

Increasing CDM project value through partnerships

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Philipp Weiss / Ian Hookham
RWE Power AG
Climate Protection

philipp.weiss@rwe.com
ian.hookham@rwe.com



Overview of RWE

■ Power, Gas and Water Utility

- #1 Power Generation Company in Germany, #2 in UK
- Core Markets: Germany, UK, Austria, Poland, Hungary, Czech Republic

■ Power Generation

- | | |
|--|-----------|
| – Fossil Fuels: Lignite, Hard Coal and Gas | 32,000 MW |
| – Nuclear | 6,300 MW |
| – Renewables: Wind, Hydro, Biomass, PV | 1,800 MW |

■ Key Figures 2006

- | | |
|---------------|-----------|
| – Turnover: | 44 bn. € |
| – Net profit: | 3.8 bn. € |
| – Employees: | ~68,500 |



RWE's Climate Protection Approach



Clean Coal

Climate-friendly retrofits
Increasing energy efficiencies
CO₂-free power plant

Renewable energy

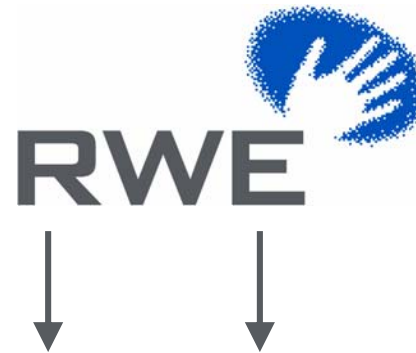
Invest up to € 650 million in the next five years

CDM/JI

€ 150 million budget for investing in greenhouse gas emissions mitigation projects under the CDM and JI

▷ ***By 2014, RWE will be investing about € 2 billion in efficient climate protection through a tripartite strategy.***





Purchase of carbon credits via:

- Direct transactions with project owners
- Intermediaries
- Participation in Carbon Funds

Project participation via:

- Financial investment
- Technology contribution
- CDM/JI regulatory process

▷ ***RWE aims to utilize its full CDM/JI redemption capacity of approx. 90 mill. certificates for the period 2008 – 2012.***



Purchase of carbon credits

- No project type or region is excluded
- Proposed activities have to comply with the eligibility requirements as stipulated in the Marrakech Accords
- Afforestation or reforestation (A/R) projects are excluded

Project participation/development

- Destruction of N_2O
 - Nitric acid plants
- Methane recovery and utilisation
 - Coal mine methane
 - Landfill gas
 - Biogas
- Energy efficiency
- Fuel switch



RWE Power: prime buyer of carbon credits



- Biggest compliance buyer in Europe
 - RWE has a S&P rating of A+ which indicates financial strength
 - Capable of executing large volume contracts
 - Experience from numerous purchase transactions (in China i.e. signed ERPAs with a total volume of about 30 mill. CERs)

- Purchasing via long term partnerships
 - Focus on long term partnerships with intermediaries and project owners/developers
 - Proven and well-balanced ERPA based on IETA standards



