of the agreed conditions or the appropriate compensatory payment.

The Company formalizes contracts with Related Parties, always observing the prices and conditions practiced in the market, in a way that no benefits or losses are generated to the Company and companies of its economic group. The contracts are negotiated individually, through analysis of the usual market conditions of each region, respecting the particularities of each operation (E.g., values, terms, confidentiality of information, quality of services and products, etc.). Furthermore, according to ANEEL Normative Resolution No. 699/2016, all legal and business acts between agents of the

electricity sector and their related parties must be established under strictly commutative conditions, including, when appropriate, bidding processes, so as not to burden the parties disproportionately.

In addition, all transactions, including those with Related Parties, must be agreed in writing, specifying their main characteristics (prices, deadlines, rights, responsibilities, etc.).

In this sense, the whole process of contracting of suppliers or service providers begins with the bidding process involving at least three companies, to ensure that prices, terms, and other commercial conditions are those practiced in the market or based on previous negotiations. The financial viability of each transaction is also analyzed in comparison to similar transactions in the market, thus verifying the commutability of the operations.

The Company clarifies that all transactions described in item 16.2 of this Reference Form are subject to the procedures, form and conditions of contract described in this item 16.3.(b).

16.4 Provide other information that the issuer deems relevant

There is no other relevant information that has not been covered by items 16.1 to 16.3 of this Reference Form.

17. Share capital

17.1 Prepare table containing the following information on the share capital:

Date of authorization or approval	Capital value (Reais)	Term of payment of common shares	Number of common shares (Units)	Number of preferred shares (Units)	Term of Payment of preferred shares	Total number of shares (Units)
Type of capital	**Authorized Capital**					
07/27/2020	0	None	365,660,306	0.00	None	365,660,306
Type of capital	**Issued Capital**					
06/27/2019	9,435,625,759.75	None	1,152,254,440	0.00	None	1,152,254,440
Type of capital	**Subscribed Capital**					
06/27/2019	9,435,625,759.75	None	1,152,254,440	0.00	None	1,152,254,440
Type of capital	**Paid-in Capital**					
04/28/2006	9,435,625,759.75		1.152,254,440	0.00		1,152,254,440

17.2 In relation to the issuer's capital increases, please indicate:

Date of deliberation	Body that deliberated the increase	Date issue	Total issued amount	Type of increase	Ordinary	Preferred	Total actions (Units)	Subscription / Previous Capital	Issuing price	Quote factor
06/27/2019	Board of Directors Meeting	27/06/2019	R$ 481,870,620.00	Public subscription	17,522,568 shares	No preferred shares were issued	17,522,568 shares	1.54420339%	R$ 27.50	R$ per unit
Criterion for determining the issue price	This issue of shares refers to the Supplementary Lot to the issuance of shares deliberated on 06/12/2019, in percentage equivalent to 15% of the shares initially offered, so the Price per Share was fixed under the same conditions as that Offer, as an option granted to Banco BTG Pactual S.A., in its quality of stabilizing agent and under the Terms of the Placement Agreement, intended exclusively for the implementation of the activities of stabilization of the share price.									
Form of payment	In cash, in national currency, within the scope of the public offering of primary distribution of common shares issued by the Company, pursuant to CVM Instruction No. 476 of January 16, 2009, as amended.									
06/12/2019	Board of Directors Meeting	12/06/2019	R$ 3,212,470,965.00	Public subscription	116,817,126 shares	No preferred shares were issued	116,817,126 shares	11.47612082%	R$ 27.50	R$ per unit
Criterion for determining the issue price	The Price per Share was fixed based on the result of the procedure for collecting investment intentions carried out in Brazil, with professional investors, as defined in Article 9a of CVM Instruction No. 539, of November 13, 2013, as amended, residents and domiciled or with headquarters in Brazil, and abroad. The Price per Share was calculated using as parameter: (a) the quotation of the common shares issued by the Company in B3 S.A. – Brasil, Bolsa, Balcão at this date; and (b) indications of interest depending on the quality and quantity of demand (by volume and price) for the Shares, collected from professional investors. The choice of the criterion for setting the Price per Share is justified by the fact that the Price per Share was fixed after the Bookbuilding Procedure was carried out and no unjustified dilution of the Company's shareholders was promoted, pursuant to Article 170, paragraph 1, item III, of the Brazilian Corporate Law.									
Form of payment	In cash, in national currency, within the scope of the public offering of primary distribution of common shares issued by the Company, pursuant to CVM Instruction No. 476 of January 16, 2009, as amended.									

