

CPFL Energias Renováveis S.A.

CPFL Energia S.A. (CPFL)
Tabela FICFI

KPMG Auditores Independentes
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Report on Review of Interim Financial Information

To the Shareholders and Management
CPFL Energias Renováveis S.A
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of CPFL Energias Renováveis S.A. (the “Company”) contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2018, comprising the balance sheet as at March 31, 2018, and the respective statements of income and comprehensive income for the three months period then ended, and the changes in shareholder’s equity and cash flows for the three months period then ended, including the footnotes.

The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with CPC 21(R1) – Interim Financial Information and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this quarterly information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Quarterly Information Form (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 review standards applicable to interim financial information (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 Standards on Auditing 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 on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Other issues - Statements of Value Added

The individual and consolidated interim financial information, related to the statements of value added for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our opinion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 04th, 2018.

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original in Portuguese signed by)

Thiago Rodrigues de Oliveira
Accountant CRC 1SP259468/O-7

Overview

CPFL Energias Renováveis S.A. (“CPFL Renováveis or Company”) was organized on August 24, 2011, as a result of the joint venture between CPFL Energia, through subsidiaries CPFL Geração and CPFL Brasil, and ERSA – Energias Renováveis S.A. This joint venture resulted in the creation of the largest renewable energy company in Brazil, with strong presence in the four main renewable energy technologies currently developed in the country in the present – wind farms, small hydroelectric plants (SHPs), biomass-fired thermal plants and solar plants. The Company’s projects are present in eight Brazilian states and strongly contribute to the local and regional economic and social development.

CPFL Energias Renováveis S.A is an independent power generation company, exclusively focused on the Brazilian market of power generation using renewable sources, through the development, construction and operation of a portfolio of small- and medium-sized power plants.

Organizational Flowchart

As at March 31, 2018, the Company’s shareholding structure is as follows:



Power Sale Environments

The demand for power varies based on the performance of other production sectors in Brazil which, in turn, are related to the economic activity in Brazil. The Company’s projects under construction or in operation already have long-term power sale agreements. For future projects, we should sell the power generated based on a return maximization strategy, by selecting best sales opportunities between the allocation in the Free Contracting Environment (ACL), including Special Consumers and Free Consumers, and in the Regulated Contracting Environment (ACR), through energy auctions.

Operating income and generation costs of SHPs, wind farms and biomass-fired thermal plants were substantially impacted by seasonality over the year, with the following characteristics:

- The lower average wind speed reduced the power generation of the wind farms in the first six-month period;

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- The sugarcane crop in the Southeast region begins in April and ends in November. The sugarcane crop in the Northeast region begins between August and March of the subsequent year;
- Considering that the revenues recognized by the wind farms and biomass-fired thermal plants are based on their effective generation, in general, the revenues recorded in the first six-month period are lower than those recorded in the second six-month period.
- The rainfall period favors the generation of the SHPs in the Southeast/Mid-West regions in the first and fourth quarters and in the South region in the second and third quarters;

In addition, the effects from revenue recognition result from the physical guarantee of each plant, according to the seasonality recorded with CCEE. The differences between power generation and physical guarantee are covered by the Power Reallocation Mechanism (MRE). The volume of generated power, above or below the physical guarantee, is measured based on the Optimization Power Tariff (TEO), which considers the plant's operational and maintenance costs only. This additional revenue or expense is monthly recorded for each generator. Finally, if the plants under the MRE do not generate the sum of the physical guarantees, due to unfavorable water conditions, the difference calculated under the Difference Settlement Price (PLD) is apportioned amongst all plants. This effect is defined as the Generation Scaling Factor. As at September 30, 2017, all Company's plants were covered by the MRE.

Renegotiation of hydrological risk (GSF) and APINE injunction: Since the end of 2013, generation by hydroelectric plants participating in the MRE has been lower than their physical guarantees, resulting in costs due to GSF being lower than one.

In June 2015, the Brazilian Association of Independent Electricity Producers (APINE) filed a suit to protect its associated hydraulic generators with regard to GSF. The injunction against the application of GSF was approved in July 2015.

Between May and October 2015, ANEEL discussed the matter through Public Hearing 32 (AP 32/2015) to obtain supporting data and additional information for a conceptual discussion of GSF. Several industry agents and associations submitted proposals for structuring and mitigating the GSF risk.

As a result of negotiations that took place in 2015, ANEEL created a methodology to allow generators to exchange the risk of not being able to generate the equivalent of their physical guarantees for a "risk bonus" to be calculated for each plant.

Together with the progress of AP 032/2015, MP 688 was published in August 2015, which determined the criteria for renegotiating the hydrological risk (GSF). Law 13.203/2015, sanctioned and enacted in December 2015, resulted from the conversion of said MP and allowed hydroelectric generators to renegotiate the risk of their agreements due to years of low rainfall.

Therefore, through dispatches no. 4.122 of December 24, 2015, and no. 4.132 of December 28, 2015, ANEEL approved the renegotiation of hydrological risk of the following CPFL Renováveis plants: SHPP Arvoredo, SHPP Salto Góes, SHPP Varginha, SHPP Santa Luzia,

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SHPP Plano Alto, SHPP Alto Irani, SHPP Cocais Grande, SHPP Figueirópolis and SHPP Ludesa, as shown in the table below:

SHPP	Physical Guarantee (MWavg)*	MWavg renegotiated	Product**
Arvoredo	7.4	7.0	SP100
Salto Góes	11.1	11.1	SP100
Varginha	5.4	4.0	SP100
Santa Luzia	18.4	14.0	SP100
Plano Alto	9.3	9.3	SP100
Alto Irani	12.4	12.4	SP100
Cocais Grande	4.6	4.6	SP100
Figueirópolis	12.6	12.2	SP100
Ludesa	21.2	16.7	SP100
TOTAL	102.4	91.3	

* Physical guarantee as set forth in ANEEL Ordinance 30.

** SP 100 is the product in which the generator transfers the hydrological risk (GSF) and the secondary power to the Tariff Flag Resources Centralizing Account (CCRBT), as set forth in REN 684/2015. This term means that the Company renegotiated 100% of the hydrological risk (GSF) of the plants under the ACR to the premium of R\$9.50/MWh.

Generators who opted for renegotiation of the hydrological risk (GSF) of plants had to cancel any ongoing lawsuits and settle the GSF obligations between May and December 2015, after which they would be entitled to GSF refund for 2015, net of the agreed bonus, recognizing this amount as revenue for assets traded in PROINFA and as a cost reducer for other assets in the regulated market.

In December 2017, SHPP Mata Velha joined the hydrological risk renegotiation process, effective from January 2018.

With regard to plants in the Free Contracting Environment (ACL), the Company decided not to join the proposed renegotiation of hydrological risk (GSF), as established by Law 13,203/2015 and ANEEL Resolution 684/2015.

Thus, 29 SHPPs of CPFL Renováveis, totaling 131.2 MWavg, with contracts negotiated in the ACL remained protected by the injunction granted to APINE.

In February 2018, the injunction was vacated, but the balances due in the past were maintained. Therefore, the companies must disburse funds only for the risk after the duration of the injunction.

In April 2018, APINE filed a precautionary measure requesting reinstatement of the injunction and in May 2018, the request was granted in favor of APINE, reinstating its original effects, preserving the past, and no GSF adjustment applied.

As part of Public Hearing 33/2017, in February 2018, the MME submitted the draft of a Bill that intends to modernize the legal framework, compiling several contributions made during the period the public hearing was open. The Bill is expected to be submitted to the National Congress for discussion.

At the same time, Provisional Presidential Decree 814/2017, issued at the end of last year to address the privatization of Eletrobrás and six of its subsidiaries, had several amendments, including some of them aimed at resolving the issue of the Generation Scaling Factor (GSF) by establishing the terms for renegotiation of the hydrological risk for

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the hydroelectrical generators affected, with agreements in the Free Contracting Environment.

Operational Portfolio

One of the competitive advantages of CPFL Renováveis is its diversified portfolio, which at the end of 1Q18 comprised 93 plants located in 58 Brazilian municipalities. To service this portfolio, the Company relies on a robust and highly scalable platform.

In 1Q18, the Company's capacity totaled 2,102.6 MW, up 2.4% from 1Q17. This increase is due to the commercial startup of the Pedra Cheirosa wind complex (+48.3 MW) in June 2017.

At the end of 1Q18, the Company's capacity was distributed as follows:

Source	Capacity in operation (MW)	Number of assets	% of portfolio
Wind	1,308.5	45	62.2%
SHPP	423.0	39	20.1%
Biomass	370.0	8	17.6%
Solar	1.1	1	0.1%
Total in operation	2,102.6	93	100.0%

Statement of Profit and Loss

(R\$ thousand)	1Q18	1Q17	1Q18 vs 1Q17
Net Revenue	383,548	370,933	3.4%
Energy generation cost	(127,098)	(99,780)	27.4%
Depreciation and amortization	(116,733)	(111,155)	5.0%
Gross Profit	139,717	159,998	-12.7%
General and administrative expenses	(28,663)	(34,682)	-17.4%
Amortization of the right to exploit	(39,206)	(38,625)	1.5%
Depreciation and amortization	(1,748)	(1,053)	66.0%
Operating income	70,100	85,638	-18.1%
Financial income	(129,215)	(128,154)	0.8%
Income tax and social contribution	(13,406)	(12,147)	10.4%

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Net result	(72,521)	(54,663)	32.7%
Ebitda	227,787	236,471	-3.7%
Ebitda margin	59.4%	63.8%	-4.4 p.p

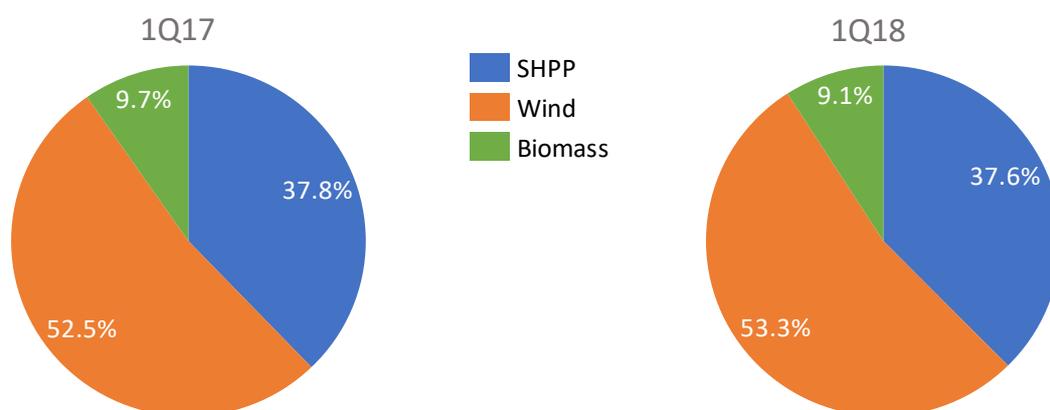
- (1) EBITDA, in accordance with the provisions of CVM Instruction 527 issued on October 4, 2012, which provides for the EBITDA voluntary disclosure by publicly-held companies, is reconciled to the financial statements as follows: net profit plus income tax and social contribution, finance income (costs) and depreciation and amortization. EBITDA is not a measure of financial performance in accordance with accounting practices adopted in Brazil or IFRS, and should not be considered in isolation or as an alternative to net profit or as an operational measure or an alternative to operating cash flows or as a measure of liquidity and should not be considered as the basis for dividend distribution.

Net revenue

Net revenue	1Q18	1Q17	1Q18 vs 1Q17
SHPP ¹	144,218	140,324	2.8%
Wind	204,451	194,674	5.0%
Biomass	34,793	35,846	-2.9%
Solar	85	89	-4.1%
Total	383,548	370,933	3.4%

¹ Considers operations at the holding company.

Net revenue by energy source¹



¹ Solar power accounted for 0.02% in 1Q18 and 1Q17.

- (i) Increase of R\$9.8 million in revenue from wind farms, mainly: a) due to the positive effect, in 1Q18, of the new energy auction through Surplus and Deficit Offset Mechanism (MCSD), since the contract price in the free market was

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higher than the contract price in the regulated market for the eight wind farms that participated in the auction; and b) the commercial startup of the Pedra Cheirosa wind complex. These items were partially offset by lower generation at the wind complexes in Ceará (which were operated by Suzlon) and in Rio Grande do Norte due to weaker winds.

- (ii) Increase of R\$ 3.9 million in revenue from SHPPs and the Holding Company, mainly due to the positive settlements in the Electric Energy Trading Chamber (CCEE) (secondary energy) and contractual price adjustment in SHPPs, partially offset by the hedge and swap operations settled at the Spot Price (PLD) in the Holding Company in 1Q17.
- (iii) Reduction of R\$ 1.0 million in biomass revenue mainly due to the seasonal adjustment in plants.

Note that the recognition of revenue from SHPPs (excluding Proinfa agreements) is based on the seasonal adjustment curve of physical guarantee and recognition of revenue from wind farms is based on the effective generation of these farms. In the case of biomass-powered plants, revenue recognition depends on the agreement and may be based on seasonal adjustment or effective generation. For more details, see the map of energy sale agreements in the annex.

Energy generation costs

(R\$ thousand)	1Q18	1Q17	1Q18 vs 1Q17
Energy purchase cost	(45,760)	(28,124)	62.7%
Amortization of the hydrological risk premium - GSF	(590)	(590)	-
Charges for the use of the system	(24,700)	(25,147)	-1.8%
PMSO ¹	(56,048)	(45,919)	22.1%
Cost of energy generation	(127,098)	(99,780)	27.4%
Depreciation and amortization	(116,733)	(111,155)	5.0%
Total of energy generation costs + depreciation and amortization	(243,831)	(210,935)	15.6%

¹ Personnel, material, outsourced services and other.

In 1Q18, energy generation costs, excluding depreciation and amortization, totaled R\$127.1 million, up 27.4% in relation to 1Q17 (+R\$27.3 million).

Energy purchase cost

Energy purchase cost totaled R\$45.8 million in 1Q18, up 62.7% from 1Q17 (+R\$17.6 million). This increase is basically due to the purchase of energy to meet the exposure in the short-term market and the hedge made in 1Q18.

PMSO

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Costs with personnel, materials, outsourced services and others (PMSO) reached R\$56.0 million in 1Q18, up 22.1% (R\$10.1 million) from 1Q17. This increase is mainly due to the following factors:

- (i) Increase in plant operating costs, mainly due to the renewal of O&M contracts at wind farms;
- (ii) Higher costs with materials mainly due to maintenance work resulting from the insourcing of O&M services at the farms in Ceará, which were partially offset by the scheduled maintenance works at biomass plants in 1Q17; and
- (iii) Growth of portfolio in operation.

System use charges

Cost of system use charges totaled R\$24.7 million in 1Q18, remaining practically stable when compared to 1Q17 (R\$25.1 million).

Depreciation and Amortization

Depreciation and amortization costs increased 5.0% in 1Q18, basically due to the operational startup of assets over the last 12 months.

General and administrative expenses

(R\$ thousand)	1Q18	1Q17	1Q18 vs 1Q17
Personnel expenses	(17,208)	(16,866)	2.0%
Third parties services ¹	(15,471)	(14,547)	6.4%
Others	4,016	(3,269)	-222.8%
General and administrative expenses	(28,663)	(34,682)	-17.4%
Depreciation and amortization	(1,748)	(1,053)	66.0%
Amortization of exploitation rights	(39,206)	(38,625)	1.5%
Total general and administrative expenses + depreciation and amortization	(69,617)	(74,360)	-6.4%

¹ Outsourced services consider occupation, material and professional service expenses

General and administrative expenses, excluding depreciation and amortization, totaled R\$28.7 million in 1Q18, decreasing 17.4% (-R\$6.0 million) in comparison with 1Q17. This variation is basically explained by the following factors:

- (i) Increase in personnel expenses, mainly due to the agreement with the union;

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- (ii) Increase in expenses with usage and consulting services, mainly to improve the IT services; and
- (iii) Reversal of provision for impairment of R\$ 5.8 million.

Excluding the reversal of provision for impairment mentioned above, general and administrative expenses, excluding depreciation and amortization, would have remained stable (R\$ 34.5 million in 1Q18 vs. R\$34.7 million in 1Q17).

EBITDA

In 1Q18, EBITDA totaled R\$227.8 million, a decrease of 3.7% from 1Q17 (R\$8.9 million). EBITDA margin reached 59.4% in 1Q18, 4.4 p.p. lower than in 1Q17. This result is mainly due to higher energy generation costs, mainly with the energy purchase to meet exposures of wind farms in the short-term market. This effect was partially offset by the startup of the Pedra Cheirosa wind complex and the reversal of provision for impairment in 1Q18.

Ebitda – evolution – 1Q18 vs. 1Q17 (R\$ million)



Finance income (costs)

(R\$ thousand)	1Q18	1Q17	1Q18 vs 1Q17
Financial Revenues	30,139	38,890	-22.5%
Financial Expenses	(159,354)	(167,044)	-4.6%
Financial Result	(129,215)	(128,154)	0.8%

CPFL Renováveis posted net financial loss of R\$129.2 million in 1Q18, remaining practically stable from 1Q17 (R\$128.2 million).

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Financial income

On March 31, 2018, cash and cash equivalents and marketable securities of CPFL Renováveis totaled R\$1,676.4 million, compared to R\$1,361.2 million on March 31, 2017.

In 1Q18, financial income totaled R\$30.1 million, down 22.5% from 1Q17 (-R\$8.8 million), mainly due to the reduction in the average CDI rate (6.73% in 1Q18 vs. 12.68% in 1Q17), partially offset by the higher average cash balance in the periods (R\$1,548.7 million in 1Q18 vs. R\$1,356.0 million in 1Q17).

Financial expenses

Financial expenses totaled R\$159.4 million in 1Q18, down 4.6% from 1Q17 (R\$7.7 million). This decline is mainly explained by the reduction in the average CDI rate and the long-term interest rate (TJLP), partially offset by the increase in expenses with projects related to long-term funding.

Income and Social Contribution Taxes

The Company adopts the presumed income method to calculate income tax and social contribution of its operational subsidiaries, excluding the SPEs BVP Geradora, Formosa, Icaraizinho, Bio Energia and Mata Velha, which adopt the taxable income regime.

Income and social contribution taxes totaled R\$13.4 million in 1Q18, compared to R\$12.1 million in 1Q17. This change occurred mainly due to the increase in operating expenses at the SPEs under the presumed income, which are subject to payment of income and social contribution taxes at a rate of 3.08%, partially offset by the return of deferred taxes on the provision for impairment in 1Q18.

Net Income (Loss)

In 1Q18, the Company recorded net loss of R\$72.5 million, compared to net loss of R\$54.7 million in 1Q17. This increase mainly due to the decrease in EBITDA and the increase of 4.5% in depreciation and amortization.

Investments

CPFL Renováveis invested R\$38.0 million in 1Q18, basically allocated to SHPP Boa Vista 2 under construction.

Project	Location	Commercial Startup	Capacity (MW)	Physical Guarantee (MWavg)
PCH Boa Vista 2	MG	1Q20	29.9	15.2

Debt

The Company ended 1Q18 with total bank debt of R\$6,377.9 million, a decrease of 1.3% from 1Q17 (R\$6,459.1 million). Considering bridge loans (which will be settled using long-

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term debt), the Company's debt has an average term of 5.1 years and an average nominal cost of 8.3% p.a. (130.5% of CDI on March 31, 2018).

The funding transactions in the last 3 months were mostly aimed at strengthening the Company's cash position and financing investments required for the construction of the current project.

As such, in the last 3 months the Company raised funds totaling R\$176.9 million, as follows:

- (i) R\$16.0 million related to three Bank Credit Notes (CCB) of SHPP Boa Vista 2, issued to Banco BBM at a cost of CDI + 1.90% p.a.;
- (ii) R\$84.2 million related to long-term financing of Pedra Cheirosa I and Pedra Cheirosa II, from BNB at a fixed cost of 10.14% p.a. subject to on-time payment bonus of 15%, which reduces the fixed cost to 8.62% p.a.; and
- (iii) R\$76.8 million related to long-term financing of Pedra Cheirosa I and Pedra Cheirosa II, from BNB at a fixed cost of 10.14% p.a. subject to on-time payment bonus of 15%, which reduces the fixed cost to 8.62% p.a.

The main amortizations made in the last 3 months are:

- (i) R\$60.0 million related to the amortization of the 2nd issue of debentures of CPFL Renováveis;
- (ii) R\$64.7 million related to the amortization and settlement of the 1st issue of debentures of Pedra Cheirosa I;
- (iii) R\$59.2 million related to the amortization and settlement of the 1st issue of debentures of Pedra Cheirosa II; and
- (iv) R\$44.0 million related to the amortization and settlement of two CCBs of CPFL Renováveis.

Debt with related parties

On March 26, 2018, the Company entered into with its subsidiary CPFL Geração a loan agreement for the amount of R\$600 million, at an interest rate of 107% of the CDI, with disbursement of R\$101 million in the quarter. The proceeds were used to strengthen the Company's cash position.

This is the first disbursement of a credit limit of up to R\$800 million approved with its parent company, leaving a balance of R\$699 million to be accessed.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CPFL ENERGIAS RENOVÁVEIS S.A.

BALANCE SHEETS AS AT MARCH 31, 2018 AND DECEMBER 31, 2017

(In thousands of Brazilian reais - R\$)

ASSETS	Note	Company		Consolidated		LIABILITIES AND EQUITY	Note	Company		Consolidated	
		03/31/2018	12/31/2017	03/31/2018	12/31/2017			03/31/2018	12/31/2017		
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	5	42,978	264,022	906,667	950,215	Trade payables	14	52,579	70,359	73,780	201,793
Short-term investments	6.1	-	-	147,983	127,333	Borrowings and financing	15	227,389	275,604	709,257	733,591
Securities		-	-	10	10	Debentures	16	263,839	262,764	404,500	525,513
Dividends receivable	10.1	134,843	160,502	-	-	Loans	10	833,962	575,275	101,062	-
Trade receivables	7	55,757	70,168	300,199	369,851	Dividends payable	10.1	3,624	3,624	8,608	12,206
Advances to suppliers		1,149	514	34,505	31,634	Payables from acquisitions		7,046	6,926	7,046	6,926
Recoverable taxes	8	8,215	11	36,762	26,680	Payroll and related taxes		9,114	8,184	9,188	8,270
Other recoverable taxes	8	4,518	10,791	37,391	42,850	Income tax and social contribution		-	-	25,081	29,872
Other receivables		26,857	24,338	46,088	75,071	Taxes		3,401	4,778	18,552	23,779
Total current assets		274,317	530,346	1,509,605	1,623,644	Advances from customers	17	93	92	379,848	311,295
NONCURRENT ASSETS						Provision for social and environmental costs	18	-	-	16,195	16,140
Escrow deposits	19	441	253	13,745	13,351	Other liabilities		14,255	11,720	89,886	87,613
Restricted short-term investments	6.2	-	-	621,784	586,841	Total current liabilities		1,415,302	1,219,326	1,843,003	1,956,998
Other	9	-	-	66,460	65,614	NONCURRENT LIABILITIES					
Deferred taxes	24.2	-	-	928	696	Borrowings and financing	15	546,317	565,718	3,532,935	3,471,648
Recoverable taxes	8	-	-	1,907	1,660	Debentures	16	1,137,829	1,194,384	1,731,223	1,780,056
Other recoverable taxes	8	-	-	3,530	4,008	Intragroup loans	10	595,990	697,978	-	-
Loans		5,959	5,887	8,811	8,612	Advances from customers	17	41	50	22,873	21,613
Investments	11	7,650,331	7,454,271	-	-	Provision for social and environmental costs and asset decommissioning	18	-	-	99,718	107,814
Property, plant and equipment	12	24,530	23,274	7,617,228	7,700,204	Provision for risks	19	2,035	2,014	35,807	35,733
Intangible assets	13	13,477	11,406	2,819,109	2,851,372	Adjustment to future capital increase	10	300,000	300,000	300,000	300,000
Total noncurrent assets		7,694,738	7,495,091	11,153,502	11,232,358	Deferred taxes	24.2	13,518	13,518	1,029,434	1,041,505
						Provision for losses	11	6	-	-	-
						Other liabilities		-	1	1,657	1,657
						Total noncurrent liabilities		2,595,736	2,773,663	6,753,647	6,760,026
						EQUITY	20				
						Paid-in capital		3,390,870	3,390,870	3,390,870	3,390,870
						Adjustment to future capital increase		592,138	-	592,138	-
						Capital reserve		12,942	592,138	12,942	592,138
						Earnings reserve		35,580	12,942	35,580	12,942
						Valuation adjustments to equity		(73,513)	36,498	(73,513)	36,498
						Accumulated losses		3,958,017	4,032,448	3,958,017	4,032,448
						Equity attributable to controlling shareholders		-	-	108,440	106,530
						Noncontrolling interest		3,958,017	4,032,448	4,066,457	4,138,978
						Total equity					
TOTAL ASSETS		7,969,055	8,025,437	12,663,107	12,856,002	TOTAL LIABILITIES AND EQUITY		7,969,055	8,025,437	12,663,107	12,856,002

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CPFL ENERGIAS RENOVÁVEIS S.A.