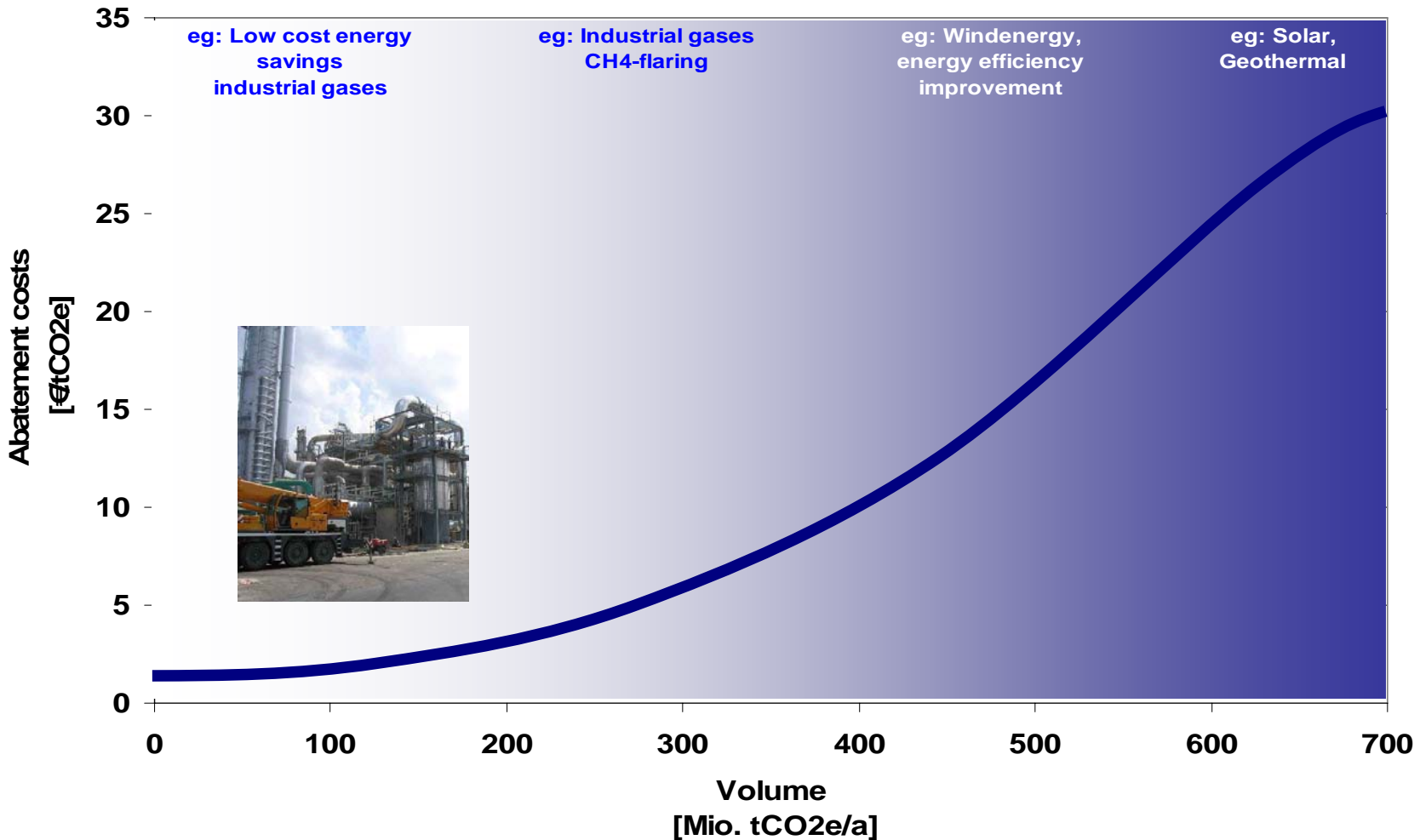
RWE Power: prime partner for project participation/development



- Participation/development by
 - Equity investment
 - Providing technical know-how
 - Project management
 - Support in CDM process (PDD, approvals etc.)

- Monitoring of project performance
 - Contribution in the implementation of monitoring tools
 - Risk management to enhance project performance