17.3 In relation to the stock split, grouping and bonuses, inform in the form of a table:

There were no splits, reverse splits and bonuses in the last 3 (three) fiscal years of the Company.

17.4	In relation to issuer's capital reductions, please indicate:

There was no capital reduction in the last three (3) fiscal years of the Company.

17.5 Provide other information that the issuer deems relevant

All relevant information about the Company's share capital was disclosed in the preceding items of this Reference Form.

18. Securities
18.1 Describe the rights of each class and type of action issued

Type of shares or CDA	Common
Tag along	100%
Right to dividends	Pursuant to Article 28 of the Bylaws, the company will distribute, in each fiscal year, at least 25% (twenty-five percent) of the net income for the year, adjusted in line with Article 202 of the Brazilian Corporate Law.
Right to Vote	full.
Description of restricted vote	N/A
Convertibility	No
Right to capital repayment	No
Description of the characteristics of the capital repayment	No
Right to participate in a public offering by disposal of control	Yes. Shareholders are entitled to participate in a public offering for disposal of control.
Restriction of circulation	No
Conditions for changing of the rights guaranteed by such securities	According to the Brazilian Corporate Law, neither the Bylaws nor the resolutions adopted by the shareholders at the Shareholders' General Meetings of the company may deprive shareholders of the following rights: • Right to participate in the distribution of profits; • Right to participate, in proportion to its participation in the share capital, in the distribution of any remaining assets in the event of liquidation of the Company; • Preemptive right in the subscription of shares, debentures convertible into shares or subscription bonuses, except in certain circumstances provided for in the Brazilian Corporate Law; • Right to audit, in the manner provided for in the Brazilian Corporate Law, the management of social business; • Right to withdraw from the Company, in the cases provided for in the Brazilian Corporate Law.
Possibility of redemption of shares	No
Other relevant features	There is no other relevant information that has not been covered by the previous items.

18.2 Describe, if any, the statutory rules that limit the voting rights of significant shareholders or require them to make public offerings.

With respect to the obligation to make public offerings, Art. 34 of the Company's Bylaws states that, as mentioned in item 18.1 above, when there is direct or indirect disposal of control of the Company, both through a single transaction, and through successive transactions, it must be contracted on the condition that the acquirer of the control undertakes to make a public offer for the acquisition of shares, having as its object the shares issued by the Company held by the other shareholders, observing the conditions and deadlines provided for in the legislation in force, in the regulation in force, and in the Novo Mercado Regulation, in order to ensure them treatment equal to that given to the alienating of the control.

18.3 Describe exceptions and suspensive clauses relating to property or political rights provided for in the statute.

The Brazilian Corporate Law grants the General Meeting the right to suspend the exercise of rights by the shareholder who ceases to comply with an obligation imposed by law or by the Company's Bylaws, ceasing such suspension immediately after the fulfillment of such obligation.

There are no suspensive statutory clauses relating to property or political rights.

18.4 In a table format, inform volume of trades as well as higher and lower quotes of securities traded on stock exchange or organized over-the-counter market, in each of the quarters of the last 3 fiscal years.

Quarter	Securities	Type	Administrative Entity	market	Financial volume traded (thousands R$)	Daily average (R$)	Highest quote (R$)	Lowest price (R$)
1TR18	Share	Common	B3	Stock	15,612	22.40	24.91	18.74
2TR18	Share	Common	B3	Stock	9,079	23.06	24.68	21.47
3TR18	Share	Common	B3	Stock	9,013	22.41	24.28	21.30
4TR18	Share	Common	B3	Stock	10,912	26.08	28.85	23.67
1TR19	Share	Common	B3	Stock	22,546	30.44	32.60	27.99
2TR19	Share	Common	B3	Stock	41,437	29.54	30.88	28.30
3TR19	Share	Common	B3	Stock	100,636	32.13	34.00	30.24
4TR19	Share	Common	B3	Stock	70,824	32.68	35.81	31.50
1TR20	Share	Common	B3	Stock	105,413	34.63	39.20	23.50
2TR20	Share	Common	B3	Stock	128,674	30.17	33.61	25.83
3TR20	Share	Common	B3	Stock	78,880	29.77	31.76	27.56
4TR20	Share	Common	B3	Stock	78,311	28.00	31.00	27.42

18.5 Describe other securities issued in Brazil that are not shares and that have not expired or been redeemed, indicating:

Justification for not completing the table:

Until the date of submission of this Reference Form, the Company does not have any other securities other than its shares and that have not expired or been redeemed.