STATEMENTS OF PROFIT AND LOSS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017
(In thousands of Brazilian reais - R\$, except loss per share)

	Note	Company		Consolidated	
		03/31/2018	03/31/2017	03/31/2018	03/31/2017
NET OPERATING REVENUE	21	16,684	14,418	383,548	370,933
COST OF POWER GENERATION	22	(24,027)	(14,653)	(243,831)	(210,935)
GROSS PROFIT (LOSS)		<u>(7,343)</u>	<u>(235)</u>	<u>139,717</u>	<u>159,998</u>
OPERATING INCOME (EXPENSES)					
General and administrative	22	(26,316)	(28,826)	(30,411)	(35,735)
Equity in subsidiaries	11	43,527	59,213	-	-
Amortization of operating right	13 and 22	-	-	(39,206)	(38,625)
Total		<u>17,211</u>	<u>30,387</u>	<u>(69,617)</u>	<u>(74,360)</u>
OPERATING INCOME BEFORE FINANCE INCOME (COSTS)		<u>9,868</u>	<u>30,152</u>	<u>70,100</u>	<u>85,638</u>
Finance income	23	4,244	10,824	30,139	38,890
Finance costs	23	(86,799)	(97,301)	(159,354)	(167,044)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		<u>(72,687)</u>	<u>(56,325)</u>	<u>(59,115)</u>	<u>(42,516)</u>
Current income tax and social contribution	24	-	-	(25,710)	(24,893)
Deferred income tax and social contribution	24	(1,744)	-	12,304	12,746
PROFIT (LOSS) FOR THE YEAR		<u>(74,431)</u>	<u>(56,325)</u>	<u>(72,521)</u>	<u>(54,663)</u>
Attributable to the Company's owners		-	-	(74,431)	(56,325)
Attributable to noncontrolling interest		-	-	1,910	1,662
PROFIT (LOSS) PER SHARE					
Basic (R\$ per share)	20.c	-	-	(0.15)	(0.11)
Diluted (R\$ per share)	20.c	-	-	(0.15)	(0.11)

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CPFL ENERGIAS RENOVÁVEIS S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017
(In thousands of Brazilian reais - R\$)

	Paid-in capital	Adjustment for future capital increase	Capital reserve	Earnings reserve			Valuation adjustments to equity	Accumulated losses	Equity	Noncontrolling interest	Total
			Goodwill on acquisition of shares	Share- based payment	Legal reserve	Earnings retention reserve			attributable to the Company's owners		
BALANCES AS AT DECEMBER 31, 2016	3,390,870	300,000	592,138	1,305	-	-	40,275	-	4,324,588	113,218	4,437,806
Realization of reserve of valuation adjustment to equity	-	-	-	-	-	-	(903)	903	-	-	-
Dividends distributed to noncontrolling interest	-	-	-	-	-	-	-	-	-	(2,524)	(2,524)
Loss for the period	-	-	-	-	-	-	-	(56,325)	(56,325)	1,662	(54,663)
BALANCES AS AT MARCH 31, 2017	<u>3,390,870</u>	<u>300,000</u>	<u>592,138</u>	<u>1,305</u>	<u>-</u>	<u>-</u>	<u>39,372</u>	<u>(55,422)</u>	<u>4,268,263</u>	<u>112,356</u>	<u>4,380,619</u>
BALANCES AS AT DECEMBER 31, 2017	<u>3,390,870</u>	-	<u>592,138</u>	<u>1,305</u>	<u>763</u>	<u>10,874</u>	<u>36,498</u>	-	<u>4,032,448</u>	<u>106,530</u>	<u>4,138,978</u>
Realization of reserve of valuation adjustment to equity	-	-	-	-	-	-	(918)	918	-	-	-
Loss for the period	-	-	-	-	-	-	-	(74,431)	(74,431)	1,910	(72,521)
BALANCES AS AT MARCH 31, 2018	<u>3,390,870</u>	-	<u>592,138</u>	<u>1,305</u>	<u>763</u>	<u>10,874</u>	<u>35,580</u>	<u>(73,513)</u>	<u>3,958,017</u>	<u>108,440</u>	<u>4,066,457</u>

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CPFL ENERGIAS RENOVÁVEIS S.A.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017

(In thousands of Brazilian reais - R\$)

	<u>Company</u>		<u>Consolidated</u>	
	<u>03/31/2018</u>	<u>03/31/2017</u>	<u>03/31/2018</u>	<u>03/31/2017</u>
LOSS FOR THE PERIOD	(74,431)	(56,325)	(72,521)	(54,663)
Other comprehensive income (loss)	-	-	-	-
COMPREHENSIVE LOSS	<u>(74,431)</u>	<u>(56,325)</u>	<u>(72,521)</u>	<u>(54,663)</u>
Attributable to the Company's owners	-	-	(74,431)	(56,325)
Attributable to noncontrolling interest	-	-	1,910	1,662

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CPFL ENERGIAS RENOVÁVEIS S.A.

STATEMENTS OF VALUE ADDED
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017
(In thousands of Brazilian reais - R\$)

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
REVENUE				
Sale of power	18,888	15,878	404,573	390,592
Other revenues	9	9	944	885
Allowance for doubtful accounts	-	-	-	7
Revenue from construction	4,961	2,166	46,590	334,836
	<u>23,858</u>	<u>18,053</u>	<u>452,107</u>	<u>726,320</u>
INPUTS ACQUIRED FROM THIRD PARTIES (INCLUDING ICMS AND IPI)				
Cost of power purchase and transmission charges	(27,680)	(15,079)	(74,163)	(53,310)
Materials	(415)	(594)	(22,548)	(238,970)
Outside services	(12,459)	(10,400)	(73,557)	(88,831)
Other operating costs	1,250	(1,330)	(487)	(37,875)
	<u>(15,446)</u>	<u>(9,350)</u>	<u>281,352</u>	<u>307,334</u>
GROSS VALUE ADDED				
Depreciation and amortization	(1,633)	(996)	(157,687)	(150,833)
WEALTH CREATED BY THE COMPANY	<u>(17,079)</u>	<u>(10,346)</u>	<u>123,665</u>	<u>156,501</u>
WEALTH RECEIVED IN TRANSFER				
Equity in subsidiaries	43,527	59,213	-	-
Finance income	4,451	11,352	31,134	44,732
	<u>30,899</u>	<u>60,219</u>	<u>154,799</u>	<u>201,233</u>
WEALTH FOR DISTRIBUTION				
WEALTH DISTRIBUTED	<u>(30,899)</u>	<u>(60,219)</u>	<u>(154,799)</u>	<u>(201,233)</u>
Direct compensation	(11,395)	(8,136)	(15,689)	(14,180)
Benefits	(3,889)	(3,584)	(3,722)	(3,584)
FGTS	(169)	(1,376)	(1,618)	(1,448)
Employees	<u>(15,453)</u>	<u>(13,096)</u>	<u>(21,029)</u>	<u>(19,212)</u>
Federal	(4,261)	(5,345)	(39,472)	(42,025)
State	-	-	(208)	-
Taxes	<u>(4,261)</u>	<u>(5,345)</u>	<u>(39,680)</u>	<u>(42,025)</u>
Interest	(84,320)	(97,297)	(158,860)	(188,386)
Rental/common area maintenance fees	(1,296)	(806)	(7,751)	(6,273)
Compensation to third parties	<u>(85,616)</u>	<u>(98,103)</u>	<u>(166,611)</u>	<u>(194,659)</u>
Loss for the year	<u>(74,431)</u>	<u>(56,325)</u>	<u>(72,521)</u>	<u>(54,663)</u>

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CPFL ENERGIAS RENOVÁVEIS S.A.

STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017

(In thousands of Brazilian reais - R\$)

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
CASH FLOW FROM OPERATING ACTIVITIES				
Loss before taxation	(72,687)	(56,325)	(59,115)	(42,516)
Adjustments to reconcile profit (loss) before taxation to net cash provided by operating activities:				
Depreciation and amortization	1,633	996	157,687	150,833
Write-off of property, plant and equipment	1	(44)	155	(45)
Reversion of provision for write-off of intangible assets	(5,130)	-	(5,790)	-
Write-off of intangible assets	-	(79)	(47)	(202)
Allowance for doubtful accounts	-	-	-	(7)
Equity in subsidiaries	(43,527)	(59,213)	-	-
Provision for risks	-	45	(22)	677
Adjustment to present value of provision for social and environmental costs and asset decommissioning	-	-	2,623	1,600
Accrued share-based program	-	-	(10,836)	(16,535)
Claims paid	4,132	2,200	17,574	21,193
Interest on loans	27,183	25,178	80	-
Interest on loans	(114)	(189)	(171)	(212)
Recognition of receivables - Baldin Bioenergia S.A.	-	-	(813)	(865)
Financial charges on borrowings, financing and debentures	43,695	63,595	116,335	131,375
(Increase) decrease in operating assets:				
Trade receivables	14,411	(1,523)	69,652	48,401
Escrow deposits	(185)	(10)	(254)	(279)
Other	(2,517)	(3,772)	28,923	(1,264)
Recoverable taxes	(1,931)	(1,643)	(4,316)	7,647
Advances to suppliers	(635)	53	(2,871)	(9,804)
Dividends	25,659	28,789	-	-
Increase (decrease) in operating liabilities:				
Trade payables	(17,780)	1,240	(133,353)	(21,657)
Advances from customers	(8)	(45)	69,813	45,033
Taxes	(1,377)	450	(7,373)	(15,660)
Payroll and related taxes	930	1,381	918	1,381
Payment of social and environmental costs	-	-	(939)	(835)
Payment of labor, tax and civil contingencies	-	(10)	(42)	(25)
Other liabilities	2,534	1,689	2,273	2,832
Cash provided by operating activities	(25,713)	2,763	240,091	301,066
Income tax and social contribution paid	-	-	(28,355)	(16,430)
Interest paid	(39,987)	(50,752)	(108,499)	(108,829)
Net cash (used in) provided by operating activities	(65,700)	(47,989)	103,237	175,807
CASH FLOW FROM INVESTING ACTIVITIES				
Capital increase in subsidiaries	(149,101)	(195,837)	-	-
Securities	-	-	-	(1)
Short-term investments	-	-	(18,941)	(28,377)
Restricted short-term investments	-	-	(25,892)	(22,348)
Purchase of property, plant and equipment	(2,540)	(1,625)	(36,288)	(284,253)
Acquisition of intangible assets	(2,421)	(541)	(2,421)	(540)
Loans	-	(41)	-	43
Net cash used in investing activities	(154,062)	(198,044)	(83,542)	(335,476)
CASH FLOW FROM FINANCING ACTIVITIES				
Financing - net of borrowing costs	-	97,156	173,951	112,413
Payment of financing	(130,798)	(57,793)	(334,578)	(123,996)
Payment of payables from acquisitions	-	(2,514)	-	(2,514)
Related-party debts	129,516	(4,491)	100,982	-
Dividends paid	-	-	(3,598)	(3,534)
Net cash provided by (used in) financing activities	(1,282)	32,358	(63,243)	(17,631)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, NET	(221,044)	(213,675)	(43,548)	(177,300)
CASH AND CASH EQUIVALENTS				
At the beginning of the year	264,022	401,190	950,215	908,982
At the end of the year	42,978	187,515	906,667	731,682
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, NET	(221,044)	(213,675)	(43,548)	(177,300)

The accompanying notes are an integral part of these financial statements.

CPFL ENERGIAS RENOVÁVEIS S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

1. GENERAL INFORMATION

CPFL Energias Renováveis S.A. (“CPFL Renováveis” or “Company”) is a publicly-held company, headquartered at Avenida Doutor Cardoso de Melo, 1184, in the city of São Paulo, State of São Paulo, and established to act as a holding company, which is mainly engaged in the following activities, as set forth in its bylaws:

- a) Holding investments in renewable power companies.
- b) Identifying and developing potential power generation resources and operating such resources.
- c) Selling electric power, which comprises the purchase and sale, import and export of electric power to other concessionaires, generators, distributors or consumers that have a free choice of supplier, and operations in the Electric Power Trade Chamber (CCEE).

Negative net working capital

As at March 31, 2018, the Company recorded in its individual and consolidated financial information negative net working capital. In the parent, the working capital in 2018 will be restructured upon (i) parent company’s contributions in the form of loans, as approved at the Board of Directors’ meeting, held on February 1, 2018; (ii) amounts received from its direct and indirect subsidiaries arising mainly from retained earnings; and (iii) disbursements (already requested) by its direct or indirect subsidiaries as agreed with the financial institutions. In relation to the consolidated negative net working capital, in addition to the abovementioned loans, the Company expects to receive, in the first six-month period of 2018, the long-term financing for the construction of wind farms Pedra Cheirosa I and II, and PCH Boa Vista 2. Such amounts will be settled against the current short-term debt entered into through bridge loans.

1.1. Small Hydroelectric Plants - PCHs

As at March 31, 2018, the Company had the following concessions and permits granted by ANEEL to operate hydroelectric power projects:

<u>PCHs</u>	<u>Status</u>	<u>Original Resolution</u>	<u>Date</u>	<u>Term</u>	<u>Installed power capacity (MW)</u>
Alto Irani	1	Resolution 587	10/29/2002	30 years	21.0
Americana	1	Concession Agreement 015	11/19/1997	30 years	30.0
Andorinhas	1	Decision 1990	11/30/2005	Indefinite**	0.5
Arvoredo	1	Resolution 606	5/11/2002	30 years	13.0
Barra da Paciência	1	Resolution 348	12/17/1999	30 years	23.0
Buritís	1	Concession Agreement 014	11/19/1997	30 years***	0.8
Capão Preto	1	Concession Agreement 015	11/19/1997	30 years***	4.3
Chibarro	1	Concession Agreement 015	11/19/1997	30 years***	2.6
Cocais Grande	1	Resolution 349	12/22/1999	30 years	10.0
Corrente Grande	1	Resolution 17	01/14/2000	30 years	14.0
Diamante	1	Ordinance 475	11/13/1997	30 years***	4.2
Dourados	1	Concession Agreement 015	11/19/1997	30 years	10.8
Eloy Chaves	1	Concession Agreement 015	11/19/1997	30 years	19.0
Esmeril	1	Concession Agreement 015	11/19/1997	30 years	5.0
Figueirópolis	1	Resolution 198	4/5/2004	30 years	19.4
Gavião Peixoto	1	Concession Agreement 015	11/19/1997	30 years***	4.8
Guaporé	1	Resolution 1987	11/30/2005	Indefinite**	0.7
Jaguari	1	Concession Agreement 015	11/19/1997	30 years	11.8
Lençóis	1	Concession Agreement 015	11/19/1997	30 years***	1.7
Ludesa	1	Resolution 705	12/17/2002	30 years	30.0
Mata Velha	1	Resolution 262	05/16/2002	30 years	24.0
Monjolinho	1	Concession Agreement 014	11/19/1997	30 years***	0.6
Ninho da Águia	1	Resolution 370	12/29/1999	30 years	10.0
Novo Horizonte	1	Resolution 652	11/26/2002	30 years	23.0
Paiol	1	Resolution 406	6/8/2002	30 years	20.0
Pinhal	1	Concession Agreement 015	11/19/1997	30 years	6.8
Pirapó	1	Decision 1989	11/30/2005	Indefinite**	0.8
Plano Alto	1	Resolution 607	7/11/2002	30 years	16.0
Saltinho	1	Decision 1988	11/30/2005	Indefinite**	0.8
Salto Góes	1	Resolution 2510	10/8/2010	30 years	20.0
Salto Grande	1	Concession Agreement 015	11/19/1997	30 years***	4.6
Santa Luzia	1	Ordinance 352	12/20/2007	35 years	28.5
Santana	1	Concession Agreement 015	11/19/1997	30 years***	4.3
São Gonçalo	1	Resolution 13	01/13/2000	30 years	11.0
São Joaquim	1	Concession Agreement 015	11/19/1997	30 years	8.1
Socorro	1	Concession Agreement 014	11/19/1997	30 years***	1.0
Três Saltos	1	Concession Agreement 014	11/19/1997	30 years***	0.6
Varginha	1	Resolution 355	12/22/1999	30 years	9.0
Várzea Alegre	1	Resolution 367	12/29/1999	30 years	7.5
Subtotal					423.0
Boa Vista 2	2	Ordinance 502	6/11/2015	35 years	29.9
Cachoeira Grande	3	Resolution 540	10/14/2003	30 years	16.0
Cherobim	3	In progress*	-	-	28.0
Penedo	3	In progress*	-	-	17.0
Santa Cruz	3	Resolution 718	12/17/2002	30 years	12.5
Santa Luzia Alto	3	Decision 934	04/19/2016	35 years	0.8
Tombo	3	In progress*	-	-	16.0
Subtotal					90.3
Total					543.2

* Authorization resolution to be obtained.

** Water sources equal to or below 5.0 MW are free from concession, permit or authorization, and should only be registered with ANEEL.

*** Upon termination of the concession agreement or authorization, the enrollment will be effective for undetermined period.

(1) - Operation

(2) - Construction

(3) - Under development

The authorization and concession terms are counted from the signature date of the concession agreements.

1.2. Wind power projects

As at March 31, 2018, the Company had the following authorizations granted by ANEEL to operate the wind power projects:

<u>Wind projects</u>	<u>Status</u>	<u>Original resolution</u>	<u>Date</u>	<u>Term</u>	<u>Installed power capacity (MW)</u>
Atlântica I	1	Ordinance 134	2/25/2011	35 years	30.0
Atlântica II	1	Ordinance 148	3/3/2011	35 years	30.0
Atlântica IV	1	Ordinance 147	3/3/2011	35 years	30.0
Atlântica V	1	Ordinance 168	3/21/2011	35 years	30.0
BVP Geradora	1	Resolution 093	3/7/2003	30 years	50.0
Campo dos Ventos I	1	Resolution 3967	3/26/2013	30 years	25.2
Campo dos Ventos II	1	Ordinance 257	4/18/2011	35 years	30.0
Campo dos Ventos III	1	Resolution 3968	3/26/2013	30 years	25.2
Campo dos Ventos V	1	Resolution 3969	3/27/2013	30 years	25.2
Canoa Quebrada	1	Resolution 680	12/10/2002	30 years	57.0
Canoa Quebrada (Rosa dos Ventos)	1	REA 329	6/18/2002	30 years	10.5
Costa Branca	1	Ordinance 585	10/11/2011	35 years	20.7
Enacel	1	Resolution 625	11/12/2002	30 years	31.5
Eurus I	1	PRT 264	4/19/2011	35 years	30.0
Eurus III	1	PRT 266	4/27/2011	35 years	30.0
Eurus VI	1	Ordinance 749	8/24/2010	35 years	8.0
Foz do Rio Choró	1	Resolution 306	6/4/2002	30 years	25.2
Icaraízinho	1	Resolution 454	8/27/2002	30 years	54.6
Juremas	1	Ordinance 556	9/27/2011	35 years	16.1
Lagoa do Mato	1	REA 340	6/25/2002	30 years	3.2
Macacos	1	Ordinance 557	9/27/2011	35 years	20.7
Morro dos Ventos I	1	PRT 664	7/27/2010	35 years	28.8
Morro dos Ventos II	1	PRT 373	6/12/2012	35 years	29.1
Morro dos Ventos III	1	PRT 685	8/4/2010	35 years	28.8
Morro dos Ventos IV	1	PRT 686	8/4/2010	35 years	28.8
Morro dos Ventos IX	1	PRT 665	7/27/2010	35 years	30.0
Morro dos Ventos VI	1	PRT 663	7/27/2010	35 years	28.8
Paracuru	1	Resolution 460	8/27/2002	30 years	25.2
Pedra Cheirosa I	1	REA 387/2014	8/4/2014	35 years	25.2
Pedra Cheirosa II	1	REA 359/2014	7/23/2014	35 years	23.1
Pedra Preta	1	Ordinance 564	10/11/2011	35 years	20.7
Praia Formosa	1	Resolution 307	6/4/2002	30 years	105.0
Santa Clara I	1	Ordinance 609	7/1/2010	35 years	30.0
Santa Clara II	1	Ordinance 683	8/4/2010	35 years	30.0
Santa Clara III	1	Ordinance 610	7/1/2010	35 years	30.0
Santa Clara IV	1	Ordinance 672	7/29/2010	35 years	30.0
Santa Clara V	1	Ordinance 838	10/8/2010	35 years	30.0
Santa Clara VI	1	Ordinance 670	7/29/2010	35 years	30.0
São Domingos	1	REA 5074	3/3/2015	30 years	25.2
Taíba Albatroz	1	Resolution 778	12/23/2002	30 years	16.5
Ventos de São Benedito	1	REA 4563	2/25/2014	30 years	29.4
Santa Mônica	1	REA 4592	3/18/2014	30 years	29.4
Santa Úrsula	1	REA 4591	3/18/2014	30 years	27.3
Ventos de Santo Dimas	1	REA 4562	2/25/2014	30 years	29.4
Ventos de São Martinho	1	REA 4572	3/11/2014	30 years	14.7
Subtotal					1,308.5
Baixa Verde	2	In progress*	-	-	12.6
Cajueiro	2	In progress*	-	-	27.3
Costa das Dunas	2	In progress*	-	-	23.1
Farol de Touros	2	In progress*	-	-	21.0
Figueira Branca	2	In progress*	-	-	10.5
Gamela	2	In progress*	-	-	14.7
Iraúna I	2	In progress*	-	-	29.4
Iraúna II	2	In progress*	-	-	29.4
Iraúna IX	2	In progress*	-	-	29.4
Iraúna X	2	In progress*	-	-	29.4
Iraúna XI	2	In progress*	-	-	29.4
Iraúna XII	2	In progress*	-	-	29.4
Subtotal					285.6
Total					1,594.1

* Authorization resolution to be obtained.

(1) - Operation

(2) - Under development

The authorization terms are counted from the signature date of the authorizations.

1.3. Biomass power projects

As at March 31, 2018, the Company had the following permits granted by ANEEL to operate the biomass power projects:

<u>Biomass projects</u>	<u>Status</u>	<u>Original resolution</u>	<u>Date</u>	<u>Term</u>	<u>Installed power capacity (MW)</u>
Alvorada	1	Resolution 3714	10/29/2012	30 years	50.0
Baía Formosa	1	Resolution 259	05/14/2002	30 years	40.0
Baldin	1	Resolution 2106	09/22/2009	30 years	45.0
Bio Ester	1	Resolution 117	05/20/1999	30 years	40.0
Buriti	1	Resolution 2643	7/12/2010	30 years	50.0
Coopcana	1	Resolution 3328	7/2/2012	30 years	50.0
Ipê	1	Resolution 2375	04/27/2010	30 years	25.0
Pedra	1	Ordinance 129	02/24/2011	35 years	70.0
Total					370.0

(1) - Operation

The authorization terms are counted from the signature date of the authorizations.

