

## PROJECT ABSTRACT

Project Number: BR – 0304  
Project Name: Cana Brava Hydroelectric Power Project  
Country: Brazil  
Sponsor: Tractebel Energia S.A.  
Project Company: Companhia Energética Meridional  
Total Project Cost: US\$ 388 million  
IDB Participation: IDB A-Loan: US\$67.2 million  
IDB B-Loan: US\$80.7 million  
Department: Private Sector Department  
Status: Disbursed  
Approval Date: August 9, 2000

In the ten-year Expansion Plan (1997-2006) that was prepared and approved by Centrais Elétricas Brasileiras S.A. (“Eletrobras”), the federal holding company of the Brazilian electricity sector, the country’s total installed capacity will need to increase from approximately 57,000-MW to 90,200-MW in 2006 in order to meet the growing demand in energy consumption projected by Eletrobras. To address this growing energy deficit, Eletrobras proposed the construction and operation of a 450-MW run-of-the-river facility to be located on the Tocantins River, between the municipalities of Minaçu and Calvacante in the State of Goiás. Following an internationally competitive bid held on March 19, 1998, the Agência Nacional de Energia Elétrica (“ANEEL”), the Brazilian electric regulatory agency, awarded a 35-year concession contract to Companhia Energética Meridional (“CEM” or the “Project Company”).

CEM, which is a special purpose company under the laws of Brazil, is responsible for the construction, operation, and maintenance of the power plant and related facilities in accordance with the specifications outlined in the concession contract. The energy produced by the Project Company is sold, or is expected to be sold, by means of a combination of long-term power purchase agreements with existing wholesale generation and local distribution companies as well as direct sales to large industrial consumers. Construction of the facility has been completed and the power plant is in operation. The Bank has provided a direct loan of approximately US\$67million to finance partially the power plant.

CEM has been created specifically to undertake the project. Tractebel Energia S.A., a subsidiary of Tractebel S.A. of Belgium, owns the Project Company. The Tractebel group is one of the largest independent power producers in the world.