18.5-A Number of holders of each type of securities described in item 18.5, as determined at the end of the previous year, which are: (i) natural persons; (ii) legal entities; and (iii) institutional investors.

Justification for not completing the table:

Until the date of submission of this Reference Form, the Company does not have any other securities other than its shares and that have not expired or been redeemed.

18.6 Indicate the Brazilian markets in which the issuer's securities are admitted to trading.

CPFL Energia's common shares (CPFE3) are admitted to trading in B3 under the code "CPFE3".

18.7 For each class and type of securities admitted to trading on foreign markets, please indicate:

On December 18, 2019, a meeting of the Executive Board of CPFL Energia approved the Company's intention to: (i) terminate the Second Amended and Restated Deposit Agreement ("Deposit Agreement") with Citibank NA ("Citibank") , related to its American Depositary Receipts ("ADRs"); (ii) delist its ADRs from the New York Stock Exchange ("NYSE"); and (iii) once the Company had complied with the applicable requirements, cancel its registration with the U.S. Securities and Exchange Commission of the United States of America ("SEC"). The Company concluded that the economic rationale for maintaining a listing on the NYSE decreased due, in part, to: (i) increases in the volume of Brazilian shares traded on the B3 SA - Bolsa, Brasil, Balcão ("B3") in Brazil by foreign investors , due to the internationalization of the Brazilian financial and capital markets, in addition to the narrowing of the distance between the disclosure standards of Brazil and the USA, in relation to financial reporting; and (ii) a downward trend, in recent years, in the volume of trading of the Company's ADRs on the NYSE.
On February 10, 2020, CPFL Energia, through a Notice to the Market, informed that the delisting of its NYSE ADRs, mentioned in item (ii) above, became effective as of that date.

On May 8, 2020, CPFL Energia, through a Notice to the Market, informed that, regarding the delisting of its ADRs from NYSE, it filed on that date before the US SEC its "post-effective Amendment" to Form F-3, under the terms of the US Securities Exchange Act of 1934 ("Exchange Act") to cancel the registration of registered and non-traded securities, based on this Form F-3.

On June 15, 2020, CPFL Energia, through a Notice to the Market, informed that, considering that it had complied with the applicable criteria, it filed on that date before the US SEC, a Form 15F to cancel its registration and terminate its disclosure obligations, under the terms of the Exchange Act. After 90 days of filing, without any manifestation from the SEC, the cancellation of its registration became effective, as well as the termination of its disclosure obligations under the terms of the Exchange Act.

18.8 Describe securities issued abroad, when relevant, indicating, if applicable:

There were no securities issued abroad by the Company in the last 3 (three) fiscal years.

18.9 Describe the public distribution offers made by the issuer or by third parties, including controllers and related and controlled companies, in relation to the issuer's securities.

There were no public offering for distribution in 2020 to be reported in this item.

In accordance with the relevant event disclosed on May 30, 2019 ("Relevant Event"), the Company informed its shareholders and the market in general that at a meeting of the Company's Board of Directors, held on May 29, 2019, the realization of a public offering of primary distribution with restricted placement efforts was approved, pursuant to CVM Instruction No. 476, of January 16, 2009, as amended ("CVM Instruction 476"), for the distribution of common shares ("Common Shares" or "Shares") issued by the Company, all nominative, book-entry and without nominal value, free and clear from any onus or encumbrance, including shares in the form of ADS, represented by ADR, all free and clear of any onus or encumbrance ("Offer").

The Offer consisted initially, of the primary public distribution of 116,817,126 Common Shares, and an additional lot, pursuant to Article 5b of CVM Instruction 476, in a percentage equivalent to 15% (fifteen percent) of the total Shares initially offered, i.e., 17,522,568 Common Shares issued by the Company, under the same conditions and price of the Shares initially offered ("Supplementary Lot"). In this context, the final result of the Offer consisted of the total distribution of 134,339,694 Common Shares (considering the Supplementary Lot), offered at a price per Share of R$27.50, totaling a volume of R$3,694,341,585.00. The Company used all the net resources arising from the Offer to pay part of the purchase price of the shares issued by CPFL Energias Renováveis S.A. held by State Grid.

