

Quarterly Information (ITR)

CPFL Energias Renováveis S.A.

Three and six-month periods ended June 30,
2020 with Independent Auditor's Review
Report

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Review report on quarterly information

The Shareholders, Board of Directors and Officers
CPFL Energias Renováveis S.A.
Campinas – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of CPFL Energias Renováveis S.A. ("Company") for the quarter ended June 30, 2020, comprising the statement of financial position as at June 30, 2020 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 – Interim Financial Information and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information, individual and consolidated, included in the Quarterly Information referred to above, was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 issued by the IASB, applicable to the preparation of Quarterly Information (ITR), consistently with the standards issued by the Brazilian Securities Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Audit and review of the corresponding amounts

The individual and consolidated financial position as of December 31, 2019, and the individual and consolidated statements of income, comprehensive income, changes in equity, cash flows, and value added for the three and or six-month periods ended June 30, 2019, were audited and reviewed, respectively, by other independent auditors, who issued an audit report on March 5, 2020 and August 2, 2019, with an opinion without modification.

Campinas, August 05, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP034519/O-6



José Antonio de A. Navarrete
Accountant CRC 1SP198698/O-4

CPFL ENERGIAS RENOVÁVEIS S.A.
Statements of financial position at June 30, 2020 and December 31, 2019
(in thousands of Brazilian Reais)

		Parent Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
ASSETS	Note				
Current assets					
Cash and cash equivalents	5	81,011	57,586	1,048,560	412,579
Securities	6	10	43,881	10	449,786
Consumers, concessionaires and licensees	8	95,097	106,327	203,164	232,632
Dividends and interest on capital	12	78,020	89,798	-	-
Income tax and social contribution recoverable	9	18,137	15,703	50,644	46,761
Other taxes recoverable	9	30,162	25,351	73,978	52,168
Other assets	11	67,545	33,093	149,334	118,447
Total current assets		369,981	371,738	1,525,689	1,312,372
Noncurrent assets					
Pledges, funds and restricted deposits	7	34,440	63,313	556,548	568,498
Consumers, concessionaires and licensees	8	45,302	41,744	166,245	150,210
Intragroup loans	27	28,362	-	-	-
Escrow deposits	19	542	514	14,230	14,118
Income tax and social contribution recoverable	9	25,584	25,584	31,135	32,320
Other taxes recoverable	9	-	-	3,580	3,580
Derivatives	29	35,336	-	35,336	-
Advance for future capital increase	27	512,000	274,399	-	-
Other assets	11	11,524	10,960	70,169	69,157
Investments	12	6,370,301	6,238,267	-	-
Property, plant and equipment	13	765,856	772,707	7,017,708	7,172,083
Intangible assets	14	829,325	863,210	2,404,682	2,486,385
Total noncurrent assets		8,658,572	8,290,699	10,299,631	10,496,351
Total assets		9,028,554	8,662,437	11,825,321	11,808,723

The accompanying notes are an integral part of these interim financial information.

CPFL ENERGIAS RENOVÁVEIS S.A.
Statements of financial position at June 30, 2020 and December 31, 2019
(in thousands of Brazilian Reais)

LIABILITIES AND EQUITY	Note	Parent Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current liabilities					
Trade payables	15	81.350	84.861	98.047	136.717
Borrowings	16	103.153	131.479	354.780	404.779
Debentures	17	161.613	201.019	161.613	212.251
Income tax and social contribution payable	18	-	-	18.738	25.395
Other taxes, fees and contributions	18	14.450	16.839	41.141	25.945
Intercompany loans	27	492.027	533.944	389.290	422.082
Dividends and interest on own capital		-	-	3.139	478
Accounts payable for acquisitions		8.290	7.901	8.290	7.901
Provisions	19	-	-	24.428	24.485
Estimated payroll		9.753	6.902	9.753	6.902
Advances	20	177.601	67.263	527.773	248.883
Other payables		6.521	13.654	23.090	29.922
Total current liabilities		1.054.757	1.063.860	1.660.083	1.545.741
Noncurrent liabilities					
Trade payables	15	-	1.005	100.997	104.206
Borrowings	16	593.591	659.450	2.425.202	2.896.675
Debentures	17	1.110.270	1.402.384	1.110.271	1.491.001
Intragroup loans	27	1.459.756	658.533	851.088	-
Other taxes, fees and contributions	18	-	-	807	805
Deferred tax liabilities	10	276.383	268.288	807.386	826.239
Provisions	19	65.415	63.216	235.575	228.823
Allowance for equity investment losses	12	503	295	-	-
Advances	20	-	-	44.041	43.248
Other payables		768	972	25.361	25.565
Total noncurrent liabilities		3.506.687	3.054.142	5.600.728	5.616.562
Equity	21				
Issued capital		3.698.060	3.698.060	3.698.060	3.698.060
Capital reserves		592.347	592.347	592.347	592.347
Legal reserve		11.244	11.244	11.244	11.244
Unrealized profit reserve		49.789	49.789	49.789	49.789
Statutory reserve - reinforcement of working capital		163.923	163.923	163.923	163.923
Accumulated comprehensive income		27.234	29.070	27.234	29.070
Accumulated losses		(75.488)	-	(75.488)	-
		4.467.108	4.544.433	4.467.108	4.544.433
Equity attributable to noncontrolling interests		-	-	97.400	101.987
Total equity		4.467.108	4.544.433	4.564.510	4.646.421
Total liabilities and equity		9.028.554	8.662.437	11.825.321	11.808.723

The accompanying notes are an integral part of these interim financial information.

CPFL ENERGIAS RENOVÁVEIS S.A.
Statements of income for the periods ended on June 30, 2020 and 2019
(in thousands of Brazilian Reais, except for Earnings per share)

	Note	Parent Company				Consolidated			
		2020		2019 (*)		2020		2019 (*)	
		2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months
Net operating revenue	23	42,507	77,529	56,383	105,655	329,289	713,831	411,298	745,486
Cost of services									
Cost of electric energy	24	(16,466)	(47,229)	(24,569)	(52,559)	(37,600)	(109,693)	(66,338)	(119,609)
Cost of operation		(26,229)	(52,460)	(27,720)	(55,322)	(180,510)	(359,127)	(177,599)	(351,249)
Depreciation and amortization		(17,835)	(35,646)	(17,525)	(34,430)	(120,837)	(241,512)	(119,678)	(238,845)
Other cost of operation	25	(8,394)	(16,814)	(10,195)	(20,892)	(59,673)	(117,615)	(57,921)	(112,404)
Gross profit		(188)	(22,160)	4,094	(2,226)	111,179	245,011	167,361	274,628
Operating expenses									
Selling expenses		(8)	(14)	(12)	(12)	(8)	(14)	(12)	(12)
Other selling expenses		(8)	(14)	(12)	(12)	(8)	(14)	(12)	(12)
General and administrative expenses		(28,741)	(56,043)	(32,896)	(64,081)	(29,425)	(63,262)	(37,940)	(73,118)
Depreciation and amortization		(2,060)	(4,233)	(2,123)	(3,726)	(2,061)	(4,235)	(2,126)	(3,733)
Other general and administrative expenses	25	(26,681)	(51,810)	(30,773)	(60,355)	(27,364)	(59,027)	(35,814)	(69,385)
Other operating expenses		(17,053)	(33,176)	(16,051)	(32,250)	(41,762)	(81,708)	(40,137)	(80,766)
Amortization of concession intangible assets		(16,108)	(32,216)	(16,108)	(32,216)	(39,807)	(79,614)	(39,807)	(79,614)
Other operating expenses	25	(945)	(960)	57	(34)	(1,955)	(2,094)	(330)	(1,152)
Income from electric energy services		(45,991)	(111,395)	(44,865)	(98,569)	39,985	100,026	89,272	120,732
Equity interests in subsidiaries, associates and joint ventures	12	43,480	123,010	76,835	103,916	-	-	-	-
Financial income (expenses)	26								
Financial income		3,924	9,326	11,410	22,012	23,454	51,247	50,196	98,786
Financial expenses		(52,961)	(99,034)	(84,611)	(166,239)	(102,854)	(203,356)	(161,370)	(321,666)
		(49,037)	(89,708)	(73,201)	(144,227)	(79,400)	(152,109)	(111,174)	(222,880)
Loss before taxes		(51,547)	(78,093)	(41,231)	(138,880)	(39,415)	(52,083)	(21,902)	(102,148)
Social contribution	10	867	(1,107)	133	605	(2,494)	(8,671)	(5,473)	(9,751)
Income tax	10	4,887	1,876	366	1,679	(840)	(11,476)	(11,123)	(19,622)
		5,755	769	499	2,284	(3,334)	(20,147)	(16,596)	(29,373)
Loss for the period		(45,793)	(77,324)	(40,732)	(136,596)	(42,748)	(72,230)	(38,498)	(131,521)
Loss attributable to controlling shareholders						(45,793)	(77,324)	(40,732)	(136,596)
Loss attributed to non-controlling shareholders						3,044	5,094	2,234	5,075
Loss per share	22								
Basic earnings per share attributable to owners of the Company (R\$):						(0.09)	(0.15)	(0.08)	(0.27)
Diluted earnings per share attributable to owners of the Company (R\$):						(0.09)	(0.15)	(0.08)	(0.27)

The accompanying notes are an integral part of these interim financial information.

(*) New disclosure, see note 2.8.

CPFL ENERGIAS RENOVÁVEIS S.A.
Comprehensive income statements for the periods ended June 30, 2020 and 2019
(In thousands of reais)

	Parent company				Consolidated			
	2020		2019		2020		2019	
	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months
Loss for the period	(45,793)	(77,324)	(40,732)	(136,596)	(42,748)	(72,230)	(38,498)	(131,521)
Other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income for the period	(45,793)	(77,324)	(40,732)	(136,596)	(42,748)	(72,230)	(38,498)	(131,521)
Comprehensive income attributed to controlling shareholders					(45,793)	(77,324)	(40,732)	(136,596)
Comprehensive income attributed to non-controlling shareholders					3,044	5,094	2,234	5,075

The accompanying notes are an integral part of these interim financial information.

CPFL ENERGIAS RENOVÁVEIS S.A.
Statements of changes in equity for the period ended June 30, 2019
(In thousands of Brazilian reais)

	Earnings reserve					Accumulated comprehensive income - Deemed cost atribuido	Retained earnings	Total	Noncontrolling interests	Total equity
	Issued capital	Capital reserve	Legal reserve	Unrealized profit reserve	Statutory reserve - working capital improvement					
Balance at December 31, 2018	3,398,048	592,347	6,413	26,840	91,393	32,753	-	4,147,794	103,377	4,251,171
Total comprehensive income	-	-	-	-	-	-	(136,596)	(136,596)	5,075	(131,521)
Loss for the period	-	-	-	-	-	-	(136,596)	(136,596)	5,075	(131,521)
Internal changes in equity	-	-	-	-	-	(1,839)	1,839	-	-	-
Realization of deemed cost of property, plant and equipment	-	-	-	-	-	(1,839)	1,839	-	-	-
Capital transactions with shareholders	300,012	-	-	-	-	-	-	300,012	(7,767)	292,245
Capital increase	300,012	-	-	-	-	-	-	300,012	-	300,012
Capital increase from noncontrolling interests	-	-	-	-	-	-	-	-	111	111
Dividends distributed to noncontrolling interests	-	-	-	-	-	-	-	-	(7,878)	(7,878)
Balance at June 30, 2019	3,698,060	592,347	6,413	26,840	91,393	30,914	(134,757)	4,311,210	100,685	4,411,895

CPFL ENERGIAS RENOVÁVEIS S.A.
Statements of changes in equity for the period ended June 30, 2020
(In thousands of Brazilian reais)

	Earnings reserve					Accumulated comprehensive income - Deemed cost atribuido	Retained earnings	Total	Noncontrolling interests	Total equity
	Issued capital	Capital reserve	Legal reserve	Unrealized profit reserve	Statutory reserve - working capital improvement					
Balance at December 31, 2019	3,698,060	592,347	11,244	49,789	163,923	29,070	-	4,544,433	101,987	4,646,421
Total comprehensive income	-	-	-	-	-	-	(77,324)	(77,324)	5,094	(72,230)
Loss for the period	-	-	-	-	-	-	(77,324)	(77,324)	5,094	(72,230)
Internal changes in equity	-	-	-	-	-	(1,836)	1,836	-	-	-
Realization of deemed cost of property, plant and equipment	-	-	-	-	-	(1,836)	1,836	-	-	-
Capital transactions with shareholders	-	-	-	-	-	-	-	-	(9,681)	(9,681)
Dividends distributed to noncontrolling interests	-	-	-	-	-	-	-	-	(9,681)	(9,681)
Balance at June 30, 2020	3,698,060	592,347	11,244	49,789	163,923	27,234	(75,488)	4,467,108	97,400	4,564,510

The accompanying notes are an integral part of these interim financial information.

CPFL ENERGIAS RENOVÁVEIS S.A.
Cash flow statements for the periods ended June 30, 2020 and 2019
(In thousands of reais)

	Parent company		Consolidated	
	2020	2019 (*)	2020	2019 (*)
	Six months	Six months	Six months	Six months
Loss before taxes	(78,093)	(138,880)	(52,083)	(102,148)
Adjustment to reconcile profit to cash from operating activities				
Depreciation and amortization	72,048	70,372	325,361	322,192
Provision for tax, civil and labor risks	61	(139)	165	356
Interest on debts and monetary adjustments	71,727	138,785	165,050	229,198
Equity interests in subsidiaries	(123,010)	(103,916)	-	-
Loss on disposal of noncurrent assets	-	1,133	1,699	977
	(57,267)	(32,645)	440,192	450,575
Decrease (increase) in operating assets				
Consumers, concessionaires and licensees	7,673	(86,462)	13,433	(75,703)
Dividends received	11,777	134,819	-	-
Taxes recoverable	(13,629)	7,480	(34,566)	3,969
Escrow deposits	-	31	13	199
Other operating assets	(34,349)	(8,827)	(27,164)	2,076
Increase (decrease) in operating liabilities				
Trade payables	(4,515)	(4,544)	(41,879)	(21,893)
Other taxes and social contributions	4,298	(1,123)	26,426	(11,359)
Tax, civil and labor risks paid	-	(802)	-	(1,023)
Advances from customers	110,335	87,735	279,683	172,063
Other operating liabilities	(4,093)	(76,723)	(5,464)	(79,278)
Cash flows generated by operations	20,230	18,939	650,674	439,626
Interest paid on debts and debentures	(57,765)	(80,712)	(144,810)	(188,152)
Income tax and social contribution paid	-	-	(44,988)	(43,011)
Interest paid on loans from/to related parties	-	(7,031)	-	(6,823)
Cash flows generated by (applied in) operations activities	(37,535)	(68,804)	460,876	201,640
Investments activities				
Capital reduction in subsidiaries	-	316,485	-	-
Purchases of property, plant and equipment	(29,657)	(12,367)	(89,772)	(44,119)
Purchases of intangible assets	(1,655)	(4,657)	(1,846)	(4,699)
Securities, pledges and restricted deposits (investments)	(4,782)	(91,098)	(72,317)	(170,776)
Securities, pledges and restricted deposits (redemptions)	78,268	128,467	535,945	169,150
Advances for future capital increases	(237,601)	(148,578)	-	-
Repayment of intragroup loans	(28,491)	-	-	-
Receipts of intragroup loans	154	-	-	-
Other	-	(46)	-	66
Net cash generated by (applied in) investing activities	(223,764)	188,206	372,010	(50,378)
Financial activities				
Repayment of intragroup loans	(96,555)	(341)	(40,911)	-
Borrowings and debentures raised	120,000	837,771	123,000	837,379
Repayment of principal of borrowings and debentures	(588,721)	(884,288)	(1,121,973)	(1,176,209)
Advances for future capital increases	-	12	-	12
Dividend and interest on capital paid	-	-	(7,021)	(7,463)
Intragroup loans raised	850,000	-	850,000	-
Net cash generated by (applied in) financing activities	284,724	(46,846)	(196,905)	(346,281)
Net increase (decrease) in cash and cash equivalents	23,425	72,556	635,981	(195,019)
Cash and cash equivalents at the beginning of the period	57,586	109,252	412,579	876,571
Cash and cash equivalents at the end of the period	81,011	181,808	1,048,560	681,552

The accompanying notes are an integral part of these interim financial information.

(*) New disclosure, see note 2.8.

CPFL ENERGIAS RENOVÁVEIS S.A.
Statements of added value for the periods ended June 30, 2020 and 2019
(Em milhares de reais)

	Parent company		Consolidated	
	2020	2019 (*)	2020	2019 (*)
	Six months	Six months	Six months	Six months
1. Revenues	118,366	151,486	853,068	880,656
1.1 Operating revenues	87,886	118,057	761,741	787,901
1.2 Revenues related to the construction of own assets	30,480	33,430	91,327	92,755
2. (-) Inputs	(116,402)	(128,310)	(307,218)	(333,762)
2.1 Electricity purchased for resale	(51,704)	(55,546)	(112,971)	(122,765)
2.2 Material	(21,428)	(7,592)	(36,763)	(27,617)
2.3 Outsourced services	(39,524)	(62,370)	(137,333)	(170,586)
2.4 Other	(3,746)	(2,802)	(20,151)	(12,794)
3. Gross value added (1 + 2)	1,964	23,176	545,850	546,894
4. Retentions	(72,095)	(70,373)	(325,361)	(322,191)
4.1 Depreciation and amortization	(39,879)	(38,157)	(245,747)	(242,577)
4.2 Amortization of intangible assets of concession	(32,216)	(32,216)	(79,614)	(79,614)
5. Net value added generated (3 + 4)	(70,131)	(47,197)	220,489	224,703
6. Value added received in transfer	132,789	126,998	51,882	100,484
6.1 Financial Income	9,779	23,082	51,882	100,484
6.2 Equity interest in subsidiaries	123,010	103,916	-	-
7. Value Added to be distributed (5 + 6)	62,658	79,801	272,371	325,187
8. Distribution of value added				
8.1 Personnel and charges	22,770	30,013	42,647	44,670
8.1.1 Direct remuneration	11,330	18,726	31,009	33,310
8.1.2 Benefits	8,770	8,286	8,959	8,317
8.1.3 Government severance indemnity fund for employees - F.G.T.S.	2,670	3,001	2,679	3,043
8.2 Taxes, fees and contributions	12,298	15,685	72,282	77,644
8.2.1 Federal	12,298	15,685	67,164	77,644
8.2.2 Estate	-	-	5,118	-
8.3 Lenders and lessors	104,914	170,699	229,672	334,394
8.3.1 Interest	98,872	166,056	203,109	321,402
8.3.2 Rentals	6,042	4,643	26,563	12,992
8.4 Interest on capital	(77,324)	(136,596)	(72,230)	(131,521)
8.4.1 Retained Earnings	(77,324)	(136,596)	(72,230)	(131,521)
	62,658	79,801	272,371	325,187

The accompanying notes are an integral part of these interim financial information.

(*) New disclosure, see note 2.8.

CPFL ENERGIAS RENOVÁVEIS S.A.
NOTES TO THE INTERIM FINANCIAL INFORMATION
ON JUNE 30, 2020
(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

(1) OPERATIONS

CPFL Energias Renováveis S.A. ("CPFL Renováveis" or "Company") is a publicly-held corporation, with its registered office at Rua Jorge de Figueiredo Corrêa, 1.632, Jardim Professora Tarcília - Campinas - São Paulo, incorporated for the purpose of holding and operating electric energy generation enterprises, with its main activities determined in its corporate purpose:

- a) Holding investments in companies of the renewable energy segment.
- b) Identification and development of energy generation potentials and exploration of such potentials, including electric energy generation.
- c) Trading of electric energy generated by the enterprises held by the Company, which includes the purchase and sale, import and export of electric energy to other traders, generators, distributors or consumers which have free choice to choose the supplier, and conducting of transactions in the Electric Energy Trading Chamber ("EETC").

