

ENERGY CO OF MINAS GERAIS

Form 6-K

June 01, 2015

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of foreign private issuer pursuant to rule 13a-16 or 15d-16 of the securities exchange act of 1934

For the month of June 2015

Commission File Number 1-15224

ENERGY COMPANY OF MINAS GERAIS

(Translation of Registrant's Name Into English)

Avenida Barbacena, 1200

30190-131 Belo Horizonte, Minas Gerais, Brazil

(Address of Principal Executive Offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper

as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper

as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If ☐ Yes ☐ is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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7. XX Annual Meeting Cemig-Apimec Guidance 2015-2019
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FORWARD-LOOKING STATEMENTS

This report contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include those risk factors set forth in our most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. CEMIG undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**COMPANHIA ENERGÉTICA DE MINAS GERAIS
CEMIG**

Date: June 1, 2015

By: /s/ Fabiano Maia Pereira

Name: Fabiano Maia Pereira

Title: Chief Officer for Finance and Investor Relations

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**1. MARKET ANNOUNCEMENT DATED MAY 7, 2015: PRELIMINARY TALKS ON POSSIBILITY OF
DISPOSAL OF LIGHT S INTEREST IN RENOVA**

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MARKET ANNOUNCEMENT

Preliminary talks on possibility of disposal of Light's interest in Renova

In accordance with CVM Instruction 358 of January 3, 2002, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby **reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows**:

On today's date **Light S.A.**, an affiliated company of Cemig, published the following Market Announcement:

Light S.A., in accordance with CVM Instruction 358 of January 3, 2002, hereby informs its stockholders and the market in general as follows:

Light Energia S.A. (**Light Energia**), a wholly-owned subsidiary of **Light S.A.**, is holding preliminary talks with a view to the possible disposal of the equity interest that it holds in **Renova Energia S.A.**

Light Energia takes this opportunity to state that at present there is no final agreement on the terms and conditions of any transaction, nor is there any commitment in existence able to bind Light Energia to enter into any such transaction.

The stockholders of Light S.A. and the market in general will be informed on the progress of any negotiations in accordance with the applicable legislation.

Cemig will keep the market opportunely and appropriately informed on developments in this matter.

Belo Horizonte, May 7, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**2. MARKET ANNOUNCEMENT DATED MAY 19, 2015: REPLY TO BM&FBOVESPA OFFICIAL
LETTER SAE 2000/2015, OF MAY 19, 2015**

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MARKET ANNOUNCEMENT

Reply to BM&FBovespa Official Letter SAE 2000/2015, of May 19, 2015

Question asked by BM&FBOVESPA

SAE 2000/2015 May 19, 2015

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

Mr. Fabiano Maia Pereira

Investor Relations Director

Subject: Request for information on media news report

Dear Sirs,

We request information, by May 20, 2015, on the content of the news report published on May 19 by the online news site *Agência Estado Broadcast*, which stated, among other information, that the objective of Cemig this year will be to ensure figures compatible with those that it reported in the first quarter of the year (the company's profit in first quarter 2015 was up 18.8% year-on-year, at R\$ 1.484 billion, with Ebitda up 22.3% at R\$ 2.578 billion), and any other information considered to be important.

Reply by CEMIG

Dear Sirs,

In compliance with the request made by BM&FBovespa, we note that these statements refer to the execution of our Long-Term Strategic Plan, and are in line with the financial projections published on May 26, 2014, which are in our Reference Form.

It may be noted that the statement referred to was made in our telephone conference call, which was announced in advance (Market Notice of May 13, 2015), and which was open to any and all persons who might be interested.

Cemig reiterates its commitment to timely publication of all and any material information.

Belo Horizonte, May 19, 2015

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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3. EARNINGS RELEASE 1Q 2015 RESULTS

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First Quarter 2015 Results Presentation

Cemig

(BM&FBOVESPA: CMIG3, CMIG4; NYSE: CIG, CIG.C; Latibex: XCMIG)

announces its

TIMETABLE for Release of 1Q2015 Results:

1 Publication

May 15, 2015 (Friday)

(after the closing of markets in São Paulo and New York)

The information will be available on our website: <http://ri.cemig.com.br>

2 Video Webcast and Conference call

May 19, 2015 (Tuesday), at 2:00 p.m. (Brasília time)

Transmission of the results with simultaneous translation into English

by **video webcast** at:

<http://ri.cemig.com.br>

or

by **conference call** at:

+ 55 11 2188-0155 (1st option) or + 55 11 2188-0188 (2nd option)

Password: **CEMIG**

3 Video Webcast Playback:

Site: <http://ri.cemig.com.br>

Available for 90 days

Click on the banner and download

4 Conference Call Playback:

Phone: (55 11) 2188-0400

Available: May 19 June 06, 2015

For any questions please call +55 31 3506-5024.

