

Internal Information

The ČEZ Group invests in the second stage of desulphurisation of the Power Plant Skawina in Poland. Emissions of sulphur oxide will decrease by 92%.

On 14 March, representatives of the Power Plant Skawina and representatives of the supplier firm RAFAKO signed a contract for the second stage of desulphurisation of the Power Plant Skawina, purchased by the ČEZ Group last May. The contract concerning the first stage of the desulphurisation was signed last October. Thus the total value of both contracts amounted to PLN 141 million, which corresponds to more than one billion Czech crowns. So far it has been the greatest foreign investment in the property already owned by the ČEZ Group.

The ceremonious signing of the contract was preceded by a selection procedure, won by the Polish company RAFAKO, which also carried out the first stage of the desulphurisation. "The fact that both stages are realized by the same supplier will simplify coordination of the construction and accelerate the completion of the whole ecological work, which is planned for autumn 2008," as Lumír Jendryščík, a representative of the majority owner of the power plant, the ČEZ Group, which purchased the power plant from an American investor last year, assesses the result of the selection procedure.

The realization of the first stage of the desulphurisation will be completed in December 2007, when the power plant will meet the EU standards for emissions of sulphur oxides. "It is due to the construction of the facilities for the second, final stage of the desulphurisation, that the total ecological programme of the power plant will be completed", added Lumír Jendryščík. To make operation of the power plant environmentally friendly, the burners have already been adjusted, owing to which a reduction of nitrogen emissions was attained. Furthermore, the electrostatic filters, which catch solid particles in combustion products, have been modernized and measures aimed at the reduction of noise have been taken. These steps are in full compliance with the undertaking of the ČEZ Group to systematically reduce the impacts of its activity on the environment, to support saving energy and to reduce demands for the consumption of energy wherever we work. The concurrent checking of the possibilities of the construction of a new modern source of electricity in the premises of the Power Plant Skawina is related thereto.

All Czech production resources of the power engineering company ČEZ are operated with the maximal respect for the environment. In 1992 – 1998, ČEZ invested CZK 45 billion in total in an extensive programme of desulphurisation of coal power plants. The realization of this programme has brought considerable improvements in all ecological parameters. As opposed to the year 1993, emissions of sulphur oxides have decreased by 92 %, emissions of ash have been reduced by 95 %, emissions of carbon oxides have dropped by 80 % and those of nitrogen oxides by more than a half. In the following years the environmental investments were focused on the use of alternative fuels and implementation of the system of the environmental protection management EMS. At present, all ČEZ fully operated power plants own the international certificate of this system. Further improvements in all ecological parameters of the production of electricity will be attained within the framework of the planned renewal of the resources of the ČEZ Group.

Since last May, the power engineering company ČEZ has been the majority owner of the Polish systems power plant Skawina. Its installed output of 490 MW is made up of four turbines of the rated output of 110 MW, and one turbine of the rated output of 50 MW. This summer, two turbines of the total output of 100 MW were put out of operation, as planned. The power plant was put into operation in 1961, and it is located in the vicinity of Cracow, where it supplies about 2,800 TJ of heat per annum, which accounts for almost 25% of the

total consumption of the city. ČEZ purchased the power plant Skawina together with the power plant Elcho from the American company PSEG Global. It paid EUR 180.8 million, or EUR 202.5 million respectively for the majority shares. Thus the investment, in total amounting to CZK 10.8 billion, has become the greatest Czech investment abroad. ČEZ beat 11 global power-engineering companies in the tenders.

Ladislav Kříž, the spokesperson of ČEZ, a.s.