The Company holds 6 authorizations to operate power plants with total installed capacity of 314.6 MW:

Power plants	Installed power capacity (MW)	Start date	Conclusion time
Bons Ventos	50.0	March 7, 2003	30 years
Canoa Quebrada	57.0	December 10, 2002	30 years
Enacel	31.5	November 12, 2002	30 years
Taíba Albatroz	16.5	December 23, 2002	30 years
Icaraizinho	54.6	August 27, 2002	30 years
Praia Formosa	105.0	June 04, 2002	30 years
Total	314.6		

In addition to these authorizations, the Company also holds investments in the following projects:

1.1. Small Hydropower Plants

The direct and indirect subsidiaries have 40 concessions and authorizations granted by the Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica – ANEEL), of which 40 are in operation and 1 is under construction, to explore the hydropower potential, with total installed energy capacity of 453.1 MW, represented by the following enterprises:

Location (state)	Company type	Equity interest	Installed power capacity (MW)	Start date	Conclusion time	Location (state)	Company type	Equity interest	Installed power capacity (MW)	Start date	Conclusion time
Project						Project					
Minas Gerais						Paraná					
SPE Barra da Paciência Energia S.A. ("Barra da Paciência")	Privately-held corporation	Indirect 100%	23.0	December 1999	30 years	Companhia Energética Novo Horizonte ("Novo Horizonte")	Privately-held corporation	Indirect 100%	23.0	November 2002	30 years
SPE Boa Vista 2 Energia S.A. ("Boa Vista 2")	Privately-held corporation	Direct 100%	29.9	November 2015	35 years						
SPE Cocais Grande Energia S.A. ("Cocais Grande")	Privately-held corporation	Indirect 100%	10.0	December 1999	30 years	Santa Catarina					
SPE Corrente Grande Energia S.A. ("Corrente Grande")	Privately-held corporation	Indirect 100%	14.0	January 2000	30 years	SPE Alto Irani Energia S.A. ("Alto Irani")	Privately-held corporation	Direct 100%	21.0	October 2002	30 years
Mata Velha Energética S.A. ("Mata Velha")	Privately-held corporation	Indirect 100%	24.0	May 2002	30 years	SPE Avoredo Energia S.A. ("Avoredo")	Privately-held corporation	Indirect 100%	13.0	November 2002	30 years
SPE Ninho da Águia Energia S.A. ("Ninho da Águia")	Privately-held corporation	Indirect 100%	10.0	December 1999	30 years	Ludesa Energética S.A. ("Ludesa")	Privately-held corporation	Indirect 60%	30.0	December 2002	30 years
SPE Paiol Energia S.A. ("Paiol")	Privately-held corporation	Indirect 100%	20.0	August 2002	30 years	SPE Plano Alto Energia S.A. ("Plano Alto")	Privately-held corporation	Direct 100%	16.0	November 2002	30 years
SPE São Gonçalo Energia S.A. ("São Gonçalo")	Privately-held corporation	Indirect 100%	11.0	January 2000	30 years	SPE Salto Góes Energia S.A. ("Salto Góes")	Privately-held corporation	Direct 100%	20.0	August 2010	30 years
SPE Varginha Energia S.A. ("Varginha")	Privately-held corporation	Indirect 100%	9.0	December 1999	30 years	Santa Luzia Energética S.A. ("Santa Luzia")	Privately-held corporation	Indirect 100%	28.5	December 2007	35 years
SPE Várzea Alegre Energia S.A. ("Várzea Alegre")	Privately-held corporation	Indirect 100%	7.5	December 1999	30 years						
Mato Grosso and Rio Grande do Sul						São Paulo					
CPFL Sul Centrais Elétricas Ltda. ("CPFL Sul Centrais") (*)	Limited liability company	Direct 100%	7.0	(**)		Chimay Empreendimentos e Participações Ltda. ("Chimay") (*)	Limited liability company	Direct 100%	38.1	(***)	
Companhia Hidroelétrica Figueirópolis ("Figueirópolis")	Privately-held corporation	Indirect 100%	19.4	May 2004	30 years	Mohini Empreendimentos e Participações Ltda. ("Mohini") (*)	Limited liability company	Direct 100%	39.2	(***)	
						Jayaditya Empreendimentos e Participações Ltda. ("Jayaditya") (*)	Limited liability company	Direct 100%	39.5	(***)	
						Total			453.1		

The installed capacity of some enterprises comprises more than one concession.

(*) Chimay holds the concessions of Buritis, Capão Preto, Chibarro, Dourados, Esmeril, Gavião Peixoto, Lençóis and São Joaquim. Mohini holds the concessions of Eloy Chaves, Jaguari, Monjolinho, Pinhal and Socorro. Jayaditya holds the concessions of Americana, Salto Grande, Santana and Três Saltos.

(**) CPFL Sul Centrais owns the exploration of Diamante, Andorinhas, Guaporé, Pirapó and Saltinho, whose concessions started in 2005 with an indefinite term, except Usina Diamante, which has a term up to 2027.

(***) The projects in São Paulo, mentioned in the table above, have 17 plants.

The SPE Cherobim Energia S.A. ("Lucia Cherobim") project is under construction, scheduled to start operating in January 2024, with an estimated installed capacity of 28.0 MW.

In addition to the projects in operation mentioned above, the Company has 1 project under development (Santa Luzia Alto, whose estimated installed energy capacity is 2.85 MW).

1.2. Wind power generation complexes

The direct and indirect subsidiaries have 43 authorizations granted by ANEEL, of which 39 are in operation and 4 are under construction, with total installed capacity of 994 MW:

Location (state)	Company type	Equity interest	Installed power capacity (MW)	Start date	Conclusion time	Location (state)	Company type	Equity interest	Installed power capacity (MW)	Start date	Conclusion time
Project						Project					
Palmaresdo Sul (RS)						Parazinho (RN)					
Atlântica I Parque Eólico S.A. ("Atlântica I")	Privately-held corporation	Direct 100%	30.0	February 28, 2011	35 years	Campo dos Ventos V Energias Renováveis S.A. ("Campo dos Ventos V")	Privately-held corporation	Indirect 100%	25.2	March 27, 2013	30 years
Atlântica II Parque Eólico S.A. ("Atlântica II")	Privately-held corporation	Direct 100%	30.0	March 4, 2011	35 years	Eurus VI Energias Renováveis Ltda. ("Eurus VI")	Limited liability company	Direct 100%	8.0	August 25, 2010	35 years
Atlântica IV Parque Eólico S.A. ("Atlântica IV")	Privately-held corporation	Direct 100%	30.0	March 4, 2011	35 years	Santa Clara I Energias Renováveis Ltda. ("Santa Clara I")	Limited liability company	Direct 100%	30.0	July 2, 2010	35 years
Atlântica V Parque Eólico S.A. ("Atlântica V")	Privately-held corporation	Direct 100%	30.0	March 22, 2011	35 years	Santa Clara II Energias Renováveis Ltda. ("Santa Clara II")	Limited liability company	Direct 100%	30.0	August 5, 2010	35 years
Aracati (CE)						Santa Clara III Energias Renováveis Ltda. ("Santa Clara III")	Limited liability company	Direct 100%	30.0	July 2, 2010	35 years
Rosa dos Ventos Geração e Comercialização de Energia S.A. ("Rosa dos Ventos") (*)	Privately-held corporation	Direct 100%	13.7	June 19, 2002	30 years	Santa Clara IV Energias Renováveis Ltda. ("Santa Clara IV")	Limited liability company	Direct 100%	30.0	July 30, 2010	35 years
Itarema (CE)						Santa Clara V Energias Renováveis Ltda. ("Santa Clara V")	Limited liability company	Direct 100%	30.0	October 11, 2010	35 years
Pedra Cheirosa I Energia S.A. ("Pedra Cheirosa I")	Privately-held corporation	Direct 100%	25.2	August 4, 2014	35 years	Santa Clara VI Energias Renováveis Ltda. ("Santa Clara VI")	Limited liability company	Direct 100%	30.0	July 30, 2010	35 years
Pedra Cheirosa II Energia S.A. ("Pedra Cheirosa II")	Privately-held corporation	Direct 100%	23.1	July 23, 2014	35 years	DESA Morro dos Ventos IX S.A. ("Morro dos Ventos IX")	Privately-held corporation	Indirect 100%	30.0	July 28, 2010	35 years
Other locations (CE)						João Câmara (RN)					
Siif Cinco Geração e Comercialização de Energia S.A. ("Siif Cinco")	Privately-held corporation	Direct 100%	25.2	June 5, 2002	30 years	DESA Eurus I S.A. ("Eurus I")	Privately-held corporation	Indirect 100%	30.0	April 20, 2011	35 years
Eólica Paracuru Geração e Comercialização de Energia S.A. ("Paracuru")	Privately-held corporation	Direct 100%	25.2	August 28, 2002	30 years	DESA Eurus III S.A. ("Eurus III")	Privately-held corporation	Indirect 100%	30.0	April 25, 2011	35 years
Touros (RN)						Campo dos Ventos I Energias Renováveis S.A. ("Campo dos Ventos I")	Privately-held corporation	Indirect 100%	25.2	March 26, 2013	30 years
Santa Mônica Energias Renováveis S.A. ("Santa Mônica")	Privately-held corporation	Indirect 100%	29.4	April 1, 2014	30 years	Campo dos Ventos II Energias Renováveis S.A. ("Campo dos Ventos II")	Privately-held corporation	Indirect 100%	30.0	April 18, 2011	35 years
Santa Ursula Energias Renováveis S.A. ("Santa Ursula")	Privately-held corporation	Indirect 100%	27.3	March 31, 2014	30 years	Campo dos Ventos III Energias Renováveis S.A. ("Campo dos Ventos III")	Privately-held corporation	Indirect 100%	25.2	March 26, 2013	30 years
Ventos de São Martinho Energias Renováveis S.A. ("Ventos de São Martinho")	Privately-held corporation	Indirect 100%	14.7	March 21, 2014	30 years	SPE Juremas Energia S.A. ("Juremas")	Privately-held corporation	Indirect 95%	16.1	September 29, 2011	35 years
São Miguel do Gostoso (RN)						SPE Macacos Energia S.A. ("Macacos")	Privately-held corporation	Indirect 95%	20.7	September 29, 2011	35 years
Ventos de Santo Dimas Energias Renováveis S.A. ("Ventos de Santo Dimas")	Privately-held corporation	Indirect 100%	29.4	March 7, 2014	30 years	SPE Costa Branca Energia S.A. ("Costa Branca")	Privately-held corporation	Indirect 95%	20.7	October 14, 2011	35 years
São Benedito Energias Renováveis S.A. ("São Benedito")	Privately-held corporation	Indirect 100%	29.4	March 7, 2014	30 years	SPE Pedra Preta Energia S.A. ("Pedra Preta")	Privately-held corporation	Indirect 95%	20.7	October 14, 2011	35 years
São Domingos Energias Renováveis S.A. ("São Domingos")	Privately-held corporation	Indirect 100%	25.2	March 10, 2015	30 years	DESA Morro dos Ventos I S.A. ("Morro dos Ventos I")	Privately-held corporation	Indirect 100%	28.8	July 28, 2010	35 years
						DESA Morro dos Ventos II S.A. ("Morro dos Ventos II")	Privately-held corporation	Indirect 100%	29.2	June 14, 2012	35 years
						DESA Morro dos Ventos III S.A. ("Morro dos Ventos III")	Privately-held corporation	Indirect 100%	28.8	August 5, 2010	35 years
						DESA Morro dos Ventos IV S.A. ("Morro dos Ventos IV")	Privately-held corporation	Indirect 100%	28.8	August 5, 2010	35 years
						DESA Morro dos Ventos VI S.A. ("Morro dos Ventos VI")	Privately-held corporation	Indirect 100%	28.8	July 28, 2010	35 years
						Total			994.0		

(*) The total installed capacity of the Rosa dos Ventos project comprises the Canoa Quebrada and Lagoa do Mato plants.

Baixa Verde and Cajueiro undertakings are in the process of obtaining an authoritative resolution, whose planned installed powers are 12.6 and 27.3 MW, respectively.

The 4 projects, Costa das Dunas, Farol de Touros, Figueira Branca and Gameleira, are already authorized for exploration, but are still under construction, with operations scheduled to start in January 2024, with an estimated installed capacity of 81.7 MW.

Location (state)	Company type	Equity interest	Start date	Conclusion time
Project				
Touros (RN)				
SPE Costa das Dunas Energia S.A. ("Costa das Dunas")	Privately-held corporation	Direct 90%	January 2019	35 years
SPE Farol de Touros Energia S.A. ("Farol de Touros")	Privately-held corporation	Direct 90%	January 2019	35 years
SPE Figueira Branca Energia S.A. ("Figueira Branca")	Privately-held corporation	Direct 100%	January 2019	35 years
SPE Gameleira Energia S.A. ("Gameleira")	Privately-held corporation	Direct 100%	January 2019	35 years

1.3. Biomass power generation projects

The direct subsidiaries have 8 authorizations granted by ANEEL in operation to explore biomass-powered energy, with total installed capacity of 370.0 MW:

Project	Company type	Equity interest	Location (state)	Installed power capacity (MW)	Start date	Conclusion time
SPE Bio Alvorada S.A. ("Bio Alvorada")	Privately-held corporation	Direct 100%	Minas Gerais	50.0	October 29, 2012	30 years
SPE Bio Coopcana S.A. ("Bio Coopcana")	Privately-held corporation	Direct 100%	Paraná	50.0	February 14, 2012	30 years
CPFL Bio Formosa Ltda. ("Bio Formosa")	Limited liability company	Direct 100%	Rio Grande do Norte	40.0	May 15, 2002	30 years
CPFL Bioenergia S.A. ("Bioenergia")	Privately-held corporation	Direct 100%	São Paulo	45.0	September 24, 2009	30 years
CPFL Bio Ester Ltda. ("Bio Ester")	Limited liability company	Direct 100%	São Paulo	40.0	May 21, 1999	30 years
CPFL Bio Buriti Ltda. ("Bio Buriti")	Limited liability company	Direct 100%	São Paulo	50.0	December 16, 2010	30 years
CPFL Bio Ipê Ltda. ("Bio Ipê")	Limited liability company	Direct 100%	São Paulo	25.0	May 3, 2010	30 years
CPFL Bio Pedra Ltda. ("Bio Pedra")	Limited liability company	Direct 100%	São Paulo	70.0	February 28, 2011	35 years
Total				370.0		

1.4. Photovoltaic power generation project

The Company has investment in 1 project in operation to explore the solar energy potential. The SPE CPFL Solar 1 Energia S.A. project ("Solar 1") has an installed capacity of 1.1 MW.

1.5. Other projects

The Company has interests in additional 15 projects, as described below:

Project	Company type	Equity interest	Core activity	Subsidiaries
Holding companies				
SPE Holding S.A. ("SPE Holding")	Privately-held corporation	Direct 100%	Holding company	Anvored, Barra da Paciência, Cocaís Grande, Corrente Grande, Ninho da Águia, Paiol, São Gonçalo, Varginha and Várzea Alegre and Aiuruoca
SPE Holding 2 S.A. ("SPE Holding 2")	Privately-held corporation	Direct 100%	Holding company	Santa Luzia
Eólica Holding S.A. ("Eólica Holding")	Privately-held corporation	Direct 100%	Holding company	Campos dos Ventos II, Costa Branca, Juremas, Macacos and Pedra Preta
SPE Turbina 16 Energias S.A. ("Turbina 16")	Privately-held corporation	Direct 100%	Holding company	Campos dos Ventos I, III and V, São Benedito, Santa Mônica, Santa Úrsula, São Domingos, Ventos de Santo Dimas and Ventos de São Martinho.
Dobrevê Energia S.A. ("DESA Dobrevê")	Privately-held corporation	Direct 100%	Holding company	DESA Eólicas, Novo Horizonte, Figueirópolis, Morro dos Ventos II, Ludes, Mata Velha, WF1 Holding, Cherobim Energética and Varginha Energética.
DESA Eólicas S.A. ("DESA Eólicas")	Privately-held corporation	Indirect 100%	Holding company	Eurus I and III, and Morro dos Ventos I, III, IV, VI and IX.
WF 1 Holding S.A. ("WF 1 Holding")	Privately-held corporation	Indirect 100%	Holding company	No investments
Other project operation				
SPE Turbina 17 Energia S.A. ("Turbina 17")	Privately-held corporation	Direct 100%	Wholesale of parts and pieces of machinery and equipment	No investments
Other projects without operation				
SPE Aiuruoca Energia Ltda. ("Aiuruoca")	Limited liability company	Indirect 100%	Energy generation	Not applicable
SPE Cachoeira Grande Energia Ltda. ("Cachoeira Grande")	Limited liability company	Direct 100%	Energy generation	Not applicable
Cherobim Energética S.A. ("Cherobim Energética")	Privately-held corporation	Indirect 100%	Energy generation	Not applicable
Varginha Energética S/A ("Varginha Energética")	Privately-held corporation	Indirect 100%	Energy generation	Not applicable
SPE Navegantes Energia S.A. ("Navegantes")	Privately-held corporation	Direct 95%	Energy commercialization	Not applicable
SPE Tombo Energia Ltda. ("Tombo")	Limited liability company	Direct 100%	Energy commercialization	Not applicable
SPE Penedo Energia Ltda. ("Penedo")	Limited liability company	Direct 100%	Energy commercialization	Not applicable

• Seasonality

The operating revenue and generation costs of SHPs, wind farms and thermoelectric plants powered by biomass suffer a significant impact from seasonality throughout the year, with the following characteristics:

- ❖ The lower average wind speed means that wind farms have lower generation volumes in the 1st half of the year;
- ❖ The sugarcane harvest in the Southeast region begins in April and is expected to end in November. The Northeast harvest, in turn, has its production cycle between August and March of the following year;
- ❖ Given that the revenue recognition from wind farms and some biomass plants follows the actual generation of these plants, it is noted that, in general, the first half of the year is a period with lower revenues than the second half for these assets; and
- ❖ The rainy season favors the generation of SHPs in the Southeast and Midwest regions in the 1st and 4th quarters, while in the South, the rainy season favors generation in the 2nd and 3rd quarters.

In addition, the effects on the SHP's revenue accounting are a consequence of the physical guarantee of each plant, seasonally adjusted, which is registered with the Electric Energy Trading Chamber (CCEE). The differences between the generated power and the physical guarantee are covered by the Energy Reallocation Mechanism (ERM). The amount of generated power, above or below the physical guarantee, is valued by a tariff called Optimization Energy Tariff (OET), which covers only the plant's operation and maintenance costs. This additional revenue or expense will be recorded monthly for each generator. Finally, if the ERM plants do not generate the sum of physical guarantees due to unfavorable hydrological conditions, all plants apportion the difference determined based on the Difference Settlement Price (DSP), this effect is defined as Generation Scaling Factor (GSF). As at June 30, 2020, the Company and its subsidiaries did not have any plants outside the ERM.

• Negative net working capital

As at June 30, 2020, the Company reported in the individual and consolidated financial statements a negative net working capital of R\$ 684,776 and R\$ 134,394, respectively. In the parent company and consolidated information, the working capital equation in 2020 will be achieved through new funding that is under initial negotiation. Additionally, in the parent company, the equation will also be achieved through receipt of dividends from its direct and indirect subsidiaries, resulting mainly from accumulated results.

1.6. Impacts of COVID-19

On March 11, 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) to be a pandemic. The outbreak triggered significant decisions from governments and private sector entities that added to the potential impact of the outbreak, increased the degree of uncertainty for economic agents and may impact financial statements. The world's main economies and the main economic blocs are assessing significant stimulus packages to overcome the potential economic recession that the measures to mitigate the spread of COVID-19 may cause.

In Brazil, the executive and legislative branches of the government edited various acts to prevent and contain the pandemic, particularly Legislative Decree No. 6, edited on March 20, 2020, which declared a state of public calamity. The state and municipal governments also edited various acts seeking to restrict the free movement of people and commercial and service activities, in addition to making emergency investments in the healthcare sector available.

Management has constantly assessed the impact of the outbreak on the operations and the equity and financial position of the Company and its subsidiaries, in order to implement the appropriate measures to mitigate the impact to operations. Up until the authorization date for the issuance of this interim financial information, the following measures have been taken and the primary matters that are constantly being monitored are listed below:

- Implementing temporary measures for employees, such as home office plans, adapting collective spaces to avoid agglomerations of people, and other applicable measures relating to health;
- Negotiating with suppliers of equipment to evaluate delivery deadlines in light of the new scenario, without, until now, there have not been any indications of significant risks of delay that could impact operations;
- Evaluating contractual terms with financial institutions relating to loans and financing as well as supplier payments to mitigate any potential liquidity risks;
- Monitoring the variations of market indexes that may affect loans, financing and debentures;
- Evaluating potential renegotiations with customers, due to a macroeconomic downturn. Management's initial expectation is that such renegotiations will be directed, mostly, through temporary shifts in the contracted quantities.

The financial and economic effect on the Company and its subsidiaries during the course of the 2020 financial year will depend on the outcome of this crisis and its macroeconomic impacts, especially with respect to reductions in economic activity, as well as the extent of social isolation. The Company and its subsidiaries will continue to monitor the effects of the crisis and its impacts on their operations and financial statements constantly.