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4. 1Q 2015 RESULTS PRESENTATION

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5. CARBON DISCLOSURE PROJECT 2015

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**CDP
Climate
Change**

2015

**Companhia
Energética de
Minas Gerais**

English Version

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Introduction Module

CC0.1 Introduction

Founded in 1952 by then Governor of Minas Gerais state, Juscelino Kubitschek de Oliveira, Companhia Energética de Minas Gerais (Cemig) provides the generation, transmission, commercialization and distribution of electricity, as well as providing energy solutions (Efficientia S.A.) and natural gas distribution (Gasmig). The group comprises: the holding company, Companhia Energética de Minas Gerais (Cemig); two wholly-owned subsidiaries, Cemig Geração e Transmissão S.A. (Cemig GT) and Cemig Distribuição S.A. (Cemig D), and a group of other entities, comprising an overall total of 206 companies, 18 consortia and two private equity funds, with assets in 23 Brazilian states (including the Federal District) and in Chile. Since its founding, the company has contributed, in an innovative and sustainable manner, to the collective welfare of the regions where it operates. Cemig is Brazil's largest electricity distributor in terms of the length of its transmission lines and extent of its networks, and one of the largest power generation and transmission companies in the country. It is also involved in natural gas exploration and distribution and data transmission operations (Cemig Telecom). Cemig owns a 26.06% stake in Light S.A., an electricity distributor with operations in 31 municipalities in the state of Rio de Janeiro, covering a region with a population of over 11 million people. It also has equity stakes in the transmission company Transmissora Aliança de Energia Elétrica S.A. (Taesa).

With a growth model increasingly focused on the use of renewable energy, between 2013 and 2014 Cemig became part of the controlling stockholding block (27.4%) of Renova, a leader in Brazil's wind power market, which also has investments in solar and other renewable energy sources. The main objective in joining Renova's controlling block was to use that company as Cemig's vehicle for expansion in renewable energy sources (except hydroelectric).

Cemig is a mixed capital company controlled by the State of Minas Gerais (51%), with (at December 2014) more than 120,000 shareholders in 40 countries. Its shares are traded in São Paulo on the BM&FBovespa S.A., in New York on the New York Stock Exchange (NYSE) and in Madrid on the Mercado de Valores Latino-Americanos (Latibex). In 2014 Cemig's consolidated net operating revenues totalled R\$ 19.54 billion, based on a matrix whose main source of energy are renewable resources.

Excluding power generated by Light, Cemig's generation system has installed capacity of 7,435 MW, 94.85% of which is for hydroelectric generation, 2.47% for thermal generation (1.76% burning fuel oil and 0.71% burning process waste gas), and 2.68% for wind generation. These figures make Cemig one of the largest power generators in Brazil – operating 63 hydroelectric power plants, three thermoelectric facilities, and four wind farms. Adding the generating capacity represented by Cemig's stakes in subsidiary and affiliated companies, such as Light, Cemig's installed generation capacity totals 7,717 MW. The company has 9,748 km of transmission lines and 17,218 km of sub-transmission lines. And in electricity distribution, it provides supply to approximately 7.8 million people in 774 municipalities in Minas Gerais, managing Latin America's largest electricity distribution network, with distribution lines totalling more than 484,000 km. At the end of 2014 Cemig directly employed 7,922 people.

Companhia Energética de Minas Gerais Cemig

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Because of its commitment to social and environmental responsibility, its economic and financial strength, and its technical excellence, Cemig has become an international benchmark in sustainability in the electricity sector, and is positioned as one of the main vectors for consolidation in the Brazilian electric sector. It has been included in the Dow Jones Sustainability Index (DJSI World) ever since that index was created 15 years ago; it has been a part of the BM&FBovespa's Corporate Sustainability Index (ISE) for the past 10 years; and last year was the fifth time that it has been selected for inclusion in the Carbon Efficient Index (ICO₂), created by BM&FBovespa and the BNDES (National Bank for Development in 2010. In 2014, the CDP recognized Cemig as the leading company in Brazil in terms of its excellence in climate change information and transparency: of the 52 major Brazilian companies that responded to the annual questionnaire issued by this London-based non-profit NGO, Cemig obtained the highest marks for transparency, scoring 98 out of a total of 100.

MISSION

To operate in the energy sector with profitability, quality and social responsibility.