1.4. Solar power projects

As at March 31, 2018, the Company had the following permit granted by ANEEL to operate the solar power project:

<u>Solar project</u>	<u>Status</u>	<u>Original resolution</u>	<u>Date</u>	<u>Term</u>	<u>Installed power capacity (MW)</u>
Solar 1	1	ANEEL Resolution 961/2012	10/29/2012	Indefinite*	1.1
Total					1.1

* Plant with reduced capacity, exempt from grant, should only be registered with ANEEL.

(1) - Operation

1.5. Seasonality

The operating revenue and generation costs of the PCHs, wind farms and biomass-fired thermal power plants are significantly impacted by the seasonality over the year, characterized as follows:

- Due to the lower average wind speed, the wind farms recorded lower generation volumes in the first and second quarters.
- The sugarcane crop in the Southeast region begins in April and ends in November. The production cycle of the sugarcane crop in the Northeast region is between August and March of the subsequent year.
- As the revenues from the wind farms and biomass-fired thermal power plants are recorded based on the effective generation, the revenues recorded in the first six-

month period of the year are generally lower compared to the second six-month period of the year.

- The rainfall period benefits the generation of the PCHs in the Southeast/Mid-West regions in the first and fourth quarters, while in the South region the rainfall period benefits the power generation in the second and third quarters.

In addition, the revenue recognition is impacted by the physical guarantee of each plant, according to the seasonality, registered with the CCEE. The differences between generated power and physical guarantee are covered by the Energy Relocation Mechanism (MRE). The volume of generated power, above or below the physical guarantee, is stated at the Optimization Energy Tariff (TEO), which solely covers the plant's operation and maintenance costs. This additional revenue or expense will be monthly recorded for each generator. Finally, in the event the MRE's plants do not generate the sum of the physical guarantees, due to unfavorable rainfall conditions, all plants will apportion the difference stated at the Differences Settlement Price (PLD), defined as Generation Scaling Factor (GSF). As at March 31, 2018, the Company did not have any plant operating outside the MRE.

1.6. Decision to solely maintain the Public Offers for Acquisition of Shares (IPOs) by Disposal of Shareholding Control

All information on the decision undertaken by the indirect parent company of State Grid Brazil Power Participações S.A. to solely maintain the IPOs by disposal of shareholding control is described in Notes 1 and 32.4 to the financial statements for the year ended December 31, 2017.

As at March 31, 2018 and on the date of approval of this interim financial information, the Public Offer for Acquisition of Shares (IPO) was in progress. The updating of this process is described in Note 29.

2. PRESENTATION OF INTERIM FINANCIAL INFORMATION

The individual and consolidated interim financial information was approved by the Executive Board on April 23, 2018.

a) Basis of preparation

Statement of compliance (in relation to the IFRS and BR GAAP standards)

The Company's individual and consolidated interim financial information has been prepared in accordance with the Interim Financial Reporting – IAS 34, issued by the International Accounting Standards Board (IASB), and Technical Pronouncement CPC 21 (R1) – Interim Financial Information, according to the accounting practices adopted in Brazil.

The accounting practices adopted in Brazil comprise those included in the Brazilian Corporate Law and the technical pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

The Company also adopts the guidelines set forth in the Brazilian Power Accounting Manual and rules established by the National Electric Energy Agency (ANEEL), in accordance with the accounting practices adopted in Brazil and/or international accounting practices.

All information on the individual and consolidated interim financial information was disclosed and is used by the Company's management.

After its issuance, solely the shareholders are authorized to change the interim financial information.

b) Measurement basis

The individual and consolidated interim financial information has been prepared under the historical cost convention, except for the following material items recognized in the balance sheets:

- the non-derivative financial instruments designated at fair value through profit or loss are measured at fair value; and
- contingent payments assumed in a business combination are measured at fair value.

c) Key estimates and critical accounting judgments

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

By definition, the resulting accounting estimates may differ from the respective actual results. Accordingly, the Company's and its subsidiaries' management reviews the adopted estimates and assumptions on an ongoing basis. The adjustments arising from such reviews are recognized in the period estimates are reviewed and also prospectively applied.

The information on the uncertainties related to assumptions and estimates that have a significant risk of resulting in a material adjustment in the accounting balances of assets and liabilities for the period ending March 31, 2018 is included in the following notes:

- Property, plant and equipment (Note 12) – application of the defined useful lives and main assumptions relating to the recoverable amounts.
- Intangible assets (Note 13) – main assumptions relating to the recoverable amounts.
- Provision for social and environmental costs and asset decommissioning (Note 18) – recognition and measurement: main assumptions about the probability and significance of the outflows of funds.
- Provision for risks (Note 19) – recognition and measurement: main assumptions about the probability and significance of the outflows of funds.

- Deferred income tax and social contribution (Note 24.2) – main assumptions about the recoverable amounts of the intangible assets of development rights.
- Financial instruments (Note 25.3) – main assumptions used in the measurement of the fair value.

d) Functional and reporting currency

The individual and consolidated interim financial information is presented in Brazilian reais (R\$), which is the Company's and its subsidiaries' functional and reporting currency. All balances have been rounded to the nearest real amount, unless otherwise stated.

e) Segment information

The Company prepared its individual and consolidated interim financial information considering an operational segment only, that is, the electric energy generated and purchased through long-term agreements, which fully account for the Company's and its subsidiaries' total revenues, as the nature of the services and production processes, type of customers and services, distribution and selling methods and other aspects, such as the regulatory environment, are the same for several plant types (biomass, solar, wind and small hydroelectric plants). In addition, no plant is controlled separately. This is the method adopted by the Company's management and Board of Directors to evaluate the plant performance and allocate the necessary resources.

f) Statement of value added

The Company and its subsidiaries have prepared the individual and consolidated statements of value added (DVA), as prescribed by CPC 09 - Statement of Value Added, which are presented as an integral part of the interim financial information in accordance with the accounting practices adopted in Brazil applicable to the publicly-held companies and as additional disclosure to the interim financial information under the International Financial Reporting Standards (IFRSs).

3. BASIS OF CONSOLIDATION AND INVESTMENTS IN SUBSIDIARIES

The individual and consolidated interim financial information includes the statements of CPFL Renováveis and its subsidiaries, as follows:

Company	Consolidation method	Interest - %		Company	Consolidation method	Interest - %	
		Direct	Indirect			Direct	Indirect
Aiuruoca	Integral	-	100%	Mohini	Integral	-	100%
Alto Irani	Integral	100%	-	Morro dos Ventos I	Integral	-	100%
Arvoredo	Integral	-	100%	Morro dos Ventos II	Integral	-	100%
Atlântica I	Integral	100%	-	Morro dos Ventos III	Integral	-	100%
Atlântica II	Integral	100%	-	Morro dos Ventos IV	Integral	-	100%
Atlântica IV	Integral	100%	-	Morro dos Ventos IX	Integral	-	100%
Atlântica V	Integral	100%	-	Morro dos Ventos VI	Integral	-	100%
Baixa Verde	Integral	95%	-	Navegantes	Integral	95%	-
Barra da Paciência	Integral	-	100%	Ninho da Águia	Integral	-	100%
Bio Alvorada	Integral	100%	-	Novo Horizonte	Integral	-	100%
Bio Burity	Integral	100%	-	PaioI	Integral	-	100%
Bio Coopcana	Integral	100%	-	PCH Holding	Integral	100%	-
Bio Ester	Integral	100%	-	PCH Holding 2	Integral	100%	-
Bio Formosa	Integral	100%	-	PCH Participações	Integral	41%	59%
Bio Ipê	Integral	100%	-	Pedra Cheirosa I	Integral	100%	-
Bio Pedra	Integral	100%	-	Pedra Cheirosa II	Integral	100%	-
Bioenergia	Integral	100%	-	Pedra Preta	Integral	-	95%
Boa Vista 2	Integral	100%	-	Penedo	Integral	100%	-
BVP	Integral	-	100%	Plano Alto	Integral	100%	-
BVP Geradora	Integral	-	100%	Rio Claro	Integral	-	94%
Cachoeira Grande	Integral	100%	-	Rosa dos Ventos	Integral	100%	-
Cajueiro	Integral	95%	-	Salto Góes	Integral	100%	-
Campodos Ventos I	Integral	-	100%	Santa Clara I	Integral	100%	-
Campodos Ventos II	Integral	-	100%	Santa Clara II	Integral	100%	-
Campodos Ventos III	Integral	-	100%	Santa Clara III	Integral	100%	-
Campodos Ventos V	Integral	-	100%	Santa Clara IV	Integral	100%	-
Cherobim	Integral	-	89%	Santa Clara V	Integral	100%	-
Chimay	Integral	-	100%	Santa Clara VI	Integral	100%	-
Cocais Grande	Integral	-	100%	Santa Cruz	Integral	100%	-
Corrente Grande	Integral	-	100%	Santa Luzia	Integral	-	100%
Costa Branca	Integral	-	95%	Santa Mônica	Integral	-	100%
Costa das Dunas	Integral	90%	-	Santa Úrsula	Integral	-	100%
DESA Eólicas	Integral	-	100%	São Benedito	Integral	-	100%
DESA PCH 1 Holding	Integral	-	100%	São Domingos	Integral	-	100%
Dobrevê Energia	Integral	100%	-	São Gonçalo	Integral	-	100%
Eólica Formosa	Integral	-	100%	SIIF Cinco	Integral	-	100%
Eólica Holding	Integral	100%	-	SIIF Desenvolvimento	Integral	9%	91%
Eólica Icarazinho	Integral	-	100%	SIIF Energies	Integral	100%	-
Eólica Paracuru	Integral	-	100%	Solar 1	Integral	100%	-
DESA Eurus I	Integral	-	100%	Sul Centrais Elétricas	Integral	-	100%
DESA Eurus III	Integral	-	100%	T-15	Integral	100%	-
Eurus VI	Integral	100%	-	Tombo	Integral	100%	-
Farol de Touros	Integral	90%	-	Turbina 16	Integral	100%	-
Figueira Branca	Integral	100%	-	Turbina 17	Integral	100%	-
Figueirópolis	Integral	-	100%	Varginha	Integral	-	100%
Gameleira	Integral	100%	-	Varginha - DESA	Integral	-	94%
Jayaditya	Integral	-	100%	Várzea Alegre	Integral	-	100%
Juremas	Integral	-	95%	Ventos de Santo Dimas	Integral	-	100%
Ludesa	Integral	-	60%	Ventos de São Martinho	Integral	-	100%
Macacos	Integral	-	95%	WF1 Holding	Integral	-	100%
Mata Velha	Integral	-	100%				

The main consolidation criteria are described below:

- Elimination of intercompany asset and liability balances between consolidated companies.
- Elimination of interest in capital, reserves and retained earnings of subsidiaries.
- Elimination of revenue and expense balances arising from intercompany transactions between consolidated companies.

d) Noncontrolling interest recorded in consolidated equity amounts to R\$108,440 as at March 31, 2018 (R\$106,530 as at December 31, 2017).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the Company's individual and consolidated interim financial information has been prepared based on the same accounting policies described in Notes 4.1 to 4.15 to the financial statements for the year ended December 31, 2017, published on March 23, 2018.

The Company and its subsidiaries initially adopted CPC 48/IFRS 9 Financial Instruments and CPC 47/IFRS 15 Revenue from Contracts with Customers beginning January 1, 2018, on a prospective basis.

CPC 48/IFRS 9 Financial Instruments

The effect from the initial adoption of this standard in the Company and its subsidiaries resulted mainly from the classification of financial assets and financial liabilities.

CPC 48/IFRS 9 establishes the requirements for recognition and measurement of financial assets, financial liabilities and some purchase and sale agreements involving non-financial items. This standard replaces CPC 38/IAS 39 Financial Instruments: Recognition and Measurement.

- Classification and measurement of financial assets and financial liabilities

CPC 48/IFRS 9 maintained most part of the requirements set forth in CPC 38/IAS 39 for classification and measurement of financial liabilities and changed the name of other financial liabilities (OPF) to subsequently measured at amortized cost (SCA). However, this standard eliminated the former categories under CPC 38/IAS 39 for financial assets: held to maturity (MAV), loans and receivables (ER) and available for sale (DPV).

Under CPC 48/IFRS 9, in the initial recognition, the financial asset is classified as measured at: amortized cost (MCA); fair value through other comprehensive income (loss) (VJORA); and fair value through profit or loss (VJR). The financial assets are generally classified under CPC 48/IFRS 9 according to the business model based on which the financial asset is managed and its contractual cash flow characteristics.

The classification of the main financial instruments as at December 31, 2017 and after the adoption of CPC 48/IFRS 9 is broken down as follows:

	Classification under CPC 38/IAS 39 12/31/2017		Classification under CPC 48/IFRS 9 03/31/2018	
	Category	Measurement	Category	Measurement
Main assets				
Short-term investments	VJR	VJ	VJR	VJ
Securities	VJR	VJ	VJR	VJ
Restricted short-term investments	ER	CA	MCA	CA
Trade receivables	ER	CA	MCA	CA
Related parties	ER	CA	MCA	CA
Other receivables	ER	CA	MCA	CA
Main liabilities				
Related parties	OPF	CA	SCA	CA
Trade payables	OPF	CA	SCA	CA
Borrowings and financing	OPF	CA	SCA	CA
Debentures	OPF	CA	SCA	CA
Advances from customers	OPF	CA	SCA	CA
Other payables	OPF	CA	SCA	CA

VJ – fair value

CA – amortized cost

There were no financial effects arising from the new classification and measurement of the Company's and its subsidiaries' financial assets and financial liabilities under CPC 48/IFRS 9.

CPC 47/IFRS 15 Revenue from Contracts with Customers

CPC 47/IFRS 15 determines that an entity must recognize revenues so as to represent the transfer (or promise) of assets or services to customers at an amount that reflects the compensation it expects to receive for such assets or services. The standard introduces a revenue recognition model that considers five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation set forth in the agreement; (iii) definition of the transaction price; (iv) allocation of the transaction price to the contractual performance obligations; and (v) revenue recognition if and when the company has complied with the performance obligations.

According to the new requirements under CPC 47/IFRS 15, the entity recognizes the revenue when (or if) the performance obligation is performed, that is, when the “control” of assets or services of a given transaction is effectively transferred to the customer.

The adoption of CPC 47/IFRS 15 by the Company and its subsidiaries, beginning January 1, 2018, neither changed the recognition of revenues from power sales agreements nor represented any financial effect in the individual and consolidated financial statements.

5. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Cash and banks	598	19,079	132,071	71,058
Short-term investments:				
Bank certificates of deposit (a)	-	-	5,518	2,360
Investment funds (b)	42,380	244,943	769,078	874,540
Repurchase agreements in debentures (a)	-	-	-	2,257
Total cash and cash equivalents	<u>42,978</u>	<u>264,022</u>	<u>906,667</u>	<u>950,215</u>

- (a) Short-term investments refer mainly to Bank Certificates of Deposit (CDBs) and repurchase debentures, and yield interest at average rates equivalent to 92.41% of the Interbank Deposit Rate (CDI), on the balance sheet date (95.24% as at December 31, 2017).
- (b) Refer to amounts invested in Fundo Atlânticas, which was established in September 2012 and comprises variable-income investments backed by the CDI mainly in CDBs, financial bills, federal government bonds, repurchase debentures of large financial institutions and low risk, highly liquid investment funds. This fund yields interest at an average rate equivalent to 98.07% of the CDI on the balance sheet date (101.53% as at December 31, 2017).

Cash equivalents are held for the purpose of meeting short-term cash commitments and consist of cash, demand deposits, and highly-liquid short-term investments subject to an immaterial risk of changes in value.

6. SHORT-TERM INVESTMENTS AND SECURITIES

6.1. Short-term investments

Company	Financial agent	Type of investment	Maturity	Index	Yield	Consolidated	
						03/31/2018	12/31/2017
BVP Geradora	BNB	Public fund	Indefinite	Sundry	61.27%	58,925	78,648
BVP Geradora	BNB	Public fund	Indefinite	Sundry	93.68%	89,058	48,685
						<u>147,983</u>	<u>127,333</u>

Represent the amount invested in Fundo Aberto BNB FI Curto Prazo Automático and Fundo BNB FI Curto Prazo Institucional. The fund invests in federal government bonds and/or repurchase agreements backed by federal government bonds. These funds are subject to 61.27% and 93.68% of the CDI rate, respectively, on the balance sheet date.

6.2. Restricted short-term investments

Financial agent	Type of investment	Maturity	Index	Yield*	Consolidated	
					03/31/2018	12/31/2017
Banco do Brasil	Public fund	Indefinite	Sundry	84.33%	5,754	5,678
BNB	LFTs	Indefinite	Sundry	99.00%	59,054	58,148
BNB	Public fund and CDB	Indefinite	Sundry	92.97%	43,252	42,622
Bradesco	(FIC) Federal	Indefinite	Sundry	98.89%	37,903	37,342
Citibank	Fundo Citi Cash Blue	Indefinite	Sundry	93.23%	6,436	6,835
Itaú	Sovereign fund	Indefinite	Sundry	97.47%	462,222	434,298
Itaú	CDB/Repurchase agreement	Sundry	DI	90.00%	1,353	1,563
Bradesco	Fundo Atlânticas	Indefinite	Sundry	98.07%	5,810	355
					<u>621,784</u>	<u>586,841</u>

* Average interest at the balance sheet date based on the Interbank Deposit (DI) rate.

Refer to the reserve accounts recorded in the subsidiaries, according to the respective loan and financing agreements, to be held until settlement. As at March 31, 2018, the guarantees were fully complied, except for the account of wind farm Ludesa, which guarantees do not have a maturity date to be fully settled.

The financial instruments related to these reserve accounts are contracted exclusively in compliance with the legal and contractual requirements and will be designated as loans and receivables.

The reserve accounts of borrowings and financing by financial institution are broken down as follows:

Financial institutions	Consolidated	
	03/31/2018	12/31/2017
BNDES	507,914	480,038
BNB	94,551	93,129
NIB	7,755	7,641
Bradesco	5,810	355
Banco do Brasil	5,754	5,678
Total	<u>621,784</u>	<u>586,841</u>

7. TRADE RECEIVABLES

	Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Concessionaires and permittees	15,454	48,369	188,616	291,008
Operations under CCEE	40,303	21,799	111,583	78,843
Total	<u>55,757</u>	<u>70,168</u>	<u>300,199</u>	<u>369,851</u>

Trade receivables are broken down as follows:

	Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
CCEAR*	-	-	31,528	29,559
CER**	-	-	12,882	65,151
Free Market	55,757	70,168	196,924	189,811
PROINFA	-	-	58,865	85,330
Total	<u>55,757</u>	<u>70,168</u>	<u>300,199</u>	<u>369,851</u>

* Regulated Environment Electricity Sale Agreement.

** Reserve Power Agreement.

The Company's and its subsidiaries' management did not record an allowance for doubtful accounts as losses on the receivables portfolio are not expected as at March 31, 2018.

Aging list of trade receivables as at March 31, 2018:

	Company	Consolidated
Overdue		
Up to 90 days*	4,976	1,912
Falling due		
Up to 60 days	45,884	288,148
More than 60 days	<u>4,897</u>	<u>10,139</u>
Total	<u>55,757</u>	<u>300,199</u>

* In the parent, the amount of R\$4,976 refers to receivables from related parties, which amount was fully received in April 2018; in the consolidated, the amount of R\$1,912 refers mainly to credits with ELETROBRÁS (PROINFA) and CCEAR agreements; by April 16, 2018, the amount received totaled R\$740, and the remaining balance is subject to bilateral negotiation.

8. RECOVERABLE TAXES

	Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Income tax and social contribution to offset	8,215	11	38,669	28,340
Withholding Income Tax (IRRF)	1,061	8,179	21,557	28,870
PIS	623	461	2,121	1,776
COFINS	2,834	2,124	9,998	8,548
Other	-	27	7,245	7,664
	<u>12,733</u>	<u>10,802</u>	<u>79,590</u>	<u>75,198</u>
Recoverable taxes				
Current assets	8,215	11	36,762	26,680
Noncurrent assets	-	-	1,907	1,660
Total	<u>8,215</u>	<u>11</u>	<u>38,669</u>	<u>28,340</u>
Other recoverable taxes				
Current assets	4,518	10,791	37,391	42,850
Noncurrent assets	-	-	3,530	4,008
Total	<u>4,518</u>	<u>10,791</u>	<u>40,921</u>	<u>46,858</u>

(a) Refers to advances in the year, tax credits arising from overstated payments under taxable income regime and prior-year negative balance.

- (b) Refers to withholdings on short-term investments that do not rely on legal or administrative decisions to be used.
(c) Refer basically to withheld credits from public bodies on power sales.

9. OTHER RECEIVABLES – NONCURRENT

	Consolidated	
	03/31/2018	12/31/2017
Receivables - consortia Baldin Bioenergia S.A. (a)	9,842	9,842
Power pre-purchase agreements (b)	27,073	26,260
Prepaid expenses (c)	10,495	10,052
Receivables - consortia (d)	15,682	15,585
Prepaid expenses - ANEEL renegotiation (e)	2,534	3,042
Other receivables	834	833
Total	<u>66,460</u>	<u>65,614</u>

- a) Refers to the right of CPFL Bioenergia S.A. (“CPFL Bioenergia”) to receive from Baldin Bioenergia S.A. (“Baldin”) the investments made to build the biomass-fired thermal power plant, in the amount of R\$46,454 (R\$46,454 as at December 31, 2017), and other receivables, in the amount of R\$1,000 (R\$1,000 as at December 31, 2017), net of allowance for losses, adjusted to present value, in the amount of R\$37,612 (R\$37,612 as at December 31, 2017). For further information, see Note 9 to the financial statements for the year ended December 31, 2017.
- b) Refers to the prepayments of the power pre-purchase agreement entered into between CPFL Bioenergia and Baldin. This balance is performed through power supply.
- c) Refers to the long-term prepayments to Eletrobras relating to the Company’s subsidiaries under the PROINFA contracts, subject to the Special Incentive Regime for Infrastructure Development (REIDI), allocated to profit or loss as a reduction to revenues for the remaining period of these subsidiaries’ authorizations. The short-term portion, in the amount of R\$1,008 (R\$965 as at December 31, 2017), is recorded in line item “Other receivables - current”.
- d) Receivables - consortia

The amount of R\$15,682 (R\$15,585 as at December 31, 2017) refers to:

- (i) R\$6,464 (R\$6,464 as at December 31, 2017) refers to the purchase of raw materials by subsidiary Bio Ester for power generation improvement. This amount is being negotiated through arbitration with the consortium member for definition of the reimbursement date.
- (ii) R\$6,428 (R\$6,376 as at December 31, 2017) refers to the advance performed on behalf of Bio Formosa’s consortium member to finance the construction of the straw and sugarcane collection system in order to increase the volume of inputs. This amount will be adjusted for inflation and discounted from the monthly maintenance service installments through 2029. In line item “Other receivables –

current”, the short-term portion amounts to R\$588 (R\$569 as at December 31, 2017).

- (iii) R\$2,790 (R\$2,745 as at December 31, 2017), adjusted at present value, refers to the amount receivable due to the power generation deficit in Bio Coopcana. This amount will be discounted from the monthly maintenance service installments between 2034 and 2035.
- e) The amount of R\$2,534 (R\$3,042 as at December 31, 2017) refers to the renegotiation of the hydrological generation risk (GSF) approved by ANEEL. The short-term portion, in the amount of R\$2,768 (R\$2,850 as at December 31, 2017), is recorded in line item “Other receivables - current”.

10. RELATED PARTIES

The Company is controlled by CPFL Geração de Energia S.A. (“CPFL Geração”). CPFL Energia S.A. holds a 100% stake in CPFL Geração’s capital and has the following controlling shareholders:

- State Grid Brazil Power Participações Ltda.

Company indirectly controlled by State Grid Corporation of China, a state-owned company mainly engaged in the development and operation of companies in the power sector.

- ESC Energia S.A.

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

The direct and indirect equity interests in subsidiaries are described in Note 3.

The related parties comprise the controlling shareholders, subsidiaries and associates.