RWE has broad experience along the JI/CDM Abatement Curve



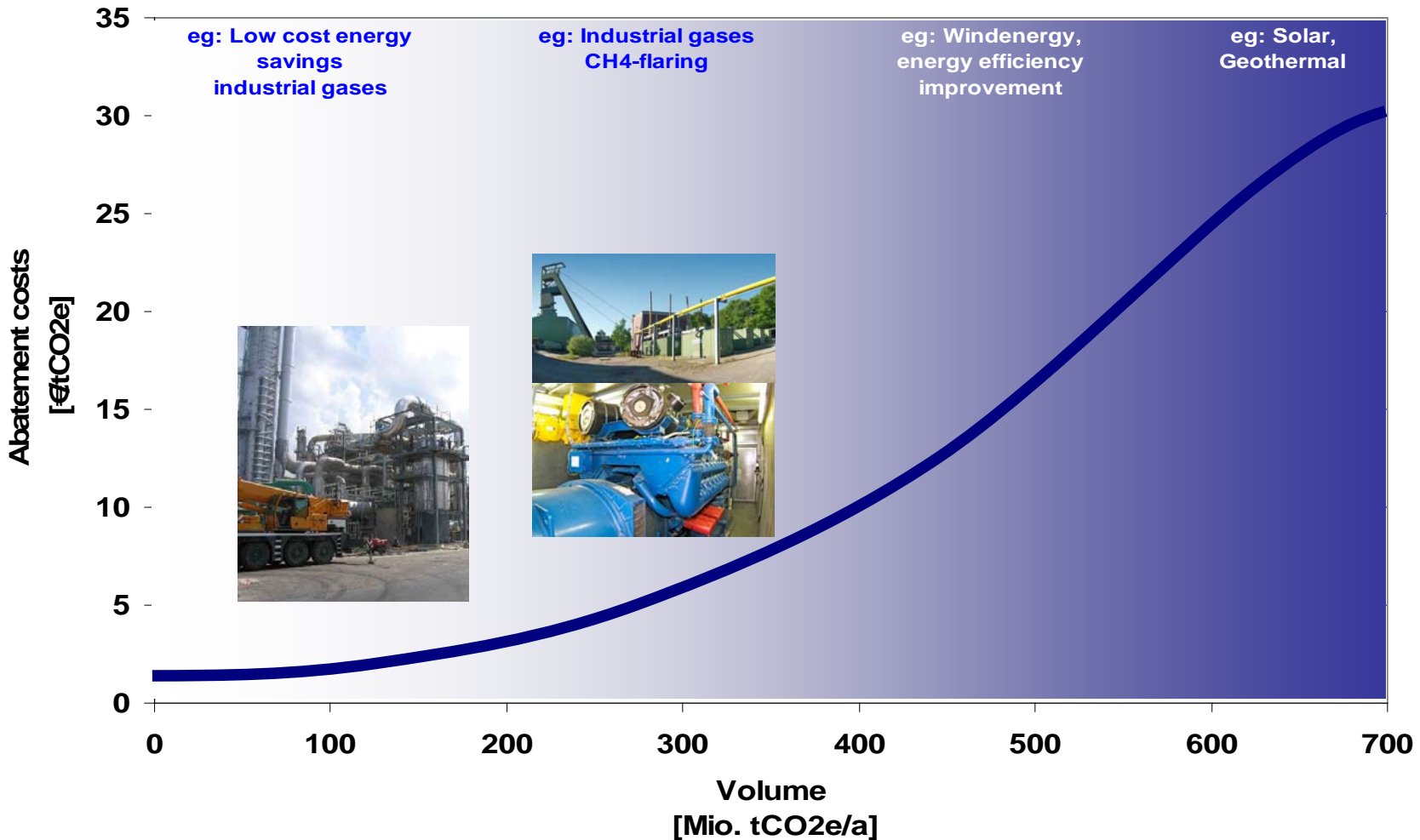
Examples of RWE CDM/JI Projects: Reduction of N₂O

- RWE Power together with Carbon Projektentwicklung, Austria, have founded the joint venture Carbon Climate Protection GmbH.
- As the leading European project developer for N₂O abatement projects, Carbon has successfully implemented CDM-projects for N₂O-conversion at the nitric acid plants Abu Qir Egypt, HuChems in South Korea and Enaex, Chile.
- Abu Qir has been in operation since the end of 2006. It is the first CDM-N₂O elimination Project at Nitric Acid Plants world wide. Due to it's excellent performance (98% of N₂O are being eliminated together with the reduction of NOx down to almost zero) it became one of the cleanest Nitric acid plants world wide.



Abu Qir Fertilizer, Egypt:
The new ENVINOX[®] Catalyst

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Examples of RWE CDM/JI Projects: Utilisation of Coal Mine Methane

- RWE Power's subsidiary Mingas-Power has systems for power generation based on coal mine methane with a total generation capacity of 54 MW_{el} in operation.
- Based on this experience we are in the process of realizing joint projects with Chinese and Russian owners of coal mines. In these projects we are willing to take over the responsibility for planning, installation and operation as well as the financing. In return RWE receives carbon credits.



Example: RWE Power Biogas Plant



Collecting Pit, Manure

Post-Fermenter

Fermented Residue
Storage

CHPS



Silage Storage

Feeding System

Control Room

Fermenter

Examples of RWE CDM/JI Projects: Composting of organic waste in Wuzhou / China

- The project comprises the design and building of a composting plant for organic waste.
- Sorting the MSW into the organic and anorganic fraction and the following composting process improves the environment by avoiding Methan Emissions, the use of compost against soil degradation and reducing the use of chemical fertilizers.
- 90.000 tons of organic waste / year
- 45.000 CERs / yearly
- Registered in July 2007