The information regarding the public offerings of securities of the subsidiaries CPFL Paulista, CPFL Piratininga, RGE, CPFL Geração and CPFL Renováveis are without their respective reference forms.

18.10 If the issuer has made a public offer for the distribution of securities, please indicate:

2020:

No debentures were offered in 2020.
Until May 2021, 2 new debentures of the companies CPFL Piratininga (12th issue) and RGE Sul (11th issue) were structured for the implementation and development of investment projects.
For more details, refer to item 3.3.

a) how the resources resulting from the offer were used

The funds obtained by the Companies have not yet been used.

b) if there were relevant deviations between the effective application of the resources and the application proposals disclosed in the prospectuses of their distribution

N/A

c) if there have been deviations, the reasons for such deviations

N/A

2019:

5th issue of Company Debentures

a) how the resources resulting from the offer were used

The liquid resources obtained by the Company from the offer of the debentures of its 5th issue were used for the acquisition of an equity interest in AES Sul Distribuidora Gaúcha de Energia S.A., currently called RGE Sul Distribuidora de Energia S.A.

b) if there were relevant deviations between the effective application of the resources and the application proposals disclosed in the prospectuses of their distribution

There were no deviations between the effective application of the resources and the application proposals disclosed by the Company.

c) if there have been deviations, the reasons for such deviations

The resources resulting from the Stock Offering made in June 2020 and described in item 18.9 of this Reference Form have not yet been used.

18.11	**Describe any public offer for acquisition made by the issuer relating to shares issued by a third party.**

Not applicable, since the Company has not made public offers for acquisitions related to shares issued by third parties in the last 3 (three) fiscal years and in the current fiscal year.

18.12 Provide other information that the issuer deems relevant.

There is no other information that the Company deems relevant in relation to section 18 of this Reference Form.

19. Repurchase plans and securities held in treasury

19.1 In relation to issuer's share repurchase plans, provide the following information:

Not applicable, considering that the Company has not approved share repurchase plans in the last three fiscal years and in the current fiscal year.

19.2 For securities held in treasury, in the form of a table, segregating by type, class and kind, indicate the initial quantity, the quantity acquired, the weighted average purchase price, the alienated quantity, the weighted average price of disposal, the cancelled quantity, the percentage in relation to the outstanding securities of the same class and type, as follows:

There are no securities held in treasury in the current period and in the last 3 (three) fiscal years.

19.3 Provide other information that the issuer deems relevant.

There is no other information that the Company deems relevant in relation to item 19 of this Reference Form.

20. Securities trading policy

20.1 Indicate whether the issuer has adopted a trading policy of securities issued by the company applicable to the direct or indirect controlling shareholders, executive officers, members of the board of directors, of the fiscal council, and of anybody with technical or advisory functions, created by statutory provision, stating:

Date of approval	28/09/2011
Body responsible for approval	Board of Directors
Related Persons: Position and/or function	The following persons are bound to the Policy for the Trading of Securities: (i) in the Company, the current members of the Board of Directors, members of the Fiscal Council, members of the Advisory Committees of the Board of Directors, members of the Executive Board, Advisors to the Board of Directors and Department and Division Managers; (ii) in companies controlled by the Company, members of the Board of Directors, members of the Fiscal Council, members of the Advisory Committees of the Board of Directors, members of the Executive Board, Advisors to the Board of Directors and Department and Division Managers; (iii) in the Direct and/or Indirect Controlling Shareholders, members of the Board of Directors, members of the Fiscal Council, members of the Advisory Committees of the Board of Directors, members of the Executive Board and Advisors to the Executive Board; (iv) other persons who, as a result of their function, job, position or relationship with the Company and/or with companies directly or indirectly controlled by the Company and/or Controlling Shareholders, have access to Relevant Act or Fact; and (v) individuals or legal entities who maintain with the persons mentioned in the preceding items, the following relationship: (a) the spouse, from whom he/she is not legally separated, (b) the partner; (c) any dependent included in the annual income tax return of the individual; and (d) the companies directly or indirectly controlled by the members of the Board of Directors, members of the Fiscal Council, members of the Advisory Committees of the Board of Directors, members of the Executive Board, Advisors to the Executive Board and Managers of the Company ("Related Persons").
Main features and places of consultation	The policy was approved in the Board of Directors Meeting (BDM) on December 15, 2004, with revisions carried out in the BDMs of August 29, 2007 and September 28, 2011. The Policy for the Trading of Securities aims to provide an orderly trading of Securities by persons linked to the Company, aiming to provide transparency in negotiations of this nature to all market agents with which the Company relates. The Policy for the Trading of Securities applies to the Related Persons, from the date of publication of the minutes of the meeting of the Board of Directors that deliberates by its approval. The policy can be found at the following addresses: • Investor Relations Website: www.cpfl.com.br/ri • CVM website (IPE System): http://sistemas.cvm.gov.br/?CiaDoc • B3 website (IPE System): http://www.b3.com.br/pt_br/
Blackout periods and description of inspection procedures	Related Persons may not trade Securities: (a) before 180 (one hundred and eighty) days from the date of their respective acquisition on the Stock Exchange; (b) from the date of its knowledge about privileged information until the respective date of the Communication of Relevant Act or Fact to the market;