The main transactions are broken down as follows:

CPFL Energias Renováveis S.A.

	Company					
	Asset		Liability		Income statement	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017
Assets						
Current assets						
Cash and cash equivalents (Note 5)						
Banco Bradesco	42,572	263,749	-	-	2,473	11,128
Subtotal	42,572	263,749	-	-	2,473	11,128
Trade receivables (Note 7) and income statement (Note 21)						
Atlântica I	1,012	-	-	-	1,440	365
Atlântica II	1,091	-	-	-	1,578	359
Atlântica IV	1,008	-	-	-	1,422	364
Atlântica V	706	99	-	-	998	381
Bio Alvorada	1,006	-	-	-	1,006	305
Bio Coopcana	277	-	-	-	418	355
Bio Ester	314	-	-	-	397	-
Bio Formosa	3,217	4,684	-	-	3,347	3,730
Bio Pedra	-	-	-	-	-	29
Campo dos Ventos I	-	-	-	-	-	858
Campo dos Ventos III	-	-	-	-	-	765
Campo dos Ventos V	-	-	-	-	-	971
Chimay	-	-	-	-	-	37
Costa Branca	1,104	-	-	-	1,152	267
CPFL Brasil	1,194	-	-	-	3,118	6,654
Instituto CPFL	9	-	-	-	-	-
Jayaditya	-	-	-	-	-	30
Juremas	606	-	-	-	627	97
Macacos	750	-	-	-	782	158
Mata Velha	1,209	1,209	-	-	-	-
Mohini	-	-	-	-	222	30
Morro dos Ventos II	1,265	1,327	-	-	1,292	-
Novo Horizonte	-	351	-	-	-	13
Pedra Preta	687	-	-	-	705	56
Solar I	-	42	-	-	-	5
Subtotal	15,455	7,712	-	-	18,504	15,829

	Company					
	Asset		Liability		Income statement	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017
Other credits (a)						
Alto Irani	98	53	-	-	117	73
Arvoredo	63	53	-	-	121	76
Atlântica I	27	25	-	-	51	100
Atlântica II	27	25	-	-	51	100
Atlântica IV	27	25	-	-	51	100
Atlântica V	27	25	-	-	51	100
Barra da Paciência	66	58	-	-	128	73
Bio Alvorada	100	33	-	-	67	10
Bio Buriti	42	33	-	-	67	10
Bio Coopcana	42	33	-	-	67	10
Bio Ester	42	33	-	-	67	10
Bio Formosa	42	33	-	-	67	10
Bio Ipê	42	33	-	-	67	10
Bio Pedra	42	33	-	-	67	10
Bioenergia	42	33	-	-	67	10
Boa Vista 2	5,827	5,059	-	-	-	-
BVP Geradora	829	946	-	-	1,233	698
Campo dos Ventos I	23	20	-	-	42	100
Campo dos Ventos II	27	24	-	-	48	110
Campo dos Ventos III	23	20	-	-	42	100
Campo dos Ventos IV	-	-	-	-	-	78
Campo dos Ventos V	23	20	-	-	42	100
Chimay	280	391	-	-	329	180
Cocais Grande	66	58	-	-	128	73
Corrente Grande	55	49	-	-	107	76
Costa Branca	40	23	-	-	49	110
CPFL Paulista	-	38	-	-	-	-
Dobrevê	11	22	-	-	-	11
Eólica Formosa	298	372	-	-	415	146
Eólica Icarazinho	206	237	-	-	295	127
Eólica Paracuru	185	140	-	-	301	132
Eurus I	617	561	-	-	55	117
Eurus III	616	560	-	-	55	116
Eurus VI	27	24	-	-	48	109
Figueirópolis	120	78	-	-	148	65
Jayaditya	104	143	-	-	201	92
Juremas	52	23	-	-	49	110
Ludesa	135	248	-	-	165	77
Macacos	49	23	-	-	49	110
Mata Velha	411	230	-	-	181	80
Mohini	118	111	-	-	224	125
Morro dos Ventos I	975	989	-	-	55	118
Morro dos Ventos II	32	96	-	-	55	116
Morro dos Ventos III	1,161	1,107	-	-	55	118
Morro dos Ventos IV	1,233	1,179	-	-	55	118
Morro dos Ventos IX	1,162	1,107	-	-	55	118
Morro dos Ventos VI	360	836	-	-	55	118
Ninho da Águia	66	58	-	-	128	73
Novo Horizonte	115	117	-	-	142	63
PaioI	109	58	-	-	128	73
PCH Holding	63	-	-	-	-	-
Pedra Cheirosa I	978	916	-	-	62	-
Pedra Cheirosa II	731	669	-	-	62	-
Pedra Preta	57	23	-	-	49	110
Plano Alto	98	53	-	-	117	76
Rosa dos Ventos	229	388	-	-	349	118
Salto Goês	69	59	-	-	127	77
Santa Clara I	27	24	-	-	49	111
Santa Clara II	27	24	-	-	49	111
Santa Clara III	27	24	-	-	49	111
Santa Clara IV	27	24	-	-	49	111
Santa Clara V	27	24	-	-	49	111
Santa Clara VI	27	24	-	-	49	111
Santa Luzia	76	75	-	-	146	73
Santa Mônica	14	13	-	-	24	38
Santa Úrsula	12	13	-	-	24	38
Santo Dimas	12	13	-	-	24	38
São Benedito	12	13	-	-	24	38
São Domingos	12	13	-	-	24	38
São Gonçalo	78	67	-	-	152	80
São Martinho	12	13	-	-	24	38
SIF Cinco	195	124	-	-	278	97
Solar I	52	256	-	-	101	46
Sul Centrais Elétricas	121	126	-	-	230	140
Tombo	7	5	-	-	2	2
Varginha	109	58	-	-	128	73
Várzea Alegre	115	61	-	-	134	76
Subtotal	19,298	18,597	-	-	8,415	6,521
Total current	77,325	290,058	-	-	29,392	33,478

CPFL Energias Renováveis S.A.

	Company					
	Asset		Liability		Income statement	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017
Liability						
Current						
Trade payables (Note 14) and cost of power generation and general and administrative expenses (Note 22)						
Aiuuoca	-	-	959	959	-	-
Arvoredo	-	-	1,331	531	(726)	(478)
Authi	-	-	180	194	(586)	(531)
Bio Alvorada	-	-	-	-	-	(1,111)
Bioenergia	-	-	-	820	-	(737)
Campo dos Ventos I	-	-	427	427	-	-
Campo dos Ventos III	-	-	427	427	-	-
Campo dos Ventos V	-	-	267	267	-	-
CPFL Brasil	-	-	-	521	-	-
CPFL Piratininga	-	-	14	-	(56)	-
Instituto CPFL	-	-	92	-	-	-
Ludesa	-	-	514	123	(1,219)	(112)
Macacos	-	-	276	276	-	-
Mata Velha	-	-	33	-	(30)	(213)
Mohini	-	-	-	269	-	-
Morro dos Ventos II	-	-	1,544	1,544	-	-
Nect Consultoria	-	-	28	57	(58)	(114)
Ninho da Águia	-	-	4,720	4,011	(643)	(1,352)
Novo Horizonte	-	-	7,474	7,791	(27)	(155)
Pedra Cheirosa I	-	-	165	10,967	(219)	-
Pedra Cheirosa II	-	-	39	11,153	(52)	-
Pedra Preta	-	-	553	553	-	-
Santa Luzia	-	-	930	904	(23)	-
Santa Mônica	-	-	967	966	-	-
Santa Úrsula	-	-	1,004	1,004	-	-
Santo Dimas	-	-	1,428	1,428	-	-
São Benedito	-	-	1,541	1,541	-	-
São Domingos	-	-	788	788	-	-
São Gonçalo	-	-	2,696	1,053	(1,491)	(949)
São Martinho	-	-	517	517	-	-
Varginha	-	-	3,751	3,637	(103)	(643)
Subtotal	-	-	32,665	52,728	(5,233)	(6,395)

	Company					
	Asset		Liability		Income statement	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017
Loans (b)						
Alto Irani	-	-	3,992	3,909	(83)	(82)
Arvoredo	-	-	7,828	7,666	(162)	(161)
Barra da Paciência	-	-	3,039	2,976	(63)	(73)
Bio Buriti	-	-	7,629	10,260	(158)	(404)
Bio Ipê	-	-	17,401	3,102	(362)	(21)
Bio Pedra	-	-	48,188	47,188	(1,013)	(599)
BVP Geradora	-	-	71,871	70,380	(1,491)	(1,478)
Chimay	-	-	32,633	39,373	(677)	(1,115)
Cocais Grande	-	-	5,810	5,690	(121)	(120)
CPFL Geração (f)	-	-	101,062	-	(80)	-
Eólica Formosa	-	-	74,584	56,144	(1,794)	(424)
Eólica Icarazinho	-	-	72,376	29,557	(1,709)	(474)
Eólica Paracuru	-	-	38,118	19,308	(888)	(295)
Eurus VI	-	-	9,980	9,773	(207)	(212)
Jayaditya	-	-	13,221	17,720	(275)	(356)
Mohini	-	-	34,933	43,344	(725)	(1,171)
Ninho da Águia	-	-	11,857	11,611	(246)	(244)
Paíol	-	-	2,218	2,172	(46)	(46)
PCH Holding	-	-	18,393	27,381	(477)	(1,212)
PCH Participações	-	-	-	-	-	(553)
Pedra Cheirosa I	-	-	-	-	-	(243)
Pedra Cheirosa II	-	-	3,875	3,794	(80)	(252)
Plano Alto	-	-	3,586	3,512	(75)	(74)
Rosa dos Ventos	-	-	3,222	4,276	(110)	(146)
Santa Clara I	-	-	11,738	11,494	(256)	(284)
Santa Clara II	-	-	23,745	23,252	(493)	(619)
Santa Clara III	-	-	26,476	11,255	(550)	(270)
Santa Clara IV	-	-	36,211	9,858	(751)	(244)
Santa Clara V	-	-	34,644	12,203	(719)	(284)
Santa Clara VI	-	-	38,250	11,402	(794)	(274)
São Gonçalo	-	-	5,254	5,145	(109)	(108)
SIIF Cinco	-	-	4,397	4,306	(189)	(28)
SIIF Energias do Brasil	-	-	59,864	58,621	(1,242)	-
Sul Centrais Elétricas	-	-	2,293	3,441	(47)	(25)
Varginha	-	-	2,827	2,767	(59)	(58)
Várzea Alegre	-	-	2,447	2,395	(51)	(50)
Subtotal	-	-	833,962	575,275	(16,102)	(11,999)

CPFL Energias Renováveis S.A.

	Consolidated					
	Asset		Liability		Income statement	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017
Asset						
Current						
Cash and cash equivalents (Note 5)						
Banco Bradesco	784,577	908,713	-	-	12,615	23,802
Subtotal	784,577	908,713	-	-	12,615	23,802
Trade receivables (Note 7) and income statement (Note 21)						
Cia Jaguari de Energia	33	34	-	-	51	230
CPFL Brasil	40,698	39,447	-	-	113,166	124,582
CPFL Paulista	705	518	-	-	1,576	1,248
CPFL Piratininga	969	926	-	-	1,869	2,825
Instituto CPFL	9	-	-	-	-	-
RGE Rio Grande Energia	36	20	-	-	84	264
RGE Sul Distribuidora de Energia	27	-	-	-	49	195
Subtotal	42,477	40,945	-	-	116,795	129,344
Other credits						
CPFL Paulista	-	38	-	-	-	-
Subtotal	-	38	-	-	-	-
Total current	827,054	949,696	-	-	129,410	153,146
Noncurrent						
Restricted short-term investments (Note 6.3) and financial income (Note 23)						
Banco Bradesco	37,903	37,697	-	-	561	1,098
Subtotal	37,903	37,697	-	-	561	1,098
Total noncurrent	37,903	37,697	-	-	561	1,098
Liabilities						
Current						
Trade payables (Note 14) and cost of power generation and general and administrative expenses (Note 22)						
Authi	-	-	180	194	(586)	(531)
CPFL Brasil	-	-	-	1,294	131	(826)
CPFL Paulista	-	-	269	307	(1,314)	(1,280)
CPFL Piratininga	-	-	14	-	(56)	-
CPFL Serviços	-	-	388	610	(412)	(1,516)
CPFL Transmissão Morro Agudo	-	-	-	-	(2)	-
CPFL Transmissão Piracicaba	-	-	-	-	(2)	(3)
Instituto CPFL	-	-	92	-	-	-
Nect Consultoria	-	-	28	57	(58)	(114)
RGE Rio Grande Energia	-	-	6	6	(21)	(19)
Subtotal	-	-	977	2,468	(2,320)	(4,289)
Intragroup loans						
CPFL Geração (f)	-	-	101,062	-	(80)	-
Subtotal	-	-	101,062	-	(80)	-

	Consolidated					
	Asset		Liability		Income statement	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017
Advances from costumers (Note 17)						
Cia Jaguarí de Energia	-	-	251	165	-	-
CPFL Brasil	-	-	25,315	21,689	-	-
CPFL Paulista	-	-	872	1,236	-	-
CPFL Piratininga	-	-	2,274	1,270	-	-
RGE Rio Grande Energia	-	-	186	181	-	-
RGE Sul Distribuidora de Energia	-	-	126	126	-	-
Subtotal	-	-	29,024	24,667	-	-
Other liabilities (Note 22)						
Baesa	-	-	682	691	9	(9)
Ceran	-	-	1,110	1,125	15	(15)
Chapecoense Geração	-	-	967	979	12	(12)
CPFL Telecom	-	-	-	-	-	(43)
CPFL Brasil (e)	-	-	68,841	67,645	(1,196)	(2,057)
CPFL Energia	-	-	-	-	(6,398)	(2,445)
CPFL Paulista	-	-	-	-	(3)	(1)
CPFL Piratininga	-	-	-	-	(1)	(33)
Enercan	-	-	1,198	1,212	14	(14)
Epassa	-	-	435	440	6	(6)
Subtotal	-	-	73,233	72,092	(7,542)	(4,635)
Loans (Note 15) and finance costs (Note 23)						
Banco Bradesco	-	-	60,444	56,934	(4,444)	(7,905)
Subtotal	-	-	60,444	56,934	(4,444)	(7,905)
Debentures (Note 16) and finance costs (Note 23)						
Banco Bradesco	-	-	23,978	21,716	(11,978)	(641)
Subtotal	-	-	23,978	21,716	(11,978)	(641)
Total current	-	-	288,718	177,877	(26,364)	(17,470)
Noncurrent						
Advances from customers (Note 17)						
Cia Jaguarí de Energia	-	-	53	53	-	-
CPFL Paulista	-	-	208	208	-	-
CPFL Piratininga	-	-	78	78	-	-
RGE Rio Grande Energia	-	-	152	152	-	-
RGE Sul Distribuidora de Energia	-	-	110	110	-	-
Subtotal	-	-	601	601	-	-
Loans (Note 15) and finance costs (Note 23)						
Banco Bradesco	-	-	148,000	148,000	-	-
Subtotal	-	-	148,000	148,000	-	-
Debentures (Note 16) and finance costs (Note 23)						
Banco Bradesco	-	-	88,000	88,000	-	(886)
Subtotal	-	-	88,000	88,000	-	(886)
Adjustment for future capital increase						
CPFL Geração (advances for future capital increase) (d)	-	-	300,000	300,000	-	-
Subtotal	-	-	300,000	300,000	-	-
Total noncurrent	-	-	536,601	536,601	-	(886)
Equity						
Share-based payment (Executive Board)	-	-	1,305	1,305	-	-
Total	-	-	1,305	1,305	-	-

(a) Refers mainly to apportionments of labor expenses and bank pledges.

(b) Loan with CPFL Renováveis and its direct and indirect subsidiaries, yielding interest of TJLP+2% p.a. for working capital purposes, falling due in April 2024.

(c) Refers to the apportionment of expenses between the parent and subsidiaries.

(d) On December 29, 2016, shareholder CPFL Geração de Energia S.A.'s contribution amounted to R\$300,000 by means of the Amendment to the Advance for Future Capital Increase (AFAC) entered into on December 26, 2016. As the Public Offer for Acquisition of Shares (IPO) has not been concluded, on December 1, 2017, the agreement for Advance for Future Capital Increase was amended and determined that the capital will be paid at the first Shareholders' Meeting after the financial settlement of such IPO.

(e) Refers to the indemnity payable, under contractual conditions, due to the power not supplied by wind farms Campo dos Ventos and São Benedito.

(f) Refers to the loan agreement with CPFL Geração, falling due on March 26, 2019, yielding interest of 107% of the CDI rate, in order to mitigate the Company's liquidity risk, due to the financial commitments.

Beginning January 2017, due to certain contractual restrictions in connection with the financing agreements entered into with the BNDES, some SPEs of the CPFL Renováveis Group, in the event sufficient power is not generated to comply with the power sales agreements, are not able to purchase power in the spot market and, in this case, the Company is responsible for this generation deficit, which power volume is transferred to the subsidiaries without any cost.

In the three-month period ended March 31, 2018, loans are broken down as follows:

	Company				03/31/2018
	12/31/2017	Addition	Interest	Payment	
Intragroup loans	1,273,253	129,823	27,183	(307)	1,429,952

10.1. Dividends

Dividends receivable:

	<u>Company</u>	
	<u>Asset</u>	
	<u>03/31/2018</u>	<u>12/31/2017</u>
Alto Irani	1	701
Atlântica I	1,725	1,725
Atlântica II	1,523	1,523
Atlântica IV	452	452
Atlântica V	832	832
Bio Coopcana	2,383	2,383
Bio Ipê	2,012	2,012
Bio Pedra	-	7,418
Boa Vista 2	12	12
Campos dos Ventos III	95	95
Dobrevê Energia	23,938	23,938
Eólica Holding	13,131	13,131
Eurus VI	112	112
Farol de Touros	1	1
Gameleira	4	4
PCH Holding	453	453
PCH Participações	25,534	25,534
Pedra Cheirosa I	4,981	4,981
Pedra Cheirosa II	5,141	5,141
Plano Alto	1	1
Rosa dos Ventos	596	596
Salto Góes	4,924	4,924
Santa Clara II	936	5,036
Santa Clara III	-	834
Santa Clara IV	1,850	5,750
Santa Clara V	1,149	5,349
Santa Clara VI	1,048	4,848
SIIF Enérgies	23,792	24,392
Solar 1	-	107
T-15	999	999
Turbina 16	17,218	17,218
	<u>134,843</u>	<u>160,502</u>

In the three-month period ended March 31, 2018, dividends are broken down as follows:

	Company			
	<u>12/31/2017</u>	<u>Addition</u>	<u>Payment</u>	<u>03/31/2018</u>
Dividends	160,502	-	(25,659)	134,843

Dividends payable:

	Company		Consolidated	
	Liability		Liability	
	<u>03/31/2018</u>	<u>12/31/2017</u>	<u>03/31/2018</u>	<u>12/31/2017</u>
CPFL Geração	1,870	1,870	5,870	5,870
Noncontrolling interest	1,754	1,754	2,738	6,336
	<u>3,624</u>	<u>3,624</u>	<u>8,608</u>	<u>12,206</u>

10.2. Advances for future capital increase

	Company	
	Asset	
	<u>03/31/2018</u>	<u>12/31/2017</u>
Baixa Verde	123	107
Bio Alvorada	960	-
Bio Ipê	25	-
Boa Vista 2	16,451	6,677
Cajueiro	60	38
Costa das Dunas	31	-
Dobrevê Energia	66,523	5,053
Farol de Touros	25	8
Figueira Branca	25	7
Gameleira	17	-
Navegantes	5	-
PCH Holding 2	7,146	4,553
PCH Participações	25	-
Pedra Cheirosa I	48,642	8,580
Pedra Cheirosa II	34,106	840
	<u>174,164</u>	<u>25,863</u>

Balances related to capital contributions as advances for future capital increase in its subsidiaries, recorded in line item “Investments”.

In the three-month period ended March 31, 2018, advances for future capital increase are broken down as follows:

	Company			
	<u>12/31/2017</u>	<u>Addition</u>	<u>Payment</u>	<u>03/31/2018</u>
Advances for future capital increase	25,863	149,141	(840)	174,164

10.3.Key management personnel

	Company		Consolidated	
	<u>03/31/2018</u>	<u>03/31/2017</u>	<u>03/31/2018</u>	<u>03/31/2017</u>
Short-term employee benefits				
Wages and fees	1,069	1,451	1,284	1,451
Related taxes and benefits	435	519	512	519
Variable compensation:				
Profit sharing	822	380	1,014	380
Total	<u>2,326</u>	<u>2,350</u>	<u>2,810</u>	<u>2,350</u>

The Shareholders' Meeting, held on April 26, 2018, authorized the amount of R \$ 13,126 for the annual global compensation of the Company's and its subsidiaries' management for the period between May 2018 to April 2019.

The Company and its subsidiaries do not grant other severance benefits to senior management members other than those prescribed by the labor law prevailing in Brazil.