VISION

Consolidate itself in this decade as the largest group in the Brazilian electric energy industry in terms of market value, with operations in the gas market, world leader in sustainability, admired by its clients and recognized for its solidity and performance .

CC0.2 Reporting Year

01/01/2014 to 12/31/2014

CC0.3 Country List Configuration

Brazil

CC0.4 Currency

BRL(R\$) Reais

CC0.6 Modules

Electric Utilities module

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Management Module

CC1. Governance

CC1.1 Where is the highest level of direct responsibility for climate change within your organization?

Board of Directors, or an individual or group of people belonging to the Board of Directors, or other committee appointed by the Board of Directors.

If the Board of Directors or individual/group belonging to the Board or other committee appointed by the Board of Directors, Senior Manager/Director, or Other Manager/Director :

CC1.1a Please identify the position of the individual or name of the committee with this responsibility.

The person at the highest level of direct responsibility for climate change issues in Cemig is the Deputy CEO, who reports directly to the CEO. The CEO is the highest instance of the Executive Board, which in turn reports directly to the Board of Directors.

Cemig's management comprises: its Board of Directors, and Executive Board. Members of the Board of Directors, who are elected at the Annual General Shareholder's Meeting, elect the firm's CEO and Deputy CEO, and appoint the Executive Board. The duties of the Deputy CEO, defined and approved by the Board of Directors, include:

(i) replacing the CEO when s/he is absent, on leave, temporarily disabled, has resigned or the position is vacant; (ii) working towards the improvement of the Company's social responsibility and sustainability policies; (iii) defining policies and guidelines related to the environment, technological development, alternative energy sources and technical standardization; (iv) coordinating Cemig's strategy in relation to social responsibility, the environment, and technological processes for the strategic management of technology; (v) coordinating the implementation and maintenance of quality systems; (vi) implementing the Company's technological development programs, and (vii) monitoring the management of plans for compliance with environmental, technological and quality improvement guidelines.

CC1.2 Does your organization provide incentives for the management of climate change issues, including the attainment of targets?

Yes.

Companhia Energética de Minas Gerais Cemig

Table of Contents*If Yes :***CC1.2a Please provide further details on the incentives provided for the management of climate change issues.**

Who is entitled to benefit from these incentives?	Type of incentive	Incentivized performance indicator	Comment
Board of Directors/Executive Board	Monetary reward	Other: Sustainability index related to climate change	Indicator: Cemig's score in the Dow Jones Sustainability World Index. This index evaluates issues related to climate change, among other sustainability-related issues.
			The variable remuneration of the Deputy CEO is linked to Cemig's score in the Dow Jones Sustainability World Index. He is the second-ranked individual on the Executive Board, which is part of the Company's management.
Director on the Board	Monetary reward	Efficiency target	Indicator: Index of energy loss in the electricity system
			Energy losses in the electricity system are responsible for 99% of Cemig's Scope 2 emissions. To achieve the goal of reducing these measurable losses (i.e., Scope 2 emissions), the company established the Total Distribution Losses Index (IPTD), with multi-year targets validated annually and monitored monthly. The variable remuneration of the Distribution and Marketing Director and the staff of the Revenue Protection Unit is linked to this loss rate. It should be noted that a CO ₂ emissions target cannot be established here, as the emissions factor of the

interconnected system varies annually. Therefore, the target is defined in terms of MWh.

Corporate executive team	Monetary reward	Other: Sustainability index related to climate change
--------------------------	-----------------	--

Indicator: Participation of Cemig in the portfolio of the Carbon Efficient Index (ICO₂).

Developed by the BM&FBovespa and the Brazilian Development Bank (BNDES), the ICO₂ is an indicator based on the IBrX-50 portfolio, which takes into account, in the weighting of participating shares, the ratio between a company's gross revenues and its greenhouse gas (GHG) emissions, thus evaluating GHG emissions efficiency.

The variable remuneration of the team that is subordinate to the Deputy CEO is linked to Cemig's participation in the ICQ

Corporate executive team	Monetary reward	Other: Sustainability index related to climate change
--------------------------	-----------------	--

Indicator: Cemig's score in the environmental dimension of the Dow Jones Sustainability World Index. This index evaluates issues related to climate change, among other questions related to sustainability.

This team is also responsible for achieving Cemig's sustainability goals on all climate change-related matters directly linked to these goals.

The variable remuneration of the team that is subordinate to the Deputy CEO is directly linked to Cemig's score in the environmental dimension of the Dow Jones Sustainability Index.