	(c) within the period of fifteen (15) days prior to the disclosure of the Company's quarterly (ITR) and annual (DFP) information; (d) whenever the acquisition or disposal of shares by the Company itself is ongoing; (e) during periods determined by the regulations issued by the Securities and Exchange Commission; (f) when the Chief Financial and Investor Relations Officer, regardless of justification or the existence of a Relevant Act or Fact, stipulates periods in which the Related Persons cannot trade with Securities. In the event that the Related Person departs from the Company and/or any of the deliberative bodies and/or related committees, this Related Person shall continue to comply with the terms and conditions of this Trading Policy for a period of 180 (one hundred and eighty) days after his/her removal. The terms and conditions of this Trading Policy apply to indirect negotiations with Securities conducted by Related Persons, either through a company controlled by one or more Related Persons or in which such persons hold a stake, either by interposed person with whom a trust agreement or a securities portfolio management contract has been entered into or any other contractual agreement, verbal or written. In view of the interpretation of any fact in the light of this Policy, the Chief Financial and Investor Relations Officer may declare blackout periods applicable only to certain related persons. The absence of such a statement from the CFO/IR will not exempt anyone of complying with this Policy.

20.2 Provide other information that the issuer deems relevant

AUTHORIZATION FOR NEGOTIATION

Related Persons may trade Securities:

(a) in all periods in which the limitations contained in this Policy, in the internal rules of the corporate bodies of which they are a part of, or in the applicable regulations do not apply;

(b) in the case of negotiations with shares that are in treasury, linked to the exercise of the option to buy, in accordance with a plan for the granting of the option to purchase shares that may be approved by the General Meeting of the Company, and in the case of any repurchases by the Company or options to purchase shares linked to the same program.

RESPONSIBILITIES

The Chief Financial Officer, who accumulates the functions of Investor Relations Officer, is responsible for monitoring and executing the Policy for the Trading of Securities, and he is responsible for informing the Related Persons and the relevant public bodies about the blackout periods for the trading of Securities.

The Chief Financial and Investor Relations Officer shall have the Related Persons who are employees of the Company and its subsidiaries sign the Term of Adhesion to the Policy for the Trading of Securities, as set out in Annex I of the Company's Policy for the Trading of Securities, in order to document their adhering to its terms.

Related Persons who have access to privileged information have the duty to keep it confidential until the disclosure of such information through the Communication of Relevant Act or Fact made by the Company under the applicable regulations, and to ensure that their hierarchical subordinates and third parties with whom they maintain contact who have had access to privileged information also do so.

Related Persons shall inform the type, class, and quantity of Securities they hold, as well as any changes to these positions. The communication shall be forwarded to the Chief Financial and Investor Relations of the Company and, by the latter, to the Brazilian Securities and Exchange Commission, in the form of the template that constitutes Annex II of the Policy for the Trading of Securities, (i) immediately after the investiture in office and (ii) within a maximum of 10 (ten) days after the last day of the month in which there is a change in the positions held, indicating the balance of the position in the period.

The Controlling Shareholders and the other shareholders who elect members of the Company's Board of Directors shall communicate to the Securities and Exchange Commission and disclose to the market any acquisitions or disposals of relevant Shareholding, in the form of the template that constitutes Annex III of the Policy for the Trading of Securities.

GENERAL PROVISIONS

The blackout periods of the Policy for the Trading of Securities do not apply to negotiations carried out by investment funds of which the Related Persons are quotaholders, provided that (i) such funds are not exclusive and (ii) the Related Persons may not effectively influence the investment decision of the fund administrator or manager.