11. INVESTMENTS

	Company	
	<u>03/31/2018</u>	<u>12/31/2017</u>
Permanent ownership interests under the equity method of accounting:		
At the subsidiaries' equity	6,072,480	6,009,724
Advances for future capital increase (Note 10.2)	174,164	25,863
Operation right of generation activity – authorization, gross of taxes	<u>1,403,687</u>	<u>1,418,684</u>
Total investment	<u>7,650,331</u>	<u>7,454,271</u>

	Company	
	<u>03/31/2018</u>	<u>03/31/2017</u>
Composition of equity in subsidiaries:		
Equity in subsidiaries	62,251	77,747
Amortization of interest capitalization	(341)	(341)
Amortization of authorization right*	(28,070)	(27,678)
Deferred taxes*	9,687	9,485
Subtotal	<u>(18,383)</u>	<u>(18,193)</u>
Total	<u>43,527</u>	<u>59,213</u>

* Net R\$18,383 – Operation right, net of deferred taxes

Equity interests held in direct and indirect subsidiaries:

Direct subsidiaries	Number of shares (thousand)	Interest in capital - % 03/31/2018	Equity	Profit/loss for the period	Interest in equity		Equity in subsidiaries	
					03/31/2018	12/31/2017	03/31/2018	03/31/2017
Alto Irani	1,031	100%	56,716	4,665	56,716	52,051	4,665	2,660
Atlântica I	431,208	100%	65,269	1,945	65,269	63,324	1,945	839
Atlântica II	427,570	100%	62,950	1,858	62,950	61,092	1,858	501
Atlântica IV	437,862	100%	64,956	1,817	64,956	63,139	1,817	717
Atlântica V	506,290	100%	78,519	1,716	78,519	76,803	1,716	739
Baixa Verde	53	95%	73	(12)	69	80	(11)	(8)
Bio Alvorada	82,890	100%	129,538	(3,336)	129,538	132,874	(3,336)	(6,952)
Bio Buriti	13,536,951	100%	140,408	(1,635)	140,408	142,043	(1,635)	(1,625)
Bio Coopcana	60,710	100%	101,767	(1,868)	101,767	103,635	(1,868)	(3,053)
Bioenergia	53,295	100%	42,882	330	42,882	42,552	330	(120)
Bio Ester	43,509	100%	76,723	2,320	76,723	74,403	2,320	6,604
Bio Formosa	126,912	100%	77,249	(1,198)	77,249	78,447	(1,198)	(2,387)
Bio Ipê	26,249	100%	35,122	2,171	35,122	32,966	2,171	2,780
Bio Pedra	205,250	100%	227,396	(2,114)	227,396	229,572	(2,114)	(2,530)
Boa Vista 2	9,183	100%	42,407	(49)	42,407	42,456	(49)	27
Cachoeira Grande	6,632	100%	136	1	136	135	1	2
Cajueiro	45	95%	341	(6)	324	330	(6)	(3)
Costa das Dunas	54	90%	604	3	544	541	3	3
Dobrevê Energia	12,040,199	100%	923,929	(1,292)	923,929	925,221	(1,292)	(888)
Eólica Holding	74,396	100%	175,514	(1,013)	175,514	176,527	(1,013)	(305)
Eurus VI	33,024	100%	38,388	(164)	38,388	38,558	(164)	195
Farol de Touros	50	90%	204	-	184	184	-	(4)
Figueira Branca	96	100%	111	-	111	111	-	-
Gameleira	855	100%	897	12	897	885	12	4
Navegantes	353	95%	(6)	(9)	-	3	-	(8)
PCH Holding	436,193	100%	466,034	18,192	466,034	447,842	18,192	14,693
PCH Holding 2	5,468	100%	63,333	3,201	63,333	60,132	3,201	(171)
PCH Participações	26,801	41%	673,360	(6,793)	276,078	278,863	(2,785)	1,353
Pedra Cheirosa I	42,342	100%	90,959	(314)	90,959	91,273	(314)	95
Pedra Cheirosa II	36,191	100%	56,607	(282)	56,607	56,049	(282)	23
Penedo	2,010	100%	1,817	-	1,817	1,817	-	-
Plano Alto	922	100%	31,011	3,324	31,011	27,687	3,324	1,887
Rosa dos Ventos	40,000	100%	33,665	435	33,665	33,230	435	1,857
Salto Góes	31,591	100%	75,774	4,089	75,774	71,685	4,089	2,461
Santa Clara I	131,747	100%	146,621	(258)	146,621	146,938	(258)	1,366
Santa Clara II	126,205	100%	133,404	(242)	133,404	133,700	(242)	1,541
Santa Clara III	127,086	100%	134,754	187	134,754	134,613	187	1,678
Santa Clara IV	131,667	100%	138,627	276	138,627	138,388	276	1,621
Santa Clara V	131,975	100%	138,678	177	138,678	138,535	177	1,602
Santa Clara VI	132,488	100%	138,889	(82)	138,889	138,999	(82)	1,336
Santa Cruz	6,203	100%	480	26	480	454	26	4
SIIF Desenvolvimento	173	8%	1,528	(11)	128	129	(1)	(2)
SIIF Enérgies	327,937	100%	303,253	(1,429)	303,253	304,682	(1,429)	2,851
Solar 1	13	100%	373	(86)	373	459	(86)	(37)
T-15	8,791,940	100%	625,206	33,804	625,206	591,402	33,804	37,484
Tombo	1,237	100%	930	(2)	930	932	(2)	(2)
Turbina 16	1,202,823	100%	873,851	(122)	873,851	873,973	(122)	8,997
Turbina 17	27	100%	10	-	10	10	-	-
Subtotal					6,072,480	6,009,724	62,260	77,825
Campos dos Ventos IV*	-	0%	-	-	-	-	-	(78)
Navegantes*	353	95%	(6)	(9)	(6)	-	(9)	-
					6,072,474	6,009,724	62,251	77,747

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

Indirect subsidiaries	Number of shares (thousand)	Interest in capital - % 03/31/2018	Equity	Profit/loss for the period	Interest in equity		Equity in subsidiaries	
					03/31/2018	12/31/2017	03/31/2018	03/31/2017
Aiuruoca	17,138	100%	1,382	-	1,382	1,382	-	1
Arvoredo	45,995	100%	61,214	1,632	61,214	59,581	1,632	1,340
Barra da Paciência	31,264	100%	59,645	4,630	59,645	55,015	4,630	3,666
BVP	311,106	100%	374,571	(2,969)	374,571	377,540	(2,969)	7,513
BVP Geradora	260,787	100%	339,805	(2,393)	339,805	342,198	(2,393)	6,950
Campo dos Ventos I	32,284	100%	90,801	358	90,801	90,443	358	792
Campo dos Ventos II	50,994	100%	46,307	(1,798)	46,307	48,105	(1,798)	(1,052)
Campo dos Ventos III	77,728	100%	121,707	343	121,707	121,365	343	603
Campo dos Ventos V	81,106	100%	92,481	161	92,481	92,320	161	(78)
Cherobim	899	89%	2	-	2	2	-	-
Chimay	85,538	100%	162,351	13,099	162,351	149,251	13,099	14,184
Cocais Grande	15,377	100%	27,424	725	27,424	26,699	725	658
Corrente Grande	27,521	100%	49,237	2,046	49,237	47,191	2,046	1,417
Costa Branca	15,169	95%	40,782	(164)	38,743	38,898	(156)	51
Desa Comercializadora*	-	-	-	-	-	-	-	658
Desa Eólicas	256,038	100%	443,427	(7,834)	443,427	451,261	(7,834)	386
Eólica Formosa	92,900	100%	132,210	(2,402)	132,210	134,612	(2,402)	(1,439)
Eólica Icarazinho	57,930	100%	113,759	232	113,759	113,526	232	25
Eólica Paracuru	22,230	100%	40,115	(645)	40,115	40,760	(645)	1,372
Eurus I	30,865	100%	31,708	(1,797)	31,708	33,840	(1,797)	(911)
Eurus III	22,241	100%	27,241	(1,414)	27,241	29,775	(1,414)	(411)
Figueirópolis	34,559	100%	121,582	3,532	121,582	118,050	3,532	2,478
Jayaditya	20,822	100%	55,771	12,750	55,771	43,021	12,750	12,374
Juremas	10,469	95%	25,443	258	24,171	23,926	245	46
Ludesa	41,124	60%	100,792	7,112	60,475	56,209	4,267	6,492
Macacos	10,125	95%	31,178	249	29,619	29,383	237	(3)
Mata Velha	29,089	100%	110,140	350	110,140	109,790	350	(1,460)
Mohini	59,933	100%	119,703	13,044	119,703	106,659	13,044	14,088
Morro dos Ventos I	42,743	100%	40,958	(1,465)	40,958	44,160	(1,465)	(696)
Morro dos Ventos II	3,833	100%	54,139	296	54,139	53,843	296	(878)
Morro dos Ventos III	36,775	100%	33,516	(1,632)	33,516	37,276	(1,632)	(234)
Morro dos Ventos IV	41,525	100%	35,626	(1,555)	35,626	39,134	(1,555)	(216)
Morro dos Ventos IX	43,770	100%	40,688	(1,507)	40,688	43,578	(1,507)	(564)
Morro dos Ventos VI	62,373	100%	43,878	(962)	43,878	45,951	(962)	(708)
Ninho da Água	33,899	100%	48,328	1,282	48,328	47,046	1,282	1,379
Novo Horizonte	96,567	100%	99,436	1,931	99,436	97,505	1,931	645
Paíol	27,428	100%	34,704	2,829	34,704	31,876	2,829	2,110
PCH Participações	38,562	59%	673,360	(6,793)	397,282	401,290	(4,008)	1,948
Pedra Preta	11,029	95%	36,488	446	34,664	34,241	424	652
Rio Claro	349	94%	(135)	-	(127)	(127)	-	-
Santa Luzia	75,737	100%	150,879	6,435	150,879	144,443	6,435	5,139
Santa Mônica	99,468	100%	100,192	(495)	100,192	100,688	(495)	2,040
Santa Úrsula	94,024	100%	109,491	2,032	109,491	107,459	2,032	2,402
São Benedito	105,940	100%	117,296	165	117,296	117,131	165	781
São Domingos	84,817	100%	121,075	(237)	121,075	121,312	(237)	(95)
São Gonçalo	28,734	100%	38,280	1,629	38,280	36,651	1,629	1,757
SIIF Cinco	24,058	100%	34,425	(915)	34,425	35,339	(915)	577
SIIF Desenvolvimento	1,732	91%	1,528	(11)	1,390	1,400	(10)	(13)
Sul Centrais Elétricas	14,183	100%	24,614	2,432	24,614	22,182	2,432	2,509
Varginha	20,693	100%	36,868	2,318	36,868	34,550	2,318	1,097
Varginha - DESA	1	94%	-	-	-	-	-	-
Várzea Alegre	24,644	100%	31,577	1,065	31,577	30,512	1,065	849
Santo Dimas	105,099	100%	111,913	515	111,913	111,398	515	1,004
São Martinho	49,757	100%	83,406	238	83,406	83,168	238	1,012
WF 1 Holding	9,897	100%	329	-	329	329	-	-
WF Wind Holding V*	-	-	-	-	-	-	-	(1)
WF Wind Holding VII*	-	-	-	-	-	-	-	2

* Companies merged into Dobrevê Energia S.A. on December 28, 2017.

Changes in the investments for the three-month period ended March 31, 2018 – Company:

	Balance as at 12/31/2017	Capital increase	Amortization interest capitalization	Investment transfers	Equity in subsidiaries	Balance as at 03/31/2018
Alto Irani	52,051	-	-	-	4,665	56,716
Atlântica I	63,324	-	-	-	1,945	65,269
Atlântica II	61,092	-	-	-	1,858	62,950
Atlântica IV	63,139	-	-	-	1,817	64,956
Atlântica V	76,803	-	-	-	1,716	78,519
Baixa Verde	80	-	-	-	(11)	69
Bio Alvorada	132,874	-	-	-	(3,336)	129,538
Bio Buriti	142,043	-	-	-	(1,635)	140,408
Bio Coopcana	103,635	-	-	-	(1,868)	101,767
Bioenergia	42,552	-	-	-	330	42,882
Bio Ester	74,403	-	-	-	2,320	76,723
Bio Formosa	78,447	-	-	-	(1,198)	77,249
Bio Ipê	32,966	-	(15)	-	2,171	35,122
Bio Pedra	229,572	-	(62)	-	(2,114)	227,396
Boa Vista 2	42,456	-	-	-	(49)	42,407
Cachoeira Grande	135	-	-	-	1	136
Cajueiro	330	-	-	-	(6)	324
Campo dos Ventos IV	-	-	-	-	-	-
Costa das Dunas	541	-	-	-	3	544
Dobrevê Energia	925,221	-	-	-	(1,292)	923,929
Eólica Holding	176,527	-	-	-	(1,013)	175,514
Eurus V	-	-	-	-	-	-
Eurus VI	38,558	-	(6)	-	(164)	38,388
Farol de Touros	184	-	-	-	-	184
Figueira Branca	111	-	-	-	-	111
Gameleira	885	-	-	-	12	897
Navegantes	3	-	-	6	(9)	-
PCH Holding	447,842	-	-	-	18,192	466,034
PCH Holding 2	60,132	-	-	-	3,201	63,333
PCH Participações	278,863	-	-	-	(2,785)	276,078
Pedra Cheirosa I	91,273	-	-	-	(314)	90,959
Pedra Cheirosa II	56,049	840	-	-	(282)	56,607
Penedo	1,817	-	-	-	-	1,817
Plano Alto	27,687	-	-	-	3,324	31,011
Rosa dos Ventos	33,230	-	-	-	435	33,665
Salto Góes	71,685	-	-	-	4,089	75,774
Santa Clara I	146,938	-	(59)	-	(258)	146,621
Santa Clara II	133,700	-	(54)	-	(242)	133,404
Santa Clara III	134,613	-	(46)	-	187	134,754
Santa Clara IV	138,388	-	(37)	-	276	138,627
Santa Clara V	138,535	-	(34)	-	177	138,678
Santa Clara VI	138,999	-	(28)	-	(82)	138,889
Santa Cruz	454	-	-	-	26	480
SIIF Desenvolvimento	129	-	-	-	(1)	128
SIIF Enérgies	304,682	-	-	-	(1,429)	303,253
Solar I	459	-	-	-	(86)	373
T-15	591,402	-	-	-	33,804	625,206
Tombo	932	-	-	-	(2)	930
Turbina 16	873,973	-	-	-	(122)	873,851
Turbina 17	10	-	-	-	-	10
Subtotal investments	<u>6,009,724</u>	<u>840</u>	<u>(341)</u>	<u>6</u>	<u>62,251</u>	<u>6,072,480</u>
Navegantes*	-	-	-	(6)	-	(6)
Total investments	<u>6,009,724</u>	<u>840</u>	<u>(341)</u>	<u>-</u>	<u>62,251</u>	<u>6,072,474</u>

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

Operating rights, net of tax effects

As at March 31, 2018, the Company recorded a balance of operating rights held by the following SPEs:

	Company			Balance as at 03/31/2018
	Balance as at 12/31/2017	Amortization	Write-off	
Alto Irani	76,312	(1,342)	-	74,970
Arvoredo	17,266	(289)	-	16,977
Atlântica I	272	(2)	-	270
Atlântica II	272	(2)	-	270
Atlântica IV	272	(2)	-	270
Atlântica V	272	(2)	-	270
Baixa Verde	3,207	-	-	3,207
Barra da Paciência	17,064	(365)	-	16,699
Bio Ester	7,214	(155)	-	7,059
Boa Vista 2	48,873	-	-	48,873
Cajueiro	4,989	-	-	4,989
Campo dos Ventos I	3,459	(32)	-	3,427
Campo dos Ventos II	4,833	(43)	-	4,790
Campo dos Ventos III	3,448	(32)	-	3,416
Campo dos Ventos V	3,459	(32)	-	3,427
Cocais Grande	12,329	(257)	-	12,072
Corrente Grande	10,921	(228)	-	10,693
Costa Branca	27,455	(238)	-	27,217
Costa das Dunas	3,135	-	-	3,135
Eólica Formosa	101,246	(1,746)	-	99,500
Eólica Icarazinho	164,705	(2,808)	-	161,897
Eólica Paracuru	104,959	(1,789)	-	103,170
Eurus I	40,579	(341)	-	40,238
Eurus III	40,575	(342)	-	40,233
Eurus VI	1,084	(11)	-	1,073
Farol de Touros	2,412	-	-	2,412
Figueira Branca	1,608	-	-	1,608
Figueirópolis	3,837	(56)	-	3,781
Gameleira	2,144	-	-	2,144
Juremas	22,598	(197)	-	22,401
Ludesa	45,096	(716)	-	44,380
Macacos	29,605	(258)	-	29,347
Mata Velha	15,858	(263)	-	15,595
Morro dos Ventos I	31,395	(274)	-	31,121
Morro dos Ventos II	2,023	(17)	-	2,006
Morro dos Ventos III	31,403	(273)	-	31,130
Morro dos Ventos IV	31,403	(273)	-	31,130
Morro dos Ventos VI	31,403	(273)	-	31,130
Morro dos Ventos IX	32,774	(285)	-	32,489
Ninho da Águia	12,329	(257)	-	12,072
Paíol	26,410	(451)	-	25,959
Pedra Cheirosa I	22,912	(100)	3,386	26,198
Pedra Cheirosa II	23,655	(89)	-	23,566
Pedra Preta	29,630	(256)	-	29,374
Penedo	24,210	-	-	24,210
Plano Alto	58,340	(1,000)	-	57,340
Rosa dos Ventos	35,358	(610)	-	34,748
Salto Góes	29,865	(331)	-	29,534
Santa Clara I	4,359	(40)	-	4,319
Santa Clara II	4,361	(40)	-	4,321
Santa Clara III	4,359	(40)	-	4,319
Santa Clara IV	4,359	(40)	-	4,319
Santa Clara V	4,363	(40)	-	4,323
Santa Clara VI	4,359	(40)	-	4,319
Santa Mônica	5,729	(54)	-	5,675
Santa Úrsula	5,729	(54)	-	5,675
São Benedito	5,711	(54)	-	5,657
São Domingos	5,699	(54)	-	5,645
São Gonçalo	13,587	(283)	-	13,304
SHF Cinco	62,311	(1,074)	-	61,237
Tombo	17,493	-	-	17,493
Varginha	11,094	(232)	-	10,862
Várzea Alegre	9,245	(193)	-	9,052
Ventos de Santo Dimas	5,729	(54)	-	5,675
Ventos de São Martinho	5,729	(54)	-	5,675
Total operation right, net of deferred taxes	1,418,684	(18,383)	3,386	1,403,687

The amount will be amortized over the remaining period of the related permits/concessions, as from the date the projects go into service.

As at March 31, 2018, the Company did not identify any event that would result in the need to recognize an allowance for impairment losses.

Financial information on subsidiaries

	Asset		Liability		Equity		Net revenue		Profit (loss)	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Aiuruoca	1,382	1,387	-	5	1,382	1,382	-	-	-	1
Alto Irani	132,310	134,431	75,594	82,380	56,716	52,051	6,219	5,248	4,665	2,660
Arvoredo	87,736	86,626	26,522	27,045	61,214	59,581	4,305	3,887	1,632	1,340
Atlântica I	150,038	149,010	84,769	85,686	65,269	63,324	6,817	4,814	1,945	839
Atlântica II	151,004	150,029	88,054	88,937	62,950	61,092	6,953	4,507	1,858	501
Atlântica IV	149,439	148,338	84,483	85,199	64,956	63,139	7,001	4,765	1,817	717
Atlântica V	164,443	164,246	85,924	87,443	78,519	76,803	8,227	5,181	1,716	739
Baixa Verde	203	204	130	120	73	84	-	-	(12)	(8)
Barra da Paciência	120,105	116,085	60,460	61,070	59,645	55,015	8,706	7,671	4,630	3,666
Bio Alvorada	195,783	201,693	66,245	68,819	129,538	132,874	2,906	1,705	(3,336)	(6,952)
Bio Buriú	143,081	146,676	2,673	4,633	140,408	142,043	6,083	6,740	(1,635)	(1,625)
Bio Coopcana	173,523	178,102	71,756	74,467	101,767	103,635	3,322	2,663	(1,868)	(3,053)
Bio Ester	101,616	99,637	24,893	25,234	76,723	74,403	8,670	11,235	2,320	6,604
Bio Formosa	105,703	108,752	28,454	30,305	77,249	78,447	5,601	4,568	(1,198)	(2,387)
Bio Ipê	41,649	39,478	7,297	7,298	34,352	32,180	5,091	6,089	2,171	2,780
Bio Pedra	227,802	234,606	3,561	8,251	224,241	226,355	10	518	(2,114)	(2,530)
Bioenergia	71,100	73,934	28,218	31,382	42,882	42,552	3,110	4,177	330	(120)
Boa Vista 2	178,857	151,352	136,450	108,896	42,407	42,456	-	-	(49)	27
BVP	442,388	445,357	67,817	67,817	374,571	377,540	-	-	(2,969)	6,950
BVP Geradora	882,255	880,420	542,450	538,222	339,805	342,198	22,685	30,989	(2,393)	7,513
Cachoeira Grande	136	135	-	-	136	135	-	-	1	2
Cajueiro	408	398	67	51	341	347	-	-	(6)	(3)
Campo dos Ventos I	174,401	177,327	83,600	86,884	90,801	90,443	4,142	4,240	358	792
Campo dos Ventos II	133,689	137,737	87,382	89,632	46,307	48,105	2,627	3,739	(1,798)	(1,052)
Campo dos Ventos III	218,879	220,600	97,172	99,235	121,707	121,365	3,992	4,134	343	603
Campo dos Ventos V	163,462	165,523	70,981	73,203	92,481	73,203	3,888	4,012	161	487
Cherobim	2	2	-	-	2	2	-	-	-	-
Chimay	210,815	197,003	48,464	47,752	162,351	149,251	16,231	17,400	13,099	14,184
Cocais Grande	48,290	47,946	20,866	21,247	27,424	26,699	2,272	1,929	725	658
Corrente Grande	88,642	87,141	39,405	39,950	49,237	47,191	4,978	4,379	2,046	1,417
Costa Branca	104,789	105,191	64,007	64,246	40,782	40,945	5,538	3,527	(164)	51
Costa das Dunas	639	642	35	41	604	601	-	-	3	3
Desa Eólicas	514,946	520,276	71,519	69,015	443,427	451,261	-	-	(7,834)	386
Debrevé	1,076,016	1,012,929	201,281	137,985	874,735	874,944	-	-	(208)	196
Eólica Formosa	457,317	449,024	325,107	314,412	132,210	134,612	13,234	13,926	(2,402)	(1,439)
Eólica Holding	188,649	189,660	13,135	13,133	175,514	176,527	-	-	(1,013)	(305)
Eólica Icarazinho	307,360	298,310	193,601	184,784	113,759	113,526	9,217	8,343	232	25
Eólica Paracuru	125,556	120,807	85,441	80,047	40,115	40,760	3,692	5,349	(645)	1,372
Eurus I	95,734	99,176	64,026	65,336	31,708	33,840	2,295	3,333	(1,797)	(911)
Eurus III	97,733	101,397	70,492	71,622	27,241	29,775	2,997	4,184	(1,414)	(411)
Eurus VI	39,719	39,667	1,625	1,409	38,094	38,258	473	843	(164)	195
Farol de Touros	231	232	27	28	204	204	-	-	-	(4)
Figueira Branca	138	137	27	26	111	111	-	-	-	-
Figueirópolis	196,981	191,550	75,309	73,500	121,582	118,050	6,311	6,057	3,532	2,478
Gamaleira	919	907	22	22	897	885	-	-	12	4
Jayaditya	82,972	66,568	27,201	23,547	55,771	43,021	15,295	15,143	12,750	12,374
Juremas	74,674	75,260	49,231	50,075	25,443	25,185	3,915	2,354	258	46
Ludesa	116,435	112,775	15,643	19,094	100,792	93,681	9,945	9,306	7,112	6,492
Macacos	97,552	98,197	66,374	67,268	31,178	30,929	5,091	3,039	249	(5)
Mata Velha	191,017	191,977	80,877	82,187	110,140	109,790	6,963	6,309	350	(1,537)
Mohini	153,203	138,335	33,500	31,676	119,703	106,659	15,084	16,330	13,044	14,088
Morro dos Ventos I	108,304	112,842	67,346	68,682	40,958	44,160	3,357	4,539	(1,465)	(696)
Morro dos Ventos II	146,379	147,973	92,240	94,130	54,139	53,843	8,318	3,692	296	(878)
Morro dos Ventos III	100,682	105,627	67,166	68,351	33,516	37,276	2,756	4,302	(1,632)	(234)
Morro dos Ventos IV	98,639	103,380	63,013	64,246	35,626	39,134	2,778	4,079	(1,555)	(216)
Morro dos Ventos IX	112,346	117,096	71,658	73,518	40,688	43,578	3,211	4,288	(1,507)	(564)
Morro dos Ventos VI	97,140	100,803	53,262	54,852	43,878	45,951	3,179	3,317	(962)	(708)
Navegantes	5	6	11	3	(6)	3	-	-	(9)	(8)
Ninho da Águia	78,074	76,232	29,746	29,186	48,328	47,046	3,184	3,587	1,282	1,379
Novo Horizonte	133,538	133,173	34,102	35,668	99,436	97,505	5,644	4,734	1,931	645
Paioi	94,284	92,180	59,580	60,304	34,704	31,876	6,219	5,686	2,829	2,110
PCH Holding	511,453	492,176	45,419	44,334	466,034	447,842	-	-	18,192	14,693
PCH Holding 2	226,073	220,532	162,740	160,400	63,333	60,132	-	-	3,201	(171)
PCH Participações	922,022	931,847	248,662	251,694	673,360	680,153	-	-	(6,793)	3,301
Pedra Cheirosa I	232,857	232,838	141,898	141,565	90,959	91,273	8,696	-	(314)	95
Pedra Cheirosa II	196,617	197,511	140,010	141,462	56,607	56,049	7,670	-	(282)	23
Pedra Preta	100,628	100,383	64,140	64,340	36,488	36,043	5,371	3,465	446	686
Penedo	1,817	1,817	-	-	1,817	1,817	-	-	-	-
Plano Alto	87,111	87,890	56,100	60,203	31,011	27,687	4,606	3,842	3,324	1,887
Rio Claro	152	152	287	287	(135)	(135)	-	-	-	-
Rosa dos Ventos	67,032	65,757	31,900	31,045	35,132	34,712	3,035	4,030	420	1,842
Salto Góes	150,348	147,689	74,574	76,004	75,774	71,685	7,805	5,882	4,089	2,461
Santa Clara I	147,330	147,375	3,748	3,536	143,582	143,839	2,742	4,346	(258)	1,366
Santa Clara II	135,553	139,284	4,888	8,377	130,665	130,907	2,219	3,828	(242)	1,541
Santa Clara III	135,624	136,176	3,233	3,972	132,391	132,204	2,677	4,049	187	1,678
Santa Clara IV	142,833	146,536	6,072	10,050	136,761	136,486	2,592	3,765	276	1,621
Santa Clara V	141,612	145,608	4,693	8,866	136,919	136,742	2,546	3,805	177	1,602
Santa Clara VI	144,390	147,455	6,908	9,891	137,482	137,564	2,150	3,445	(82)	1,336
Santa Cruz	480	454	-	-	480	454	-	-	26	4
Santa Luzia	226,442	223,238	75,563	78,795	150,879	144,443	11,157	10,276	6,435	5,139
Santa Mônica	206,881	217,052	106,689	116,364	100,192	100,688	4,348	4,620	(495)	2,040
Santa Úrsula	189,897	196,234	80,406	88,775	109,491	107,459	4,970	5,650	2,032	2,402
Santo Dâmas	215,655	220,043	103,742	98,056	111,913	117,131	5,118	3,736	515	1,004
São Benedito	210,909	215,187	93,613	98,040	117,296	117,147	4,508	3,767	165	781
São Domingos	218,072	220,373	96,997	99,061	121,075	121,312	3,685	2,798	(237)	(95)
São Gonçalo	73,184	70,426	34,904	33,775	38,280	36,651	5,079	4,359	1,629	1,757
São Martinho	141,372	143,412	57,966	60,244	83,406	83,168	2,595	2,642	238	1,012
SHF Cinco	118,982	116,043	84,557	80,704	34,425	35,339	3,616	5,228	(915)	577
SHF Desenvolvimento	1,528	1,539	-	-	1,528	1,539	-	-	(11)	(15)
SHF Energias	408,890	412,736	27,628	28,127	381,262	384,609	-	-	(3,347)	934
Solar I	4,821	5,322	4,448	4,863	373	459	85	89	(86)	(37)
Sul Centrais Elétricas	36,893	33,988	12,279	11,806	24,614	22,182	3,358	3,252	2,432	2,509
T-15	833,899	796,501	208,693	205,099	625,206	591,402	-	-	33,804	37,483
Tombo	935	935	5	3	930	932	-	-	(2)	(2)
Turbina 16	1,019,454	1,016,892	145,603	142,919	873,851	873,973	-	-	(122)	8,997
Turbina 17	10	10	-	-	10	10	-	-	-	-
Varginha	56,017	54,128	19,149	19,578	36,868	34,550	4,126	2,816	2,318	1,097
Várzea Alegre	54,654	53,955	23,077	23,443	31,577	30,512	2,860	2,499	1,065	849
WF I Holding	329	329	-	-	329	329	-	-	-	-
WF Wind Holding V	-	-	-	-	-	-	-	-	-	(1)
WF Wind Holding VII	-	-	-	-	-	-	-	-	-	2

a) Mergers

On September 29, 2017, the Dobrevê Energia S.A.'s shareholders approved, at the Extraordinary Shareholders' Meeting, the capital increase upon the equity merger of Campo dos Ventos IV Energia S.A. ("Campo dos Ventos IV") and Eurus V Energias Renováveis S.A. ("Eurus V"), without the issuance of shares, not subject to change in the shareholding structure.