Companhia Energética de Minas Gerais Cemig

Table of Contents**CC2. Strategy****CC2.1 Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities.**

Procedures are integrated into multi-disciplinary company-wide risk management processes.

If you selected Integrated into multi-disciplinary company-wide risk management processes or A specific climate change risk management process :

CC2.1a Please provide further details on your risk management procedures with regard to climate change risks and opportunities.

Frequency of monitoring	To whom are results reported?	Geographic areas considered	How far into the future are risks considered?	Comment
Semi-annually or more frequently	Board of Directors or individual/group belonging to the Board or other committee appointed by the Board of Directors	Brazil	> 6 years	<p>Cemig uses a tool for managing corporate risks that identifies strategic and process/operational risks, providing information to senior management for decision-making for managing the most relevant risks and, thereby, preserving the Company's value.</p> <p>The Executive Board maintains a Risk Management Steering Committee, which is focused on the efficient management of Cemig's operational, commercial, financial and regulatory risks</p>

especially industry issues related to tariff adjustments and hydrological constraints.

Strategic risks are related to the Company's vision and objectives, or strategic decisions that bear the risk of not achieving planned outcomes.

Process/operational risks arise in the course of business functions associated with people, systems and processes upon which their operations depend. Cemig has a decentralized structure for the identification and management of climate change-related opportunities, which focuses on renewable energy and energy efficiency.

Companhia Energética de Minas Gerais **Cemig**

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CC2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level.

Cemig considers strategic risks/opportunities to be those that can directly affect the company's business, in other words, are those associated with senior management decision-making that could materially affect the Company's economic value. Additionally, process risks/opportunities are considered to be those that can negatively or positively affect meeting the goals and implementing guidelines established in the Company's Strategic Plan, identified in all processes in each business division Sales/Trading, Generation, Transmission, Distribution, and Corporate.

Therefore, Cemig treats corporate level risks/opportunities as strategic risks/opportunities. This extends to subsidiaries and individual plants (i.e., asset level), since they encompass both strategic and process risks/opportunities.

Cemig continuously maps risks/opportunities, since updating the information in the Company's management tool and monitoring and evaluating controls and action plans are part of the scheduled routines for all involved in risk management meaning each agent has predetermined roles and responsibilities. This recently adopted tool raises the hierarchy level at which approval is required for the information gathered; previously, approval was at the Division (General Manager) level. Now, it is made at the Executive Board level.

In addition, the system enables risks/opportunities to be managed at the process level, which permits a direct link to risks under evaluation at the strategic level.

CC2.1c How do you prioritize the risks and opportunities identified?

Cemig uses scales to classify risks and opportunities according to their financial impact, intangible impact, probability of occurrence and relevance to the Company. Percentage estimates between each of the points for each of the scales are given. From these scales, Cemig prioritizes each risk, allowing for a hierarchy of risks within a risks/opportunities exposure matrix, which includes risks/opportunities surveyed throughout the process.

In addition, specifically for the financial impact, variable referenced above, which is used to define the position of a risk/opportunity in the exposure matrix, information regarding the financial implications of risks/opportunities, controls and measurements are fed into the system. The system then calculates the cost/return of an inherent risk/opportunity (i.e., without management action), the residual risk/opportunity (after the implementation of controls) and planned residual risk/opportunity (after the implementation of measures). This allows decision-making on priorities based on robust financial analyses of scenarios with and without the management of risks/opportunities.

In terms of opportunities, the major focus has been on the acquisition of renewable source assets. To this end, Cemig has adopted a structure for acquisitions through partnerships with strategic partners and investment funds. This establishes a growth vehicle that allows the Company, even with a minority stake, to establish a strategic and competitive position with those assets, combining its expertise with the partners' financial capacity.

Companhia Energética de Minas Gerais Cemig

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In mergers and acquisitions undertaken by Cemig, it is essential to carry out due diligence for evaluation, identification, measurement and management of each risk and contingency. It is a multidisciplinary activity and involves several knowledge areas – technical, environmental, legal, corporate, regulatory, real estate, accounting, tax, labour and financial. Thus, conducting due diligence is an indispensable tool for the investment as a Company's growth strategy.

CC2.2 Is climate change integrated into your business strategy?

Yes.

If Yes :

CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process.

- i. The Corporate Risk Monitoring Committee classifies and prioritizes risks and opportunities related to climate change according to exposure matrices and presents them to the Executive Board. These risk and opportunity assessments are thereby presented to senior management, which uses them to develop the Company's strategic plan. Once the Executive Board has defined and approved Cemig's strategy, the Company's other executive departments plan the activities. The Board of Directors conducts the Strategic Planning process with the participation of the Executive Board.

