

EnBW Trading GmbH,
Germany
CDM / JI Projects

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Pioneers

- Who is EnBW?
- Some Topics on the European ETS
- EnBW's Role in CDM Projects
- Approach to Pricing & Risk
- EnBW's Interest & Strength
- EnBW's Expectations

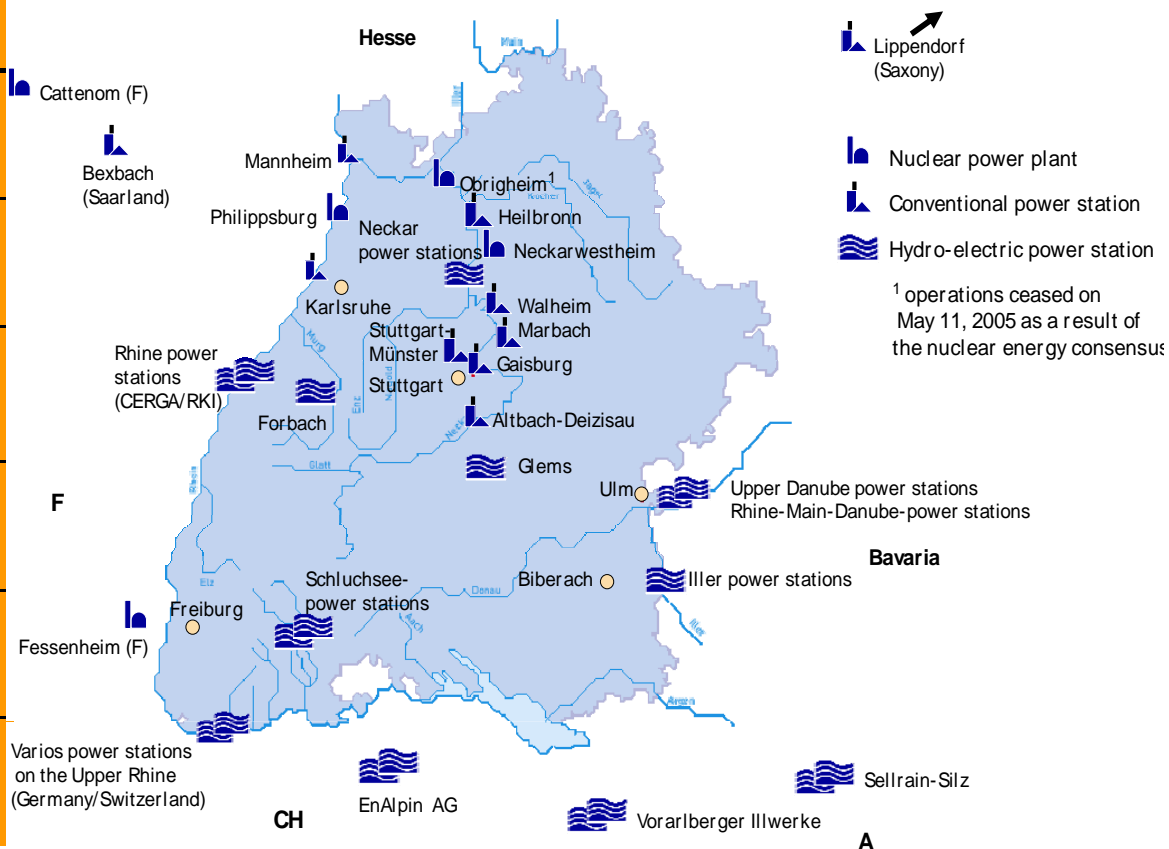


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EnBW Group, Located in South-West Germany



		2007
External revenue, total	m €	14,712.2
EBITDA	m €	2,336.4
Result of continuing operations	m €	1,416.1
Operating cash flow	m €	1,558.7
Capital expenditures	m €	816.1
Employees (annual avg.)		20,499



