Brazil

The potential for economic growth and energy security lies behind the wish of the majority (89%) of Brazilian business executives to transition away from fossil fuels to a renewables-based electricity system by 2035.

Energy security is viewed as the main benefit of renewables by almost two-thirds (63%) of business executives, with most of those polled (89%) wanting a renewables-based power system within a decade. Brazil's ample hydropower potential has enabled the country to become self-reliant for over 90% of its electricity, with hydropower comprising the majority part (60%) of its total generation. An increase in drought conditions, however, has reduced the reliability of hydropower.[1] The rise of wind and solar (21%) has helped reduce this concern to a degree.[2] Solar, in particular, is growing fast, with 147 new solar farms coming on stream in 2024, adding 5.6GW in new capacity.[3] A new law facilitating offshore wind should see wind-generated power follow a similar upward curve.[4] The increasing cost-competitiveness of solar and wind-based technology increase their mutual appeal as a secure, long-term source of electricity for Brazil. The country's strong record on renewables is something that the current government is keen to promote, given Brazil's presidencies of both the BRICS summit in July 2025 and COP30 in November 2025.

Phasing out coal is a particular priority for business executives, three-quarters (75%) of whom support the idea of rapidly replacing coal-fired electricity with renewables-generated electricity directly, over replacing it with new fossil gas first. Among those respondents who want the government to prioritise new investment in renewables, over nine in ten (92%) support a coal exit by 2035. Brazil's main investment bank, Banco Nacional de Desenvolvimento Econômico e Social (BNDES), agrees; in 2021, the state financier announced that it would no longer issue credit for coal-fired power plants.[5] While relatively insignificant in the national picture,[6] the use of coal for electricity remains difficult to shake in Brazil's coal-rich southern states. Similarly, Brazil's discovery of the world's largest "ultra deep" offshore oil deposits has tightened the hold of fossil fuels on the Brazilian economy.[7]

1 https://www.power-technology.com/news/brazil-cuts-hydropower-use-as-droughts-impact-global-generation/

2 https://ember-energy.org/countries-and-regions/brazil/

3 https://renewablesnow.com/news/brazil-connects-over-9-9-gw-of-renewable-capacity-in-2024-1269401/

4 https://www.gov.br/planalto/en/latest-news/2025/01/president-lula-signs-law-creating-renewable-energy-generation-from-offshore-wind-turbines

5 https://ieefa.org/resources/200-and-counting-global-financial-institutions-are-exiting-coal

6 Coal is responsible for 4.4% of energy supply in Brazil and represents 14% of all emissions from fuel combustion. https://www.iea.org/countries/brazil/coal

7 Brazil is projected to produce as much as half the world's offshore oil by 2040 should current rates continue. At present, oil revenues currently represent around one tenth (10%) of the country's GDP. https://www.trade.gov/energy-resource-guide-brazil-oil-and-gas#:~:text=Brazil%20is%20the%20largest%20oil,oil%20reserves%20in%20the%20world.

Electricity policy

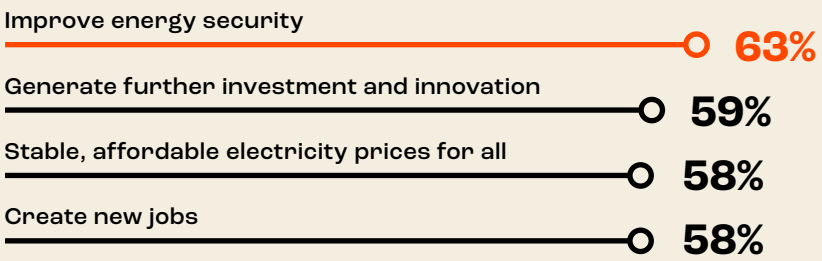
The strong support of Brazilian corporate executives for the transition fits with the government's wish to position itself as an international climate leader. This posture has growing public support in Brazil in the wake of a string of recent weather-related disasters. The country has not only suffered unprecedented droughts and wildfires in the last year;[8] it experienced flash flooding in Santa Catarina and Rio Grande do Sul states that caused billions of dollars in damages.[9]

The perception that transitioning to a renewables-based electricity system involves high upfront costs is cited by two-fifths (41%) of business respondents as a key hurdle to a fast transition. In as much as upfront costs are high, this is primarily due to regulatory governance issues and the cost of capital in Brazil, as opposed to the cost of the technology itself, which is cost-competitive. Many respondents (45%) would like to see fossil fuel subsidies reallocated to renewables, which will be vital to Brazil meeting its latest national climate plan target of a 59-67% reduction in overall emissions by 2035.[10] The move would also accelerate the phase-out of fossil fuels from the power sector.

Business 'asks'

Brazilian business executives believe that a rapid transition away from fossil fuels to renewables-based power would encourage new investment and fresh innovation (59%), as well as new employment (58%). To maximise these job opportunities, many executives in industry (45%) highlight the importance of government-backed incentives, education and retraining for workers who are currently employed in fossil fuel-linked sectors. Such measures would help counter the persistent narrative presented by the fossil fuel sector that the exploitation of oil, gas, and coal serves as a primary driver of employment and economic growth. Government support should be concentrated in particular in southern states such as Santa Catarina and Rio Grande do Sul where Brazil's coal industry is strongest. The government could also consider helping energy-intensive companies to produce on-site renewables-based electricity or to locate close to renewables-generating electricity facilities. This would meet companies' desire for increased reliability of electricity and cost savings on electricity bills, which are cited among the chief business benefits of the transition by 66% and 55% of Brazilian business executives, respectively.

Top benefits to your country for transitioning away from fossil fuels
(% who chose the following)



8 https://www.theguardian.com/world/2025/jan/21/brazil-fires-drought

9 https://disasterphilanthropy.org/disasters/2024-rio-grande-do-sul-brazil-floods/

10 This is against a 2005 baseline. https://www.gov.br/secom/en/latest-news/2024/11/brazil-submits-its-new-ndc-2014-in-alignment-with-the-paris-agreement-2014-to-the-un