During the last annual cycle of Cemig's Strategic Planning process, the Board of Directors approved an update to the Corporate Strategic Plan, defining the strategic objectives over the short term and until 2035. The main drivers of Cemig's business strategy are related to balanced growth through new projects, as well as mergers and acquisitions, with the main commitment being to sustainable growth and adding shareholder value over the long term. In terms of the aim to expand installed capacity through a low-risk portfolio, the Company's expansion in renewable sources has been particularly noteworthy.

- ii. Aspects of climate change that have influenced Cemig's strategy:

Development of low carbon businesses: Cemig has identified opportunities for business, and for achieving market advantages, arising from its low carbon energy matrix. These are led by: (i) use of Cemig's existing expertise to build and renovate renewable power plants; and (ii) investment in new energy sources.

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Regulatory changes: Cemig identifies regulatory risks related to climate change, which are considered seriously as part of the Company's strategic decision-making process. Cemig conducts environmental due diligence prior to the acquisition of new assets (assessment of carbon risk), to evaluate the possible financial impact of any increase in GHG emissions from such assets, vis-à-vis the possibilities for internalizing emission costs due to new regulations.

Need for climate change mitigation: Although Cemig's GHG emissions are already low, it strives to reduce them even further by establishing targets for reduction of emissions, electricity consumption and electricity losses.

Need for adaptation to climate change: Cemig has generating capacity that has low GHG-emission intensity because it is predominantly hydropower-based, but is subject to the consequences of climate change. Therefore, it invests in improving weather forecasting systems; in enhancing the infrastructure of its power plants, transmission lines and distribution network, to deal with these consequences; and in improving the forecasting of availability of water for its generation assets. Additionally, it has sought to diversify its matrix of sources by increases its participation in wind power generation, through Renova Energia. In 2014 was approved in the Aneel reserve auction the deployment of 106.9 MWp generation from photovoltaic source.

- iii. Strategy components influenced by climate change in the short term (up to 5 years): (i) Cemig invests in state-of-the-art techniques and equipment that provide a high degree of accuracy in forecasting intensity and location of storms. (ii) It has established a corporate goal of reducing Scope 1 GHG emissions by 8% (in tCO₂e/MWh) from 2008 to 2015. (iii) It has set a corporate goal of reducing electricity losses to below 10.85% by 2017.
- iv. Strategy components influenced by climate change in the long term (over 10 years): The need to consolidate low carbon energy supply sources has guided R&D projects in technologies that Cemig could deploy on a large scale in the future, such as (i) development of the second edition of a Minas Gerais solarimetric atlas, and (ii) electricity generation in solar plants connected to the power grid. Cemig's recent acquisitions demonstrate its focus on expansion in renewable sources (see acquisitions in 2014 under item (vi) of this question). With these strategic actions, Cemig is expanding its power generation in the short term, and investing in a diversified matrix of renewable energy sources for the long term.

Companhia Energética de Minas Gerais Cemig

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The climate change scenario opens new business opportunities for Cemig, with expectations of high demand over the long run. Cemig owns Efficientia S.A., which develops and implements technological solutions for efficient use of energy among non-residential consumers.

v. By maintaining a predominantly renewable matrix and conducting carbon risk assessments, Cemig is able to take positions in advance of the risks associated with increased electricity generation costs. At the same time, development of new technologies, especially solar generation, puts Cemig in the vanguard of the electricity industry incorporating new technologies into its supply matrix and enabling it to diversify its businesses.

vi. More substantial strategic decisions made by Cemig in 2014, which were influenced by business opportunities made more feasible as a result of climate change, include the following:

Investment in electricity distribution network loss management: Loss control is one of Cemig's strategic goals. Among other effects it reduces the emissions factor of the national grid, with potential for mitigation of climate change effects.

Activities that minimize physical risks from extreme weather events:

Improvement in distribution networks: Establishment of the Protected Distribution Network (Rede de Distribuição Protegida - RDP), with shielded lines and networks, and fully structured distribution line pathways, as a minimum standard for urban supply.

Activities that increase opportunities for low carbon business development:

Acquisition of 27.4% of Renova and membership of its controlling stockholder block (a transaction begun in 2013 and completed in 2014).

Agreement with Renova for a 50% equity interest in the Zeus Project, for installation of 25 wind farms in the city of Jacobina, in the state of Bahia, with total installed capacity of 676.2 MW with commercial supply to start in September 2018. Cemig's total direct and indirect ownership interest in Renova is 32.5%.