(2) PRESENTATION OF THE INTERIM ACCOUNTING INFORMATION

2.1 Basis of preparation

This individual (Parent Company) and consolidated interim financial information has been prepared and is being presented in accordance with the International Accounting Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also based on the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Financial Information (ITR), in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting.

The Company and its subsidiaries ("Group") also follow the guidelines of the Accounting Manual of the Brazilian Electricity Sector and the standards laid down by the Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica - ANEEL) when these do not conflict with the accounting practices adopted in Brazil and/or International Financial Reporting Standards.

The accounting practices and criteria adopted in preparing this individual and consolidated interim financial information is consistent with those adopted in preparing the financial statements at December 31, 2019, and therefore should be read together.

Management states that all material information of the interim accounting information is disclosed and corresponds to what is used in the Group's management.

The interim accounting information were authorized for issue by Management on August 5, 2020.

2.2 Basis of measurement

The interim accounting information have been prepared on the historical cost basis except for the following items recorded in the statements of financial position: i) derivative financial instruments measured at fair value, and ii) non-derivative financial instruments measured at fair value through profit or loss. The classification of the fair value measurement in the level 1, 2 or 3 categories (depending on the degree of observance of the variables used) is presented in Note 29 – Financial Instruments.

2.3 Use of estimates and judgments

The preparation of the interim accounting information requires the Group's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

By definition, the accounting estimates are rarely the same as the actual results. Accordingly, the Group's management reviews the estimates and assumptions on an ongoing basis, based on previous experience and other relevant factors. Adjustments arising from revisions to accounting estimates are recognized in the period in which the estimates are revised and applied on a prospective basis.

The main accounts that require the adoption of estimates and assumptions, which are subject to a greater degree of uncertainty and may result in a material adjustment if these estimates and assumptions suffer significant changes in subsequent periods, are:

- Note 8 – Consumers, concessionaires and licensees (Allowance for doubtful accounts: key assumptions regarding the expected credit loss);
- Note 10 – Deferred tax assets and liabilities (key assumptions regarding the recoverable amounts related to income tax and social contribution tax losses, temporary differences and the intangible asset Exploration Rights);
- Note 13 - Property, plant and equipment (application of finite useful lives and key assumptions regarding recoverable amounts);
- Note 14 – Intangible assets (key assumptions regarding recoverable amounts); and
- Note 19 – Provisions (recognition and measurement: key assumptions on the probability and magnitude of outflow of resources).

2.4 Functional currency and presentation currency

The Group functional currency is the Brazilian Real, and the individual and consolidated interim accounting information are being presented in thousands of reais. Figures are rounded only after the sum-up of the amounts. Consequently, when summed up, the amounts stated in thousands of reais may not tally with the rounded totals.

2.5 Segment information

An operating segment is a component of the Company (i) which has operational activities through which it generates revenues and incurs expenses, (ii) whose operating results are regularly reviewed by Management in making decisions about the allocation of resources and assessing the performance of the segment, and (iii) for which there is individual financial information.

The Group's executives use reports to make strategic decisions, segmenting the business into (i) activities for the generation and sale of electricity from renewable sources ("Renewables").

The Company presents its individual and consolidated interim accounting information considering only one operating segment, the generation and sale of electric energy, generated and purchased under long-term contracts, which fully represent the total revenue of the Company and its subsidiaries, since the nature of the production services and processes, customer category and services, distribution and trading methods and other aspects such as the regulatory environment are the same for the various types of plants (biomass, solar, wind and small hydropower plants). Additionally, there is no separate control for any plant. This is the manner how management and the Board of Directors of the Company and its subsidiaries evaluate the performance of the plants and allocate the necessary resources.

2.6 Information on equity interests

The Company's equity interests are described in Note 1 and are fully consolidated.

At June 30, 2020 and December 31, 2019, and for the quarters and semesters ended June 30, 2020 and 2019, the non-controlling interests in the consolidated balances refer to interests held by third parties in subsidiaries Baixa Verde, Cajueiro, Costa das Dunas, Farol de Touros, Navegantes, Costa Branca, Juremas, Macacos, Pedra Preta and Ludesá.

2.7 Statement of value added

The Company has prepared the individual and consolidated statements of value added ("DVA") in conformity with technical pronouncement CPC 09 - Statement of Value Added, which are presented as an integral part of the interim accounting information in accordance with accounting practices adopted in Brazil and as supplementary information to the interim accounting information in accordance with IFRS, as such statements are neither provided for nor mandatory in accordance with IFRS.

2.8 New presentation of the 2019 interim accounting information - opening lines and reclassifications

As of December 2019, with the objective of making improvements in the presentation of accounting information for monitoring results by the Group's Management, through a better analysis of the costs and expenses accounts, the Company started to open the depreciation lines and amortization in two items in the income statements. There were also reclassifications and new groupings in statements of value added and cash flow, which do not affect the analysis, but aligns the publications of the different companies of the Group.

For comparability purposes, these changes were applied retrospectively in the interim accounting information of June 30, 2019 with the same opening. There were no changes between the nature of costs and expenses and cash flow activities.

The following tables summarize the impacts on the Group's June 30, 2019 interim accounting information:

Statements of profit or loss

	Parent company					
	2019			2019		
	2nd quarter			Six months		
	Originally published	Opening lines	New disclosure	Originally published	Opening lines	New disclosure
Net operating revenue	56,383	-	56,383	105,655	-	105,655
Cost of electric energy generation	(52,289)	52,289	-	(107,881)	107,881	-
Cost of services						
Cost of electric energy	-	(24,569)	(24,569)	-	(52,559)	(52,559)
Cost of operation	-	(27,720)	(27,720)	-	(55,322)	(55,322)
Depreciation and amortization	-	(17,525)	(17,525)	-	(34,430)	(34,430)
Other cost of operation	-	(10,195)	(10,195)	-	(20,892)	(20,892)
Gross profit	4,094	-	4,094	(2,226)	-	(2,226)
Operating expenses						
Selling expenses	-	(12)	(12)	-	(12)	(12)
Other selling expenses	-	(12)	(12)	-	(12)	(12)
General and administrative expenses	(32,851)	(45)	(32,896)	(64,127)	46	(64,081)
Depreciation and amortization	-	(2,123)	(2,123)	-	(3,726)	(3,726)
Other general and administrative expenses	(32,851)	2,078	(30,773)	(64,127)	3,772	(60,355)
Other operating expenses	(16,108)	57	(16,051)	(32,216)	(34)	(32,250)
Amortization of concession intangible asset	(16,108)	-	(16,108)	(32,216)	-	(32,216)
Other operating expenses	-	57	57	-	(34)	(34)
Expense from electric energy services	(44,865)	-	(44,865)	(98,569)	-	(98,569)
Equity interests in subsidiaries, associates and joint ventures	76,835	-	76,835	103,916	-	103,916
Finance income (expenses)						
Finance income	11,410	-	11,410	22,012	-	22,012
Financial expenses	(84,611)	-	(84,611)	(166,239)	-	(166,239)
	(73,201)	-	(73,201)	(144,227)	-	(144,227)
Loss before taxes	(41,231)	-	(41,231)	(138,880)	-	(138,880)
Income tax and social contribution - current	-	-	-	-	-	-
Income tax and social contribution - deferred	499	(499)	-	2,284	(2,284)	-
Social contribution	-	133	133	-	605	605
Income tax	-	366	366	-	1,679	1,679
	499	-	499	2,284	-	2,284
Loss for the period	(40,732)	-	(40,732)	(136,596)	-	(136,596)

Statements of profit or loss

	Consolidated					
	2019			2019		
	2nd quarter			Six months		
	Originally published	Opening lines	New disclosure	Originally published	Opening lines	New disclosure
Net operating revenue	411,298	-	411,298	745,486	-	745,486
Cost of electric energy generation	(243,937)	243,937	-	(470,858)	470,858	-
Cost of services						
Cost of electric energy	-	(66,338)	(66,338)	-	(119,609)	(119,609)
Cost of operation	-	(177,599)	(177,599)	-	(351,249)	(351,249)
Depreciation and amortization	-	(119,678)	(119,678)	-	(238,845)	(238,845)
Other cost of operation	-	(57,921)	(57,921)	-	(112,404)	(112,404)
Gross profit	167,361	-	167,361	274,628	-	274,628
Operating expenses						
Selling expenses	-	(12)	(12)	-	(12)	(12)
Other selling expenses	-	(12)	(12)	-	(12)	(12)
General and administrative expenses	(38,282)	342	(37,940)	(74,282)	1,164	(73,118)
Depreciation and amortization	-	(2,126)	(2,126)	-	(3,733)	(3,733)
Other general and administrative expenses	(38,282)	2,468	(35,814)	(74,282)	4,897	(69,385)
Other operating expenses	(39,807)	(330)	(40,137)	(79,614)	(1,152)	(80,766)
Amortization of concession intangible asset	(39,807)	-	(39,807)	(79,614)	-	(79,614)
Other operating expenses	-	(330)	(330)	-	(1,152)	(1,152)
Income from electric energy services	89,272	-	89,272	120,732	-	120,732
Finance income (expenses)						
Finance income	50,196	-	50,196	98,786	-	98,786
Financial expenses	(161,370)	-	(161,370)	(321,666)	-	(321,666)
	(111,174)	-	(111,174)	(222,880)	-	(222,880)
Loss before taxes	(21,902)	-	(21,902)	(102,148)	-	(102,148)
Income tax and social contribution - current	(26,337)	26,337	-	(50,139)	50,139	-
Income tax and social contribution - deferred	9,741	(9,741)	-	20,766	(20,766)	-
Social contribution	-	(5,473)	(5,473)	-	(9,751)	(9,751)
Income tax	-	(11,123)	(11,123)	-	(19,622)	(19,622)
	(16,596)	-	(16,596)	(29,373)	-	(29,373)
Loss for the period	(38,498)	-	(38,498)	(131,521)	-	(131,521)

Statements of cash flows

	Parent company			Consolidated		
	2019			2019		
	Six months			Six months		
	Originally published	Opening lines	New disclosure	Originally published	Opening lines	New disclosure
Adjustment to reconcile loss to cash from operating activities						
Disposal of fixed assets	1,133	(1,133)	-	977	(977)	-
Loss on disposal of noncurrent assets	-	1,133	1,133	-	977	977
Adjustment to present value of socio-environmental provision and asset demobilization	2,336	(2,336)	-	6,969	(6,969)	-
Income from financial investments	(3,926)	3,926	-	(17,503)	17,503	-
Monetary adjustments	173	(173)	-	(329)	329	-
Interest on loans with related parties	36,573	(36,573)	-	13,273	(13,273)	-
Interest on loans with non-controlling interests	(352)	352	-	(512)	512	-
Adjustment to present value	(35)	35	-	(1,990)	1,990	-
Financial charges on loans, financing and debentures and monetary restatement	104,016	(104,016)	-	229,290	(229,290)	-
Debt charges and monetary and exchange updates	-	138,785	138,785	-	229,198	229,198
Decrease (increase) in operating assets						
Advance to trade payable	9	(9)	-	(1,366)	1,366	-
Other credits	(8,836)	8,836	-	3,442	(3,442)	-
Other operating assets	-	(8,827)	(8,827)	-	2,076	2,076
Increase (decrease) in operating liabilities						
Payment of labor, tax and civil contingencies	-	-	-	(1,237)	1,237	-
Labor obligations	1,824	(1,824)	-	1,705	(1,705)	-
Other operating liabilities	(78,547)	1,824	(76,723)	(79,746)	468	(79,278)
Cash flows generated by operations	18,939	-	18,939	439,626	-	439,626
Cash flows generated by (applied in) operations activities	(68,804)	-	(68,804)	201,640	-	201,640
Investments activities						
Financial investments	(52,906)	52,906	-	(52,906)	52,906	-
Redemptions of financial investments	85,464	(85,464)	-	85,464	(85,464)	-
Linked financial investments	(38,192)	38,192	-	(117,870)	117,870	-
Redemptions of linked financial investments	43,003	(43,003)	-	83,686	(83,686)	-
Securities, pledges and restricted deposits (investments)	-	(91,098)	(91,098)	-	(170,776)	(170,776)
Securities, pledges and restricted deposits (redemptions)	-	128,467	128,467	-	169,150	169,150
Loans receivables	(46)	46	-	66	(66)	-
Other	-	(46)	(46)	-	66	66
Net cash generated by (applied in) investing activities	188,206	-	188,206	(50,378)	-	(50,378)
Net increase (decrease) in cash and cash equivalents	72,556	-	72,556	(195,019)	-	(195,019)
Cash and cash equivalents at the beginning of the period	109,252	-	109,252	876,571	-	876,571
Cash and cash equivalents at the end of the period	181,808	-	181,808	681,552	-	681,552

Statements of value added	Parent company			Consolidated		
	2019			2019		
	Six months			Six months		
	Originally published	Opening lines	New disclosure	Originally published	Opening lines	New disclosure
1. Revenues	151,486	-	151,486	880,656	-	880,656
1.1 Operating revenues	115,610	2,446	118,057	784,699	3,202	787,901
1.2 Revenues related to the construction of own assets	33,430	-	33,430	92,755	-	92,755
1.3 Revenue from construction of concession infrastructure	2,446	(2,446)	-	3,202	(3,202)	-
2. (-) Inputs	(128,310)	-	(128,310)	(333,762)	-	(333,762)
2.1 Electricity purchased for resale	(55,546)	-	(55,546)	(122,765)	-	(122,765)
2.2 Material	(7,592)	-	(7,592)	(27,617)	-	(27,617)
2.3 Outsourced services	(62,370)	-	(62,370)	(170,586)	-	(170,586)
2.4 Other	(2,802)	-	(2,802)	(12,794)	-	(12,794)
3. Gross value added (1 + 2)	23,176	-	23,176	546,894	-	546,894
4. Retentions	(70,373)	-	(70,373)	(322,191)	-	(322,191)
4.1 Depreciation and amortization	(70,373)	32,216	(38,157)	(322,191)	79,614	(242,577)
4.2 Amortization of intangible assets of concession	-	(32,216)	(32,216)	-	(79,614)	(79,614)
5. Net value added generated (3 + 4)	(47,197)	-	(47,197)	224,703	-	224,703
6. Value added received in transfer	126,998	-	126,998	100,484	-	100,484
6.1 Financial Income	23,082	-	23,082	100,484	-	100,484
6.2 Equity interest in subsidiaries	103,916	-	103,916	-	-	-
7. Value Added to be distributed (5 + 6)	79,801	-	79,801	325,187	-	325,187
8. Distribution of value added						
8.1 Personnel and charges	30,013	-	30,013	44,670	-	44,670
8.1.1 Direct remuneration	18,726	-	18,726	33,310	-	33,310
8.1.2 Benefits	8,286	-	8,286	8,317	-	8,317
8.1.3 Government severance indemnity fund for employees - F.G.T.S.	3,001	-	3,001	3,043	-	3,043
8.2 Taxes, fees and contributions	15,685	-	15,685	77,644	-	77,644
8.2.1 Federal	15,685	-	15,685	77,644	-	77,644
8.3 Lenders and lessors	170,699	-	170,699	334,394	-	334,394
8.3.1 Interest	166,056	-	166,056	321,402	-	321,402
8.3.2 Rentals	4,643	-	4,643	12,992	-	12,992
8.4 Interest on capital	(136,596)	-	(136,596)	(131,521)	-	(131,521)
8.4.1 Retained Earnings	(136,596)	-	(136,596)	(131,521)	-	(131,521)
	79,801	-	79,801	325,187	-	325,187

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the changes disclosed below, the interim financial information of the Group was prepared based on the same accounting policies described in notes 3.1 to 3.18 to the financial statements for the year ended December 31, 2019. The effects of the changes in accounting policies are also expected on the Group's consolidated financial statements for the period ended March 31, 2020.

Nature and effect of changes: financial instruments - financial liabilities measured at fair value through profit or loss

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 and may be measured at fair value through profit or loss or at amortized cost. For the new borrowings taken in the first semester of 2020, the Company recognized the changes in fair values related to borrowings in foreign currency exclusively designated at fair value through profit or loss since there were no significant changes attributable to their credit risk. See note 16.

(4) FAIR VALUE MEASUREMENT

A number of the Group's accounting policies and disclosures require a fair value measurement, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure

purposes based on the following methods. When applicable, additional information on the assumptions made in the fair value measurement is disclosed in the notes specific to that asset or liability.

The Group determined the fair value as the estimated price for which an orderly transaction for the sale of an asset or the transfer of a liability would occur between market participants, under current market conditions, at the measurement date.

- Property, plant and equipment and intangible assets

The fair value of items of PP&E, intangible assets and contractual assets is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

- Financial instruments

Financial instruments measured at fair value are valued based on quoted prices in an active market, or, if such prices are not available, they are assessed using pricing models, applied individually to each transaction, taking into consideration future cash flows, based on the contractual conditions, discounted to present value at rates obtained from market interest curves, having as a basis, whenever available, information obtained from the websites of B3 S.A. – Brasil, Bolsa, Balcão and the Brazilian Association of Financial and Capital Market Entities - ANBIMA (Note 29) and also include the credit risk rate of the debtor.

(5) CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Bank balances	15,406	19,545	77,122	158,806
Short-term financial investments	65,605	38,041	971,438	253,773
Private credit notes (a)	-	464	71,734	6,570
Investment funds (b)	65,605	37,577	899,704	206,801
Repurchase agreements and debentures (c)	-	-	-	40,402
Total	81,011	57,586	1,048,560	412,579

- a) These short-term investments refer to Bank Deposit Certificates – CDBs and secured debentures, which earn interest equivalent, on average, to 98.11% of the Interbank Deposit Certificates - CDI (97.08% at December 31, 2019).
- b) They represent amounts invested in the Atlantic Fund (variable rate securities backed by the CDI, substantially CDBs, financial bills, federal government securities and secured debentures of large financial institutions and investment funds of low risk and high liquidity) in the BNB Institutional Fund and XP Top CDB Fund. The average interest rate is 90.89% of the CDI (94.61% at December 31, 2019).
- c) Investments funds, with high liquidity and interest equivalent (65% of the CDI at December 31, 2019).

(6) SECURITIES

	Parent Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Securities				
Through investment funds	10	43,881	10	449,786
Total	10	43,881	10	449,786

In June 2020, the amount of R\$ 449,776 was redeemed from securities and applied to income equal to savings accounts, classified in cash and cash equivalents. In 2019, the amount of R\$ 449,786 in the consolidated was invested in public debt securities, Letras Financeira ("LF") and Letra Financeira do Tesouro ("LFT"), through investment fund quotas, whose equivalent remuneration, on average of 99.87%.

(7) PLEDGES, FUNDS AND RESTRICTED DEPOSITS

Financial agent	Application type	Maturity	Indexer	Remuneration	Parent company	
					June 30, 2020	December 31, 2019
BNB	Financial Treasury Bills	Undefined	DI	-	-	21,727
BNB	Open fund and CDB	Undefined	Several	99.85%	34,440	41,586
					34,440	63,313

Financial agent	Application type	Maturity	Indexer	Remuneration	Consolidated	
					June 30, 2020	December 31, 2019
Banco do Brasil	Open fund	Undefined	Several	-	-	4,760
BNB	Financial Treasury Bills	Undefined	DI	-	-	31,244
BNB	Open fund and CDB	Undefined	Several	99.85%	34,440	60,552
Bradesco	(FIC) Federal	Undefined	Several	99.85%	33,644	38,158
Citibank	Citi Cash Blue Fund	Undefined	Several	99.78%	5,366	5,331
Itaú	Soberano Fund	Undefined	Several	99.91%	481,827	427,203
Itaú	CDB Committed Operation	Several	DI	90.00%	1,270	1,250
					556,548	568,498

Refer to reserve accounts set up in subsidiaries, in accordance with the respective loan and financing contracts, and should be maintained until their amortization. As of June 30, 2020, the guarantees were 100% paid-in, with the exception of the accounts referring to subsidiary Ludesa, which had 86% of the guarantees paid-in and with no time limit for total constitution.

The financial instruments related to these reserve accounts are contracted exclusively to meet legal and contractual requirements and are designated as measured at amortized cost.