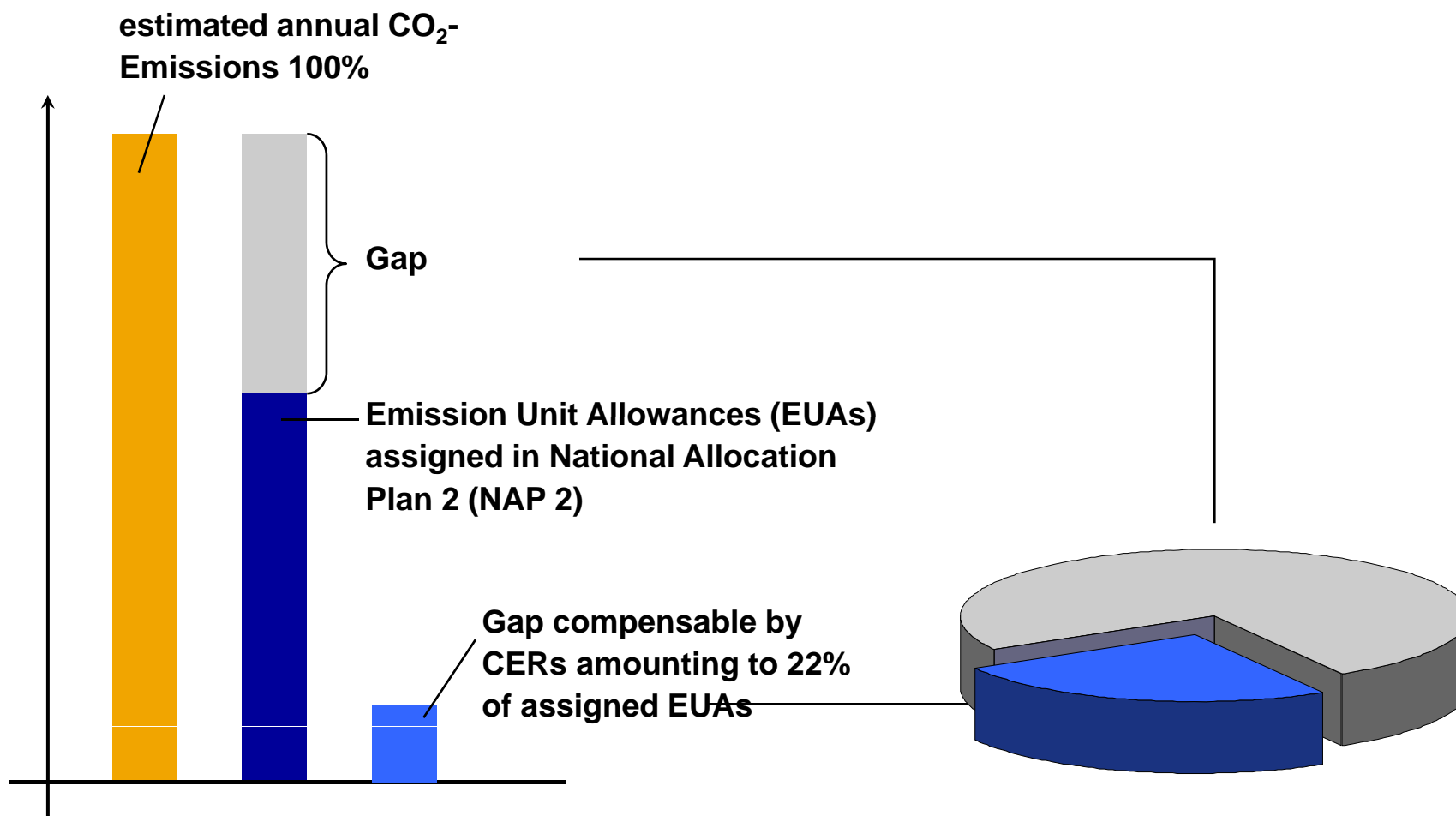
EnBW Energy Mix Installed Capacity (net)



