

The program for upgrading and modernizing our small hydroelectric stations – PCHs permits a reduction in emissions thanks to an increased 10 MW of power production with no additional environmental impact. Three of the PCHs (Esmeril, Dourados and São Joaquim) were upgraded between 2001 and 2003. Construction work is underway at Gavião Peixoto, Capão Preto and Chibarro PCHs.



#### Clean Development Mechanisms - CDMs: PCH Upgrading and Carbon Credits

CPFL Energia Group companies run projects which contribute to reductions in greenhouse gas emissions and minimize environmental impacts. One of these is the Upgrading and Automation Program for small hydroelectric power plants – PCHs, which increases electricity generation capacity without additional environmental side effects. This type of upgrading helps avoid the need to generate energy from other sources such as thermoe-

lectric plants, which release pollutants into the atmosphere.

The Program has been implemented gradually and has allowed the Company to receive carbon credits. The project was registered on December 15 2006 by the United Nations Framework Convention on Climate Change – UNFCCC. The volume of emissions reductions to be traded under this project is 112 thousand metric tonnes of CO<sub>2</sub> by 2012. The program has been extended to Ceran, where one of the hydroelectric plants – UHE Monte Claro with a 130 MW installed capacity – has an impressive installed capacity/flooded area ratio. This allowed the company to submit a project to the Ministry of Science and Technology requesting the carbon credits generated, a favorable response being received in December 2006. UHEs Castro Alves and 14 de Julho, part of the same complex, are also to be included in this project as well as UHE Campos Novos. The UHE Monte Claro CDM Project at the Ceran Complex will contribute with an emissions reduction of 850 thousand metric tonnes of CO<sub>2</sub> and other GHGs.

PCH Gavião Peixoto | 4,8 MW | State of São Paulo | Start-up of Operations (Upgrading) – Jun/07