In addition, the mergers of the following subsidiaries were approved: WF Wind Holding V S.A, WF Wind Holding VII S.A, WF Wind Holding VIII S.A, WF Wind Holding X S.A, WF Wind XI S.A, Laranjinha Energética S.A, Bonanza Energética S.A, Renascer Centrais Elétricas S.A, Desa Comercializadora Energética S.A, Morro dos Ventos Energética Renováveis S.A, Distancia Energética S.A, Campo dos Ventos IV and Eurus V into Dobrevê Energia S.A, under the terms of the Protocol of Merger and Justification and Appraisal Reports, also approved on such date. The merged equity amounted to R\$2,624.

12. PROPERTY, PLANT AND EQUIPMENT

	Company						Total
	Land	Buildings, construction works and improvements	Machinery and equipment	Vehicles	Furniture and fixtures	In progress	
Balance as at 12/31/2017	4,088	1,142	7,539	425	711	9,369	23,274
Historical cost	4,088	3,093	11,892	530	994	9,369	29,966
Accumulated depreciation	-	(1,951)	(4,353)	(105)	(283)	-	(6,692)
Additions	-	-	-	-	-	2,540	2,540
Write-off	-	-	-	-	-	(1)	(1)
Transfers*	-	99	296	-	1	(396)	-
Transfers - cost**	-	-	-	-	-	(162)	(162)
Depreciation	-	(105)	(975)	(25)	(16)	-	(1,121)
Balance as at 03/31/2018	4,088	1,136	6,860	400	696	11,350	24,530
Historical cost	4,088	3,192	12,188	530	995	11,350	32,343
Accumulated depreciation	-	(2,056)	(5,328)	(130)	(299)	-	(7,813)
Average depreciation rate - %	-	25 to 26	19 to 20	18 to 19	6 to 7		

* Transfers from the division of units.

** Transfers from property, plant and equipment to intangible assets.

	Consolidated							Total
	Land	Reservoirs, dams and water mains	Buildings, construction works and improvements	Machinery and equipment	Vehicles	Furniture and fixtures	In progress	
Balance as at 12/31/2017	135,683	756,043	669,112	5,938,924	706	2,431	197,305	7,700,204
Historical cost	166,000	1,136,106	905,827	7,778,400	1,026	5,590	197,305	10,190,254
Accumulated depreciation	(30,317)	(380,063)	(236,715)	(1,839,476)	(320)	(3,159)	-	(2,490,050)
Additions	-	-	-	-	-	-	44,169	44,169
Write-offs	-	-	-	(200)	(1)	-	-	(201)
Transfers*	-	191	593	(4,502)	-	2	3,716	-
Transfers - cost**	-	-	-	-	-	-	(185)	(185)
Transfers - cost***	-	-	(9,824)	-	-	-	-	(9,824)
Depreciation	(1,785)	(12,430)	(10,264)	(93,026)	(46)	(90)	-	(117,641)
Write-off of depreciation	-	-	-	46	-	-	-	46
Reversal of impairment loss	-	-	15	645	-	-	-	660
Balance as at 03/31/2018	133,898	743,804	649,632	5,841,887	659	2,343	245,005	7,617,228
Historical cost	166,000	1,136,297	896,596	7,773,698	1,025	5,592	245,005	10,224,213
Accumulated depreciation	(32,102)	(392,493)	(246,964)	(1,931,811)	(366)	(3,249)	-	(2,606,985)
Average depreciation rate - %	5 to 6	5 to 6	6 to 7	5 to 6	14 to 15	6 to 7		

* Transfers from the division of units.

** Transfers from property, plant and equipment to intangible assets.

*** Reversal of the provision for asset decommissioning.

As at March 31, 2018, the Company recorded a balance of construction in progress held by the following SPEs:

<u>Construction in progress</u>	<u>03/31/2018</u>	
Bio Alvorada	5,008	(b)
Bio Ester	3,154	(b)
Bio Ipê	828	(b)
Boa Vista 2	175,862	(c)
BVP Geradora	26,298	(b)
CPFL Renováveis	11,350	(b)
Eólica Formosa	1,821	(b)
Eólica Paracuru	669	(b)
Gameleira	556	(a)
Jayaditya	3,215	(b)
Mata Velha	3,646	(b)
Mohini	1,015	(b)
Pedra Preta	1,759	(b)
Penedo	985	(a)
Santa Clara I	615	(b)
São Martinho	1,010	(b)
Tombo	933	(a)
Other	6,281	
Total	<u>245,005</u>	

(a) Under development.

(b) Refer mainly to improvements not concluded yet in assets under operation in order to optimize the power generation.

(c) The start-up of operations is estimated for the first quarter of 2019.

At the end of the permit period, the permits of the PCHs and wind farms may be renewed at the Concession Grantor's discretion. The permits of the PCHs, if not renewed, must be returned to the Concession Grantor at the end of their respective permit periods.

In the three-month period ended March 31, 2018, depreciation expenses were recorded in the amount of R\$117,641 (consolidated), of which R\$116,405, classified in "Costs of power generation", under "Depreciation and amortization", and R\$1,236, classified in "General and administrative expenses", under "Depreciation and amortization".

Collaterals

As at March 31, 2018, the property, plant and equipment pledged as collateral on behalf of the financial institutions amounts to R\$3,841,016, relating to FINAME loan and financing agreements (Note 15).

Impairment

In the three-month period ended March 31, 2018, the Company and its subsidiaries did not identify any event that would result in the need to recognize an allowance for impairment losses on assets.

13. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

	<u>Company</u> <u>Other intangible</u> <u>assets</u>
Balances as at 12/31/2017	<u>11,406</u>
Historical cost	16,065
Accumulated depreciation	(4,659)
Additions	2,421
Transfers - cost*	162
Amortization	(512)
Balances as at 03/31/2018	<u><u>13,477</u></u>
Historical cost	18,648
Accumulated depreciation	(5,171)
Annual average amortization rate - %	20

* Transfers from property, plant and equipment to intangible assets.

	Consolidated		
	Acquired from business combinations	Other intangible assets	Total
Balances as at 12/31/2017	2,818,331	33,041	2,851,372
Historical cost	3,700,849	50,124	3,750,973
Accumulated amortization	(882,518)	(17,083)	(899,601)
Additions	-	2,421	2,421
Transfers - cost*	-	185	185
Amortization	(39,206)	(840)	(40,046)
Reversal of impairment losses	5,130	47	5,177
Balances as at 03/31/2018	2,784,255	34,854	2,819,109
Historical cost	3,700,849	52,730	3,753,579
Accumulated amortization	(916,594)	(17,876)	(934,470)
Annual average amortization rate - %	5	20	

* Transfers from property, plant and equipment to intangible assets.

The Company recorded a balance of operating rights held by the following SPEs:

	Consolidated			
	Balance as			Balance as
	at	Amortization	Write-off	at
	12/31/2017			03/31/2018
Alto Irani	118,751	(2,037)	-	116,714
Arvoredo	26,160	(438)	-	25,722
Atlântica I	413	(3)	-	410
Atlântica II	414	(3)	-	411
Atlântica IV	414	(3)	-	411
Atlântica V	414	(3)	-	411
Baixa Verde	4,981	-	-	4,981
Barra da Paciência	42,980	(894)	-	42,086
Bio Ester	10,912	(237)	-	10,675
Boa Vista 2	74,049	-	-	74,049
BVP Geradora	556,921	(9,093)	-	547,828
Cajueiro	7,823	-	-	7,823
Campo dos Ventos I	3,455	(33)	-	3,422
Campo dos Ventos II	4,842	(42)	-	4,800
Campo dos Ventos III	3,444	(33)	-	3,411
Campo dos Ventos V	3,455	(33)	-	3,422
Cocais Grande	18,675	(390)	-	18,285
Corrente Grande	26,217	(543)	-	25,674
Costa Branca	43,775	(381)	-	43,394
Costas das Dunas	5,278	-	-	5,278
Eólica Formosa	160,004	(2,757)	-	157,247
Eólica Icarazinho	249,558	(4,254)	-	245,304
Eólica Paracuru	165,864	(2,826)	-	163,038
Eurus I	58,788	(519)	-	58,269
Eurus III	58,788	(519)	-	58,269
Eurus VI	1,102	(9)	-	1,093
Farol de Touros	4,060	-	-	4,060
Figueira Branca	2,436	-	-	2,436
Figueirópolis	5,557	(84)	-	5,473
Gameleira	3,248	-	-	3,248
Juremas	36,036	(315)	-	35,721
Ludesa	108,629	(1,809)	-	106,820
Macacos	47,221	(411)	-	46,810
Mata Velha	22,902	(399)	-	22,503
Morro dos Ventos I	45,502	(411)	-	45,091
Morro dos Ventos II	2,911	(24)	-	2,887
Morro dos Ventos III	45,519	(411)	-	45,108
Morro dos Ventos IV	45,519	(411)	-	45,108
Morro dos Ventos IX	47,507	(429)	-	47,078
Morro dos Ventos VI	45,519	(411)	-	45,108
Ninho da Águia	18,675	(390)	-	18,285
Paio	40,009	(684)	-	39,325
Pedra Cheirosa I	34,603	(207)	5,130	39,526
Pedra Cheirosa II	35,741	(186)	-	35,555
Pedra Preta	47,233	(411)	-	46,822
Penedo	36,682	-	-	36,682
Plano Alto	88,366	(1,515)	-	86,851
Rosa dos Ventos	53,575	(924)	-	52,651
Salto Góes	45,255	(501)	-	44,754
Santa Clara I	4,365	(39)	-	4,326
Santa Clara II	4,366	(39)	-	4,327
Santa Clara III	4,363	(39)	-	4,324
Santa Clara IV	4,363	(39)	-	4,324
Santa Clara V	4,369	(39)	-	4,330
Santa Clara VI	4,363	(39)	-	4,324
Santa Luzia	71,270	(893)	-	70,377
Santa Mônica	5,717	(57)	-	5,660
Santa Úrsula	5,717	(57)	-	5,660
São Benedito	5,711	(54)	-	5,657
São Domingos	5,695	(54)	-	5,641
São Gonçalo	20,605	(426)	-	20,179
SHF Cinco	98,454	(1,698)	-	96,756
Tombo	26,505	-	-	26,505
Varginha	16,808	(351)	-	16,457
Várzea Alegre	14,020	(291)	-	13,729
Santo Dimas	5,729	(54)	-	5,675
São Martinho	5,729	(54)	-	5,675
	<u>2,818,331</u>	<u>(39,206)</u>	<u>5,130</u>	<u>2,784,255</u>

In the three-month period ended March 31, 2018, in Consolidated, amortization expenses on the operating right was recorded in the amount of R\$39,206 (R\$38,625 as at March 31, 2017).

In the three-month period ended March 31, 2018, the amortization expenses from other intangible assets amounted to R\$840 (Consolidated), of which R\$328 (Consolidated) was recorded under “Power generation costs” in line item “Depreciation and amortization”, and R\$512 was recorded under “General and administrative expenses” in line item “Depreciation and amortization”.

The balance of intangible assets is amortized over the remaining period of the related concession rights of the projects, on a straight-line basis after the start-up of activities.

As at March 31, 2018, the Company and its subsidiaries did not identify events that resulted in the need to recognize an allowance for impairment losses on intangible assets.

14. TRADE PAYABLES

	Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Current				
Power supply	46,589	63,791	43,366	64,483
Power grid use charges	-	-	715	900
Materials and services*	5,990	6,568	29,699	136,410
Total	<u>52,579</u>	<u>70,359</u>	<u>73,780</u>	<u>201,793</u>

* As at March 31, 2018 and December 31, 2017, the consolidated balance mainly refers to property, plant and equipment acquired for construction conclusion of Pedra Cheirosa I and Pedra Cheirosa II.

CPFL Renováveis enforces its financial risk management policies to ensure that all obligations are paid in accordance with the originally agreed terms and conditions.

15. BORROWINGS AND FINANCING

	Company									
	03/31/2018					12/31/2017				
	Charges	Current	Principal Total current	Noncurrent	Total	Charges	Current	Principal Total current	Noncurrent	Total
Measured at cost										
Brazilian currency										
Investment	2,002	81,240	83,242	546,360	629,602	2,059	80,868	82,927	565,763	648,690
Borrowing costs	-	(8)	(8)	(43)	(51)	-	(8)	(8)	(45)	(53)
Financial institution	19,633	124,751	144,384	-	144,384	17,815	175,252	193,067	-	193,067
Borrowing costs	-	(229)	(229)	-	(229)	-	(382)	(382)	-	(382)
Total	<u>21,635</u>	<u>205,754</u>	<u>227,389</u>	<u>546,317</u>	<u>773,706</u>	<u>19,874</u>	<u>255,730</u>	<u>275,604</u>	<u>565,718</u>	<u>841,322</u>

Company								
Balance as at 12/31/2017	Disbursements	Inflation adjustment	Interest	Cost	Amortization of borrowing costs	Amortization	Interest payment	Balance as at 03/31/2018
841,322	-	1,266	15,783	-	155	(70,798)	(14,022)	773,706

Consolidated										
	03/31/2018					12/31/2017				
	Charges	Principal			Total	Charges	Principal			Total
		Current	Total current	Noncurrent			Current	Total current	Noncurrent	
Measured at cost										
Investment	13,733	364,993	378,726	3,241,318	3,620,044	13,008	363,962	376,970	3,165,755	3,542,725
Borrowing costs	-	(1,496)	(1,496)	(14,900)	(16,396)	-	(1,318)	(1,318)	(12,441)	(13,759)
Financial institution	31,003	302,452	333,455	310,100	643,555	25,435	334,151	359,586	322,200	681,786
Borrowing costs	-	(1,428)	(1,428)	(3,583)	(5,011)	-	(1,647)	(1,647)	(3,866)	(5,513)
Total	44,736	664,521	709,257	3,532,935	4,242,192	38,443	695,148	733,591	3,471,648	4,205,239

Consolidated								
Balance as at 12/31/2017	Disbursements	Inflation adjustment	Interest	Cost	Amortization of borrowing costs	Amortization	Interest payment	Balance as at 03/31/18
4,205,239	176,933	6,584	81,229	(2,982)	847	(150,722)	(74,936)	4,242,192

Stated at cost Domestic currency Investment	Consolidated		Consolidated		Collaterals
	03/31/2018	12/31/2017	Annual interest	Payment conditions	
FNEM I	224,523	232,310	TJLP + 1.95%	168 monthly installments from October 2009 and July 2011	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs and PCH Holding's pledged shares; (iv) Pledged emerging rights authorized by ANEEL.
FNEM II	18,108	18,951	TJLP + 1.90%	144 monthly installments beginning June 2011	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) CPFL Energia S.A.'s and Bioenergia S.A.'s guarantee.
FNEM III*	451,263	460,623	TJLP + 1.72%	192 monthly installments beginning May 2013	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) CPFL Energia's and State Grid's guarantee.
FNEM V	66,609	69,485	TJLP + 2.8% and 3.4%	143 months beginning December 2011	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) CPFL-R's guarantee.
FNEM VI	68,259	69,619	TJLP + 2.05%	173 to 192 monthly installments from October 2013 and April 2015	(i) Conditional sale of receivables; (ii) SPEs pledged shares; (iii) Pledged emerging rights authorized by ANEEL; (iv) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM VII	114,252	119,234	TJLP + 1.92%	156 monthly installments from October 2010 to September 2023	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) Pledged receivables under Operational Agreements.
FNEM IX	15,945	17,827	TJLP + 2.15%	120 installments beginning May 2010	(i) Mortgage of rural property; (ii) Pledged equipment; (iii) Conditional sale of receivables; (iv) SPEs pledged shares; (v) Pledged emerging rights authorized by ANEEL; (vi) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XI*	92,230	95,016	TJLP + 1.87% to 1.9%	108 to 108 monthly installments from January 2012 and January 2013	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) CPFL Energia's guarantee.
FNEM XII	292,397	297,835	TJLP and TJLP + 2.18%	192 installments beginning July 2014	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) Pledged receivables under Operational Agreements; (iv) SPEs pledged shares + Eolica Holding; (v) Pledged emerging rights authorized by ANEEL; (vi) CPFL-R's, Eolica Holding S.A.'s, CPFL Energia's and State Grid's guarantee.
FNEM XIII	293,145	298,439	TJLP + 2.02% to 2.18%	192 installments beginning November 2014	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) Pledged receivables under Operational Agreements; (iv) SPEs pledged shares; (v) Pledged emerging rights authorized by ANEEL; (vi) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XV	22,118	23,185	TJLP + 3.44%	139 installments beginning September 2011	(i) SPEs pledged shares; (ii) Pledged emerging rights authorized by ANEEL; (iii) Conditional sale of receivables; (iv) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XVI	3,816	4,335	Fixed 5.5%	101 installments beginning September 2011	(i) SPEs pledged shares; (ii) Pledged emerging rights authorized by ANEEL; (iii) Conditional sale of receivables; (iv) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XVII	419,467	428,205	TJLP and TJLP + 2.18%	192 installments beginning January 2013	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) Pledged receivables under Operational Agreements; (iv) SPEs pledged shares + Eolica Holding S.A.; (v) Pledged emerging rights authorized by ANEEL; (vi) Bank guarantee.
FNEM XVIII	7,864	9,044	Fixed 4.5%	102 installments beginning June 2011	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) CPFL Energia S.A.'s and Bioenergia S.A.'s guarantee.
FNEM XIX	27,653	27,579	TJLP + 2.02%	192 installments beginning January 2014	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XX	35,348	37,208	Fixed 2.5%	108 installments beginning January 2014	(i) Conditional sale of receivables; (ii) SPEs pledged shares; (iii) Pledged emerging rights authorized by ANEEL; (iv) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XXI	36,866	37,583	TJLP + 2.02%	192 installments beginning January 2014	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XXII	31,098	32,734	Fixed 2.5%	108 installments beginning January 2014	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XXIII	1,009	1,153	Fixed 4.5%	102 installments beginning June 2011	(i) Conditional sale of receivables; (ii) SPEs pledged shares; (iii) Pledged emerging rights authorized by ANEEL; (iv) Pledged receivables under Operational Agreements.
FNEM XXIV*	75,895	82,632	Fixed 5.5%	102 to 108 monthly installments from January 2012 to August 2020	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) CPFL Energia's and State Grid's guarantee.
FNEM XXV	81,848	83,136	TJLP + 2.18%	192 monthly installments from July 2016 to June 2022	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) Pledged receivables under Operational Agreements; (iv) SPEs pledged shares; (v) Pledged emerging rights authorized by ANEEL; (vi) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XXVI	672,104	681,912	TJLP and TJLP + 2.75%	192 monthly installments from July 2017 to June 2023	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs and T-16's pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XXVII	66,332	67,584	TJLP and TJLP + 2.02%	162 monthly installments from November 2016 to April 2020	(i) SPEs pledged shares; (ii) Conditional sale of receivables; (iii) Pledged emerging rights authorized by ANEEL; (iv) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNEM XXVIII	1,391	1,415	TJLP	144 installments beginning January 2015	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) CPFL-RS, CPFL Energia's and State Grid's guarantee.
FNAM E1	2,270	2,287	Fixed 2.5%	96 installments beginning February 2015	(i) Pledged equipment; (ii) CPFL-R's guarantee.
FNFP I*	781	904	Fixed 3.5%	61 monthly installments beginning October 2014	Bank guarantee.
FNFP II*	9,433	9,515	TJLP -1%	85 monthly installments beginning June 2017	Bank guarantee.
FNFP III	3,805	4,092	Fixed 8%	73 monthly installments beginning July 2015	Bank guarantee.
INB I	90,738	92,926	Fixed between 9.5% and 10% p.a. and discount for timely payment of 15%	168 monthly installments from January 2009 to 2028	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) SIBF Energias do Brasil's guarantee.
INB II	149,665	151,428	Fixed 10% p.a. and discount for timely payment of 15% and 25%	222 monthly installments from May 2010 to October 2029	(i) Pledged equipment; (ii) Conditional sale of receivables; (iii) SPEs pledged shares; (iv) Pledged emerging rights authorized by ANEEL; (v) Pledged receivables under Operational Agreements; (vi) BWSA's guarantee; (vii) Bank guarantee.
INB III	26,659	27,138	Fixed 9.5% p.a. and discount for timely payment of 20%	228 monthly installments from July 2009 to July 2028	(i) Pledged equipment; (ii) SPEs pledged shares; (iii) Pledged emerging rights authorized by ANEEL; (iv) Conditional sale of receivables; (v) CPFL-RS guarantee.
INB IV	161,928	-	Fixed 10.14% and discount for timely payment of 15%	228 monthly installments from December 2018 to November 2027	(i) Bank guarantee; (ii) Pledged equipment; (iii) Conditional sale of receivables; (iv) SPEs pledged shares; (v) Pledged emerging rights authorized by ANEEL; (vi) CPFL-RS guarantee.
NIB	55,765	57,200	KPM + 8.63% p.a.	Interest and principal repaid on a quarterly basis from June 2011 to September 2023	(i) Pledged emerging rights authorized by ANEEL; (ii) Pledged receivables under Operational Agreements.
Borrowing costs	(16,396)	(13,759)			
Financial institutions					
Bradesco	208,444	204,934	CDI + 0.5%	8 annual installments beginning June 2013	No collaterals
Safra	182,871	194,006	105% of CDI	7 annual installments beginning January 2017 and May 2017	No collaterals
CCB - BBM*	-	44,095	CDI + 3.40%	Semiannual interest and payment in a single installment in March 2018	No collaterals
CCB Boa Vista II - BBM	43,046	26,198	CDI + 1.90%	Semiannual interest and payment in a single installment on the maturity dates	CPFL Renováveis' guarantee
CCB - Deutsche Bank*	47,860	46,966	CDI + 1.45%	Semiannual interest and payment in a single installment on the maturity dates	CPFL Renováveis' promissory notes
NP - ABC*	96,524	102,006	CDI + 3.80%	Interest and principal payable in 4 series, on a semiannual basis, beginning February 2017	No collaterals
NP Boa Vista II - BBM	64,810	63,582	CDI + 1.30%	Single installment in June 2018	CPFL Renováveis' guarantee
Borrowing costs	(5,011)	(5,513)			
	<u>4,242,192</u>	<u>4,208,239</u>			

* Borrowings recorded in the Company.