Contracting of 150.4 MW of installed capacity at the 2014 Reserve Supply Auction (the 2014 LER), in three wind complexes (43.5 MW) and four solar farms (106.9 MWp), to start commercial supply in October 2017; and 108 MW of installed capacity in the 2014 A 5 Auction, in five wind farms for start of supply in January 2019. All of these complexes are in the state of Bahia. Cemig's total direct and indirect ownership interest is 32.5%.

Companhia Energética de Minas Gerais - Cemig

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CC2.2c Does your company use an internal price of carbon?

Yes.

If Yes :

CC2.2d Please provide details and examples of how your company uses an internal price of carbon.

- i. Scope of the emissions: Scope 1;
- ii. Rationale for employing a price: First, it is important to note that in Brazil there is no set price for carbon. However, when assessing the acquisition of projects using fossil fuels, Cemig carries out internal analyses of carbon risk and its financial impact on the Company (i.e., the potential financial risk to the Company in a potential future scenario for GHG emissions pricing in Brazil). In its most recent assessment the Company considered different power generation scenarios in the Brazilian energy matrix. To calculate the financial impact of carbon pricing on these projects, Cemig determined the energy to be generated from and the GHG emissions that would be produced by each scenario; then, the GHG emissions were multiplied by the domestic price of carbon. The results were included in the financial feasibility analysis of each project and were incorporated as operating costs. These assessments were based on the average prices of Verified Carbon Standard (VCS) credits;
- iii. Actual price used: The value used in the carbon pricing of fossil fuel-using projects that might be acquired is the mean value of annual averages of Verified Carbon Units (VCUs), which is currently equivalent to R\$ 3.56.
- iv. Variations in price over time and across geographic areas: These were not considered.
- v. Person/entity responsible for determining this price: For each assessment, Cemig contracts a firm that specializes in carrying out carbon risk assessments, which is responsible for determining the price of carbon, according to the methodology described in items (ii) and (iii) above.
- vi. An example of how carbon pricing affects investment decisions: Cemig conducts environmental due diligence and sensitivity analyses in the acquisition of new fossil-fuel using assets (carbon risk assessment) to evaluate the potential financial impact of increases in its GHG emissions from these

assets, including the possibility of internalizing emission costs as a result of new regulations. This helps the Company make decisions regarding business expansion.

Companhia Energética de Minas Gerais **Cemig**

Table of Contents**CC2.3 Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following?**

(x) Direct engagement with policy makers

(x) Trade associations

(x) Financing research organizations

() Other

() No

If Direct engagement with policy makers is ticked:

CC2.3a On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other: mitigating and adapting to climate change	Support	Created in 1977 as the Environmental Policy Commission, the State Environmental Policy Board (Conselho Estadual de Política Ambiental COPAM) became the State Council of Minas Gerais in 1987, and currently has the status and function of a regulatory and advisory decision-making committee, subordinated to the State Department for Environment and Sustainable Development (Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável SEMAD). It delivers decisions regarding guidelines, policies, regulations and technical norms, standards and other operational measures to preserve the environment and environmental resources, and their application by SEMAD through entities linked to the council, and other regional and local environmental regulation agencies.	Cemig supports this legislation without reservations.

Among the Thematic Boards that comprise COPAM is the Energy and Climate Change Chamber (Câmara de Energia e Mudanças Climáticas - CEM), on which Cemig has a representative.

In 2014, the Minas Gerais Energy and Climate Change Plan (Plano de Energia e Mudanças Climáticas de Minas Gerais - PEMC) was presented to the CEM. The PEMC is a cross-referenced planning tool covering all socio-economic sectors of the state of Minas Gerais that impact GHG emissions and/or suffer the effects of climate change. The plan is a public policy instrument that was created through a participatory process, its main objective being to establish guidelines and activities for mitigation and adaption to climate change in Minas Gerais, while ensuring the state's transition to a low carbon economy and its sustainable development.

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If Trade associations is ticked:

CC2.3b Are you on the Board of any trade associations or provide funding beyond membership?

Yes.

If Yes :

CC2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position
Brazilian Business Council for Sustainable Development (Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável CEBDS)	Consistent	<p>Cemig sits on the CEBDS's Energy and Climate Change Chamber (Câmara Temática de Energia e Mudanças do Clima -CTClima). CTClima represents the views of the CEBDS's member companies on issues related to climate change, in debates, and in formulation of public policies together with governments and other interest groups. CTClima's mission is to provide a suitable forum for companies to understand their role in relation to climate change, assisting them to develop strategies that take advantage of opportunities, minimize risks, and prepare for a world with restrictions on greenhouse gas emissions.</p> <p>The CEBDS is involved in various activities associated with this issue that could contribute to the development and improvement of public policies on the subject. For example, in 2014 CEBDS launched the third edition of a carbon value chain management project that has trained more than 250 suppliers to prepare their own greenhouse gas inventories since 2012. The project's goal is to prepare the supply chain</p>	<p>Cemig's representative on the Energy and Climate Change Chamber (CTClima) participates in its meetings, discussions and debates and, when applicable, contributes with suggestions for the formulation of public policies.</p>

for possible regulatory changes on the subject, to achieve a positive emission reduction result while ensuring business continuity without a loss in market competitiveness.