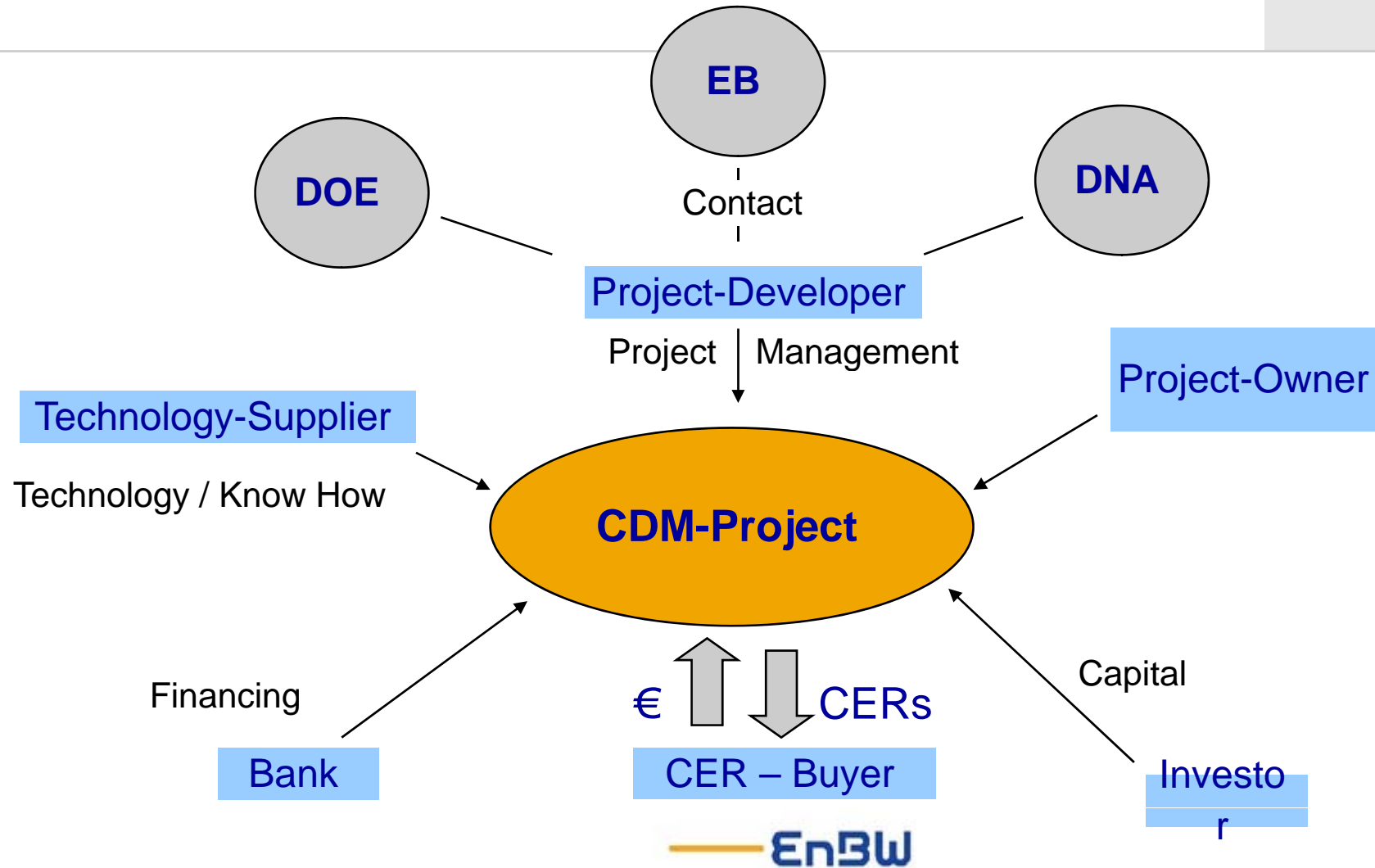
EnBW group		2007	2006
Nuclear power plants (incl. EDF contracts)	M	4,842	4,843
	W		
Conventional power stations	M	6,620	6,579
	W		
Run-of-the-river and storage power stations	M	3,415	3,354
	W		
Other renewable energies	M	86	35
	W		
Total	M	14,963	14,811
	W		