(8) CONSUMERS, CONCESSIONAIRES AND LICENSEES

	Parent Company					Consolidated				
	Amounts not due	Past due		Total		Amounts not due	Past due		Total	
		until 90 days	> 90 days	June 30, 2020	December 31, 2019		until 90 days	> 90 days	June 30, 2020	December 31, 2019
Current										
CCEE transactions	-	-	108	108	5,935	38,190	-	5,441	43,631	62,535
Concessionaires and licensees	32,117	12,096	50,776	94,989	100,392	127,951	19,705	11,853	159,509	170,085
Other	-	-	-	-	-	-	13	11	24	12
	<u>32,117</u>	<u>12,096</u>	<u>50,884</u>	<u>95,097</u>	<u>106,327</u>	<u>166,141</u>	<u>19,718</u>	<u>17,306</u>	<u>203,164</u>	<u>232,632</u>
Total				<u>95,097</u>	<u>106,327</u>				<u>203,164</u>	<u>232,632</u>
Noncurrent										
CCEE transactions	-	-	45,302	45,302	41,744	-	32,414	133,831	166,245	150,210
	<u>-</u>	<u>-</u>	<u>45,302</u>	<u>45,302</u>	<u>41,744</u>	<u>-</u>	<u>32,414</u>	<u>133,831</u>	<u>166,245</u>	<u>150,210</u>
Total				<u>45,302</u>	<u>41,744</u>				<u>166,245</u>	<u>150,210</u>

Electric Energy Trading Chamber (CCEE) transactions - The amounts refer to trading of electric energy on the spot market. The long-term amounts mainly comprise outstanding balances resulting from CCEE's temporary situation due to generators' court injunctions with respect to the hydrological scenario and their financial impacts on contracts in the free market. The Company and its subsidiaries understand that there are no significant risks in the realization of these assets and, consequently, no provision was recorded for this purpose.

8.1 Allowance for doubtful accounts

Management of the Company and its subsidiaries did not consider it necessary to set up an allowance for doubtful accounts because there were no historical losses in the current and prior years, and there is no expectation of losses in the entire receivables portfolio at June 30, 2020.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

(9) RECOVERABLE TAXES

	Parent Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current				
Prepayments of social contribution – CSLL	-	-	449	474
Prepayments of income tax - IRPJ	-	-	1,434	1,638
Income tax and social contribution to be offset	18,137	15,703	48,761	44,649
Income tax and social contribution to be offset	18,137	15,703	50,644	46,761
Withholding income tax - IRRF	11,965	10,349	32,504	22,148
State VAT - ICMS to be offset	832	817	8,835	5,836
Social Integration Program - PIS	3,081	2,507	5,430	4,131
Contribution for Social Security Funding - COFINS	14,167	11,568	25,359	19,315
Other	117	109	1,850	738
Other taxes to be offset	30,162	25,350	73,978	52,168
Total current	48,299	41,053	124,622	98,929
Noncurrent				
Social contribution to be offset - CSLL	-	-	36	36
Income tax to be offset - IRPJ	25,584	25,584	31,099	32,284
Income tax and social contribution to be offset	25,584	25,584	31,135	32,320
Contribution for Social Security Funding - COFINS	-	-	50	50
Other	-	-	3,530	3,530
Other taxes to be offset	-	-	3,580	3,580
Total noncurrent	25,584	25,584	34,715	35,900

Income tax and social contribution to be offset – refers to tax credits generated by overpayments in accordance with the taxable income regime and negative balance from prior years.

Withholding income tax - IRRF - refers to withholdings on short-term financial investments that do not depend on judicial or administrative decisions to be used.

Contribution for Social Security Financing - COFINS – refers to credits withheld at source by public agencies on the sale of electricity and credits taken on charges, materials, services and on purchase of energy.

(10) DEFERRED TAX ASSETS AND LIABILITIES

10.1 Breakdown of tax assets and liabilities

	Parent Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<u>Social contribution credit/(debit)</u>				
Tax losses carryforwards	23.234	23.234	23.234	23.234
Temporarily nondeductible/taxable differences	(96.394)	(94.252)	(236.954)	(241.944)
Subtotal	(73.160)	(71.018)	(213.720)	(218.710)
<u>Income tax credit / (debit)</u>				
Tax losses carryforwards	64.539	64.539	64.539	64.539
Temporarily nondeductible/taxable differences	(267.762)	(261.809)	(658.206)	(672.068)
Subtotal	(203.223)	(197.270)	(593.666)	(607.529)
Total	(276.383)	(268.288)	(807.386)	(826.239)
Total tax credit	99.013	95.562	160.889	95.562
Total tax debit	(375.396)	(363.850)	(968.275)	(921.801)

10.2 Accumulated balances on nondeductible/taxable temporary differences

	Parent company			
	June 30, 2020		December 31, 2019	
	Social contribution	Income tax	Social contribution	Income tax
Temporarily nondeductible differences				
Mark to market - Derivatives	(3,829)	(10,637)	-	-
Accelerated depreciation	(26,300)	(73,055)	(23,845)	(66,237)
Temporarily nondeductible/tributable differences - business combination:				
Deferred taxes - asset:				
Fair value of property, plant and equipment (negative value added of assets)	14,176	39,379	14,770	41,027
Deferred taxes - liability:				
Value added derived from determination of demed cost	(14,828)	(41,188)	(15,203)	(42,231)
Intangible assets - Exploration rights/authorization	(65,000)	(180,554)	(69,359)	(192,663)
Other temporary differences	(614)	(1,707)	(614)	(1,706)
Total	(96,394)	(267,762)	(94,252)	(261,809)

	Consolidated			
	June 30, 2020		December 31, 2019	
	Social contribution	Income tax	Social contribution	Income tax
Temporarily nondeductible differences				
Mark to market - Derivatives	(3,829)	(10,637)	-	-
Accelerated depreciation	(26,300)	(73,055)	(23,845)	(66,237)
Temporarily nondeductible/tributable differences - business combination:				
Deferred taxes - asset:				
Fair value of property, plant and equipment (negative value added of assets)	17,606	48,907	18,344	50,955
Deferred taxes - liability:				
Value added derived from determination of demed cost	(18,551)	(51,532)	(19,177)	(53,270)
Intangible assets - Exploration rights/authorization	(205,266)	(570,182)	(216,651)	(601,809)
Other temporary differences	(614)	(1,707)	(614)	(1,707)
Total	(236,954)	(658,206)	(241,944)	(672,068)

10.3 Reconciliation of the income tax and social contribution amounts recognized in the statements of profit or loss for ended quarters and semesters June 30, 2020 and 2019:

	Parent Company			
	Social Contribution			
	2020		2019	
	2nd quarter 2020	Six months 2020	2nd quarter 2019	Six months 2019
Profit before taxes	(51,547)	(78,093)	(41,231)	(138,880)
Reconciliation to reflect effective rate:				
Equity in subsidiaries	(43,480)	(123,010)	(76,835)	(103,916)
Other permanent additions (exclusions), net	41,589	92,957	-	-
Tax base	(53,438)	(108,146)	(118,066)	(242,796)
Statutory rate	9%	9%	9%	9%
Tax credit/(debit)	4,809	9,733	10,626	21,852
Recorded (unrecognized) tax credit, net	(3,942)	(10,841)	(10,493)	(21,247)
Total	867	(1,107)	133	605
Current	-	-	-	-
Deferred	867	(1,107)	133	605

	Consolidated			
	Social Contribution			
	2020		2019	
	2nd quarter	Six months	2nd quarter	Six months
Profit before taxes	(39,415)	(52,083)	(21,902)	(102,148)
Reconciliation to reflect effective rate:				
Effect of presumed profit system	(29,979)	(90,992)	(86,689)	(110,615)
Other permanent additions (exclusions), net	43,578	96,936	6,491	8,347
Tax base	(25,816)	(46,139)	(102,100)	(204,416)
Statutory rate	9%	9%	9%	9%
Tax credit/(debit)	2,323	4,153	9,189	18,397
Recorded (unrecognized) tax credit, net	(4,817)	(12,824)	(14,662)	(28,148)
Total	(2,494)	(8,671)	(5,473)	(9,751)
Current	(5,755)	(12,350)	(8,052)	(15,248)
Deferred	3,261	3,679	2,579	5,497

	Parent Company			
	Income Tax			
	2020		2019	
	2nd quarter	Six months	2nd quarter	Six months
Profit before taxes	(51,547)	(78,093)	(41,231)	(138,880)
Reconciliation to reflect effective rate:				
Equity in subsidiaries	(43,480)	(123,010)	(76,835)	(103,916)
Other permanent additions (exclusions), net	41,589	92,957	-	-
Tax base	(53,438)	(108,146)	(118,066)	(242,796)
Statutory rate	25%	25%	25%	25%
Tax credit/(debit)	13,360	27,037	29,517	60,699
Recorded (unrecognized) tax credit, net	(8,473)	(25,161)	(29,151)	(59,020)
Total	4,887	1,876	366	1,679
Current	-	-	-	-
Deferred	4,887	1,876	366	1,679

	Consolidated			
	Income Tax			
	2020		2019	
	2nd quarter	Six months	2nd quarter	Six months
Profit before taxes	(39,415)	(52,083)	(21,902)	(102,148)
Reconciliation to reflect effective rate:				
Effect of presumed profit system	(44,021)	(120,806)	(96,044)	(126,350)
Other permanent additions (exclusions), net	43,578	96,936	6,491	8,347
Tax base	(39,858)	(75,953)	(111,455)	(220,151)
Statutory rate	25%	25%	25%	25%
Tax credit/(debit)	9,965	18,988	27,864	55,038
Recorded (unrecognized) tax credit, net	(10,804)	(30,464)	(38,987)	(74,660)
Total	(840)	(11,476)	(11,123)	(19,622)
Current	(12,375)	(26,649)	(18,285)	(34,891)
Deferred	11,535	15,173	7,162	15,269

Recognized (unrecognized) tax credit, net – The recognized tax credit corresponds to the portion of the tax credit on tax loss carryforwards, recorded due to the review of projections of future profits. The portion of unrecognized credit corresponds to the loss generated for which, at the moment, there is no reasonable certainty of generating sufficient future taxable profits for its absorption.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

(11) OTHER ASSETS

	Parent Company				Consolidated			
	Current		Noncurrent		Current		Noncurrent	
	December 31,		December 31,		December 31,		December 31,	
	June 30, 2020	2019	June 30, 2020	2019	June 30, 2020	2019	June 30, 2020	2019
Credits receivable	-	-	2,738	2,634	-	-	25,164	24,416
Credits receivable - apportionments	42,824	21,736	-	-	-	-	-	-
Advances to suppliers	225	383	-	-	53,842	38,287	-	-
Orders in progress	-	926	-	-	1,414	926	-	-
Services rendered to third parties	572	572	-	-	-	-	-	-
Supplies	17,707	930	-	-	34,313	16,386	-	-
Energy pre-purchase agreements	-	-	-	-	14,129	12,775	10,019	10,432
Prepaid expenses	2,393	3,005	542	598	13,985	20,332	1,049	1,067
GSF renegotiation	-	-	-	-	130	1,716	-	-
Advances to employees	2,141	520	-	-	2,141	520	-	-
Other	1,682	5,022	8,244	7,728	29,379	27,506	33,936	33,242
Total	67,545	33,093	11,524	10,960	149,334	118,447	70,169	69,157

Credits receivables – includes the amount of R\$ 13,210 (R\$ 13,210 on December 31, 2019) related to credits receivable from Baldin Bioenergia.

Credits receivable – apportionments - refers mainly to the apportionments of labor expenses of the Holding Company to which the amount is prorated to the subsidiaries.

Advances to Suppliers - Refers to advances to suppliers for the supply, assembly and commissioning of wind turbines.

Inventory - refers to the acquisition of materials, carried out by the subsidiary SPE Turbina 17 S.A., for the maintenance of wind farms.

Energy pre-purchase agreements – refers to pre-payments of the energy pre-purchase agreement between CPFL Bioenergia and Baldin. This balance is realized through the monthly receipt of energy.

GSF Renegotiation - Refers to the premium paid in advance for the transfer of hydrological risk to the Centralizing Account for Tariff Flag Resources (CATFR), amortized on a straight-line basis against other operating costs.

(12) INVESTMENTS

	Parent company	
	June 30, 2020	December 31, 2019
Equity method		
By equity method of the subsidiary	5,369,373	5,213,596
Subtotal	5,369,373	5,213,596
Added asset value, net	1,000,928	1,024,671
Total	6,370,301	6,238,267

12.1 Equity interests - equity method

The main information on investments in direct equity interests is as follows:

Investments	Equity interest %	June 30, 2020				December 31, 2019		June 30, 2020	June 30, 2019
		Total assets	Issued capital	Equity	Profit or loss for the period	Share of equity of investees		Share of profit (loss) of investees	
Alto Irani	100%	139,680	2,114	75,653	12,255	75,653	63,399	12,255	10,008
Atlântica I	100%	150,559	43,081	80,692	5,296	80,692	75,397	5,296	2,451
Atlântica II	100%	149,722	42,895	76,048	4,791	76,048	71,257	4,791	1,737
Atlântica IV	100%	153,652	43,688	73,994	5,536	73,994	68,457	5,536	1,869
Atlântica V	100%	168,164	50,579	94,125	5,380	94,125	88,745	5,380	1,344
Baixa Verde	95%	199	356	116	(40)	110	148	(38)	(34)
Bio Alvorada	100%	181,620	45,112	135,296	(1,353)	135,296	136,649	(1,353)	(1,763)
Bio Coopcana	100%	153,225	45,053	103,834	3,550	103,834	100,284	3,550	2,005
Boa Vista 2	100%	285,417	99,076	96,835	2,392	96,835	94,442	2,392	(681)
Cachoeira Grande	100%	145	6,632	144	1	144	143	1	2
Cajueiro	95%	301	178	269	(41)	256	294	(39)	(31)
Chimay Empreendimentos (b)	100%	128,813	61,921	105,146	14,976	105,146	90,170	14,976	12,124
Costa das Dunas	90%	75,736	4,840	5,108	(19)	4,597	4,614	(17)	(76)
CPFL Bio Burti	100%	153,474	135,370	149,665	5,285	149,665	144,380	5,285	2,140
CPFL Bio Formosa	100%	125,359	126,936	96,820	2,142	96,820	94,678	2,142	(3,269)
CPFL Bio Ipe	100%	34,308	26,249	31,070	4,673	31,070	26,426	4,673	6,473
CPFL Bio Pedra	100%	258,567	205,250	259,040	14,582	259,040	244,585	14,582	12,428
CPFL Bioenergia	100%	69,448	51,739	62,629	3,173	62,629	59,457	3,173	3,755
CPFL Sul Centrais Elétricas (b)	100%	25,862	14,183	17,381	(828)	17,381	18,208	(828)	1,671
Curral Velho	100%	182,925	63,000	74,168	(8,603)	74,168	82,771	(8,603)	(6,754)
Dobrevê	100%	815,749	747,359	880,853	(3,637)	880,853	884,489	(3,637)	6,740
Wind farm of Paracuru (b)	100%	69,484	22,230	38,603	(1,570)	23,294	24,221	(927)	1,162
Wind farm Holding	100%	228,372	37,416	215,088	(4,043)	215,088	219,130	(4,043)	(3,006)
Eurus VI	100%	42,818	36,495	36,289	(1,095)	36,289	37,397	(1,095)	(421)
Farol de Touros	90%	28,717	4,474	4,240	-	3,816	3,825	(9)	(76)
Figueira Branca	100%	12,091	1,957	1,817	194	1,817	1,623	194	(87)
Gameleira	100%	20,130	3,698	3,498	(32)	3,498	3,530	(32)	(91)
Jayaditya Empreendimentos (b)	100%	50,431	2,082	23,223	11,623	23,223	11,600	11,623	5,008
Mohini Empreendimentos (b)	100%	68,610	10,269	35,750	14,864	35,750	20,885	14,864	11,477
Navegantes (a)	95%	28	298	-	(24)	-	-	(23)	(14)
SPE Holding	100%	540,643	436,193	504,792	39,910	504,792	464,882	39,910	52,650
SPE Holding 2	100%	260,100	6,515	113,193	14,276	113,193	98,918	14,276	9,812
Penedo	100%	173	1,998	171	-	171	173	(2)	(1)
Piano Alto	100%	83,344	1,527	39,674	8,822	39,674	30,852	8,822	7,418
Pontal das Falésias	100%	156,214	63,000	76,704	(7,254)	76,704	83,958	(7,254)	(5,302)
Rosa dos Ventos	100%	50,912	12,240	22,246	(28)	20,915	20,912	3	262
Santa Clara I	100%	167,824	139,189	145,133	(2,696)	145,133	147,959	(2,696)	(124)
Santa Clara II	100%	153,673	126,205	131,848	(2,513)	131,848	134,478	(2,513)	(219)
Santa Clara III	100%	155,771	127,086	134,231	(1,852)	134,231	136,184	(1,852)	351
Santa Clara IV	100%	158,382	131,667	135,806	(2,713)	135,806	138,599	(2,713)	(470)
Santa Clara V	100%	159,404	131,975	137,547	(2,023)	137,547	139,645	(2,023)	40
Santa Clara VI	100%	158,464	132,488	134,636	(3,132)	134,636	137,827	(3,132)	(1,157)
Salto Góes	100%	124,437	51,000	67,640	6,358	67,640	61,282	6,358	8,443
Santa Cruz	100%	24,218	6,498	670	(59)	670	729	(59)	4
SIIF Cinco (b)	100%	86,730	24,062	36,410	(2,167)	27,291	29,076	(1,785)	(664)
SPE Lacenas Participações Ltda.	100%	107,342	43,512	92,166	13,007	92,166	79,159	13,007	(804)
Solar I	100%	3,720	33	-	(185)	-	-	(185)	(187)
Tombo (a)	100%	4	1,242	-	-	-	-	-	-
Turbina 16	100%	854,909	635,875	844,394	7,942	844,394	836,452	7,942	66
Turbina 17	100%	58,337	1,025	1,431	126	1,431	1,305	126	(9)
Subtotal - Investment by the subsidiary's shareholders' equity		7,078,203	4,007,858	5,396,086	155,247	5,369,373	5,213,596	156,298	136,808
Amortization of capital gains on assets, net of tax effects								(32,559)	(32,210)
Amortization of capitalized interest								(729)	(682)
Total						5,369,373	5,213,596	123,010	103,916

- (a) Subsidiaries with allowance for equity investment losses, amount reclassified to non-current liabilities.
- (b) After the corporate restructuring operation that took place on August 1, 2018, the companies Wind farm of Paracuru and SIIF Cinco became directly controlled by CPFL Renováveis. After a new corporate restructuring operation occurred on December 1, 2018, the companies Chimay Empreendimentos, Mohini Empreendimentos, Jayaditya Empreendimentos and Sul Centrais Elétricas became directly controlled by CPFL Renováveis.

Additionally, after the corporate restructuring operation occurred on August 1, 2018, the companies Wind farm of Formosa, Wind farm of Icaraizinho, SIIF Desenvolvimento and SIIF Énergies were merged into CPFL Renováveis, and, after a new corporate restructuring operation occurred on December 1, 2018, the companies BVP, BVP Geradora, T-15 and SPE Participações were merged into CPFL Renováveis.

The added value of net assets acquired in business combinations is classified in the parent's statement of profit or loss in the group of investments. In the parent's statement of profit or loss, the amortization of the asset surplus (value added) of net assets of R\$ 32,559 (R\$ 32,210 at June 30, 2019) is classified in line item "Equity interests in subsidiaries", in accordance with ICPC 09 (R2).