Main changes in the period:

Domestic currency

Investment:

Banco BNB (FNE VI) – In the three-month period ended March 31, 2018, subsidiary Pedra Cheirosa I disbursed the amount of R\$84,168 of the BNB financing. The finance cost of this transaction is 10.14% p.a., less a discount for timely payment of 15%, reducing the finance cost to 8.62% p.a. The balance to be disbursed is R\$26,579.

Banco BNB (FNE VII) - In the three-month period ended March 31, 2018, subsidiary Pedra Cheirosa II disbursed the amount of R\$76,765 of the BNB financing. The finance cost of this transaction is 10.14% p.a., less a discount for timely payment of 15%, reducing the finance cost to 8.62% p.a. The balance to be disbursed is R\$23,190.

Financial institutions:

Banco BBM (CCB) – In the three-month period ended March 31, 2018, SPE Boa Vista II issued three CCBs, in the amount of R\$16,000, with Banco BBM, subject to the CDI + 1.90% p.a.

Banco BBM (CCB) – In the three-month period ended March 31, 2018, CPFL Renováveis settled two CCBs with BBM, in the amount of R\$45,068. The settlements were performed on March 21, 2018, the maturity date of both agreements, subject to the CDI + 3.40% p.a.

Long-term borrowings and financing payment schedule is as follows:

<u>Company</u>			<u>Consolidated</u>		
<u>Maturity</u>	<u>Cost</u>	<u>Amount</u>	<u>Maturity</u>	<u>Cost</u>	<u>Amount</u>
2019	(6)	60,847	2019	(1,971)	351,285
2020	(8)	80,747	2020	(2,429)	463,899
2021	(8)	55,646	2021	(2,261)	364,847
2022	(8)	53,863	2022	(2,261)	370,678
2023	(8)	53,863	2023	(1,371)	354,830
2024 to 2028	(5)	227,867	2024 to 2028	(4,830)	1,184,802
2029 to 2033	-	13,527	2029 to 2033	(3,002)	394,313
2034 to 2038	-	-	2034 to 2038	(358)	66,764
<u>Total</u>	<u>(43)</u>	<u>546,360</u>	<u>Total</u>	<u>(18,483)</u>	<u>3,551,418</u>

Covenants:

FNE VI

- Annual maintenance of a Debt Service Coverage Ratio above or equal to 1.3 calculated in the Pedra Cheirosa I's financial statements over the agreement. The non-compliance with such covenant is not subject to pecuniary fine.

FNE VII

- Annual maintenance of a Debt Service Coverage Ratio above or equal to 1.3 calculated in the Pedra Cheirosa II's financial statements over the agreement. The non-compliance with such covenant is not subject to pecuniary fine.

The abovementioned restrictions are solely effective beginning the year ended December 31, 2018.

The Company's and its subsidiaries' management monitors these ratios systematically and constantly to make sure the requirements are met.

According to the Company and its subsidiaries' management, all covenants and clauses were properly complied as at March 31, 2018.

For further information on the covenants of the other borrowings and financing, see Note 15 to the financial statements for the year ended December 31, 2017.

16. DEBENTURES

Annual interest	Effective rate	Payment conditions	Collaterals	Company									
				03/31/2018					12/31/2017				
				Charges	Principal	Total current	Noncurrent	Total	Charges	Principal	Total current	Noncurrent	Total
CDI + 1.7%	CDI + 2.64%	Annual principal payable beginning May 2015 and semiannual interest beginning November 2012	Collateral assignment of dividends of BVP and PCH Holding	9,497	64,500	73,997	258,000	331,997	2,970	64,500	67,470	258,000	325,470
114% of CDI	131.17% CDI	Principal payable in March 2017 and semiannual interest beginning September 2014	Unsecured	59	60,000	60,059	150,000	210,059	5,531	60,000	65,531	210,000	275,531
117.25% CDI	137.58% CDI	Three semiannual installments payable beginning April 2018 and semiannual interest beginning November 2015	Unsecured	7,736	98,657	106,393	197,343	303,736	2,169	98,657	100,826	197,343	298,169
126% CDI	141.46% CDI	Three annual installments beginning September 2019 and semiannual interest beginning March 2017	Guarantee of CPFL Energia	62	-	62	200,000	200,062	4,534	-	4,534	200,000	204,534
129.5% CDI	146.50% CDI	Principal and interest payable in semiannual installments beginning June 2018	Collateral and guarantee of Dobrevê	11,978	12,000	23,978	88,000	111,978	9,716	12,000	21,716	88,000	109,716
IPCA + 5.62%	IPCA + 5.65%	Principal payable on maturity date and semiannual interest beginning June 2018	Guarantee of CPFL Energia	2,907	-	2,907	256,084	258,991	6,244	-	6,244	253,529	259,773
			Borrowing costs	-	(3,557)	(3,557)	(11,598)	(15,155)	-	(3,557)	(3,557)	(12,488)	(16,045)
				<u>32,239</u>	<u>231,600</u>	<u>263,839</u>	<u>1,137,829</u>	<u>1,401,668</u>	<u>31,164</u>	<u>231,600</u>	<u>262,764</u>	<u>1,194,384</u>	<u>1,457,148</u>

Company						
Balance as at 12/31/2017	Issuances	Interest	Amortization of issuance cost	Amortization	Interest payment	Balance as at 03/31/2018
1,457,148	2,728	26,868	889	(60,000)	(25,965)	1,401,668

						Consolidated										
						03/31/2018					12/31/2017					
		Outstanding shares	Annual interest	Effective rate	Amortization conditions	Collaterals	Charges	Principal	Total current	Noncurrent	Total	Charges	Principal	Total current	Total noncurrent	Total
CPFL Renováveis																
1st issuance - SIF	1 to 12 series	432,299,666	TJLP + 1%	TJLP + 4.28%	39 semiannual consecutive installments beginning 2009	Conditional sale	2,030	45,708	47,738	457,081	504,819	762	44,968	45,730	449,678	495,408
1st issuance - Renováveis	Single series	43,000	CDI + 1.7%	CDI + 2.64%	9 annual installments payable between 2015 and 2023 and monthly interest beginning June 2015	Collateral assignment of dividends of BVP and PCH Holding	9,497	64,500	73,997	258,000	331,997	2,970	64,500	67,470	258,000	325,470
1st issuance - PCH Holding 2	Single series	1,581	CDI + 1.6%	CDI + 2.73%	9 annual installments payable between 2015 and 2023 and monthly interest beginning June 2015	CPFL Renováveis' guarantee	288	8,701	8,989	123,391	132,380	260	8,701	8,961	123,391	132,352
2nd issuance - Renováveis	Single series	300,000	114% of CDI	131.17% CDI	5 annual installments beginning 2017 and semiannual interest payable beginning September 2014	Unsecured	59	60,000	60,059	150,000	210,059	5,531	60,000	65,531	210,000	275,531
2nd issuance - Dobrevê	Single series	65	CDI + 1.34%	CDI + 3.10%	3 semiannual installments payable beginning April 2018 and semiannual interest payable beginning April 2018	Unsecured	41,883	43,329	85,212	21,671	106,883	39,857	43,329	83,186	21,671	104,857
3rd issuance - Renováveis	Single series	29,600	117.25% CDI	137.58% CDI	3 semiannual installments payable beginning April 2018 and semiannual interest payable beginning November 2015	Unsecured	7,736	98,657	106,393	197,343	303,736	2,169	98,657	100,826	197,343	298,169
1st issuance - Pedra Cheirosa I	Single series	5,220	CDI + 1.90%	CDI + 2.60%	Principal and interest payable in March 2018	CPFL Renováveis' guarantee	-	-	-	-	-	1,617	64,653	66,270	-	66,270
1st issuance - Pedra Cheirosa II	Single series	4,780	CDI + 1.90%	129.39% CDI	Principal and interest payable in March 2018	CPFL Renováveis' guarantee	-	-	-	-	-	1,481	59,202	60,683	-	60,683
4th issuance - Renováveis	Primeira Série	20,000	126% CDI	141.46% CDI	Three annual installments beginning September 2019 and semiannual interest beginning March 2017	CPFL Energia's guarantee	62	-	62	200,000	200,062	4,534	-	4,534	200,000	204,534
5th issuance - Renováveis	Single series	100,000,000	129.5% CDI	146.50% CDI	Principal and interest payable in semiannual installments beginning June 2018	Conditional assignment of 60% of shares and receivables from Ludesas's PPA agreements. Dobrevê's guarantee.	11,978	12,000	23,978	88,000	111,978	9,716	12,000	21,716	88,000	109,716
7th issuance - Renováveis	Single series	250,000	IPCA + 5.62%	IPCA + 5.65%	Principal and interest payable in semiannual installments beginning June 2018	CPFL Energia's guarantee	2,907	-	2,907	256,084	258,991	6,244	-	6,244	253,529	259,773
						Borrowing costs	-	(4,835)	(4,835)	(20,347)	(25,182)	-	(5,638)	(5,638)	(21,556)	(27,194)
							<u>76,440</u>	<u>328,060</u>	<u>404,500</u>	<u>1,731,223</u>	<u>2,135,723</u>	<u>75,141</u>	<u>450,372</u>	<u>525,513</u>	<u>1,780,056</u>	<u>2,305,569</u>

Consolidated						
Balance as at 12/31/2017	Issuances	Interest	Amortization of issuance cost	Amortization	Interest payment	Balance as at 03/31/2018
2,305,569	10,872	34,689	2,012	(183,856)	(33,563)	2,135,723

Main changes in the period:

- 1st issuance of debentures – Pedra Cheirosa I - Public offer for distribution of the 1st issuance of simple debentures

In the three-month period ended March 31, 2018, subsidiary Pedra Cheirosa I settled the 1st issuance of unsecured simple debentures, not convertible into shares, in single series. These debentures were settled on March 14, 2018, on the deed maturity date, in the amount of R\$67,277, subject to the CDI + 1.22%.

- 1st issuance of debentures – Pedra Cheirosa II - Public offer for distribution of the 1st issuance of simple debentures

In the three-month period ended March 31, 2018, subsidiary Pedra Cheirosa II settled the 1st issuance of unsecured simple debentures, not convertible into shares, in single series. These debentures were settled on March 14, 2018, on the deed maturity date, in the amount of R\$61,606, subject to the CDI + 1.22%.

The long-term debenture estimated payment schedule is as follows:

Company			Consolidated		
Maturity	Cost	Amount	Maturity	Cost	Amount
2019	(2,668)	217,157	2019	(3,429)	309,214
2020	(3,212)	299,186	2020	(4,195)	369,573
2021	(2,580)	273,500	2021	(3,563)	343,886
2022	(1,618)	343,584	2022	(2,600)	413,970
2023	(1,520)	16,000	2023	(2,434)	86,386
2024 to 2028	-	-	2024 to 2028	(4,126)	228,541
Total	(11,598)	1,149,427	Total	(20,347)	1,751,570

Covenants

According to the Company and its subsidiaries' management, all covenants and clauses were properly complied as at March 31, 2018.

For further information on the covenants of the other debentures, please refer to Note 16 to the financial statements for the year ended December 31, 2017.

17. ADVANCES FROM CUSTOMERS

As at March 31, 2018 and December 31, 2017, the balances refer to advances from customers related to the advanced revenues without the actual power or service supply, as follows:

	Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
CCEAR*	-	-	74,755	74,808
CER**	-	-	30,466	24,518
Free market***	-	-	133,554	112,077
PROINFA	-	-	159,853	117,199
Transmission line rental****	-	-	3,966	4,171
Other advances	134	142	127	135
Total	134	142	402,721	332,908
Current liabilities	93	92	379,848	311,295
Noncurrent liabilities	41	50	22,873	21,613
	134	142	402,721	332,908

* Regulated Environment Electricity Sale Agreement.

** Reserve Power Agreement.

*** Balances mainly from GSF injunctions and Physical Guarantee.

**** Advanced transmission line structure rental.

18. PROVISIONS FOR SOCIAL AND ENVIRONMENTAL COSTS AND ASSET DECOMMISSIONING

	Consolidated		
	Social and environmental costs	Asset decommissioning	Total
Balance as at 12/31/2017	24,742	99,212	123,954
Addition	-	99	99
Reversal*	-	(9,824)	(9,824)
Payment	(939)	-	(939)
Adjustment to present value	357	2,266	2,623
Balance as at 03/31/2018	24,160	91,753	115,913
Current liabilities	16,195	-	16,195
Noncurrent liabilities	7,965	91,753	99,718
	24,160	91,753	115,913

* Reversal from the change in assumptions and estimates on the provisions for asset decommissioning of wind farms Campo dos Ventos and São Benedito.

19. PROVISION FOR RISKS AND ESCROW DEPOSITS

The Company and its subsidiaries are parties to labor, social security, tax, civil, and environmental lawsuits and administrative proceedings.

Based on the opinion of its legal counsel, the Company's and its subsidiaries' management recognizes a provision for risks when the likelihood of an unfavorable outcome is assessed as probable.

The provision for risks is broken down as follows:

	Company				Escrow deposits
	Labor	Civil	Tax	Total	
Balance as at 12/31/2017	2,014	-	-	2,014	(253)
Addition	-	-	-	-	(185)
Reversal	-	-	-	-	-
Payment	-	-	-	-	-
Interest	21	-	-	21	(3)
Balance as at 03/31/2018	2,035	-	-	2,035	(441)

	Consolidated				Escrow deposits
	Labor	Civil	Tax	Total	
Balance as at 12/31/2017	4,090	20,669	10,974	35,733	(13,351)
Addition	-	-	-	-	(283)
Reversal	(22)	-	-	(22)	-
Payment	(42)	-	-	(42)	29
Interest	41	3	94	138	(140)
Balance as at 03/31/2018	4,067	20,672	11,068	35,807	(13,745)

Risks whose likelihood of loss is assessed as possible

The Company and its subsidiaries are parties to other lawsuits and risks, whose likelihood of favorable outcome is assessed as possible by the Company's outside legal counsel due to their grounding legal basis and, therefore, no provision was recorded. There are no court or other decisions on similar lawsuits whose likelihood of loss is assessed as probable or remote that would represent a judicial trend on these issues.

As at March 31, 2018, the lawsuits whose likelihood of loss is assessed as possible are broken down as follows:

	03/31/2018		12/31/2017	
	Number	Amount	Number	Amount
Labor	44	4,512	31	3,659
Civil	95	234,522	93	230,963
Tax	55	565,860	53	550,366
	194	804,894	177	784,988

a) Labor

Labor lawsuits and labor administrative proceedings generally address claims and violations relating to former outside service providers.

b) Civil

The civil lawsuits mainly relate to indemnity for expropriation or right of way; arbitration procedure, requesting the indemnity for losses related to the non-compliance with contractual clauses.

c) Tax

Tax lawsuits generally address tax collection, specially tax on services (ISS) and abusive collection for issuance/renewal of operating permit. In addition, on August 19, 2016, the Company was assessed, in the amount of R\$320,329, relating to the Withholding Income Tax (IRRF) on capital gain to individuals resident and/or domiciled abroad, arising from the sale of Jantus SL in December 2011. Based on the opinion of its legal counsel, the Company's management does not agree with the tax assessment and assessed the likelihood of loss as possible.

d) Other

- CNPE n°03

As at March 31, 2018, the Company and its subsidiaries are parties to regulatory claims relating to the collection of the ESS charge, as set forth in CNPE Resolution 3, of March 6, 2013, whereby the Company and its subsidiaries, through the Brazilian Association of Independent Power Producers (APINE) and Brazilian Association of Clean Power Generation (ABRAGEL), obtained the preliminary injunction that suspended the collection of such charge. As at March 31, 2018, the amount involved totals R\$52,247 (original amount).

- GSF preliminary injunction

The information on the GSF preliminary injunction is described in Note 32.3 to the financial statements for the year ended December 31, 2017.

On March 31, 2018, the decision rendered on February 16, 2018 remained effective relating to the Motions for Clarification, which suspended the prior-year GSF payments until the consideration of the merits, however, it authorized the monthly GSF payments beginning February 7, 2018.

20. EQUITY

a) Capital

As at March 31, 2018 and December 31, 2017, subscribed and paid-in capital is R\$3,390,870, represented by 503,351,271 registered common shares, without par value. Each share entitles its holder to one vote in Shareholders' Meetings.

b) Shareholding structure

The Company's shareholding structure is as follows:

Shareholders	03/31/2018		12/31/2017	
	Common	%	Common	%
CPFL Geração de Energia S.A.	259,748,799	51.60	259,748,799	51.60
Arrow – Fundo de Investimento em Participações	61,541,682	12.23	61,625,182	12.24
Previ	31,960,220	6.35	31,960,220	6.35
Fundo de Invest. Partic. Brasil Energia	31,439,288	6.25	31,439,288	6.25
Banco BTG Pactual S.A.	31,345,517	6.23	31,115,717	6.18
Patria Energia Fundo de Invest. em Participações	21,064,242	4.18	21,064,242	4.18
Fundo de Invest. Partic. Multisetorial Plus	13,104,207	2.60	13,104,207	2.60
GMR Energia S.A.	8,050,323	1.60	8,230,323	1.64
Pátria Energia Renovável - Fundo de Investimento em Participações Infraestrutura	3,699,532	0.73	3,699,532	0.74
Other	41,397,461	8.22	41,363,761	8.21
	<u>503,351,271</u>	<u>100.00</u>	<u>503,351,271</u>	<u>100.00</u>

Shareholders' Agreement

On August 24, 2011, the Company entered into the Shareholders' Agreement.

The Shareholders' Agreement was amended on May 31, 2012, January 28, 2013, April 28, 2014 and October 1, 2014 to set forth the terms and conditions of the relationship between the Company's Shareholders and Investees, indirectly, including: (a) the participation of the Shareholders in the Company's management bodies, through the appointment of the Board of Directors' members; and (b) the preemptive right in the acquisition of the Company's shares and other specific restrictions related to the transfer of the Company's shares and economic rights associated with the ownership of shares.

Currently, the following shareholders entered into the Shareholders' Agreement, including the respective interest thereof in the voting capital: CPFL Geração de Energia S.A. (51.60%), Arrow – Fundo de Investimento em Participações (12.23%), Pátria Energia - Fundo de Investimento em Participações (4.18%), Fundo de Investimento em Participações Multisetorial Plus (2.60%), GMR Energia S.A. (1.60%), Fundo de Investimento em Participações Brasil Energia (6.25%) and Pátria Energia Renovável - Fundo de Investimento em Participações em Infraestrutura (0.73%), totaling an interest of 79.19%.

c) Earnings (loss) per share

Basic earnings (loss) per share are calculated based on profit or loss for the period attributable to owners of the Company and the weighted average number of common shares outstanding in the related period.

Diluted earnings (loss) per share are calculated based on profit or loss for the period attributable to the owners of the Company and the weighted average number of common shares outstanding in the period, considering the dilutive effects of convertible instruments.

In compliance with CPC 41, equivalent to IAS 33 – Earnings (Loss) per Share, the following table reconciles loss for the period with the amounts used to calculate the basic and diluted loss per share.

The dilutive effect of the numerator used to calculate diluted earnings per share takes into consideration the dilutive effects of convertible debentures issued by Company's subsidiaries (Note 16). These instruments reduce the profits available for owners of the Company. The effects have been calculated based on the assumption that such debentures would be converted into the subsidiaries' common shares at the beginning of the period.

A. Basic earnings (loss) per share	<u>03/31/2018</u>	<u>03/31/2017</u>
Numerator		
Loss available to common shareholders (in thousands of R\$)	(74,431)	(56,325)
Denominator		
Weighted average number of common shares	503,317,283	503,317,283
Basic loss per share (R\$ per share)	<u>(0.15)</u>	<u>(0.11)</u>
B. Diluted loss per share		
Numerator		
Loss available to common shareholders (in thousands of R\$)	<u>(74,431)</u>	<u>(56,325)</u>
Denominator		
Weighted average number of common shares	<u>503,317,283</u>	<u>503,317,283</u>
Loss per share (R\$ per share)	<u>(0.15)</u>	<u>(0.11)</u>

21. NET OPERATING REVENUE

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Revenue from sale of power	18,888	15,878	404,573	390,592
Other revenues	9	9	944	885
Gross revenue	18,897	15,887	405,517	391,477
Deductions from gross revenue				
PIS/COFINS	(2,213)	(1,469)	(20,396)	(18,461)
Regulatory charges	-	-	(1,573)	(2,083)
Net operating revenue	16,684	14,418	383,548	370,933
MHW sold/generated	132,760	90,011	1,710,519	1,298,357

Below is the segregation of revenues by type of contract:

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
CCEAR*	-	-	28,732	60,833
CER**	-	-	40,400	59,734
Free market	18,888	15,878	245,830	169,816
PROINFA	-	-	89,611	100,209
Total	18,888	15,878	404,573	390,592

* Regulated Environment Electricity Sale Agreement.

