



**SKUPINA ČEZ**

## PRESS RELEASE

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### **ČEZ invests in the Multilateral Carbon Credit Fund (MCCF) administered by the European Bank for Reconstruction and Development and by the European Investment Bank**

In early October, ČEZ, the provider of energy services, committed itself in the form of a public declaration to invest in the reduction of CO<sub>2</sub> emissions, first independently and now through specialized funds and institutions such as the European Bank for Reconstruction and Development.

One of the first steps is the commitment to invest up to €10 million, but not less than €5 million, in the MCCF carbon fund. The investment will be into the Joint Implementation (JI) and Clean Development Mechanism (CDM) projects in those countries where the EBRD operates.

"For us, this is an important, specific step in the growth of the JI/CDM project portfolio to fulfil our sustainable development declaration. This investment allows us draw permits for CO<sub>2</sub> emissions saved within these projects," said Alan Svoboda, the ČEZ Sales Director.

Geographically, the ČEZ Group's JI/CDM program will focus specifically on Central and South Eastern European countries, although projects are also planned for outside of Europe, especially in cooperation with other investors.

"The costs from the saving of permits as a result of this implemented program will subsequently be reinvested in economic measures in line with the previous ČEZ declaration of trade profit permit reinvestment in the further reduction of carbon dioxide emissions", added Alan Svoboda.

The same as greenhouse gas emissions know no borders; the Kyoto Protocol allows the fulfilling of a part of the commitment through "flexible mechanisms". These are designed to enable industrial countries to ensure emission reduction in another country or purchase the right to emit greenhouse gases from another country. The Kyoto Protocol specifies three types of flexible mechanisms: International Emissions Trading (IET), Joint Implementation (JI) and Clean Development Mechanism (CDM). The Joint Implementation and the Clean Development Mechanism enable to collect credits relating to specific foreign projects that demonstrably reduce greenhouse gas emissions. Most often, these are investments into new, modern technologies.

The ČEZ Group pays close attention to carbon dioxide emission reduction in the Czech Republic. Within the framework of the upcoming coal production resource reconstruction, ČEZ plans to reduce emissions from refurbished power plants by 15 % and emissions from newly constructed power plants will drop by more than 25 %. The ČEZ Group also make every endeavour to extend their recoverable energy resource portfolio. With this aim, ČEZ has established a subsidiary company, ČEZ Obnovitelné zdroje, which – with the exception of biomass-utilizing resources – connects all the ČEZ Group's recoverable resources. ČEZ Obnovitelné zdroje is currently preparing a number of projects particularly focusing on wind energy utilization. In 2005, ČEZ's recoverable resource energy production reached 1.45 TWh with a year-on-year increase of 19 %.

As part of the public declaration of sustainable development, ČEZ has committed itself, among others, to always reinvest profits from the sale of saved emission permits into measures leading to the reduction of greenhouse gas emission intensity within the EU ETS. This specifically refers

to the development of recoverable energy resources and to the active participation in the European emissions reduction technology R&D programs. At the same time, the funds will be invested into the practical implementation of high technologies to reduce greenhouse gas emissions.

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