March 2008

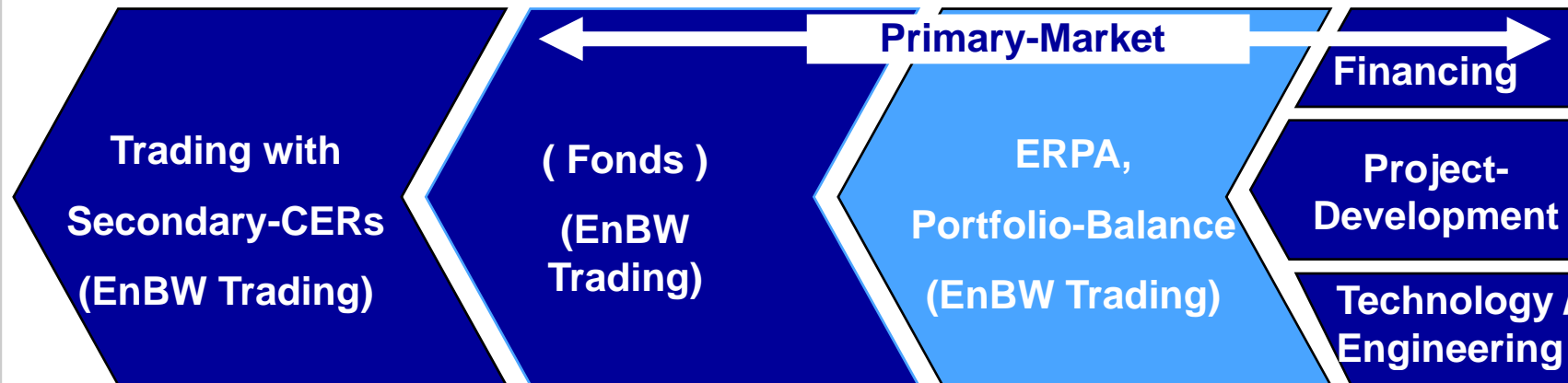
European Union Emission Trading Scheme (EU ETS), NAP 2 – 2008 to 2012



EnBW Trading's Role in CDM Projects



Value Added Chain of the CDM/JI-Process



ERPA: contracting, diversification of risk, etc.

Financing: project finance, debt or equity to minimize risk of delivery (ERPA)

Fonds: set-up and management of product-portfolios / fonds

Project-Development: development of the PDD, participation in all stages of the project cycle

Secondary-CER Trading

Technology / Engineering

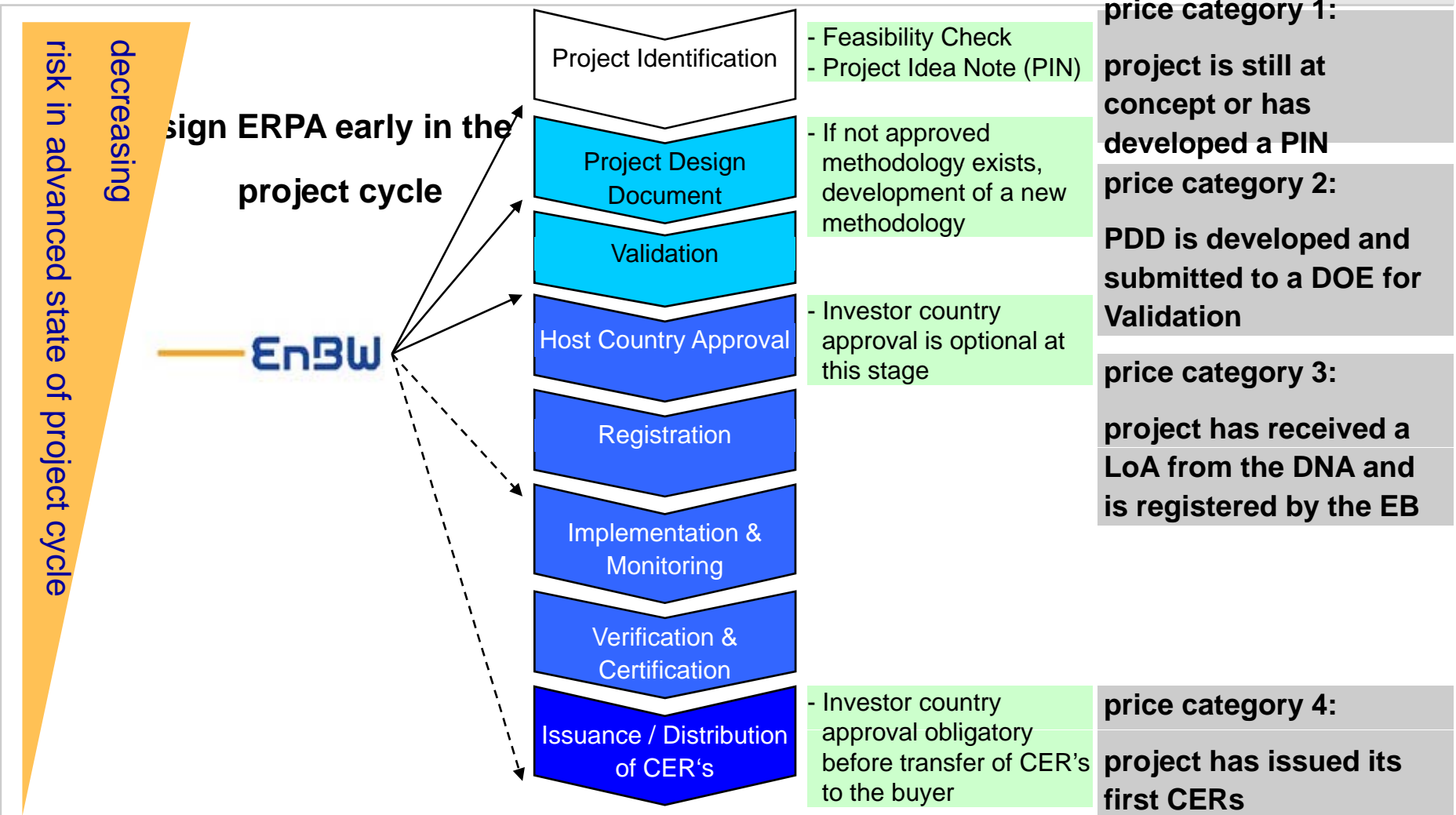
Participation of EnBW Trading GmbH in CDM Projects – Project Risks



