

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

MATERIAL ANNOUNCEMENT

Renova decontracts 99.75 MWp of solar supply

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, as per CVM Instruction 358 of January 3, 2002, as amended, hereby informs the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market as follows:

Today Cemig's affiliated company **Renova Energia S.A.** ('Renova') published the following Material Announcement:

“ **Renova Energia S.A.** (RNEW11) ('Renova'), in compliance with CVM Instruction 358/2002 as amended, hereby **informs** its stockholders and the market in general **as follows**:

Today, under the Reserve Power Decontracting Mechanism ('the Mechanism'), Renova has decontracted commitments for solar supply made in the Reserve Auction (*Leilão de Energia de Reserva, or 'LER'*) of 2014.

The contract was for four wind farm complexes with aggregate installed capacity of 99.75 MWp, for physical offtake guarantee of 21.8MW average, to be supplied at the price of R\$ 220.30 per MWh (in October 2014 currency). In accordance with the rules of the tender offer as published by Aneel, the commitment was decontracted in consideration of payment of R\$ 7.9 million.

Under the terms of the tender, following this decontracting Renova may not now take part in any future Reserve Power Supply ('LER') auctions.

This transaction reduces the need for investment in the medium term, and also mitigates the potential financial and regulatory risks arising from the delay in delivery of the plants.”

Belo Horizonte, August 28, 2017.

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer