PRESS RELEASE

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Utilization of renewable sources by CEZ Group is constantly growing

Within nine months CEZ Group has generated 1.66 TWh of electrical energy in its renewable sources, nearly the same quantum it produced in the whole previous year

Production from biomass recorded the highest growth, when electricity generation from this renewable source has reached 158,301 MWh within CEZ Group, while its production for the whole year 2005 was 115,337 MWh. This year CEZ Group's fluid boilers have burnt 160,639 tonnes of biomass.

Compared to the previous year, wind power plants have generated the least electricity. Their production in the first nine months of this year has totaled only 114 MWh, while in the same period of the previous year CEZ Group wind power plants generated 388 MWh. The figures have resulted from shut-downs of two of the three wind units at the Mravenecnik plant. Hydro power plants as well as the photovoltaic power plant of CEZ, a.s., in the area of the Dukovany nuclear power plant, have maintained roughly the same level of production. Only small hydro power plants have recorded a slight increase in generation.

The Hodonin plant accounts for a full third of biomass combustion within CEZ Group. The plant generates electrical energy through mixed combustion of biomass and lignit.

"Along with lignit, we burn wood chips and we are looking for other suitable kinds of biomass. For example, combustion of so called slops, residues from bio-alcohol production, are being tested," says Petr Hodek, director of the Hodonin plant. The tests have also beenconducted together with amaranth coburning. One of the two fluid boilers installed in the Hodonin plant is being prepared even for pure biomass combustion.

Within CEZ, pure biomass combustion has already been under test in the heating station in Dvur Kralove. In September it generated 500 MWh of energy by pure biomass combustion, that means combustion without coal.

An operation test, when the heating station burnt daily 100 tonnes of biomass, took place in September and earlier in October.

"The estimate for daily combustion of biomass in the future, however, is up to 240 tonnes. The materials that the heating station uses for combustion are primarily plant pellet (processed residues from harvests of cereals and suitable plants), sawdust and wood chips," specifies Ing. Jaroslav Kuzel, director of Porici power plants, under which comes the heating station in Dvur Kralove nad Labem.

At present CEZ Group combusts biomass together with power coal also in its power plants Porici, Ledvice and the Polish power plant Skawina.

Further, CEZ Group intends to develop utilization of its renewable sources in the future. In the next 15 years it is planning to invest total 30bn CZK into this area. About 20bn CZK of that amount will go to construction of new wind power plants.

"The conditions of wind power development enable operation of wind power stations with good economic rate of return provided that the right locality and equipment are chosen," says Josef Sedlak, general manager of CEZ Obnovitelne zdroje.

Besides the projects concerning wind power management, CEZ Group is also following opportunities for utilization of small hydro power plants.

Under its power policy, the European Union has set a target to increase the share of power production from renewable sources up to 20 % by 2020. The Czech Republic's indicative target is to produce 8 % of energy from renewable sources in 2010. To achieve this target, it would be necessary to double the present production from renewable sources in the Czech Republic.

The interest in electricity produced from renewable sources is reflected in a higher demand for so called Green energy, which has been offered by CEZ Group to all households, enterprises and institutions in the Czech Republic since the beginning of this year. Green energy is electricity generated in renewable sources. This year customers will consume roughly 40 GWh, which is eight times more than the consumption in 2005.

	I-III quarter	I-III quarter	Index
	2005	2006	2006/2005
			(%)
Hydro power plants, total (pumped storage excluded)	1 273 397	1 500 094	117,8
CEZ, a. s.	1 097 751	1 346 495	122,7
of which: plants with installed capacity up to 10 MW	46 545	51 583	110,8
Other CEZ Group members *	175 646	153 599	87,4
of which: plants with installed capacity up to 10 MW	119 405	100 374	84,1
Wind power plants, total	388	114	29,4
CEZ, a. s.	372	114	30,6
Other CEZ Group members *	16	0	0,0
Solar power plants, total	6	7	116,7
CEZ, a. s.	6	7	116,7
Biomass combustion, total	61 145	158 301	258,9
CEZ, a. s.	61 145	125 976	206,0
Other CEZ Group members *	0	32 325	-
Renewable energy sources, total	1 334 937	1 658 516	124,2
CEZ, a. s.	1 159 274	1 472 592	127,0
Other CEZ Group members *	175 663	185 924	105,8
*) ČEZ Obnovitelné zdroje, s. r. o., Severoceska energetika, a.s., Zapadoceska energetika, a.s.,			
Elektrownia Skawina S.A., Vychodoceska energetika, a. s.			

Table: CEZ Group - Electricity Generation from Renewable Energy Sources (MWh)

Table: Biomass Combustion by CEZ Group (t)

	I-III quarter 2005	I-III quarter 2006	Index 2006/2005 (%)
Total CEZ Group	59 343	160 639	270,7
CEZ, a. s.	59 343	121 152	204,2
Other CEZ Group members *	0	39 487	-
*) Elektrownia Skawina S.A.			

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