If Funding research organizations is ticked:

CC2.3d Do you publicly disclose a list of all the research organizations that you fund?

Yes¹.

CC2.3e Do you fund any research organizations to produce or disseminate public work on climate change?

Yes.

¹ Cemig publishes all the research projects it conducts, organised by subject; the details of the projects are available at:

http://www.cemig.com.br/en-us/Company_and_Future/innovation/Research_and_Development/Pages/research_and_developm

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If Yes :

CC2.3f Please describe the work and how it aligns with your own strategy on climate change.

Cemig's Research and Development (R&D) Program produces processes, new methodologies, software, materials, devices and equipment to improve the electricity system and help the Company adapt to and mitigate the impacts caused by climate change, thereby benefiting the electricity industry, Cemig, and society. Cemig has focused on studying energy alternatives, directing efforts toward development of new ways forward for technology and business options in the sector. Following are details of some of our 2014 projects:

- i Photovoltaic Power Plants at Universities: Conclusion of a partnership with four universities in Minas Gerais for the installation of four photovoltaic plants, each with nominal capacity of 12.5 KWp. Cemig provides technical support for their operations and maintenance, and donated 1,000 photovoltaic modules. Each plant will generate an average of approximately 18 MWh/year and, in addition to the economic benefit of the surplus power generated, will offer educational options for vocational training and development of photovoltaic technology.

- i Sete Lagoas Solar Photovoltaic Plant: Continuing construction of an experimental, 3.3 MWp capacity photovoltaic plant in Sete Lagoas, in partnership with the company Sebra Solaria Brasil, the Federal University of Minas Gerais and the Minas Gerais State Research Foundation (Fundação de Amparo à Pesquisa do Estado de Minas Gerais - Fapemig). The project aims to develop the necessary expertise for commercial photovoltaic power generation, the project will operate a photovoltaic plant coupled and a sophisticated solar energy research centre.

- i Sustainable Electricity Generation from Effluents of Charcoal Production in the Pig Iron Production Chain: This is the continuation of a project in partnership with the Federal University of Ouro Preto and Ondatec Tecnologia Industrial em Microondas, aiming to generate electricity from the effluents produced by vegetable biomass pyrolysis, considerably reducing the pollution potential and increasing the energy efficiency of charcoal production. The prototypes have been built and are being adjusted; liquid and gaseous fuels are undergoing testing, and it is expected that it will be possible to use them for electricity production;

- i Solid Urban Waste Gasification for Electricity Generation: This is a partnership with the Federal University of Itajubá and AG Therm Caldeiras e Equipamentos, to build a pilot plant for fluidized bed gasification of fuels derived from urban solid waste biomass, lowering the environmental impact of disposal of this type of waste in the region. The equipment is being purchased and installed, and modelling of the system is in progress.

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- i Use of gases from wood carbonization in charcoal production: This project in partnership with ArcelorMittal BioFlorestas was finalized in 2014, to develop and build systems for transport of carbonization gas and for recovery of forest biomass waste, to generate electricity in a system comprising a central burner, an externally-fired gas-turbine (EFGT) and a generator. Prototypes were assembled, equipment installed, followed by experimental testing and validation of results. Following a technical inspection by Cemig an End-of-Project Workshop was held, open to the general public and the scientific community. The project produced a doctoral dissertation defended in 2014 at the Federal University of Viçosa (UFV), entitled "The Potential of Electricity Generation from Wood Carbonization Forest Residues and Gases". A master's degree thesis inspired by the project is expected in 2016, and several articles resulting from the project are being prepared for publication. A patent application is also being prepared.

- i Power generation using biogas from vinasse digestion: This project in partnership with Methanum Engenharia Ambiental, and Efficientia, was finalized in 2014, to develop a system to purify biogas from vinasse, for use to generate electricity. There was trial operation of the system in 2014 and the project ended with the Closing Workshop, open to the general public and the scientific community, which attracted approximately 50 people. The initiative inspired academic research: in 2015, a master's degree thesis, "Analysis of the microbial community in a system for the treatment of biogas with high concentrations of sulphide," was defended at the Federal University of Minas Gerais; and a doctoral dissertation, "Desulfurization of biogas from the methanization of vinasse: a new approach for the removal of high concentrations of H₂S," is scheduled for 2015. Articles have been submitted for publication, and a patent application has been prepared.

