



UNOFFICIAL TRANSLATION

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Curitiba, 21 February 2017

Ms. Naoko Ishii
Chief Executive Officer and Chairperson
Global Environment Facility
1818 h Street, NW, MSN G 6--602
Washington, DC 20433 USA

R&D PROJECT "BIOGAS APPLICATIONS FOR THE BRAZILIAN AGRO-INDUSTRY"

Dear Madam,

In accordance with the current legislation, COPEL Distribuicao S.A. and COPEL Geracao e Transmissao S.A. annually assign a percentage of their net operating income - NOI for Research and Technological Development of the Electric Energy Sector - R&D.

As defined in the Procedures of the Research and Development PROR&D, approved by the Regulatory Resolution n°754, on December 13, 2016, investments in R&D should be oriented to strategic or priority sub-themes, seeking to stimulate the development of relevant technological inventions and innovations in the Brazilian Electricity Sector.

We hereby inform that COPEL is developing a research and developed a project in this context entitled "GERA Rural" with the objective of including wind and solar energy and as well biorefineries using high efficiency biomass in rural businesses. In a first analysis this project fits in the subject of *Alternative sources of electricity generation* for the development or improvement of technologies or systems for generating electric energy from renewable and / or alternative sources.

Seeking to stimulate the development of technological inventions and innovations relevant to the Brazilian Electricity Sector, there is a possibility of a COPEL counterpart funding, proportional to the economic impacts resulting from the application of the project outcomes.

The estimated total value of the project is R\$ 50,000,000.00 (fifty million) activities to be carried out in a total period of sixty months.

The effective participation of COPEL in the project will only occur after the approval of the project proposal presented in the format defined in the Aneel PROR &D procedures and in accordance with the internal standards of the COPEL R&D+i.

Yours sincerely,
Jose Roberto Lopes
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