Any changes, additions, or modifications to the terms of the Policy for the Trading of Securities must be approved by the Board of Directors, meeting to deliberate on this purpose.

Any cases omitted in the Policy for the Trading of Securities must be assessed by the Chief Financial and Investor Relations Officer and, where appropriate, forwarded to the Board of Directors for approval.

21. Policy for the disclosure of Information

21.1. Describe internal rules, regulations or procedures adopted by the issuer to ensure that the information to be publicly disclosed is collected, processed, and reported accurately and timely.

The Company's Policy for the Disclosure of Relevant Act and Fact, in addition to being in compliance with CVM Instruction No. 358/02, as amended, is aligned with the best practices and principles of corporate governance, of which transparency (disclosure), equity, accountability, and Corporate responsibility standout. This policy was approved at the meeting of the Company's Board of Directors on September 24, 2014.

In addition, the Company has a Disclosure Committee, whose objective is to ensure compliance with the procedures for the disclosure of public information and the internal controls of the processes of disclosure and preparation of the information to be made available by CPFL Energia to the Stock Exchanges in which the Company's shares are listed.

The Company's Policy for the Disclosure of Relevant Act and Fact can be found on the Company's website https://cpfl.riweb.com.br/.

21.2 Describe the policy for the disclosure of relevant act and fact adopted by the issuer, indicating the communication channel or channels used to disseminate information about relevant acts and facts and the procedures relating to the maintenance of confidentiality about relevant undisclosed information and the places where the policy can be consulted.

CPFL Energia has a policy for the disclosure of a relevant act or fact or on the procedures related to the maintenance of confidentiality about a relevant act or fact not yet disclosed to the market, in accordance with CVM Instruction No. 358/2002, which was approved by its Board of Directors on September 24, 2014.

The Company's Policy for the Disclosure of Relevant Act or Fact applies to: (i) CPFL Energia itself; (ii) direct or indirect controlling shareholders; (iii) statutory executive officers; (iv) members of the board of directors; (v) members of the fiscal council; (vi) members of any bodies with technical or advisory functions, created by statutory provision; (vii) whoever, by virtue of his position, function or position in the publicly held company, its parent company, its subsidiaries or affiliates, has access to information relating to the relevant act or fact; (viii) anyone who has access to information regarding a material act or fact, knowing that it is information not yet disclosed to the market, in particular those who have a commercial, professional or trusted relationship with CPFL Energia, such as independent auditors, market analysts, consultants and experts; (ix) administrators who depart from the management of CPFL Energia prior to the public disclosure of business or fact initiated during their management period.

In accordance with this internal policy for the disclosure of a relevant act or fact, it is considered relevant any decision of a controlling shareholder, resolution of the general meeting or of the management bodies of CPFL Energia or its directly or indirectly controlled companies, or any other act or fact of a political-administrative, technical, business, or economic-financial nature that occurred, or related to its business that may influence in a significant way:

(i) in the quotation of securities issued or referenced by CPFL Energia;

(ii) in the decision of investors to buy, sell or hold those securities;

(iii) in the decision of investors to exercise any rights inherent in the condition of holder of securities issued by or referenced by CPFL Energia.

As examples of potentially relevant acts or facts, we may list, among others (i) the signing of an agreement or contract for the transfer of the company's controlling interest, even if under suspensive or resolutive condition; (ii) change in control of the company, including through the conclusion, amendment or termination of the Shareholders' Agreement; (iii) conclusion, amendment or termination of a shareholders' agreement in which the company is a party or intervener, or which has been recorded in the company's own book; (iv) incorporation, merger or spin off involving the Company or related companies.

It is the duty of the Investor Relations Officer (IRO) of CPFL Energia to send to CVM, through the electronic system available on the CVM's website on the worldwide computer network, and to B3, any relevant act or fact occurred or related to CPFL ENERGIA's business, as well as to ensure its wide and immediate dissemination, simultaneously in all markets in which such securities are admitted to trading.

The controlling shareholders, statutory executive officers, members of the board of directors, of the fiscal council, and of any bodies with technical or advisory functions, created by statutory provision, which have signed the term of adhesion to this policy, shall expressly communicate in writing any relevant act or fact of which they are aware to the IRO, who will promote its disclosure.

According to the Company's internal policy, it is also the IRO’s duty to make sure the disclosure of a relevant act or fact is made before or simultaneously to the dissemination of information to the market, by any means of communication, including information to the press, or in meetings of class entities, investors, analysts or with a selected public, in the country or abroad.