The movement, in the parent company, of the balances of investments in subsidiaries for the periods ended on June 30, 2020 and December 31, 2019 is as follows:

Investments	Investments at December 31, 2019	Amortization / interest capitalization	Investments transfers	Equity interest in subsidiaries	Investments at June 30, 2020
Alto Irani	63,399	-	-	12,255	75,653
Atlântica I	75,397	-	-	5,296	80,692
Atlântica II	71,257	-	-	4,791	76,048
Atlântica IV	68,457	-	-	5,536	73,994
Atlântica V	88,745	-	-	5,380	94,125
Baixa Verde	148	-	-	(38)	110
Bio Alvorada	136,649	-	-	(1,353)	135,296
Bio Buriti	144,380	-	-	5,285	149,665
Bio Coopcana	100,284	-	-	3,550	103,834
Bioenergia	59,457	-	-	3,173	62,629
Bio Ester	79,159	-	-	13,007	92,166
Bio Formosa	94,678	-	-	2,142	96,820
Bio Ipê	26,426	(29)	-	4,673	31,070
Bio Pedra	244,585	(126)	-	14,582	259,040
Boa Vista 2	94,442	-	-	2,392	96,835
Cachoeira Grande	143	-	-	1	144
Cajueiro	294	-	-	(39)	256
Chimay	90,170	-	-	14,976	105,146
Costa das Dunas	4,614	-	-	(17)	4,597
Dobrevê Energia	884,488	-	-	(3,637)	880,851
Eólica Holding	219,130	-	-	(4,043)	215,088
Eólica Paracuru	24,221	-	-	(927)	23,294
Eurus VI	37,398	(12)	-	(1,095)	36,291
Farol de Touros	3,825	-	-	(9)	3,816
Figueira Branca	1,623	-	-	194	1,817
Gameleira	3,530	-	-	(32)	3,498
Navegantes	-	-	23	(23)	-
Jayaditya	11,600	-	-	11,623	23,223
Mohini	20,885	-	-	14,864	35,750
SPE Holding	464,882	-	-	39,910	504,792
SPE Holding 2	98,918	-	-	14,276	113,193
Pedra Cheirosa I	82,771	-	-	(8,603)	74,168
Pedra Cheirosa II	83,958	-	-	(7,254)	76,704
Penedo	173	-	-	(2)	171
Plano Alto	30,852	-	-	8,822	39,674
Rosa dos Ventos	20,912	-	-	3	20,915
Salto Góes	61,282	-	-	6,358	67,640
Santa Clara I	147,959	(130)	-	(2,696)	145,133
Santa Clara II	134,478	(117)	-	(2,513)	131,848
Santa Clara III	136,184	(101)	-	(1,852)	134,231
Santa Clara IV	138,599	(79)	-	(2,713)	135,807
Santa Clara V	139,645	(75)	-	(2,023)	137,547
Santa Clara VI	137,828	(60)	-	(3,132)	134,637
Santa Cruz	729	-	-	(59)	670
SIIF Cinco	29,076	-	-	(1,785)	27,291
Solar 1	-	-	185	(185)	-
Sul Centrais Elétricas	18,208	-	-	(828)	17,381
Turbina 16	836,452	-	-	7,942	844,394
Turbina 17	1,305	-	-	126	1,431
Total of investments	5,213,596	(729)	208	156,298	5,369,373
Navegantes *	(23)	-	(23)	-	(46)
Solar 1 *	(270)	-	(185)	-	(455)
Tombo *	(2)	-	-	-	(2)
Total allowance for equity investment losses	(295)	-	(208)	-	(503)

* Provision for loss of investment, amount reclassified to noncurrent liabilities.

12.2 Fair value adjustments and goodwill

Fair value adjustments refer basically to the right to the concession acquired through business combinations. The goodwill refers basically to acquisitions of investments and is based on projections of future profits (see Note 14).

In the consolidated interim accounting information, these amounts are classified as intangible assets (Note 14).

12.3 Dividends receivable

At June 30, 2020 and December 31, 2019, the Company has the following balances receivable from direct subsidiaries, relating to dividends:

Subsidiary	Dividends and interest on equity	
	June 30, 2020	December 31, 2019
Alto Irani	5,920	5,920
Atlântica I	870	870
Atlântica II	863	863
Atlântica IV	6,184	6,184
Atlântica V	935	935
Bio Alvorada	570	570
Bio Ipê	-	2,800
Boa Vista 2	-	12
Dobrevê Energia	28,100	28,100
Wind farm of Paracuru	4,005	4,005
Jayaditya	-	2,200
SPE Holding	1,881	1,881
SPE Holding 2	2,033	4,485
SPE Participações	10,607	10,607
Pedra Cheirosa I	-	77
Pedra Cheirosa II	-	101
Rosa dos Ventos	3,112	3,112
Siif Cinco	2,608	2,608
Turbina 16	10,332	14,468
	78,020	89,798

12.4 Noncontrolling interests

The disclosure of interests in subsidiaries, in accordance with IFRS 12 and CPC 45, is as follows:

12.4.1 Movement in noncontrolling interests

	Costa Branca	Juremas	Macacos	Pedra Preta	Ludesa	Other	Total
At December 31, 2019	4,081	2,761	3,556	4,056	85,702	1,832	101,987
Equity interest and voting capital	5.00%	5.00%	5.00%	5.00%	40.00%	5 a 10%	
Equity attributable to noncontrolling interests	(8)	4	(18)	39	5,084	(8)	5,093
Dividends	-	-	-	-	(9,680)	-	(9,680)
At June 30, 2020	4,073	2,764	3,538	4,096	81,106	1,824	97,400
Equity Interests and voting capital	5.00%	5.00%	5.00%	5.00%	40.00%	5 a 10%	

12.4.2 Summarized financial information on subsidiaries that have noncontrolling interests

The summarized financial information on subsidiaries that have noncontrolling interests at June 30, 2020 and December 31, 2019 and quarter and semester ended on June 30, 2020 and 2019 is as follows:

	June 30, 2020					
	Costa Branca	Juremas	Macacos	Pedra Preta	Ludesa	Other
Current assets	3,636	5,192	6,001	5,273	11,919	59,655
Cash and cash equivalents	1,510	3,207	3,599	2,174	4,161	46,332
Noncurrent assets	107,396	71,007	91,755	102,422	86,606	45,326
Current liabilities	12,801	10,638	12,823	13,223	10,265	2,441
Borrowings and debentures	4,754	3,586	4,831	4,616	-	-
Other financial liabilities	8,047	7,052	7,992	8,607	10,265	2,441
Noncurrent liabilities	46,310	34,279	46,005	45,134	-	92,856
Borrowings and debentures	41,581	31,376	42,269	40,386	-	-
Other financial liabilities	4,729	2,903	3,737	4,747	-	92,856
Equity	51,921	31,281	38,929	49,339	88,260	9,684

	December 31, 2019					
	Costa Branca	Juremas	Macacos	Pedra Preta	Ludesa	Other
Current assets	4,856	4,112	5,405	5,101	7,702	16,327
Cash and cash equivalents	1,507	1,362	1,991	1,066	566	6,505
Noncurrent assets	106,359	70,688	91,588	100,998	89,858	31,130
Current liabilities	10,164	7,239	8,907	9,776	2,927	3,700
Borrowings and debentures	4,878	3,600	4,850	4,739	-	-
Other financial liabilities	5,286	3,639	4,057	5,037	2,927	3,700
Noncurrent liabilities	48,458	35,942	48,251	47,228	-	33,937
Borrowings and debentures	44,852	33,119	44,617	43,591	-	-
Other financial liabilities	3,606	2,823	3,634	3,637	-	33,937
Equity	52,593	31,619	39,836	49,096	94,634	9,819

	June 30, 2020					
	Costa Branca	Juremas	Macacos	Pedra Preta	Ludesa	Other
Net operating revenue	5,086	3,478	4,638	5,324	23,530	-
Operacional costs and expenses	(2,013)	(1,190)	(2,104)	(1,678)	(1,380)	(148)
Depreciation and amortization	(1,915)	(1,310)	(1,665)	(1,701)	(3,599)	-
Interest income	1,434	686	1,039	1,381	45	16
Interest expense	(2,625)	(1,668)	(2,324)	(2,454)	(5)	(2)
Income tax expense	(640)	(333)	(491)	(629)	(762)	-
Profit (loss) for the year	(672)	(338)	(907)	243	17,830	(135)

	June 30, 2019					
	Costa Branca	Juremas	Macacos	Pedra Preta	Ludesa	Other
Net operating revenue	6,909	4,206	5,561	7,206	23,077	-
Operacional costs and expenses	(2,108)	(1,583)	(1,882)	(1,702)	(1,231)	(252)
Depreciation and amortization	(1,891)	(1,291)	(1,629)	(1,677)	(3,593)	-
Interest income	3,755	1,683	2,700	3,637	608	3
Interest expense	(5,428)	(2,971)	(4,364)	(5,166)	(227)	(2)
Income tax expense	(1,487)	(695)	(1,085)	(1,456)	(934)	-
Profit (loss) for the year	(250)	(652)	(698)	842	17,700	(251)

(13) PROPERTY, PLANT AND EQUIPMENT

	Parent company						
	Land	Buildings, construction and improvements	Machinery and equipment	Vehicles	Furniture and fittings	In progress	Total
At December 31, 2019	4.147	97.920	583.617	591	1.444	84.988	772.707
Historical cost	4.193	159.771	1.244.091	837	2.269	84.988	1.496.151
Accumulated depreciation	(46)	(61.851)	(660.474)	(246)	(825)	-	(723.443)
Additions	-	-	-	-	-	29.657	29.657
Transfers	-	11.816	1.492	-	122	(13.430)	-
Transfers to/from other assets - cost	-	-	1.436	-	-	-	1.436
Depreciation	(2)	(4.666)	(33.146)	(60)	(71)	-	(37.945)
At June 30, 2020	4.145	105.070	553.399	531	1.496	101.215	765.856
Historical cost	4.193	171.587	1.247.020	837	2.391	101.215	1.527.244
Accumulated depreciation	(48)	(66.517)	(693.621)	(306)	(895)	-	(761.388)
Average depreciation rate	1%	14,66%	15,25%	14,29%	6,28%		

	Consolidated							
	Land	Reservoirs, dams and water mains	Buildings, construction and improvements	Machinery and equipment	Vehicles	Furniture and fittings	In progress	Total
At December 31, 2019	136,345	809,279	557,240	5,417,528	632	3,043	248,017	7,172,082
Historical cost	182,688	1,294,527	846,164	8,006,034	1,090	6,543	248,017	10,585,063
Accumulated depreciation	(46,343)	(485,249)	(288,924)	(2,588,506)	(458)	(3,500)	-	(3,412,981)
Additions	-	-	-	-	-	-	89,772	89,772
Disposals	-	(2,342)	(8)	(1,371)	-	-	-	(3,721)
Transfers	852	1,483	68,784	19,278	-	166	(90,563)	-
Transfers from/to other assets - cost	-	-	-	1,396	-	-	-	1,396
Depreciation	(3,986)	(27,376)	(20,372)	(191,215)	(69)	(190)	-	(243,208)
Write-off of depreciation	-	885	6	496	-	-	-	1,387
At June 30, 2020	133,211	781,928	605,650	5,246,112	563	3,018	247,226	7,017,708
Historical cost	183,540	1,293,668	914,940	8,028,779	1,090	6,709	247,226	10,675,952
Accumulated depreciation	(50,329)	(511,740)	(309,290)	(2,782,667)	(527)	(3,691)	-	(3,658,244)
Average depreciation rate	4.89%	3.70%	5.15%	5.68%	14.15%	6.20%		

The balance of property, plant and equipment in progress in the consolidated refers mainly to works in progress of operating and/or under development subsidiaries, with emphasis on the SPE projects merged into CPFL Renováveis in 2018 with property, plant and equipment in progress of R\$ 101,215 at June 30, 2020 (R\$ 84,998 at December 31, 2019) and the projects under construction of the Gameleira Complex with property, plant and equipment in progress of R\$ 36,710 at June 30, 2020 (R\$ 47,990 at December 31, 2019).

Pursuant to CPC 20 (R1) / IAS 23, interest on borrowings taken by subsidiaries to finance the works are capitalized during the construction phase, for qualifying assets. In the consolidated, for the year 2020 and 2019 there was no record of capitalized interest.

In the consolidated the depreciation amounts are recorded in the statement of profit or loss in line item "Depreciation and amortization".

At June 30, 2020, the total amount of property, plant and equipment pledged as collateral for borrowings, as mentioned in notes 16 and 17, is approximately R\$ 3,765,074 (R\$ 3,908,099 at December 31, 2019).

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

(14) INTANGIBLE ASSETS

	Parent company		
	Concession right	Other	Total
	Acquired in business combinations	intangible assets	
At December 31, 2019	837,588	25,621	863,210
Historical cost	916,736	38,460	955,196
Accumulated amortization	(79,148)	(12,839)	(91,987)
Additions	-	1,655	1,655
Amortization	(32,215)	(1,888)	(34,103)
Transfer - contract assets	-	(1,436)	(1,436)
At June 30, 2020	805,373	23,952	829,325
Historical cost	916,736	38,679	955,415
Accumulated amortization	(111,363)	(14,728)	(126,091)

	Consolidated		
	Concession right	Other	Total
	Acquired in business combinations	intangible assets	
At December 31, 2019	2,443,398	42,987	2,486,385
Historical cost	3,637,662	68,879	3,706,541
Accumulated amortization	(1,194,264)	(25,891)	(1,220,155)
Additions	-	1,845	1,845
Amortization	(79,614)	(2,540)	(82,154)
Disposal and transfer - other assets	-	(1,396)	(1,396)
At June 30, 2020	2,363,784	40,898	2,404,682
Historical cost	3,637,662	69,328	3,706,990
Accumulated amortization	(1,273,878)	(28,430)	(1,302,308)

In the consolidated financial statements, the amortization of intangible assets is recognized as follows: (i) “amortization of concession intangible asset” for amortization of the intangible asset acquired in business combination; and (ii) “depreciation and amortization” for amortization of other intangible assets.

14.1 Intangible asset acquired in business combinations

The breakdown of the intangible asset related to the right to operate the concessions acquired in business combinations is as follows:

	Consolidated					
	June 30, 2020			December 31, 2019	Annual amortization rate	
	Historic cost	Accumulated amortization	Net value	Net value	June 30, 2020	December 31, 2019
Intangible asset - acquired in business combinations						
Intangible asset acquired, not merged						
Alto Irani	171,016	(72,614)	98,402	102,474	4.76%	4.76%
Arvoredo	38,086	(16,313)	21,772	22,649	4.60%	4.60%
Atlântica I	469	(93)	376	383	3.13%	3.13%
Atlântica II	469	(93)	376	383	3.12%	3.12%
Atlântica IV	469	(93)	376	383	3.12%	3.12%
Atlântica V	469	(93)	376	383	3.12%	3.12%
Baixa Verde	4,981	-	4,981	4,981	-	-
Barra da Paciência	82,973	(48,950)	34,023	35,813	16.56%	16.56%
Bio Ester	15,874	(7,308)	8,565	9,037	5.94%	5.94%
Boa Vista 2	74,049	(3,673)	70,376	71,536	3.13%	3.13%
Cajueiro	7,823	-	7,823	7,823	-	-
Campo dos Ventos I	3,642	(535)	3,107	3,175	3.75%	3.75%
Campo dos Ventos II	5,576	(1,169)	4,407	4,492	3.07%	3.07%
Campo dos Ventos III	3,642	(545)	3,097	3,165	3.74%	3.74%
Campo dos Ventos V	3,642	(535)	3,107	3,175	3.75%	3.75%
Cocais Grande	29,297	(14,507)	14,790	15,569	5.31%	5.31%
Corrente Grande	49,995	(29,204)	20,791	21,876	16.09%	16.09%
Costa Branca	49,482	(9,492)	39,991	40,750	3.80%	3.80%
Costa das Dunas	5,278	-	5,278	5,278	-	-
Wind farm of Paracuru	234,646	(97,062)	137,584	143,238	4.82%	4.82%
Eurus I	66,872	(13,269)	53,602	54,640	4.86%	4.86%
Eurus III	66,872	(13,269)	53,602	54,640	18.17%	18.17%
Eurus VI	1,311	(316)	995	1,015	3.02%	3.02%
Farol de Touros	4,060	-	4,060	4,060	-	-
Figueira Branca	2,436	-	2,436	2,436	-	-
Figueirópolis	6,672	(1,973)	4,699	4,869	5.09%	5.09%
Gameleira	3,248	-	3,248	3,248	-	-
Juremas	40,751	(7,837)	32,915	33,542	3.81%	3.81%
Ludesa	132,579	(41,943)	90,636	94,242	14.79%	14.79%
Macacos	53,384	(10,266)	43,118	43,939	3.81%	3.81%
Mata Velha	30,101	(11,136)	18,965	19,760	23.16%	23.16%
Morro dos Ventos I	52,103	(10,721)	41,382	42,207	17.04%	17.04%
Morro dos Ventos II	4,013	(1,355)	2,658	2,707	15.84%	15.84%
Morro dos Ventos III	52,103	(10,721)	41,382	42,207	17.04%	17.04%
Morro dos Ventos IV	52,103	(10,721)	41,382	42,207	17.04%	17.04%
Morro dos Ventos VI	52,103	(10,721)	41,382	42,207	17.04%	17.04%
Morro dos Ventos IX	54,327	(11,138)	43,190	44,051	17.04%	17.04%
Ninho da Água	29,297	(14,507)	14,790	15,569	5.31%	5.31%
Paiol	58,594	(25,391)	33,202	34,567	4.66%	4.66%
Pedra Cheirosa I	40,147	(3,754)	36,393	37,019	3.12%	3.12%
Pedra Cheirosa II	36,113	(3,377)	32,736	33,299	3.12%	3.12%
Pedra Preta	53,390	(10,241)	43,149	43,968	16.80%	16.80%
Plano Alto	127,249	(54,030)	73,219	76,249	4.76%	4.76%
Rosa dos Ventos	67,741	(23,402)	44,340	46,187	5.45%	5.45%
Salto Góes	55,442	(15,196)	40,245	41,247	3.61%	3.61%
Santa Clara I	5,229	(1,265)	3,965	4,044	3.02%	3.02%
Santa Clara II	5,229	(1,261)	3,968	4,047	3.02%	3.02%
Santa Clara III	5,229	(1,265)	3,965	4,044	3.02%	3.02%
Santa Clara IV	5,229	(1,265)	3,965	4,044	3.02%	3.02%
Santa Clara V	5,229	(1,255)	3,974	4,053	3.00%	3.00%
Santa Clara VI	5,229	(1,265)	3,965	4,044	3.02%	3.02%
Santa Luzia	88,167	(24,175)	63,992	65,414	3.23%	3.23%
Santa Mônica	5,963	(782)	5,181	5,290	3.66%	3.66%
Santa Ursula	5,963	(782)	5,181	5,290	3.66%	3.66%
Santo Dimas	5,963	(784)	5,179	5,288	3.67%	3.67%
São Benedito	5,963	(800)	5,163	5,272	3.71%	3.71%
São Domingos	5,963	(782)	5,181	5,285	3.44%	3.44%
São Gonçalo	32,226	(15,887)	16,340	17,192	5.29%	5.29%
São Martinho	5,963	(782)	5,181	5,290	3.66%	3.66%
SIIF Cinco	139,766	(58,283)	81,483	84,878	4.86%	4.86%
Varginha	26,367	(13,056)	13,311	14,012	5.31%	5.31%
Varzea Alegre	21,973	(10,880)	11,093	11,676	5.31%	5.31%
Subtotal	2,300,539	(742,128)	1,558,411	1,605,810		
Intangible asset acquired already incorporated - recomposed						
Wind farm of Icarazinho	353,069	(146,048)	207,020	215,528	4.82%	4.82%
Wind farm of Formosa	227,113	(94,707)	132,406	137,923	4.86%	4.86%
BVP Geradora	760,029	(294,082)	465,947	484,137	4.79%	4.79%
Subtotal	1,340,211	(534,838)	805,373	837,588		
Total	3,640,750	(1,276,966)	2,363,784	2,443,398		

The balance of intangibles is amortized over the remaining period of the respective exploration authorizations for the projects, using the straight line method from the date of entry into operation.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

14.2 Impairment

For all the years presented, the Company assessed possible indications of devaluation of its assets that could generate the need for tests on the recovery value. This assessment was based on external and internal sources of information, taking into account changes in interest rates, changes in market conditions, among others.

For June 30, 2020 and December 31, 2019, based on the mentioned assessment of possible indications, there was no need for a provision for recovery.

(15) TRADE PAYABLES

	Parent company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current				
Energy purchased	52,944	55,393	35,854	50,487
Electricity network usage charges	-	239	692	1,277
Materials and services	28,406	29,229	61,500	84,953
Total	81,350	84,861	98,047	136,717
Noncurrent				
Energy purchased	-	1,005	100,997	104,206
Total	-	1,005	100,997	104,206

(16) BORROWINGS

The movement in borrowings are as follows:

	Parent company						
Category	At December 31, 2019	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Exchange rates variation	Interest paid	At June 30, 2020
Measured at cost							
Local currency							
Pre fixed	217,292	-	(201,007)	6,860	-	(7,886)	15,259
TJLP and TLP	533,614	-	(36,830)	17,112	-	(17,343)	496,553
IGP-M	42,606	-	(5,874)	3,755	-	(1,722)	38,765
Total at cost	793,512	-	(243,711)	27,727	-	(26,951)	550,577
Borrowing costs (*)	(2,583)	-	-	1,892	-	-	(691)
Measured at fair value							
Foreign currency							
Dollar	-	120,000	-	1,080	32,568	-	153,648
Fair value measurement	-	-	-	(6,790)	-	-	(6,790)
Total at fair value	-	120,000	-	(5,710)	32,568	-	146,858
Total	790,929	120,000	(243,711)	23,909	32,568	(26,951)	696,744
Current	131,479						103,153
Noncurrent	659,450						593,591

Category	Consolidated						
	At December 31, 2019	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Exchange rates variation	Interest paid	At June 30, 2020
Measured at cost							
Local currency							
Pre fixed	464,351	-	(411,055)	14,970	-	(16,825)	51,441
TJLP and TLP	2,625,676	3,000	(199,089)	88,747	-	(89,961)	2,428,373
IPCA	31,813	-	(31,706)	804	-	(911)	-
CDI	157,781	-	(26,000)	2,590	-	(3,945)	130,426
IGP-M	42,606	-	(5,874)	3,755	-	(1,722)	38,765
Total at cost	3,322,227	3,000	(673,724)	110,866	-	(113,364)	2,649,005
Borrowing costs (*)	(20,773)	-	-	4,892	-	-	(15,881)
Measured at fair value							
Foreign currency							
Dollar	-	120,000	-	1,080	32,568	-	153,648
Fair value measurement	-	-	-	(6,790)	-	-	(6,790)
Total at fair value	-	120,000	-	(5,710)	32,568	-	146,858
Total	3,301,454	123,000	(673,724)	110,048	32,568	(113,364)	2,779,982
Current	404,779						354,780
Noncurrent	2,896,675						2,425,202

(*) In accordance with CPC 48/IFRS 9, this refers to borrowing costs directly attributable to the issuance of the respective debts.