CDM – Risks:

- › **post-Kyoto uncertainty**
- › **price risk**
- › **volume of delivery**
 - › **market risk**
 - › **country**
 - › **technology**
 - › **project specific risk**
 - › **non-specific CDM-risks**
 - › **approval of DNA**
 - › **approval of methodology / technology**
 - › **validation risk**
 - › **registration risk**
 - › **monitoring risk**
 - › **verification risk**

The CDM Project Cycle



EnBW's interests:

- › Partnership with a project owner in developing a project (goal: sign ERPA)
- › Long term commitment to a CDM project with a start early in the project cycle
- › Focus on projects related to EnBW core-activities
- › project size: approx. $20,000 < x < 150,000$ CERs/year
- › Small scale projects are also of interest

How we approach a CDM project:

- › First discussions about a CDM project opportunity on basis of PIN, PDD
- › Sign non-disclosure agreement (NDA), letter of intent
- › Exchange information such as feasibility study, financial, contractual, etc.
- › Term-sheet negotiations (preliminary)
- › Sign term-sheet
- › Phase of exclusivity (own due diligence) followed by signing an ERPA

Participation of EnBW Trading GmbH in CDM Projects – Project Types



- › Focus on energy efficiency, fuel switch, cogeneration, renewable power generation
- › Other sectoral scopes / methods accepted that are supported by external assessment
- › Sustainability according to the current requirements of the UNFCCC and Linking Directive of the EU
- › Project types of interest:
 - › Biogas
 - › Biomass energy
 - › Cement
 - › Energy distribution
 - › Energy efficiency
 - › Cogeneration
 - › Fossil Fuel Switch
 - › Hydro Power
 - › Solar Power
 - › Wind Power

Participation of EnBW Trading GmbH in CDM Projects



EnBW's strength as CER buyer:

- › Compliance buyer as power plant operator under the EU Emissions Trading Scheme (EU ETS)
- › Strong credit rating
- › Possibility to arrange flexible pricing models
- › Professional trading partner in commodities
- › In-depth technical expertise in electricity and heat generation – technology and knowledge transfer
- › Technical & financial support in CDM project development

Participation of EnBW Trading GmbH in CDM Projects



EnBW's expectations on a seller of CER's:

- › Reliable business partner
- › Technology of the CDM project is acceptable to EnBW
- › Project activity has been planned and documented under CDM (additionality)
- › EnBW intends to be:
 - › named as buyer of CER's in the PDD
 - › named and registered as focal point in "Modalities of Communication" at UN
 - › has the right to initiate monitoring at any time
 - › wants to be closely involved in the monitoring process

Thank You!

Contact:
Hans-Jürgen Mielisch, "Hans"
++49 172 7333127
h.mielisch@enbw.com



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