** Reserve Power Agreement.

The power sale contracts of the Company's subsidiaries in operation as at March 31, 2018 have the following characteristics:

Project/SPE	Type	Contracted energy (MWh)	Contracted price (R\$/MWh) (a)	Adjustment index	Adjustment month
Alto Irani (d)	PROINFA	12.4	255.40	IGPM	June
Americana (d)	Free Market	5.9	260.33	IPCA	January
Andorinhas	Free Market	0.4	245.94	IGPM	January
Arvoredo	CCEAR	7.0	245.59	IPCA	(b)
Atlântica I (g)	Free Market	13.1	241.00	-	-
Atlântica II (g)	Free Market	12.9	241.00	-	-
Atlântica IV (g)	Free Market	13.0	241.00	-	-
Atlântica V (g)	Free Market	13.7	242.00	-	-
Baía Formosa	CCEAR	11.0	267.28	IPCA	(b)
Barra da Paciência	Free Market	14.8	257.85	IPCA	January
Bio Alvorada	Free Market	18.0	195.00	IPCA	January
Bio Buriti	Free Market	21.0	238.94	IPCA	January
Bio Coopcana	Free Market	18.0	195.00	IPCA	January
Bioenergia	Free Market	12.5	240.01	IGPM	January
Bio Ester	CCEAR	7.0	254.41	IPCA	January
Bio Ester	Free Market	7.9	161.78	IPCA	(b)
Bio Ipê	Free Market	8.2	238.94	IPCA	January
Bio Pedra	CER	24.4	231.33	IPCA	March
Bons Ventos	PROINFA	15.9	451.34	IGPM	March
Buritis (d)	Free Market	0.4	260.33	IPCA	January
Campo dos Ventos I (e)	Free Market	13.6	185.21	IPCA	January
Campo dos Ventos II	CER	12.6	196.87	IPCA	September
Campo dos Ventos III (e)	Free Market	13.4	185.21	IPCA	January
Campo dos Ventos V (e)	Free Market	13.1	185.21	IPCA	January
Canoa Quebrada	PROINFA	22.9	396.81	IGPM	June
Canoa Quebrada - RV	PROINFA	3.3	453.19	IGPM	March
Capão Preto (d)	Free Market	2.2	260.33	IPCA	January
Chibarro (d)	Free Market	1.5	260.33	IPCA	January
Cocais Grande (d)	PROINFA	4.6	255.40	IGPM	June
Corrente Grande	Free Market	8.4	257.85	IPCA	January
Costa Branca (g)	Free Market	9.8	245.00	-	-
Diamante	Free Market	1.6	228.41	IGPM	January
Dourados (d)	Free Market	5.7	260.33	IPCA	January
Eloy Chaves (d)	Free Market	11.0	260.33	IPCA	January
Enacel	PROINFA	9.9	445.62	IGPM	June
Esmeril (d)	Free Market	2.9	260.33	IPCA	January
Eurus I	CER	12.7	193.83	IPCA	September
Eurus III	CER	14.6	193.81	IPCA	September
Eurus VI	CER	2.6	240.21	IPCA	July
Figueirópolis	PROINFA	12.5	259.52	IGPM	March
Foz do Rio Choró	PROINFA	7.4	439.84	IGPM	August
Gavião Peixoto (d)	Free Market	3.6	260.33	IPCA	January
Guaporé (d)	Free Market	0.4	245.94	IGPM	January
Icarazinho	PROINFA	21.4	405.50	IGPM	March
Jaguari (d)	Free Market	4.5	260.33	IPCA	January
Juremas (g)	Free Market	7.5	245.00	-	-
Lagoa do Mato - RV	PROINFA	1.4	399.59	IGPM	March
Lençóis (d)	Free Market	1.0	260.33	IPCA	January
Ludesa	PROINFA	16.7	255.40	IGPM	June
Macacos (g)	Free Market	9.7	245.00	-	-
Mata Velha	Free Market	12.5	180.99	IPCA	April
Monjilinho (f)	Free Market	0.4	218.68	IGPM	April
Morro dos Ventos I	CER	12.7	241.87	IPCA	July
Morro dos Ventos II (g)	Free Market	15.1	242.00	-	-
Morro dos Ventos III	CER	12.7	241.82	IPCA	July
Morro dos Ventos IV	CER	12.1	241.84	IPCA	July
Morro dos Ventos IX	CER	12.8	241.85	IPCA	July
Morro dos Ventos VI	CER	11.2	241.89	IPCA	July
Ninho da Águia	Free Market	4.2	257.85	IPCA	January
Novo Horizonte	Free Market	10.2	175.62	IGPM	(c)
Paíol	Free Market	10.9	257.81	IPCA	January
Paracuru	PROINFA	11.7	399.59	IGPM	March
Pedra Cheirosa I (g)	Free Market	13.6	265.00	-	-
Pedra Cheirosa II (g)	Free Market	12.5	265.00	-	-
Pedra Preta (g)	Free Market	10.1	245.00	-	-
Pinhal (d)	Free Market	3.7	260.33	IPCA	January
Pirapó (d)	Free Market	0.6	245.94	IGPM	January
Plano Alto (d)	PROINFA	9.3	255.40	IGPM	June
Praia Formosa	PROINFA	1.8	443.01	IGPM	July
Praia Formosa - A	PROINFA	1.4	439.84	IGPM	August
Praia Formosa - B	PROINFA	3.7	440.26	IGPM	September
Praia Formosa - C	PROINFA	21.1	453.19	IGPM	March
Salinho (d)	Free Market	0.7	245.94	IGPM	January
Salto Góes	CCEAR	11.1	230.09	IPCA	(b)
Salto Grande (d)	Free Market	2.6	260.33	IPCA	January
Santa Clara I	CER	12.5	240.21	IPCA	July
Santa Clara II	CER	11.2	240.21	IPCA	July
Santa Clara III	CER	11.8	240.21	IPCA	July
Santa Clara IV	CER	10.9	240.21	IPCA	July
Santa Clara V	CER	11.2	240.21	IPCA	July
Santa Clara VI	CER	10.5	240.21	IPCA	July
Santa Luzia	CCEAR	14.0	245.59	IPCA	(b)
Santa Luzia	Free Market	4.0	263.75	IPCA	August
Santa Mônica (e)	Free Market	15.0	185.21	IPCA	January
Santa Úrsula (e)	Free Market	14.6	185.21	IPCA	January
Santana (d)	Free Market	2.6	260.33	IPCA	January
Santo Dâmas (e)	Free Market	16.1	185.21	IPCA	January
São Benedito (e)	Free Market	14.9	185.21	IPCA	January
São Domingos (e)	Free Market	15.3	185.21	IPCA	January
São Gonçalo (d)	Free Market	6.4	257.85	IPCA	January
São Joaquim (d)	Free Market	5.1	260.33	IPCA	January
São Martinho (e)	Free Market	9.2	185.21	IPCA	January
Socorro (d)	Free Market	0.3	260.33	IPCA	January
Solar	Free Market	0.2	235.72	IPCA	January
Taíba Albatroz	PROINFA	6.6	411.32	IGPM	March
Três Saltos (d)	Free Market	0.4	260.33	IPCA	January
Varginha	CCEAR	4.0	245.59	IPCA	(b)
Várzea Alegre	Free Market	4.8	257.85	IPCA	January
Total		910.4			
Weighted price		257.27			

- (a) Reference date 03/31/2018.
 (b) The agreement is adjusted on the purchaser's tariff adjustment date (distributor).
 (c) The agreement is adjusted on the purchaser's tariff adjustment date (free consumers).
 (d) Power and/or price taking into consideration the review of the physical guarantee in July (Ordinance 30).
 (e) Power contracted proportionally to the block agreement.
 (f) Although under the Free Market, the agreement was entered into with CPFL Paulista.
 (g) Companies under the MCS D, the price is applicable between January 2018 and June 2018.

22. COST OF POWER GENERATION AND GENERAL AND ADMINISTRATIVE EXPENSES

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Cost:				
Cost of power purchase (a)	(24,027)	(14,653)	(45,760)	(28,124)
Transmission system use charges	-	-	(24,700)	(25,147)
Cost of power plant operation	-	-	(29,990)	(28,052)
Materials	-	-	(9,229)	(4,403)
Personnel costs	-	-	(7,753)	(6,044)
Leases	-	-	(5,164)	(4,060)
Depreciation and amortization	-	-	(116,733)	(111,155)
Amortization of hydrological risk premium – GSF	-	-	(590)	(590)
Other operating costs	-	-	(3,912)	(3,360)
Total	<u>(24,027)</u>	<u>(14,653)</u>	<u>(243,831)</u>	<u>(210,935)</u>
General and administrative expenses:				
Personnel expenses	(14,398)	(14,516)	(14,398)	(14,516)
Occupancy expenses	(1,296)	(806)	(2,295)	(1,890)
Material	(415)	(448)	(459)	(475)
Allowance for doubtful accounts	-	-	-	7
Professional services	(10,239)	(8,979)	(12,717)	(12,182)
Provision for risks	(99)	(144)	(409)	(910)
Reversal of impairment losses	5,130	-	5,837	-
Depreciation and amortization	(1,633)	(996)	(1,748)	(1,053)
Management compensation	(2,326)	(2,350)	(2,810)	(2,350)
Other	(1,040)	(587)	(1,412)	(2,366)
Total	<u>(26,316)</u>	<u>(28,826)</u>	<u>(30,411)</u>	<u>(35,735)</u>
Amortization of operation right	-	-	(39,206)	(38,625)
Total	<u>(26,316)</u>	<u>(28,826)</u>	<u>(69,617)</u>	<u>(74,360)</u>

- (a) The amount recorded in the parent refers to the power acquired to meet the short-term market exposure and guarantees of the Company's subsidiaries.

23. FINANCE INCOME (COSTS)

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Finance income:				
Income from short-term investments	2,520	11,130	23,685	36,385
PIS and COFINS on finance income	(207)	(528)	(922)	(1,608)
Adjustment to present value of Baldin Bioenergia S.A.	-	-	813	865
Inflation adjustment gains	-	-	7	613
Interest on loans	114	189	171	212
Revenue from CCEE settlements	1,814	31	6,075	2,224
Other	3	2	310	199
Total	<u>4,244</u>	<u>10,824</u>	<u>30,139</u>	<u>38,890</u>
Finance costs:				
Interest on borrowings and debentures	(43,695)	(63,595)	(118,777)	(150,878)
Inflation adjustment on loans and debentures	(3,994)	(2,093)	(17,456)	(20,770)
Capitalized interest in property, plant and equipment	-	-	2,442	19,503
Bank guarantee, commissions and brokerage fees	(949)	(70)	(4,395)	(1,403)
Inflation adjustment losses	(21)	(10)	(138)	(447)
Adjustment to present value	-	-	(2,623)	(1,600)
Interest on loans	(27,183)	(25,178)	(80)	(80)
IOF	(2,479)	(4)	(2,936)	(831)
Sundry fines	(125)	(99)	(147)	(3,545)
Other	<u>(8,353)</u>	<u>(6,252)</u>	<u>(15,244)</u>	<u>(6,993)</u>
Total	<u>(86,799)</u>	<u>(97,301)</u>	<u>(159,354)</u>	<u>(167,044)</u>

24. INCOME TAX AND SOCIAL CONTRIBUTION

24.1. Current income tax and social contribution

The Company's management adopted the deemed income regime to calculate the income tax and social contribution of its subsidiaries in operation, except for SPEs BVP Geradora, Formosa, Icaraizinho, Bioenergia and Mata Velha, which adopted the taxable income regime. The regime adopted by the Company and for SPEs under construction and startup (development) phase was the taxable income regime.

The table below shows the reconciliation of tax effects on income before income tax and social contribution at statutory tax rates for the Company and the consolidated effects for the relevant periods.

	Company			
	03/31/2018		03/31/2017	
	IR	CS	IR	CS
Loss before income tax and social contribution	(72,687)	(72,687)	(56,325)	(56,325)
Effective rate reconciliation:				
Exclusion - equity in subsidiaries (Note 11)	(43,527)	(43,527)	(59,213)	(59,213)
Calculation basis	(116,214)	(116,214)	(115,538)	(115,538)
Effective rate	25%	9%	25%	9%
Expected income tax and social contribution credit at effective rates	29,054	10,459	28,885	10,398
Credits arising from temporary differences and tax losses not recorded due to uncertain realization	(30,336)	(10,921)	(28,885)	(10,398)
Expected income tax and social contribution	(1,282)	(462)	-	-
Current taxes	-	-	-	-
Deferred taxes	(1,282)	(462)	-	-
Taxes, net	(1,282)	(462)	-	-
Effective rate - %	1.8%	0.6%	0.0%	0.0%
	Consolidated			
	03/31/2018		03/31/2017	
	IR	CS	IR	CS
Loss before income tax and social contribution	(59,115)	(59,115)	(42,516)	(42,516)
Effective rate reconciliation:				
Other permanent additions (exclusions)	11,645	11,645	(4)	(4)
Tax incentives - income tax deduction (operating profit)	-	-	(6,501)	-
Reclassification of deferred taxes on unrealized portion	(926)	(926)	(11,850)	(11,850)
Taxation reversal - taxable income	(67,386)	(67,386)	(78,172)	(78,172)
Taxation under deemed profit, based on the gross sales for calculation basis purposes	27,932	41,898	26,145	39,218
Adjustment to additional income tax	(2,198)	-	(937)	-
Calculation basis	(90,048)	(73,884)	(113,835)	(93,324)
Effective rate	25%	9%	25%	9%
Expected income tax and social contribution credits at effective rates	22,512	6,650	28,459	8,399
Credits from temporary differences and tax losses not recorded due to uncertain performance	(31,383)	(11,298)	(36,152)	(13,015)
Utilization of credits	83	30	119	43
Income tax and social contribution expense	(8,788)	(4,618)	(7,574)	(4,573)
Current taxes	(17,835)	(7,875)	(16,946)	(7,947)
Deferred taxes	9,047	3,257	9,372	3,374
Taxes, net	(8,788)	(4,618)	(7,574)	(4,573)
Effective rate - %	14.9%	7.8%	17.8%	10.8%

24.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recorded to reflect future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective carrying amounts.

The balances of deferred taxes are reported in the balance sheet at their net amounts, at the level of the legal entity. Deferred taxes are broken down as follows:

	Consolidated					
	03/31/2018			12/31/2017		
	CSLL	IRPJ	Total	CSLL	IRPJ	Total
Deferred taxes - assets:						
Fair value of property, plant and equipment (depreciation of assets)	20,925	58,124	79,049	21,294	59,150	80,444
Temporarily non-deductable provision	246	682	928	184	512	696
Total assets	21,171	58,806	79,977	21,478	59,662	81,140
Deferred taxes - liabilities:						
Appreciation arising from determination of deemed cost	25,778	71,604	97,382	26,201	72,779	98,980
Appreciation of assets received from former ERSA	72,847	202,353	275,200	73,674	204,649	278,323
Intangible assets - concession/operating right Jantus, Santa Luzia, Atlântica, BVP, Rosa dos Ventos and Desa	170,755	474,319	645,074	172,995	480,541	653,536
RTT tax x corporate depreciation	20,409	56,691	77,100	19,505	54,180	73,685
WF2 merger*	3,578	9,940	13,518	3,578	9,940	13,518
Unrealized portion	55	154	209	1,034	2,873	3,907
Total liabilities	293,422	815,061	1,108,483	296,987	824,962	1,121,949
	272,251	756,255	1,028,506	275,509	765,300	1,040,809

* This balance resulted from the WF2 merger and refers to deferred taxes on prior-year interest gains, to be performed in the eventual investment disposal.

<u>Expected recovery</u>	<u>Consolidated</u>
2019	4,185
2020	5,580
2021	5,580
2022 to 2026	27,899
2027 to 2031	27,899
2032 to 2036	8,834
Total	<u>79,977</u>

a) Presentation in the balance sheet

The balance of deferred taxes is presented in the balance sheet at their net amounts at the level of the legal entity. Deferred taxes are broken down as follows:

	Consolidated	
	03/31/2018	12/31/2017
Total assets	79,977	81,140
Total liabilities	<u>(1,108,483)</u>	<u>(1,121,949)</u>
	<u>(1,028,506)</u>	<u>(1,040,809)</u>
Classified:		
Total assets	928	696
Total liabilities	<u>(1,029,434)</u>	<u>(1,041,505)</u>
	<u>(1,028,506)</u>	<u>(1,040,809)</u>

b) Changes in the balances of deferred taxes

	Asset			Liability		
	CSLL	IRPJ	Total	CSLL	IRPJ	Total
Balance as at 12/31/2017	183	513	696	275,693	765,812	1,041,505
Recognition of deferred taxes	61	171	232	904	2,511	3,415
Realization of deferred taxes	-	-	-	(3,120)	(8,668)	(11,788)
Unrealized portion	-	-	-	(979)	(2,719)	(3,698)
Balance as at 03/31/2018	<u>244</u>	<u>684</u>	<u>928</u>	<u>272,498</u>	<u>756,936</u>	<u>1,029,434</u>

24.3. Tax credits

The Company and its subsidiaries recognize unrecorded tax loss carryforwards on the following reference amounts:

	<u>Company</u>	<u>Consolidated</u>
	<u>R\$</u>	<u>R\$</u>
Tax losses as at March 31, 2018	<u>1,982,613</u>	<u>2,925,178</u>
Tax loss carryforwards as at March 31, 2018	<u>1,982,613</u>	<u>2,925,178</u>

Tax loss carryforwards is offset at the maximum rate of 30% of annual taxable income, with no statutes of limitation.

The Company and its subsidiaries recorded tax loss carryforwards and temporary differences at the end of the reporting periods. Management's decision not to recognize future tax benefits is based on (i) the fact that the Company is a holding, whose profit or loss derives mainly from equity in subsidiaries; and (ii) the lack of a history of taxable income to date that supports the recognition of deferred tax assets.

25. FINANCIAL INSTRUMENTS

Capital risk management

The capital risk structure and policies adopted by the Company in the assessment of its financial instruments are disclosed in Note 25 to the financial statements for the year ended December 31, 2017.

25.1. Classifications of financial instruments

The classifications of financial assets and financial liabilities are disclosed in Note 25.1 to the financial statements for the year ended December 31, 2017.

25.2. Measurement of financial instruments

The hierarchy of the financial instruments at fair value provides for more consistent and updated information on the Company and its subsidiaries. The fair value of the financial instruments is measured as follows:

- (i) Level 1 – prices quoted (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than traded prices in active markets included in Level 1, that are observable for the asset or liability, directly (prices) or indirectly (derived from prices):
- Short-term investments and securities (Note 6)

Due to the short-term maturity of these balances, the carrying amounts approximate the fair values at the balance sheet date.

- Borrowings, financing and debentures in the short- and long-term maturity

Financial instruments with the same characteristics in the market, whose market value was determined under the discounted cash flow method, based on the available interest rate projections. The borrowings and financing with BNDES and FINEP – investment were not marked to market due to their exclusive characteristics (without similar financial instruments in the market):

		Consolidated	
		03/31/2018	
		Carrying amount	Fair value
Stated at cost			
Domestic currency			
Financial institutions	Level 2	638,544	638,337
BNDES/FINEP - Investment	Level 2	3,548,141	3,548,141
NIB	Level 2	55,507	54,163
Debentures	Level 2	2,135,723	2,081,936
Total		<u>6,377,915</u>	<u>6,322,577</u>

- (iii) Level 3 – inputs for assets or liabilities that are not based on observable market variables (unobservable inputs), generally obtained internally or other sources.

25.3. Considerations on risks

The risk management structure and main market risk factors that impact the Company's and its subsidiaries' businesses are disclosed in Note 25.3 to the financial statements for the year ended December 31, 2017.

Sensitivity analysis

In accordance with CVM Instruction 475, of December 17, 2008, the Company analyzed its financial instruments to illustrate its sensitivity to changes in market variables, assuming:

- (i) Scenario I: based on the macroeconomic assumptions obtained in the market to March 31, 2019 (CDI at 6.89% p.a., TJLP at 6.00% p.a., IGPM at 4.57% p.a. and TR at 0.60% p.a.);
- (ii) Scenario II: a 25% increase/decrease in current indices; and

(iii) Scenario III: a 50% increase/decrease in current indices.

The projected effects arising from the application of these scenarios on the finance income (costs), in the Consolidated, for the next 12 months would be as follows:

Instruments	Index	Exposure	Scenario I	Decrease by 25%	Decrease by 50%	Increase by 25%	Increase by 50%
Financial asset							
CDB/Debentures/Public notes*	CDI	65,925	4,139	3,105	2,070	5,174	6,209
Securities	TR	10	-	-	-	-	-
Investment in funds**	CDI	1,478,438	90,644	67,983	45,322	113,306	135,967
		1,544,373	94,784	71,088	47,392	118,480	142,176
Financial liability							
Borrowings and financing - BNDES, FINEP, FCO, FNE and FDNE	TJLP + 2.00%	(3,482,040)	(292,840)	(238,433)	(184,026)	(347,246)	(401,653)
Borrowings and financing - NIB	IGPM + 8.63%	(55,765)	(7,175)	(6,584)	(5,994)	(7,766)	(8,356)
Borrowings and financing - DEBENTURES, APR, CCB and NP	CDI + 1.86%	(2,040,650)	(159,055)	(126,026)	(92,996)	(192,085)	(225,115)
Borrowings and financing - DEBENTURES	IPCA + 5.62%	(258,991)	(26,188)	(23,282)	(20,375)	(29,095)	(32,001)
Subtotal		(5,837,446)	(485,258)	(394,325)	(303,391)	(576,192)	(667,125)
Variation			(390,474)	(323,237)	(255,999)	(457,712)	(524,949)

* The investments in CDB/debentures/Federal Government bonds are subject to the average interest rate of 98.26% of the CDI rate (p.a.).

**The investments in funds are subject to the average interest rate of 95.95% of the CDI rate (p.a.).

As at March 31, 2018, total borrowing cost amounts to R\$46,589 (R\$46,467 as at December 31, 2017).

26. PENSION PLAN

The Company offers its employees benefits such as life insurance, health care and optional supplementary private pension plan, among others, under the defined contribution regime. These benefits are accounted for on an accrual basis and discontinued when employment is terminated.

In July 2012 the Company entered into a Free Benefit Generation Plan with Bradesco Vida e Previdência S.A. The plan comprises the Unrestricted Benefits Generating Plan (PGBL), regulated by the Private Insurance Authority (SUSEP). The Free Benefit Generation Plan is a parity contribution plan since the Sponsor is limited to the amount that it accepted to contribute to the fund and the post-employment benefit received by the employee is determined by the amount of contributions paid by the sponsor and the employee, plus the returns on investments. As a result, the actuarial risk that benefits may be lower than expected and the investment risk (risks that assets invested may be insufficient to cover the expected benefits) are borne by the employee since the selection of the type of income for the employee contribution is free.

As at March 31, 2018, the Company did not have balance of contribution payable. In the three-month period ended March 31, 2018, the Company recognized an expense of R\$464 (R\$430 as at March 31, 2017).

27. NON-CASH TRANSACTIONS

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Capitalized financial charges	-	-	2,442	19,503
Transfer between property, plant and equipment to intangible ass	162	1,210	185	1,205
Suppliers of property, plant and equipment items (Note 14)	-	-	5,340	30,540
Provision for social and environmental costs	-	-	9,725	-
Conversion of advances for future capital increase in loans	40	-	-	-
Allowance for investment losses	(6)	103	-	-
Capital increase through advances for future capital increase	840	-	-	-

28. SURPLUS AND DEFICIT COMPENSATION MECHANISM (MCSD)

The information on the surplus and deficit compensation mechanism is described in note 31 to the financial statements for the year ended December 31, 2017.

On January 19, 2018, wind farms Morro dos Ventos II, Macacos and Atlânticas were authorized by CCEE to continue operating under the MCSD in the first six-month period of 2018; in addition to the inclusion of wind farm Pedra Cheirosa in such mechanism.

The final result obtained by CCEE relating to the electric energy no longer contracted and sold was as follows:

Morro do Ventos II

Volume no longer contracted under ACR: 15.10 MWm
Average sales price: R\$242.00

Pedra Cheirosa I and II

Volume no longer contracted under ACR: 26.10 MWm
Average sales price: R\$265.00

Macacos

Volume no longer contracted under ACR: 37.10 MWm
Average sales price: R\$245.00

Atlânticas

Volume no longer contracted under ACR: 52.70 MWm
Average sales price: R\$241.26

The Company's consolidated gain under the MCSD mechanism in 2018 is estimated at R\$47,400, depending on the power volume generated.

29. SUBSEQUENT EVENTS

Public Offers for Acquisition of Shares (IPOs) by Disposal of Shareholding Control of CPFL Energias Renováveis S.A.

In addition to the already disclosed in note 1.6 and in continuity with the Public Offer for Acquisition of Shares (IPOs), on May 3, 2018, the Company disclosed Material Fact through which hereby informs its shareholders and the market in general that, on May 2, 2018, it received from the Superintendence of Securities Registries – SRE of the Brazilian Securities Commission (CVM) the Letter No. 114/2018/CVM/SRE/GER-1, announcing the decision issued by the Board of Commissioners of CVM, dated May 2, 2018, that partially upheld the appeal presented by State Grid, on March 8, 2018, against the SRE decision, on February 20, 2018, within the registration procedure for the Mandatory Tender Offer due to the indirect transfer of control of CPFL Renováveis, in order to: “(i) review the SRE decision with respect to the determination of a minimum price threshold to be observed in the Tender Offer; and (ii) confirm SRE’s determination to the resubmission of the ‘Justified Statement of Price’ with the following adjustments: the use of annual EBITDA information instead of quarterly information, to avoid distortions arising from seasonal effects and the incorporation of the companies’ prospective views in order to reflect the difference between its growth expectations”.

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Alessandro Gregori Filho
Financial and Investor Relations Officer

Sergio Luiz da Silva Ribeiro
Accounting and Tax Superintendent

Daniela Ribeiro Mendes
Accountant
CRC 1SP199348/O-0