The details on borrowings are as follows:

Category	Annual interest	Consolidated		Maturity range	Collaterals
		June 30, 2020	December 31, 2019		
Measured at cost - Local currency					
Pre Fixed					
FINEM	Pre fixed rate from 2.5% to 5.5%	34,969	41,963	2014 to 2022	(i) Liens on equipment; (ii) Liens of creditor rights; (iii) Reserve and Centralizing Account; (iv) Pledge of emergents rights authorized; (v) Pledge of shares and (vi) CPFL Renováveis, CPFL Energia and State Grid Brazil Power guarantee
FINAME	Pre fixed rate from 2.5% to 5.5%	16,472	30,179	2012 to 2023	(i) Liens on equipment; (ii) Liens of creditor rights; (iii) Reserve and Centralizing Account and (iv) CPFL Renováveis, CPFL Energia and State Grid Brazil Power guarantee
Bank loans	Pre fixed rate from 9.5% to 10.14%	-	392,209	2027 to 2037	(i) Liens on equipment; (ii) Pledge of revenues; (iii) Pledge of shares; (iv) Pledge of emerging rights authorized; (v) Reserve Account; (vi) Bank guarantee and (vii) CPFL Renováveis guarantee
		51,441	464,351		
Post Fixed					
TJLP					
FINEM	TJLP and TJLP + from 1.72% to 5.5%	2,427,136	2,623,868	2012 to 2039	(i) Pledge and liens on equipment; (ii) Liens of creditor rights (iii) Reserve and Centralizing Account; (iv) Pledge of shares; (v) Pledge of emerging rights authorized by ANEEL; (vi) Pledge of Beneficiary's shares; (vii) CPFL Renováveis, CPFL Energia and State Grid Brazil Power guarantee and (viii) Bank guarantee
FINEP	TJLP + 5%	1,237	1,808	2021	Bank guarantee
		2,428,373	2,625,676		
IPCA					
Bank loans	IPCA + 2.08%	-	31,813	2038	Bank guarantee
CDI					
Bank loans	105% of CDI and CDI + 1.9%	130,426	157,781	2016 to 2023	Structure of redeemable preferred shares and CPFL Renováveis guarantee
IGPM					
Bank loans	IGPM + 8.63%	38,765	42,606	2023	(i) Liens on equipment and receivables; (ii) Pledge of shares by SPE, emerging rights authorized by ANEEL and receivables from contracts operation
Total - Local currency		2,649,005	3,322,227		
Measured at fair value - Foreign currency					
Dollar					
Bank loans (Law 4,131)	US\$ + 2.07%	153,648	-	2025	CPFL Energia Bank guarantee and promissory note
Fair value		(6,790)	-		
Total foreign currency		146,858	-		
Borrowing costs (*)		(15,881)	(20,773)		
Total		2,779,982	3,301,454		

As shown in the table above, the Group, in compliance with CPC 48/IFRS 9, classified its debts as (i) financial liabilities measured at amortized cost and (ii) financial liabilities measured at fair value through profit or loss.

The objective of the classification as financial liabilities of borrowings measured at fair value is to match the effects of the recognition of revenues and expenses derived from fair valuing debt-related derivatives in order to obtain more relevant and consistent accounting information, reducing the accounting mismatch.

Changes in the fair values of these borrowings are recognized in the Group's finance income (costs); for borrowings taken in 2020, all changes in fair value of these financial liabilities are recognized in profit or loss for the period. At June 30, 2020, the accumulated gains obtained from the fair value measurement of these debts were R\$ 6,790

plus the gains obtained from the fair value measurement of derivative financial instruments of R\$ 3,116, contracted as a hedge against exchange rate variation (note 29), generated total net gain of R\$ 9,113.

The maturities of the principal of borrowings recorded in noncurrent liabilities are scheduled as follows:

Maturity	Parent Company	Consolidated
From July 1st, 2021	42,666	42,666
2022	85,332	190,218
2023	128,052	380,035
2024	103,643	348,441
2025	103,643	291,263
2026 to 2030	137,045	303,624
2031 to 2035	-	696,624
2036 to 2040	-	152,397
Subtotal	600,381	2,431,991
Fair value measurement	(6,790)	(6,790)
Total	593,591	2,425,201

Main additions in the period

Category Company	Amounts R\$ thousand			Interest payment	Amortization of principal	Resource allocation	Annual financial charge	Annual effective rate	Effective rate with derivatives
	Approved total	Released in 2020	Released net of funding expenses						
Foreign currency									
TJLP - BNDES	144,500	3,000	3,000	Monthly	Monthly from December 2019	Investment	TLPJ + 2.52%	TJLP + 3.27%	Not applicable
Foreign currency Law 4131									
CPFL Renováveis	120,000	120,000	120,000	Semiannual	Annual from February 2023	Working capital	USD + 2.07%	USD + 1.96%	CDI + 0.80%
	<u>264,500</u>	<u>123,000</u>	<u>123,000</u>						

Prepayment:

In the first semester of 2020, R\$ 470,404 of loans whose original maturities were until July, 2038 were paid in advance.

Covenants

Borrowings obtained by the Group companies require compliance with certain financial covenants, under penalty of limitation on the distribution of dividends, and/or advance maturity of related indebtedness. Furthermore, failure to comply with the mentioned obligations or restrictions may result in default in relation to other contractual obligations (cross default), depending on each borrowing agreement.

For loans and financing contracted or released in 2020, some have restrictive clauses related to financial indicators, as follows:

Ratios required in the consolidated financial statements of CPFL Renováveis

- Net Debt divided by EBITDA less than or equal to index of 3.75.
- Net Debt divided by the sum of Equity and Net Debt less than or equal to 0.9.

For other loans and financing, details of the restrictive conditions are presented in the financial statements of December 31, 2019.

The Group's Management monitors these indices in a systematic and constant manner, so that the conditions are met. As of June 30, 2020, in the opinion of the Group's Management, all restrictive conditions and financial and non-financial clauses are adequately met.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

(17) DEBENTURES

The movement in debentures are as follows:

Category	Parent company				
	At December 31, 2019	Repayment	Encargos, atualização monetária	Interest paid	At June 30, 2020
Post fixed					
TJLP	337,885	(345,010)	9,238	(2,111)	-
CDI	996,644	-	18,609	(20,885)	994,368
IPCA	280,699	-	9,122	(7,817)	282,004
Total at cost	1,615,228	(345,010)	36,969	(30,813)	1,276,372
Borrowing costs (*)	(11,825)	-	7,336	-	(4,489)
Total	1,603,403	(345,010)	44,305	(30,813)	1,271,883
Current	201,019				161,613
Noncurrent	1,402,384				1,110,270

Category	Consolidated				
	At December 31, 2019	Repayment	Encargos, atualização monetária	Interest paid	At June 30, 2020
Post fixed					
TJLP	438,991	(448,249)	12,001	(2,744)	-
CDI	996,644	-	18,609	(20,885)	994,368
IPCA	280,699	-	9,122	(7,817)	282,004
Total at cost	1,716,334	(448,249)	39,732	(31,446)	1,276,372
Borrowing costs (*)	(13,082)	-	8,593	-	(4,489)
Total	1,703,252	(448,249)	48,325	(31,446)	1,271,883
Current	212,251				161,613
Noncurrent	1,491,001				1,110,271

(*) In accordance with CPC 48/IFRS 9, this refers to borrowing costs directly attributable to the issuance of the respective debts.

The details of the debentures are as follows:

Category	Annual interest	Consolidated		Maturity range	Collaterals	
		June 30, 2020	December 31, 2019			
Measured at cost - Post Fixed						
TJLP	TJLP + 1%	(c)	-	438,993	2009 to 2029	Liens
CDI	From 106% to 110% of CDI	(a)	994,368	996,644	2015 to 2022	No guarantee
IPCA	IPCA + 4.42 to 5.8%	(b)	282,004	280,699	2019 to 2027	CPFL Energia guarantee
			<u>1,276,372</u>	<u>1,716,336</u>		
	Debt costs (*)		(4,489)	(13,082)		
	Total		<u>1,271,883</u>	<u>1,703,254</u>		

Effective rates:

(a) From 104.68% to 110.77% of CDI

(b) IPCA + 4.84% to 6.31%

(c) TJLP + 3.48%

In conformity with CPC 48 / IFRS 9, the Company classified its debentures as financial liabilities measured at amortized cost. The maturities of the principal of debentures recognized in noncurrent liabilities are as follows:

Maturity	Parent company	Consolidated
2022	752,757	752,757
2023	357,514	357,514
Total	1,110,271	1,110,271

Pre-payment:

In the first half of 2020, R\$ 423,474 of debentures whose original maturities were until November 2028 were paid in advance.

Covenants

Debentures are subject to certain restrictive conditions that include clauses that require the Company and its subsidiaries to maintain certain financial ratios within pre-established parameters. The Company did not issue new debentures in 2020.

For other debentures, the details of the restrictive conditions are presented in the financial statements of December 31, 2019.

The Group's Management monitors these indices in a systematic and constant manner, so that the conditions are met. As of June 30, 2020, in the opinion of the Group's Management, all restrictive conditions are adequately met.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

(18) TAXES, FEES AND CONTRIBUTIONS

	Parent company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current				
IRPJ (corporate income tax)	-	-	12,659	17,077
CSLL (social contribution on net income)	-	-	6,079	8,318
Income tax and social contribution	-	-	18,738	25,395
ICMS (State VAT)	48	348	5,638	2,746
PIS (tax on revenue)	1,591	2,454	5,110	3,262
COFINS (tax on revenue)	5,967	9,941	22,068	13,705
Other taxes	6,844	4,096	8,325	6,232
Other taxes	14,450	16,839	41,141	25,945
Total current	14,450	16,839	59,879	51,340
Noncurrent				
ICMS (State VAT)	-	-	807	805
Other taxes	-	-	807	805
Total noncurrent	-	-	807	805

The Group also has some uncertain treatment of taxes on profit for which Management concluded that they are more likely to be accepted by the tax authority than not, the effect of potential contingencies for which are disclosed in Note 19.1 – Provisions for tax, civil and labor risks and judicial deposits.

(19) PROVISIONS

	Parent company		Consolidated			
	Noncurrent		Current		Noncurrent	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Provision for tax, civil and labor risks (note 19.1)	997	928	-	-	25,167	24,979
Provision for socio-environmental costs and asset demobilization (note 19.2)	64,419	62,288	24,428	24,485	210,408	203,844
Total	65,415	63,216	24,428	24,485	235,575	228,823

19.1 Provisions for tax, civil and labor risks and judicial deposits

	Consolidated			
	June 30, 2020		December 31, 2019	
	Provision for tax, civil ad labor risks	Escrow deposits	Provision for tax, civil ad labor risks	Escrow deposits
Labor	2,467	1,610	2,270	1,567
Civil	20,671	3,335	20,679	3,351
Tax	2,029	9,286	2,029	9,200
Total	25,167	14,230	24,979	14,118

The movement in the provision for tax, civil and labor risks is shown below:

	Consolidated				
	At December 31, 2019	Additions	Reversals	Payments	Monetary adjustment
Labor	2,270	180	(3)	-	20
Civil	20,679	-	(11)	-	3
Tax	2,029	-	-	-	-
Total	24,979	180	(14)	-	23

The provision for tax, civil, labor and other risks was based on the assessment of the risks of losing the lawsuits to which the Group is part, where the likelihood of loss is probable in the opinion of the outside legal counselors and the Group's management.

The principal pending issues relating to litigation, lawsuits and tax assessments are summarized below:

- Labor** - The main labor lawsuits relate to claims filed by former employees of service providers.
- Civil** - refer mainly to indemnities resulting from land expropriation or access easement, arbitration proceedings, and indemnities for losses due to breach of contract clauses.
- Tax** - refer mainly to the collection of taxes, especially the Services Tax (ISS) and abusive collection for issuing /renewing business licenses.

Possible losses

The Group is party to other lawsuits and risks in which Management, supported by its outside legal counselors, believes that the chances of a successful outcome are possible, i.e., it is more likely than not that an outflow of resources will not be required due to a solid defense position in these cases. Therefore, no provision for these lawsuits was set up. It is not yet possible to predict the outcome of the courts' decisions or any other decisions in similar proceedings considered probable or remote.

The claims relating to possible losses at June 30, 2020 and December 31, 2019, were as follows:

	Consolidated		
	June 30, 2020	December 31, 2019	
Labor	5,995	2,613	Work accidents, risk premium for dangerousness at workplace and overtime
Civil	264,107	343,785	Personal injury and overfed tariffs
Tax	348,344	344,594	Income tax and Social Contribution (note 18)
Fiscal - Other	483,775	465,258	INSS, ICMS, FINSOCIAL, PIS and COFINS, Income tax and Social Contribution
Regulatory	1,830	3,590	Technical, commercial and economic-financial supervisions
Total	1,104,051	1,159,840	

- a. **Labor** - The main labor lawsuits relate to claims filed by former employees of service providers.
- b. **Civil** - refer mainly to indemnities resulting from land expropriation or access easement, arbitration proceedings, and indemnities for losses due to breach of contract clauses.

In 2014, Bio Pedra filed a request for arbitration against the Company, in the updated amount of R\$ 244,696, with a declaration of default by the Company with respect to the obligations arising from the consortium constitution contract, referring to the indemnity due to the losses related to contractual breaches, condemnation of the respondents to the payment of costs and procedural expenses, fees of arbitrators and arbitration costs. Based on the opinion of the Company's legal counsel, management disagrees with the collection, as well as the arbitrated amount, and understands that the risk of loss is possible.

- c. **Tax** - refer mainly to the collection of taxes, especially the Services Tax (ISS) and abusive collection for issuing /renewing business licenses. Additionally, in August 2016, the Company received a tax assessment notice in the updated amount of R\$ 348,006 related to the collection of Withholding Income Tax (IRRF) on remuneration of the capital gain incurred to residents and/or domiciled abroad, arising from the sale transaction of Jantus SL, which took place in December 2011, which the Company's Management, supported by its external legal advisors, classified the risk of loss as not probable.
- d. **Other: GSF injunction** – Continuing the GSF injunction process, on May 7, 2018, the Federal Court granted the request for a suspensive effect to the appeal filed by APINE for the decision of February 16, 2018, maintaining the effectiveness of the decision initially rendered in favor of the association and its members, obtained on July 1, 2015, which suspends the payment of GSF amounts.

On October 23, 2018, the President of the High Court of Justice (STJ) revoked the injunction that protected the members of the Brazilian Association of Independent Power Producers (APINE) from the effects of hydrological risk (GSF) on the settlement of the spot market. The STJ's decision came on an appeal by ANEEL.

In the decision, the suspension of the ERM adjustment was maintained between July 1, 2015 and February 7, 2018. The collection took place in November 2018 for settlements after that date. The Company and its subsidiaries paid the GSF from April to September 2018, in the amount of R\$ 35,919. This payment did not impact the results of the Company and its subsidiaries, in view of the provision for the amount of GSF within the accrual period.

At the date of approval of these interim accounting information, the suspension of payment of GSF amounts from July 2015 to February 2018 was still in effect. The other amounts related to 2018 and subsequent years are being paid monthly.

The Group's Management, based on the opinion of its external legal advisors, believes that the provisioned amounts reflect the best current estimate.

19.2 Provision for socio-environmental costs and asset demobilization

These refer mainly to provisions related to social and environmental licenses arising from events already occurred and obligations to withdraw assets resulting from contractual and legal requirements related to the lease of land where the wind farms are located. Such costs are provisioned against property, plant and equipment and will be depreciated over the remaining useful life of the asset. These provisions are made based on estimates and assumptions related to discount rates and the expected cost for demobilization and removal at the end of the

authorization period for these plants. These costs may differ from what may be incurred by the Company. The real discount rate used to calculate the present value was 3.22%, based on government bond rates with a maturity similar to the end of authorizations.

	Parent company		
	December 31, 2019	Present value adjustments	June 30, 2020
Asset demobilization	62,288	2,130	64,418
Total	62,288	2,130	64,418

	Consolidated			
	December 31, 2019	Payments	Present value adjustments	June 30, 2020
Asset demobilization	203,323	-	6,952	210,275
Social and environmental costs	25,006	(1,188)	742	24,560
Total	228,329	(1,188)	7,694	234,835
Current	24,485			24,039
Noncurrent	203,844			210,796

(20) ADVANCES

The balances on June 30, 2020 and December 31, 2019 refer mainly to advances from customers related to early receipt, without the supply of energy or service, referring to PROINFA contracts, commercialization of energy in the regulated environment and reserve energy contracts, as shown below:

	Parent company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Biomass	-	-	7,125	7,334
Wind farms	177,601	67,263	504,211	225,342
SPE's	-	-	60,478	59,455
	177,601	67,263	571,814	292,131
Total current	177,601	67,263	527,773	248,883
Total noncurrent	-	-	44,041	43,248

(21) EQUITY

The shareholders' interest in the Company's equity at June 30, 2020 and December 31, 2019 is shown below:

Shareholders	Number of shares			
	Common shares	Interest %	Common shares	Interest %
CPFL Geração de Energia S.A.	277,435,256	53.22%	277,251,717	53.18%
CPFL Energia S.A.	243,771,824	46.76%	243,771,824	46.76%
Other shareholders	108,011	0.02%	291,550	0.06%
Total	521,315,091	100.00%	521,315,091	100.00%

21.1 Issued capital

As at June 30, 2020, the subscribed and paid-in capital is R\$ 3,698,060, represented by 521,315,091 (503,811,489 at December 31, 2018) registered common shares, with no par value. Each common share entitles to one vote in the resolutions of the Company's General Meetings.

21.2 Capital reserve

It basically refers to the registration of business combination operations and public tender offer of shares in the amount of R\$ 592,347 on June 30, 2020.

In accordance with ICPC 09 (R2) and IFRS 10 / CPC 36, these effects were recognized as transactions between shareholders and accounted for directly in shareholders' equity.

21.3 Earnings reserve

The balance of the earnings reserve at June 30, 2020 is R\$ 224,956, which comprises: i) Legal reserve of R\$ 11,244; ii) Unrealized profit reserve of R\$ 49,789 recorded on the minimum mandatory dividend amounts that exceeded the realized portion of the profit for the fiscal year 2019, in accordance with article 197 of Law 6,404/76; and iii) R\$ 163,923 statutory reserve - working capital improvement.

21.4 Accumulated comprehensive income - Deemed cost

Certain projects were stated at the deemed cost. The net balance of the surplus value, in the amount of R\$ 56,973 (original amount), was recorded in the line item "Equity valuation adjustment". The balance at June 30, 2020 is R\$ 27,234 (R\$ 29,070 at December 31, 2019).

21.5 Public Offering of Shares – CPFL Renováveis

On December 19, 2019, the Board of Directors of CPFL Energia S.A. and the Executive Board of CPFL Geração approved the holding of a public offering of the common shares issued by the Company, outstanding in the market, for the purpose of converting its registration as a publicly-held company category "A" into category "B" ("OPA Conversion of Registration") and/or leaving the New Market ("OPA Exit from the New Market", and, together with the OPA Conversion of Registration, "OPA"), to be carried out by CPFL Geração, direct controlling shareholder of CPFL Renováveis. The OPA will be intended for the acquisition of up to 291,550 common shares issued by the Company outstanding in the market, which represent, as of that date, 0.056% of the Company's issued capital.

On April 27, 2020, CPFL Energia received approval from the CVM related to the OPA Conversion of Registration request as well as for the OPA Exit from the New Market. The Public Offering, containing all the terms and conditions of the OPA, was released by CPFL Geração on May 6, 2020. The OPA auction would take place at B3 S.A. on June 10, 2020.