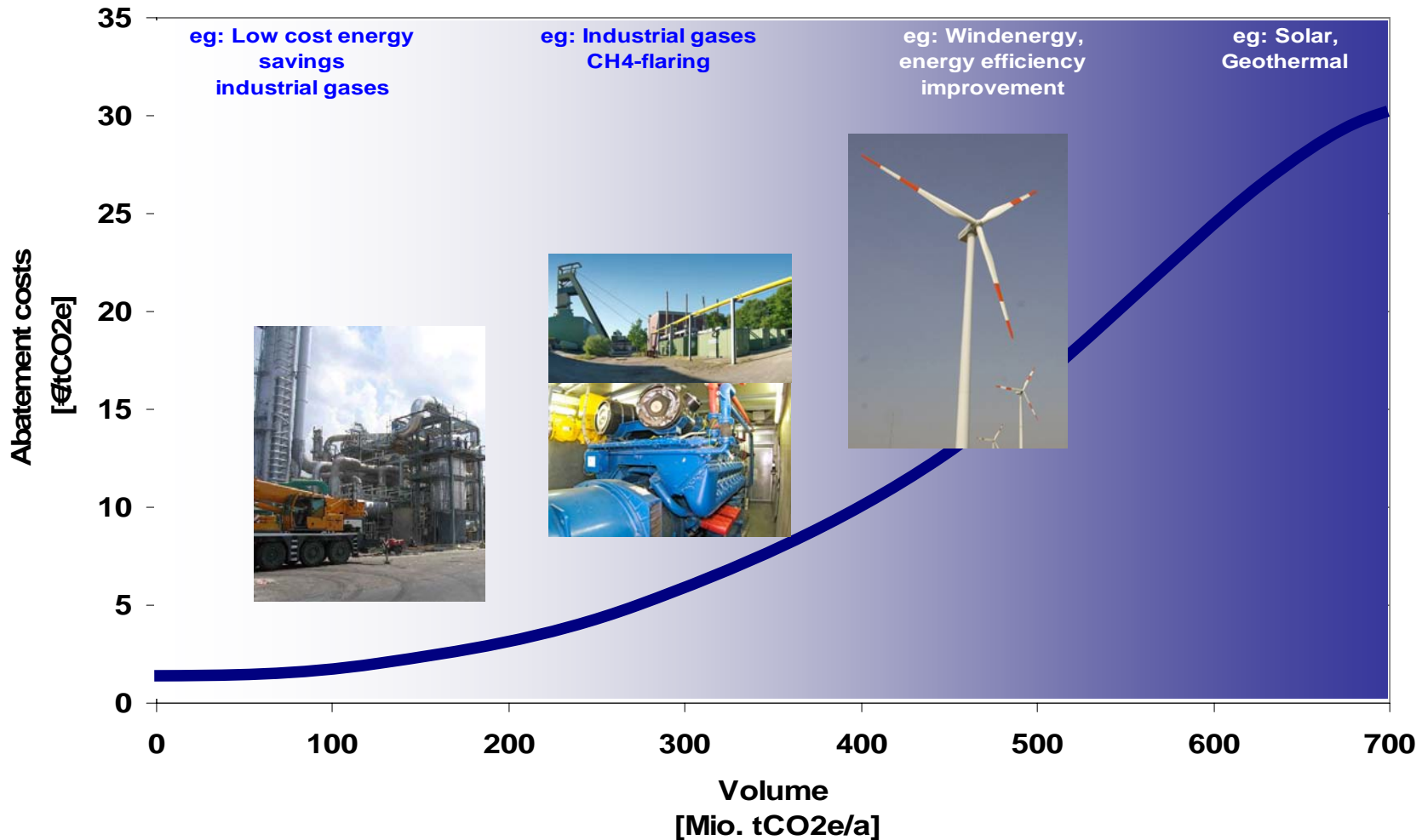


Examples of RWE CDM/JI Projects: *Biogas Projects in South East Asia*

- RWE is involved in the Development of CDM-Projects in South East Asia (currently Malaysia and Indonesia) for the mitigation of CH₄, which accrues at the wastewater treatment in the production of palm oil.
- First project is running, UN registration is expected within the first quarter 2008.
- Ø-CER production of at least 25.000 t/a.



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Examples of RWE CDM/JI Projects: Wind Energy Project Galapagos

- RWE is main shareholder and project co-ordinator of the Galapagos Wind Energy Project of the E8-Initiative
- Diesel Generation to be replaced by 3 * 800 KW wind generators
- Project has been registered as CDM project in 2007
- Start of operation in Q4 2007



We are looking forward to discussing a potential partnership with you!



- Purchase of carbon credits
- Direct project participation/development