

## Internal Information

### **ČEZ was selected for the construction of a power plant in Moscow**

The Moscow government has issued a resolution to build three power units with the total output of 600 MW under the direction of the CEZ Power Company. The investment contract on the project implementation will be negotiated in the course of the following 6 months.

“Russia and the Moscow area in particular is a market offering very good prospects in power engineering terms, enjoying a very dynamic development, and therefore the need of reliable power and heat supplies for households and industries has been increasingly urgent. We appreciate the trust of the Moscow government which selected us for this project implementation. In the following six months we will undergo intensive negotiations on concrete conditions and, provided a mutual agreement is achieved, also the start-up of the whole investment project awaits us,” says Vladimír Schmalz, the Director of the Merger and Acquisition Section of CEZ.

Three modern steam-gas units, each with the output of 200 MW, are to be build by the CEZ Group in the northern part of Moscow (6 km north of Kremlin). In addition to electricity, the power plant is to supply the close environs also with heat. The CEZ Group is to implement the project of the power plant construction on the basis of the governmental programme of development of power generation capacities in Moscow with the objective to secure reliable power supplies and to optimize the power balance of the city. By reason of the investment implementation within this programme, in its resolution the city of Moscow undertook i.a. to guarantee compensation of any difference between the commercial price of the gas for the planned power plant and the price determined by the Federal Tariff Service for the largest power-engineering company in the city, OAO “Mosenergo“. The plots on which the power plant will be situated will be leased by the city for 49 years since the construction completion, in accordance with the resolution.

The power plan construction has been already the second announced project of the CEZ Group in Russia. At the end of April this year the CEZ Group signed an agreement with the power group RAO UES and its subsidiary company TGK-4 concerning foundation of a joint-venture aimed at redevelopment of a power plant 2 x 200 MW, construction of a new steam-gas unit with the expected output ranging from 400 to 420 MW and 2 coal-fired units, each of 200 – 250 MW, in Shchekinskaya power plant (200 km south of Moscow). The CEZ Group signed with the Russian RAO JES also a letter of intent of both the companies to cooperate in the reform of the Russian power engineering.