On May 21, 2020, the Company, by means of a Material News Release, informed that, on that date, its Board of Directors expressed its agreement with acceptance of the OPA by the Company's shareholders, pursuant to the opinion approved at a meeting held on that date.

On June 5, 2020, CPFL Geração, through a Material News Release, informed that the definitive acquisition price for the OPA auction, after the adjustments provided for in item 4.5 of the Notice, was R\$ 18.24 per common share, to be fully paid in cash on the financial settlement date (June 15, 2020) the OPA auction.

On June 10, 2020, CPFL Renováveis, by means of a Material News Release, informed the result of the public offering auction of the Company's common shares outstanding in the market, unifying the modalities for the purpose of converting its registration as a publicly-held company category "A" into category "B" ("OPA Conversion of Registration") and leaving the New Market ("OPA Exit from the New Market"), and, together with OPA Conversion of Registration, "OPA" and "Auction", respectively) carried out on that date on B3 S.A. – Brasil, Bolsa, Balcão ("B3"). As a result of the Auction, CPFL Geração ("the Offering Party") acquired 183,539 common shares issued by the Company outstanding in the market, representing 0.035% of its issued capital. The shares were acquired at the unit price of R\$ 18.24, totaling R\$ 3,347,751.36. With the financial settlement of the acquisitions made at 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 Offering Party at the Auction exceeded the minimum amount necessary for the conversion of its registration as a publicly-held company category "A" into category "B" with the CVM, of 2/3rd of the shares offered at the Auction, the Company proceeded with the

necessary acts for the conversion. The Company's shares immediately ceased to be part of B3's New Market segment, moving on to B3's basic segment until CVM's statement regarding the category conversion.

On June 19, 2020, CPFL Renováveis, through a Material News Release, informed that the Board of Directors approved, on that date, the call for the Extraordinary General Meeting ("EGM") of the Company's shareholders, to be held on July 7, 2020, to decide about the redemption of all common shares issued by the Company that remained outstanding after the OPA auction. The EGM took place on that date and the share redemption was approved. The redemption price is R\$ 18.28 per share, equivalent to the price of the OPA, adjusted by the variation of the SELIC rate since June 15, 2020, the settlement date of the OPA, until the date of deposit of the redemption amount (July 22, 2020).

On July 6, 2020, CPFL Renováveis, by means of a Material News Release, announced the receipt of Official Letter 224/2020 / CVM / SEP / GEA-1, whereby CVM granted the request for conversion of the registration as a publicly-held company category "A" of the Company into category "B".

(22) EARNINGS PER SHARE

Earnings per share – basic and diluted

The calculation of the basic and diluted earnings per share at June 30, 2020 and 2019 was based on the profit for the year attributable to controlling shareholders and the weighted average number of common shares outstanding during the reporting years. Specifically for the calculation of diluted earnings per share, the dilutive effects of convertible instruments are considered, as shown:

	<u>2nd quarter 2020</u>	<u>Six months 2020</u>	<u>2nd quarter 2019</u>	<u>Six months 2019</u>
Numerator				
Loss attributable to controlling shareholders	(45,793)	(77,324)	(40,732)	(136,596)
Denominator				
Weighted average number of shares held by shareholders	521,315,091	521,315,091	508,868,085	506,339,787
Earnings per share - basic and diluted	(0.09)	(0.15)	(0.08)	(0.27)

(23) NET OPERATING REVENUE

	Parent company				Consolidated			
	2020		2019		2020		2019	
	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months
Revenue from Electric Energy Operations								
Consumer class								
Biomass	-	-	-	-	83,159	133,105	80,408	112,229
Wind farms	47,487	87,838	63,069	115,610	168,760	340,788	214,356	395,421
SPEs	-	-	-	-	99,397	286,890	139,053	276,865
Solar	-	-	-	-	89	216	83	185
Billed	47,487	87,838	63,069	115,610	351,405	760,999	433,900	784,699
Other revenues and income	-	48	11	2,446	238	742	391	3,202
Other operating revenues	-	48	11	2,446	238	742	391	3,202
Total gross operating revenue	47,487	87,886	63,080	118,057	351,643	761,741	434,291	787,901
Deductions from operating revenues								
ICMS	-	-	-	-	(3,378)	(5,118)	-	-
PIS	(858)	(1,762)	(1,151)	(2,126)	(3,047)	(6,926)	(3,728)	(6,807)
COFINS	(3,954)	(8,114)	(5,304)	(9,792)	(14,053)	(31,941)	(17,194)	(31,393)
Global reversal reserve - RGR	-	-	-	-	(36)	(104)	(109)	(400)
Financial compensation for the use of water resources - CFURH	-	(72)	-	-	(312)	(673)	(340)	(572)
Other	(168)	(409)	(242)	(483)	(1,528)	(3,148)	(1,622)	(3,243)
	(4,980)	(10,357)	(6,697)	(12,401)	(22,354)	(47,910)	(22,993)	(42,415)
Net operating revenue	42,507	77,529	56,383	105,655	329,289	713,831	411,298	745,486

(24) COST OF ELECTRIC ENERGY

	Parent company				Consolidated			
	2020		2019		2020		2019	
	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months
Electricity Purchased for Resale	10,983	37,596	20,628	44,644	12,029	59,909	42,973	72,778
PIS and COFINS credit	(930)	(3,170)	(2,155)	(4,121)	(464)	(1,915)	(1,197)	(1,758)
Subtotal	10,052	34,426	18,473	40,523	11,565	57,994	41,776	71,020
Electricity network usage charge	7,067	14,108	6,712	13,259	26,703	53,062	25,267	49,987
PIS and COFINS credit	(654)	(1,305)	(616)	(1,223)	(668)	(1,363)	(705)	(1,398)
Subtotal	6,414	12,803	6,096	12,036	26,035	51,699	24,562	48,589
Total	16,466	47,229	24,569	52,559	37,600	109,693	66,338	119,609

(25) OPERATING COSTS AND EXPENSES

	2nd quarter									
	Parent company									
	Operating expenses									
	Cost of operation		Selling expenses		General and administrative		Other operating expenses		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Personnel	-	-	-	-	14,429	19,899	-	-	14,429	19,899
Materials	2,021	730	-	-	795	490	-	-	2,816	1,220
Third party services	4,863	7,799	8	12	8,895	8,581	-	-	13,766	16,392
Other	1,510	1,666	-	-	2,562	1,803	945	(57)	5,017	3,412
Leases and rentals	1,453	1,274	-	-	1,368	1,085	-	-	2,821	2,359
Publicity and advertising	-	-	-	-	124	116	-	-	124	116
Legal, judicial and indemnities	-	-	-	-	153	85	-	-	153	85
Gain (loss) on disposal, retirement and other noncurrent assets	-	-	-	-	-	-	928	(77)	928	(77)
Other	57	392	-	-	917	517	17	20	991	929
Total	8,394	10,195	8	12	26,681	30,773	945	(57)	36,028	40,923

Six months									
Parent company									
Operating expenses									
Cost of operation		Selling expenses		General and administrative		Other operating expenses		Total	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Personnel	-	-	-	30,107	38,757	-	-	30,107	38,757
Materials	5,401	1,192	-	-	1,623	901	-	7,024	2,093
Third party services	8,774	15,995	14	12	15,359	17,002	-	24,147	33,009
Other	2,639	3,705	-	-	4,721	3,695	960	8,320	7,434
Leases and rentals	2,444	2,861	-	-	2,337	1,782	-	4,781	4,643
Publicity and advertising	-	-	-	-	144	220	-	144	220
Legal, judicial and indemnities	-	-	-	-	231	320	-	231	320
Gain (loss) on disposal, retirement and other noncurrent assets	-	-	-	-	-	-	928	928	3
Other	195	844	-	-	2,009	1,373	32	2,236	2,248
Total	16,814	20,892	14	12	51,810	60,355	960	69,598	81,293

2nd quarter									
Consolidated									
Operating expenses									
Cost of operation		Selling expenses		General and administrative		Other operating expenses		Total	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Personnel	9,924	7,444	-	-	14,134	19,701	-	24,058	27,145
Materials	1,933	3,214	-	-	1,508	492	-	3,441	3,706
Third party services	37,328	38,781	8	12	11,407	12,410	-	48,743	51,203
Other	10,488	8,482	-	-	3,211	3,211	1,955	12,758	12,023
Leases and rentals	6,037	4,210	-	-	1,825	1,704	-	7,862	5,914
Publicity and advertising	88	1	-	-	125	116	-	213	117
Legal, judicial and indemnities	-	-	-	-	(2,615)	808	-	(2,615)	808
Gain (loss) on disposal, retirement and other noncurrent assets	-	-	-	-	-	-	1,755	1,755	134
Amortization of the risk premium paid -GSF	864	980	-	-	-	-	-	864	980
Other	3,499	3,291	-	-	980	583	200	4,679	4,070
Total	59,673	57,921	8	12	27,364	35,814	1,955	89,000	94,077

Six months									
Consolidated									
Operating expenses									
Cost of operation		Selling expenses		General and administrative		Other operating expenses		Total	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Personnel	19,782	14,291	-	-	30,226	39,226	-	50,008	53,519
Materials	5,977	6,980	-	-	2,440	911	-	8,417	7,891
Third party services	74,069	73,907	14	12	19,920	22,756	-	94,003	96,675
Other	17,786	17,226	-	-	6,441	6,490	2,093	26,321	24,868
Leases and rentals	9,323	9,012	-	-	3,405	3,074	-	12,728	12,086
Publicity and advertising	88	1	-	-	147	211	-	235	212
Legal, judicial and indemnities	-	-	-	-	769	1,613	-	769	1,613
Gain (loss) on disposal, retirement and other noncurrent assets	-	-	-	-	-	-	1,699	1,699	737
Amortization of the risk premium paid -GSF	1,861	1,957	-	-	-	-	-	1,861	1,957
Other	6,515	6,256	-	-	2,120	1,592	394	9,029	8,263
Total	117,614	112,404	14	12	59,027	69,385	2,093	178,749	182,953

(26) FINANCIAL INCOME (EXPENSE)

	Parent company				Consolidated			
	2020		2019		2020		2019	
	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months
Financial income								
Income from financial investments	1,242	2,551	4,897	9,029	11,880	24,150	18,980	39,136
Adjustment for inflation of tax credits	-	-	-	-	458	460	-	-
Adjustment for inflation and exchange rate changes	17	104	103	126	91	227	151	221
Interest on loan agreements	285	548	256	393	372	752	371	512
PIS and COFINS on other financial income	(192)	(453)	(554)	(1,070)	(255)	(635)	(859)	(1,698)
Revenue from CCEE settlement	2,536	6,511	6,621	13,360	8,433	22,126	28,716	56,810
Other	36	65	87	174	2,475	4,167	2,837	3,805
Total	3,924	9,326	11,410	22,012	23,454	51,247	50,196	98,786
Financial expenses								
Interest on debts	(33,609)	(63,793)	(43,185)	(82,898)	(77,246)	(151,845)	(100,338)	(197,693)
Adjustment for inflation and exchange rate changes	(4,192)	(1,766)	(10,486)	(21,164)	(5,197)	(4,069)	(13,642)	(31,676)
Update of tax debts	(220)	(480)	(206)	(361)	(301)	(579)	(236)	(529)
Adjust to present value	(1,065)	(2,130)	(1,243)	(2,336)	(3,846)	(7,696)	(3,841)	(6,969)
Interest on loan agreements	(10,158)	(22,357)	(18,238)	(36,573)	(4,627)	(9,207)	(6,681)	(13,273)
Bank fees, charges and commissions	(2,200)	(4,186)	(2,096)	(5,407)	(3,235)	(7,515)	(4,755)	(11,705)
Expenses from CCEE settlement	(1,489)	(4,198)	(5,627)	(12,324)	(5,028)	(14,424)	(24,143)	(52,559)
Other	(28)	(124)	(3,530)	(5,176)	(3,374)	(8,021)	(7,734)	(7,262)
Total	(52,961)	(99,034)	(84,611)	(166,239)	(102,854)	(203,356)	(161,370)	(321,666)
Financial income (expenses), net	(49,037)	(89,708)	(73,201)	(144,227)	(79,400)	(152,109)	(111,174)	(222,880)

At June 30, 2020 and 2019, there was no interest capitalized on qualifying assets, in accordance with CPC 20 (R1) / IAS 23.

The expense item with monetary and foreign exchange updates includes the net effects of gains from derivative instruments in the amount of R\$ 35,336 on June 30, 2020 (note 29).

(27) RELATED-PARTY TRANSACTIONS

The Company's direct controlling shareholder is CPFL Geração de Energia S.A. ("CPFL Geração") with 53.22% of the shares, and its indirect controlling shareholder is CPFL Energia, with 46.76% of the shares, which holds 100% of the capital of CPFL Geração and has the following controlling shareholders:

- State Grid Brazil Power Participações S.A. ("SGBP")

Company indirectly controlled by State Grid Corporation of China, a Chinese state-owned company primarily engaged in developing and operating companies of the electricity sector.

- ESC Energia S.A.

Company controlled by State Grid Brazil Power Participações S.A.

The direct and indirect equity interests in operational subsidiaries are described in Note 1.

Controlling shareholders, subsidiaries and associates, joint ventures and entities under common control and which in some way exercise significant influence over the Company were considered as related parties.

The main transactions are listed below:

- Allocation of expenses among companies** – Refers to (i) apportionment of labor and bank guarantee expenses, including finance costs of 2.7% of the outstanding balance of two debenture instruments of the Company with its parent company CPFL Energia; and (ii) apportionment of expenses among the Company's subsidiaries.
- Advance for future capital increase** – At the parent company, the balance of advance for future capital increase refers to capital contributions made by CPFL Renováveis to the subsidiaries, whose balances on June 30, 2020 and December 31, 2019, are as follows:

Advances for future capital increase with subsidiaries	Parent company	
	June 30, 2020	December 31, 2019
Atlântica IV	2,093	2,093
Baixa Verde	72	53
Boa Vista 2	39,000	39,000
Cajueiro	20	20
Costa das Dunas	69,489	17,589
Dobrevê Energia	1,157	1,157
Wind farm Holding	2,657	617
Farol de Touros	23,210	16,210
Figueira Branca	9,682	8,432
Gameleira	15,039	11,248
Navegantes	65	65
SPE Holding 2	123,115	123,115
Pedra Cheirosa I	78,500	-
Pedra Cheirosa II	51,500	-
Penedo	1	-
Rosa dos Ventos	3,500	-
Santa Cruz	23,422	3,922
SIIF Cinco	18,600	-
Turbina 17	50,878	50,878
	512,000	274,399

- Loans** – Refer to (i) loans between CPFL Renováveis and its subsidiaries, maturing through August 2038, to cover cash requirements, with contracts remunerated at TLP + 2% until August 31, 2018 and 97.7% of the CDI as from September 1, 2018; and (ii) loans with the company CPFL Energia, maturing until July 2020, to mitigate the Company's liquidity risk, remunerated at 107% of the CDI.

The balance of intragroup loans liabilities in the consolidated, amounting R\$ 851,088, refers substantially to the intragroup loan between the Company and the parent company SGBP, with maturity until to December 2021, which can be paid in advance at any time, without premium collection and remunerated at CDI + 1.1%.

Loan with parent company, subsidiaries and affiliates	June 30, 2020	December 31, 2019
State Grid Power Participações S.A.	851,088	-
CPFL Energia S.A.	389,290	422,379
SPE Holding S.A.	89,182	87,672
Companhia Hidroelétrica Figueirópolis	78,884	77,549
SPE Alto Irani S.A.	77,598	76,284
Santa Clara VI Energias Renováveis	52,541	51,652
Santa Clara IV Energias Renováveis	50,463	49,609
CPFL Bio Pedra Ltda.	68,861	67,696
Santa Clara V Energias Renováveis	48,535	47,714
Santa Clara II Energias Renováveis	40,619	39,931
CPFL Bio Buriti Ltda.	36,388	35,772
SPE Plano Alto S.A.	33,008	32,449
Santa Clara III Energias Renováveis	37,954	37,311
Santa Clara I Energias Renováveis	25,171	24,745
Wind farm of Paracuru S.A.	-	46,691
Siif Cinco S.A.	-	12,912
Eurus VI Energias Renováveis	13,784	13,549
SPE Ninho da Águia S.A.	13,478	13,250
CPFL Bio Ipê Ltda.	9,692	12,393
Pedra Cheirosa II S.A.	-	8,566
SPE Arvoredo Energia S.A.	8,899	8,748
SPE Cocaís Grande E. S.A.	6,605	6,493
SPE São Gonçalo S.A.	5,972	5,871
SPE Barra Paciência S.A.	3,455	3,396
SPE Varginha Energia S.A.	3,213	3,159
Other subsidiaries	7,103	6,686
Total	1,951,784	1,192,477

- d) **Purchase and sale of energy and charges** - Refers to the purchase and sale of energy, through short or long term contracts. These transactions, when carried out in the regulated market, have their prices defined through mechanisms established by the Granting Authority.

The Group has a "Related Parties Committee", formed by two independent members and an executive of the group, which evaluates the main commercial transactions carried out with related parties.

Management has considered the close relationship with related parties associated with other factors to determine the level of disclosure details of the transactions and believes that the relevant information about transactions with related parties are adequately disclosed.

The total compensation for key management personnel in the first semester of 2020, as required by CVM Resolution No. 560/2008, was R\$ 4,784 (R\$ 5,247 in the first semester of 2019), referring to short-term benefits, and to the amount recorded on the accrual basis.

Transactions with entities under common control basically refer to charges for the use of the transmission system, incurred by the Company's subsidiaries and paid to direct or indirect subsidiaries of the State Grid Corporation of China.