The dissemination must take place through at least one of the communication channels: (i) newspapers of great circulation usually used by CPFL Energia or (ii) at least one news portal with page on the worldwide computer network, which makes available, in a section available for free access, the information in its entirety. The disclosure of a relevant act or fact carried out in the form provided for in the previous item (i) can be made in summary form, with an indication of the addresses in the worldwide computer network where the complete information must be available to all investors, in a content identical to that sent to CVM. The disclosure and communication of a relevant act or fact, including the summary information mentioned above, must be made in a clear and precise manner, in language accessible to the investing public.

The disclosure of a relevant act or fact shall occur, whenever possible, before the start or after the closure of the business at B3.

The Company's internal policy provides for the hypothesis that relevant acts or facts may not be disclosed, exceptionally, if the controlling shareholders or directors believe that its disclosure will jeopardize the Company's legitimate interest. In this case, it is the responsibility of the controlling shareholders, statutory executive officers, members of the board of directors, the fiscal council and any bodies with technical or advisory functions, created by statutory provision, and employees and collaborators of the Company, to keep confidential the information related to relevant act or fact to which they have privileged access due to the job or position they occupy, until their disclosure to the market , as well as ensuring that subordinates and third parties of their trust also do so, responding jointly and severally with them in the event of non-compliance.

In the event that the information kept confidential escapes the control, or if there is an atypical fluctuation in the negotiated quotation, price or quantity of the Company's securities or referenced to them, the executive officers shall, directly or through the IRO, disclose immediately such relevant act or fact to the market.

Prior to disclosure to the market of a relevant act or fact in the Company's business, the trading of securities of its issue is forbidden to the persons to whom the Policy for the Disclosure of Relevant Act or Fact applies. This same prohibition applies (i) if there is an intention to promote incorporation, total or partial spin off, merger, transformation or corporate reorganization; and (ii) in relation to the direct or indirect controlling shareholders, executive officers and members of the board of directors, whenever the acquisition or disposal of shares issued by CPFL Energia by CPFL Energia itself, its subsidiaries, affiliates or other company under common control, or if option or mandate has been granted for the same purpose. Trading by these persons within fifteen (15) days prior to the disclosure of the Company's quarterly and annual information is also prohibited.

Failure to comply with the internal disclosure policy may constitute a transgression of the provisions provided for in CVM Instruction No. 358/2002 and Law No. 6,385/76 and may subject the infringer to the penalties of: (i) warning; (ii) suspension of the exercise of office; and (iii) temporary incapacity up to a maximum of 20 years, for the exercise of office.

The Company's Policy for the Disclosure of Relevant Act or Fact can be found on the Company's website https://cpfl.riweb.com.br/.

21.3 Inform the administrators responsible for the implementation, maintenance, evaluation, and supervision of the information disclosure policy.

The Investor Relations Officer, a role that is exercised by the Chief Financial Officer, is responsible for the implementation, maintenance, evaluation and supervision of the Policy for the Disclosure of Relevant Act or Fact.

In addition, the Company has a Committee for the Disclosure of Public Information, which is an internal advisory body of a non-permanent nature. The Committee was created on December 17, 2004 (with approval at the Company's Board of Directors Meeting), and its first meeting took place on December 21, 2004. The objective of the Committee is to ensure compliance with the procedures for the disclosure of public information and with internal controls of the processes of disclosure and preparation of the information to be made available by the Company to the Stock Exchanges in which the Company's shares are listed.

The Disclosure Committee is composed of the Chief Executive Officer, the Executive Officers, the non-statutory Directors, by the Advisors to the Executive Board and Department Managers appointed by the Chairman of the Committee, who hold their positions for an indefinite period.

The Disclosure Committee has a Chairman, a Vice-Chairman, and a General Secretary, elected by the vote of a majority of its members at the first meeting that takes place after its constitution.

The Chairman of the Committee shall be replaced, in his temporary impediments, by the Vice-Chairman or, in the absence thereof, by another Member of the Committee appointed by him and, if there is no indication, at the choice of the other Members of the Committee.

In the event of a vacancy in the position of the Chairman, the Vice-Chairman will take over, and will remain in office until the Committee elects his replacement.

21.4 Provide other information that the issuer deems relevant

There is no other information on disclosure policies that the Company deems relevant that have not been disclosed in the preceding items of this Reference Form.