Transactions involving controlling shareholders, entities under common control or significant influence and joint ventures are as follows:

	Consolidated			
	Liabilities		Expense/Cost	
	June 30, 2020	December 31, 2019	2020	2019
Purchase and sale of energy and charges				
Araraquara Transmissora de Energia S.A.	-	-	34	80
Atlantico - Concessionária de Transmissão de Energ	-	-	8	17
Belo Monte Transmissora de Energia SPE S.A.	-	(15)	918	1.958
Canarana Transmissoras de Energia S.A.	-	-	94	206
Catxere Transmissora de Energia S.A.	-	-	92	203
Expansion Transmissão de Energia Elétrica S.A.	-	-	157	325
Expansion Transmissão Itumbiara Marimbondo S.A.	-	-	61	206
Guaraciaba Transmissora de Energia (TP SUL) S.A	-	-	147	296
Iracema Transmissora de Energia S.A.	-	-	39	78
Itumbiara Transmissora de Energia S.A.	-	-	364	759
Linhas de Transmissão de Montes Claros S.A.	-	-	55	114
Linhas de Transmissão do Itatim S.A.	-	-	73	165
Luiziania-Niquelândia Transmissora S.A.	-	-	7	14
Marechal Rondon Transmissora de Energia S.A.	-	-	8	17
Matrincha Transmissora de Energia (TP NORTE) S.A.	-	-	294	618
Paranaíba Transmissora de Energia S.A.	-	-	219	437
Paranaíba Ribeirãozinho Transmissora de Energia S	-	(6)	615	1.164
Poços de Caldas Transmissora de Energia S.A.	-	-	62	133
Porto Primavera Transmissora de Energia S.A.	-	-	166	305
Ribeirão Preto Transmissora de Energia S.A.	-	-	56	119
Serra da Mesa Transmissora de Energia S.A.	-	-	204	429
Serra Paracatu Transmissora de Energia S.A	-	-	55	118
Xingu Rio Transmissora de Energia S.A	-	(41)	1.963	1.083
Loans				
State Grid Brazil	851.088	-	1.404	-

Transactions involving subsidiaries and jointly controlled companies of CPFL Energia, are as follows:

	Assets		Liabilities		Consolidated Income				Expense/Cost			
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	2020		2019		2020		2019	
					2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months	2nd quarter	Six months
Allocation of expenses among companies (a)												
CPFL Comercialização Brasil S.A.	-	-	-	203	-	-	-	-	-	-	-	-
Companhia Paulista de Força e Luz	-	-	-	(23)	-	-	-	-	32	74	-	-
Companhia Piratininga de Força e Luz	-	-	-	-	-	-	-	-	2	10	-	-
CPFL Geração Energia S.A.	-	-	-	(11)	-	-	-	-	-	-	-	-
CPFL Serviços Equipamentos Indústria e Comércio S.A.	-	-	-	(7)	-	-	-	-	-	-	-	-
Nect Serviços Administrativos Ltda.	-	-	-	24	-	-	-	-	-	-	-	-
Nect Serviços Administrativos de Infraestrutura Ltda.	-	-	-	(7)	-	-	-	-	-	-	-	-
Nect Serviços Administrativos Financeiros Ltda.	-	-	-	21	-	-	-	-	-	-	-	-
Advances												
CPFL Comercialização Brasil S.A.	-	-	41.501	37.299	-	-	-	-	-	-	-	-
Companhia Paulista de Força e Luz	-	-	2.571	1.284	-	-	-	-	-	-	-	-
Companhia Piratininga de Força e Luz	-	-	2.925	1.789	-	-	-	-	-	-	-	-
Companhia Jaguar de Energia	-	-	495	301	-	-	-	-	-	-	-	-
RGE Sul Distribuidora Energia S.A.	-	-	1.592	879	-	-	-	-	-	-	-	-
Other	-	-	17	-	-	-	-	-	-	-	-	-
BAESA – Energética Barra Grande S.A.	-	-	605	622	-	-	-	-	-	-	-	-
CERAN - Companhia Energética Rio das Antas	-	-	975	1.005	-	-	-	-	-	-	-	-
Chapcoense Geração S.A.	-	-	857	852	-	-	-	-	-	-	-	-
ENERCAN - Campos Novos Energia S.A.	-	-	1.070	1.098	-	-	-	-	-	-	-	-
EPASA - Centrais Elétricas da Paraíba	-	-	385	396	-	-	-	-	-	-	-	-
Purchase and sale of energy and charges (d)												
CPFL Comercialização Brasil S.A.	38.248	44.175	-	-	101.375	231.771	143.898	203.328	-	-	1.498	1.498
CPFL Geração Energia S.A.	-	-	-	-	-	-	-	-	-	-	114	114
TI NECT Serv. Inform. LTDA (Auth)	-	-	-	-	-	-	-	-	-	-	532	1.190
Companhia Paulista de Força e Luz	1.094	1.250	354	524	2.732	5.179	2.369	4.140	1.697	3.345	1.554	2.964
Companhia Piratininga de Força e Luz	1.755	1.969	-	-	4.304	8.020	3.899	6.899	-	-	46	88
Companhia Luz e Força Santa Cruz	-	66	-	-	-	(88)	-	-	-	-	-	-
Companhia Leste Paulista Energia	-	5	-	-	-	(5)	-	-	-	-	-	-
Companhia Sul Paulista Energia	-	9	-	-	-	(9)	-	-	-	-	-	-
Companhia Jaguar de Energia	148	72	-	-	311	674	254	490	-	-	-	-
Companhia Luz e Força de Mococa	-	2	-	-	-	(2)	-	-	-	-	-	-
CPFL Serviços Equipamentos Indústria e Comércio S.A.	-	-	-	-	-	-	-	-	-	-	607	3.149
Nect Serviços Administrativos Ltda.	-	-	-	-	-	-	-	-	-	-	116	118
Rio Grande Energia S.A.	-	114	-	-	-	(114)	-	-	0	1	-	-
RGE Sul Distribuidora Energia S.A.	327	216	9	8	737	1.500	547	1.019	22	47	28	55
CPFL Transmissora Piracicaba S.A.	-	-	-	-	-	-	-	-	2	4	2	4
CPFL Transmissora Morro Agudo	-	-	-	-	-	-	-	-	3	5	1	3
Property, plant and equipment, materials and service rendered												
Companhia Paulista de Força e Luz	-	-	-	-	-	-	-	-	-	2	-	-
Companhia Piratininga de Força e Luz	-	-	(3)	(3)	-	-	-	-	-	-	-	-
Companhia Jaguar de Energia	-	-	(1)	-	-	-	-	-	-	-	-	-
CPFL Comercialização Brasil S.A.	-	-	-	-	-	-	-	-	-	-	881	2.082
CPFL Geração Energia S.A.	-	-	-	-	-	-	-	-	-	-	89	291
CPFL Serviços Equipamentos Indústria e Comércio S.A.	-	-	228	209	-	-	-	-	635	3.095	-	-
Nect Serviços Administrativos Ltda.	-	-	193	72	-	-	-	-	57	124	-	-
Nect Serviços Administrativos de Recursos Humanos Ltda.	-	-	878	410	-	-	-	-	162	466	-	-
Nect Serviços Administrativos de Suprimentos e Logística Ltda.	-	-	6.530	2.697	-	-	-	-	2.089	3.833	-	-
BAESA – Energética Barra Grande S.A.	-	-	79	32	-	-	-	-	33	57	-	-
CERAN - Companhia Energética Rio das Antas	-	-	-	-	-	-	-	-	(9)	(17)	-	-
Chapcoense Geração S.A.	-	-	-	-	-	-	-	-	(15)	(30)	-	-
ENERCAN - Campos Novos Energia S.A.	-	-	-	-	-	-	-	-	(12)	(24)	-	-
EPASA - Centrais Elétricas da Paraíba	-	-	-	-	-	-	-	-	(14)	(28)	-	-
Other	-	-	-	-	-	-	-	-	(8)	(11)	-	-
Rental												
Companhia Paulista de Força e Luz	-	-	-	-	-	-	-	-	56	109	-	-
Companhia Piratininga de Força e Luz	-	-	-	-	-	-	-	-	40	78	-	-
Loans (e)												
CPFL Geração Energia S.A.	-	-	-	-	-	-	-	-	(893)	-	5.893	13.273
CPFL Energia S.A.	-	-	389.290	422.082	-	-	-	-	3.617	7.804	-	-
Other												
CPFL Comercialização Brasil S.A.	-	-	-	-	-	-	2	4	-	-	-	-
CPFL Geração Energia S.A.	-	-	-	-	-	-	3	6	-	-	-	-
Companhia Paulista de Força e Luz	-	-	-	-	-	-	7	14	-	-	-	-
Companhia Piratininga de Força e Luz	-	-	-	-	-	-	4	7	15	15	-	-

(28) RISK MANAGEMENT

Except for the changes disclosed below, information on the risk management structure and the main market risk factors that affect the Group's businesses are disclosed in Note 29 to the financial statements for the year ended December 31, 2019.

The Group maintains operational and financial policies and strategies aimed at liquidity, security and profitability of its assets. In this way, they have procedures to control and monitor the transactions and balances of financial instruments, in order to monitor the risks and rates in force in relation to those practiced in the market. The assessment of this potential impact, arising from the volatility of risk factors and their correlations, is carried out periodically to support the decision-making process regarding the risk management strategy, which may incorporate financial instruments, including derivatives.

The portfolios made up of these financial instruments are monitored monthly, allowing the monitoring of financial results and their impact on cash flow.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

(29) FINANCIAL INSTRUMENTS

The main financial instruments, classified in accordance with the accounting practices adopted by the Company, are as follows:

	Note	Category / Measurement	Level (*)	Parent company June 30, 2020		Consolidated June 30, 2020	
				Carrying amount	Fair value	Carrying amount	Fair value
Assets							
Cash and cash equivalent	5	(a)	Level 2	81,011	81,011	1,048,560	1,048,560
Securities	6	(a)	Level 1	10	10	10	10
Derivatives	29	(a)	Level 2	35,336	35,336	35,336	35,336
Total				116,357	116,357	1,083,906	1,083,906
Liabilities							
Borrowings - principal and interest	16	(b)	Level 2 (**)	549,886	552,224	2,633,124	2,631,168
Borrowings - principal and interest	16	(a)	Level 2	146,858	146,858	146,858	146,858
Debentures - Principal and interest	17	(b)	Level 2 (**)	1,271,883	1,227,872	1,271,884	1,242,836
Total				1,968,627	1,926,954	4,051,866	4,020,862

(*) Refers to the hierarchy for fair value measurement

(**) Only for disclosure purposes, in accordance with CPC 40 (R1) / IFRS 7

Key

Category / Measurement:

(a) - Measured at fair value

(b) - Measured at amortized cost

The classification of financial assets at amortized cost or at fair value through profit or loss is based on the business model and the cash flow characteristics expected by the Company for each instrument.

The financial instruments for which the carrying amounts approximate the fair values due to their nature, at the date of these interim accounting information are:

- Financial assets: (i) consumers, concessionaires and permissionaires, (ii) loans among associates, subsidiaries and parent company, (iii) pledges, funds and restricted deposits, (iv) leases and (v) services provided to third parties.
- Financial liabilities: (i) trade payables, (ii) loan between associates, subsidiaries and parent company, (iii) consumers and concessionaires payable and (iv) accounts payable for business acquisition.

In addition, in the first semester of 2020 there were no transfers between fair value hierarchy levels.

a) Measurement of financial instruments

As mentioned in Note 4, the fair value of a security corresponds to its maturity value (redemption value) adjusted to present value by the discount factor (relating to the maturity date of the security) obtained from the market interest curve, in Brazilian reais.

The three levels of the fair value hierarchy are:

Level 1: Quoted prices in an active market for identical instruments;

Level 2: Observable inputs other than quoted prices in an active market that are observable for the asset or liability, directly (prices) or indirectly (derived from prices);

Level 3: instruments whose relevant factors are unobservable market inputs.

b) Derivative instruments

The Group has a policy of using derivatives for the purpose of protecting (economic hedge) against the risks of exchange rate variations and interest rate fluctuations, therefore, it does not have speculative objectives in the use of derivative instruments. The Group has a currency hedge in a volume compatible with the net foreign exchange exposure, including all assets and liabilities linked to exchange variation.

The protection instruments contracted by the Group are currency swaps or interest rates without any leverage component, margin clause, daily adjustments or periodic adjustments.

Since the derivatives contracted by the Company have terms perfectly aligned with the respective protected debt, and in order to allow more relevant and consistent accounting information through the recognition of income and expenses, such debts were designated for the accounting record at fair value (Notes 16 and 17). The other debts that have different terms than the derivative instruments contracted for protection, continue to be recognized at the respective amortized cost. In addition, the Group did not adopt hedge accounting for operations with derivative instruments.

As of June 30, 2020, the Group had the following swap transactions, all traded on the over-the-counter market:

Strategy	Fair values (carrying amounts)			Values at cost, net (1)	Gain (Loss) on mark to market	Currency / index - debt	Currency / index - swap	Maturity range	Notional
	Assets	Liabilities	Fair values, net						
Derivatives to hedge debts designated at fair value									
Exchange rate hedge									
Bank loans - Law 4,131	35,336	-	35,336	32,220	3,116	US\$ + de 2,07%	CDI + 0,8%	fev/23 a fev/25	120,000
Total	35,336	-	35,336	32,220	3,116				
Current	-	-							
Noncurrent	35,336	-							

For more details regarding terms and information on debts and debentures, see notes 16 and 17.

(1) Values at cost represent the balance of the derivative without the respective mark to market, while notional refers to the principal balance of the debt and is reduced according to the respective amortization.

The movement of derivatives is shown below:

	Consolidated			
	At December 31, 2019	Exchange rate and monetary adjustments, and mark-to-market	Settlement	At June 30, 2020
Derivatives				
Values at cost, net				
Debts designated at fair value	-	32,220	-	32,220
Mark-to-Market (*)	-	3,116	-	3,116
Total	-	35,336	-	35,336

(*) The effects on the result on June 30, 2020 referring to the adjustments to the fair value (MTM) of the derivatives are: (i) gain of R\$ 3,116 for the debts designated at fair value.

As mentioned above, the Company chose to mark debts to the market for which they have fully linked derivative instruments (notes 16 and 17).

The Group has recognized gains and losses with its derivative instruments. However, since these are protection derivatives, such gains and losses minimized the impact of exchange rate variations and interest rate variations incurred in the respective protected indebtedness. For the quarters ended on June 30, 2020, derivative instruments generated the following impacts on the consolidated result, recorded in the financial expense item with monetary and exchange updates:

Hedged risk / transaction	Gain (Loss) on result	
	1st Semester of 2020	
Exchange variation	7,742	32,220
Fair Value Measurement	440	3,116
	8,182	35,336

c) Market risk

Market risk is the risk that changes in market prices (basically by interest rates) will affect the gains of the Company and its subsidiaries or the value of their financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Sensitivity analysis

The Company has performed sensitivity analyses of the main risks to which their financial instruments (including derivatives) are exposed, mainly comprising changes in interest rates.

If the risk exposure is considered an asset, the risk to be taken into account is a reduction in the pegged indexes, resulting in a negative impact on the profit or loss of the Company and its subsidiaries. Similarly, if the risk exposure is considered a liability, the risk is of an increase in the pegged indexes and the consequent negative effect on the results. The Company and its subsidiaries therefore quantify the risks in terms of the net exposure of the variables (dollar, CDI, IGP-M, IPCA and TLP), as shown below.

d.1) Exchange variation

Considering that the maintenance of the existing net foreign exchange exposure on June 30, 2020 was maintained, the simulation of the consolidated effects by type of financial instrument, for three different scenarios would be:

Instruments	Exposure (a)	Risk	Consolidated		
			Income (expense)		
			Exchange depreciation (b)	Exchange appreciation of 25% (c)	Exchange appreciation of 50% (c)
Financial liabilities instruments	(146,858)		(1,845)	35,331	72,506
Derivatives - swap plain vanilla	160,243		2,013	(38,551)	(79,115)
	13,385	drop of dollar	168	(3,220)	(6,609)
Total	13,385		168	(3,220)	(6,609)

(a) The exchange rate considered on June 30, 2020 was R\$ 5.48 to the dollar.

(b) According to exchange curves obtained in information provided by B3 S.A., the exchange rate being considered R\$ 5.54 and the exchange rate depreciation of 1.26%, referring to the dollar on June 30, 2020.

(c) As required by CVM Instruction No. 475/2008, the percentage increases in the applied indices refer to the information provided by B3 S.A.

d.2) Variation in interest rates

Assuming that the net exposure scenario for financial instruments indexed to variable interest rates at June 30, 2020 was maintained, the net financial expense for the next 12 months for each of the three defined scenarios would be:

Instruments	Consolidated						Index increase / reduction by 25% (b)	Index increase / reduction by 50% (b)
	Exposure	Risk	Revenue (expense) - R\$ thousand					
			Rate in the year	Probable scenario rate (a)	Probable scenario			
Financial assets instruments	1,539,949				37,729	28,297	18,864	
Financial liabilities instruments	(1,124,794)				(27,557)	(20,668)	(13,779)	
Derivatives - swap plain vanilla	(124,908)				(3,060)	(2,295)	(1,530)	
	290,247	drop CDI	4.59%	2.45%	7,112	5,334	3,555	
Financial liabilities instruments	(38,765)				(1,314)	(1,643)	(1,971)	
	(38,765)	raise IGP-M	7.31%	3.39%	(1,314)	(1,643)	(1,971)	
Financial liabilities instruments	(2,428,373)				(119,233)	(149,041)	(178,850)	
	(2,428,373)	raise TJLP	5.39%	4.91%	(119,233)	(149,041)	(178,850)	
Financial liabilities instruments	(282,004)				(8,122)	(10,152)	(12,183)	
	(282,004)	raise IPCA	2.14%	2.88%	(8,122)	(10,152)	(12,183)	
Total	(2,458,895)				(121,557)	(155,502)	(189,449)	

(a) The indices considered were obtained through information made available by the market.

(b) As required by CVM Instruction No. 475/2008, the increase percentages were applied to the indices in the probable scenario.

e) Credit risk

Credit risk is that the Company incurs financial losses if a customer or counterparty to a financial instrument fails to meet their contractual obligations. This risk is mainly derived from Consumers, Concessionaires and Licensees and from financial instruments of the Company. Monthly, the risk is monitored and classified according to the current exposure, considering the limit approved by management.

The impairment losses on financial assets recognized in the income statement are presented in note 8 - Consumers, Concessionaires and Permissionaires.

Consumers, concessionaires and licensees

The history of losses in the Company and its subsidiaries as a result of not receiving energy sales balances is irrelevant. The Company and its subsidiaries are not exposed to a high credit risk, and any defaults are mitigated by financial guarantee agreements signed in the contracting of energy auctions or in the formalization of bilateral agreements. In addition, short-term energy receivables are managed by EETC, which in turn monitors default among sector participants based on regulations issued by ANEEL, which reduces the credit risk on transactions carried out. At June 30, 2020 and 2019, management did not identify any trade receivables that would require an allowance for losses.

Cash, cash equivalents and securities

The Company and its subsidiaries limit their exposure to credit risk by investing in debt securities that have a liquid market and in which the risk of the counterparty (banks and financial institutions) has a rating of at least AA- (Fitch, Moody's and S&P).

The Company and its subsidiaries consider that restricted investments have low credit risk based on the counterparties' external credit ratings. At June 30, 2020 and 2019, management did not identify any securities with a material impairment loss.

Derivatives

The Group has a policy of using derivatives for the purpose of hedging (economic hedging) the risks of exchange rate variations and interest rate fluctuations, most of which consist of currency swaps or interest rates. Derivatives are contracted with prime banks and financial institutions and have a rating of at least AA-, based on the main credit rating agencies in the market. Management did not identify for the first semester of 2020 and fiscal year 2019 that the derivative financial assets had a material impairment loss using the criterion of expected losses.

The Group's policy is to provide financial guarantees for the obligations of its subsidiaries and joint ventures. As of June 30, 2020 and December 31, 2019, the Company had issued guarantees to certain financial institutions in relation to the credit lines granted to its subsidiaries and joint ventures, as presented in notes 16 and 17.

(30) NON-CASH TRANSACTIONS

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Transfer between property, plant and equipment and intangible assets	1,435	36	1,395	170
Transfer between property, plant and equipment and other credits	-	-	-	926
Dividends deliberated with subsidiaries	-	160,151	-	-
Dividends deliberated with minority shareholders	-	-	9,682	7,878
Trade payable of property, plant and equipment	-	-	-	560
Provision for losses on investments	208	104	-	-
Capital increase with advance for future capital increase from subsidiaries	-	23,385	-	-
Capital increase with advance for future capital increase from minority shareholders	-	-	-	111
Capital increase with advance for future capital increase	-	300,012	-	300,012
Loan payment with dividends with subsidiaries	-	113,340	-	-
Provision of social and environmental costs in property, plant and equipment	-	16,571	-	43,377
Reversal of social and environmental costs in property, plant and equipment	-	-	-	(28,848)

(31) PRIVATE PENSION PLAN

The Company offers its employees benefits such as life insurance, medical assistance and optional retirement supplementation plan, among others, under the defined contribution regime. These benefits are recognized on an accrual basis and their granting is discontinued at the end of the employment relationship.

In July 2012, the Company signed a Free Benefit Generator Plan with Bradesco Vida e Previdência S.A. The plan consists of Open Collective Private Pension Plans - PGBL, regulated by the Superintendence of Private Insurance - SUSEP. The Free Benefit Generator Plan is structured in the form of parity contribution since the Sponsor is limited to the percentage that it has agreed to contribute to the fund and the amount of post-employment benefit received by the employee is determined by the amount of contributions paid by the sponsor and the employee, plus returns on investments. As a result, the actuarial risk that the benefits are less than expected and the investment risk (risks that the invested assets are insufficient to cover the expected benefits) are assumed by the employee, since the choice of the type of income for the employee's contribution is free for him.

The effects and disclosures in the interim financial statements, resulting from the pandemic caused by Covid-19, are described in Note 1.6.

For the semesters ended June 30, 2020 and 2019, there was no balance of contribution to be paid by the Company. The expense recorded in the first semester of 2020 was R\$ 836 (R\$ 424 in the first semester of 2019).

(32) RELEVANT FACTS AND SUBSEQUENT EVENTS

32.1 Borrowings – early settlement

As of July 1, 2020 and until the time of approval of these financial statements, R\$ 668,403 of borrowings whose original maturities were until April 2030 were paid in advance.

32.2 Intercompany loan agreements

In July 2020, loans were made between the parent company SGBP and the Company, in the amount of R\$ 1.150,000. The operation matures in December 2021 but can be paid in advance, without premium but bearing interest of 100% of CDI plus 1.1% p.a.

BOARD OF DIRECTORS

BO WEN
Chairman

GUSTAVO ESTRELLA
Vice-Chairman

KARIN REGINA LUCHESI
YUNWEI LIU
FUTAO HUANG
JOSÉ ROBERTO DE MATTOS CURAN
Advisers

FISCAL COUNCIL

RAN ZHANG
Chairman

VINICIUS NISHIOKA
CHENGGANG LIU
Advisers

MANAGEMENT

FUTAO HUANG
Chief Executive Officer

YUEHUI PAN
Chief Financial and Investor Relations Officer

FLÁVIO MARTINS RIBEIRO
Operation and Maintenance Director

ALBERTO DOS SANTOS LOPES
Chief Engineering and Construction Officer

ACCOUNTING

MÁRCIO CÉLIO PORPHIRIO MENDES
Accounting Services Coordinator
CT CRC 1SP251528/O-0