Investments in these lines of research are made as part of the R&D program regulated by Brazil's National Electric Energy Agency (Agência Nacional de Energia Elétrica - Aneel), and in partnership with Fapemig.

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If Direct engagement , Trade associations, Funding research organizations or Other is ticked:

CC2.3h What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Cemig's institutional relationships with the makers of public policy on climate change are conducted, under the approval of the Executive Board, by the Heads of Divisions (General Managers) charged with the management of specific strategic goals and corporate risks associated with the subject. Their work undergoes an annual recycling process as part of the Company's annual strategy and Strategic Plan cycle. As described in question CC1.1, the individual directly responsible for Cemig's global climate change strategy is the Deputy CEO. Thus, following approval by the Chief Officers of the related divisions, the Deputy CEO's team ultimately evaluates all direct and indirect public policy development activities in which the Company participates. As an underlying premise, all institutional activities are driven by assumptions contained in the Cemig document "10 initiatives for the climate."

CC2.4 Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

The Company has no opinion on the subject.

CC3 Targets and Initiatives

CC3.1 Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

☐ Absolute target

☐ Intensity target

☒ Absolute and intensity targets

☐ No

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If you have an Absolute target or Absolute and intensity targets :

CC3.1a Please provide details of your absolute target.

Target identification	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (tCO₂e)	Target year	Comments
Abs-1	Scope 2	0.8%	4%	2011	6,351	2020	<p>The Company has established a goal of reducing the combined electricity consumption of Cemig GT and Cemig D by 4% from 2011 to 2020.</p> <p>In 2011, Cemig GT and D consumed 46,876 MWh of electricity, representing 0.8% of the Company's Scope 2 emissions in the year (the other 99.2% was due primarily to electrical losses, plus a small portion arising from electricity consumption by Efficientia and Cemig Telecom).</p> <p>That year, the national grid emission factor was 0.0292 tCO₂e/MWh, so that emissions associated with electricity consumption were 1,368 tCO₂e. However, to allow comparison with emissions from electricity consumption in 2014, the base year emissions have been reported (in the column on the</p>

left) using the 2014 national grid emission factor, which was 0.1355 tCO₂e /MWh, resulting in a value of 6,351 tCO₂e.

Note that the Scope 2 emission factor is given for emission factors developed by using the coefficient of fossil fuel use in electricity for Brazil's National Grid system, primarily through thermoelectric plant activities.

This emission factor is used to calculate emissions from electricity generation acquired from the national grid (Scope 2), which in 2014 was 0.1355 tCO₂e/MWh (as above), calculated from data collected by the Brazil's National Electric System Operator (ONS) using a procedure developed in partnership with the Brazilian Science, Technology and Innovation Ministry (MCTI). The methodology adopted is the *Tool to calculate emission factor for an electricity system*, approved by the United Nations Framework Convention on Climate Change (UNFCCC).

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If you have an Intensity target or Absolute and intensity targets :

CC3.1b Please provide details of your intensity target.

Target identification	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions standard (tCO ₂ e/MWh)	Target year	Comments
Int-1	Scope 1	100%	8%	tCO ₂ e/MWh	2008	0.007801	2015	This target refers to reduction of Scope 1 emissions in relation to electricity generated by Cemig; thus it is expressed as tCO ₂ e/MWh produced.

If you have an Intensity target or Absolute and intensity targets :

CC3.1c Please also indicate what change in absolute emissions this intensity target reflects.

Target identification	Direction of change anticipated in absolute Scope 1 + 2 emissions at target completion?	% change anticipated in absolute Scope 1 + 2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments
Int-1	Increase	14.08%			Despite the reduction of GHG emissions per MWh produced

by Cemig when the target was achieved, the Company is projecting an expansion of its production of approximately 124% from 2008 to 2015, which will lead to an increase in absolute Scope 1 emissions, while achieving established target.

By 2015, there may be an increase in absolute emissions due to increased operation of the Igarapé Thermoelectric Power Plant.

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For both types of target, also:

CC3.1d For all of your targets, please provide details on the progress made in the reporting year.

Target identification	% complete (time)	% complete (emissions)	Comments
Abs-1	33.33%	100%	In 2014, Cemig GT and Cemig D consumed 44,168 MWh of electricity, 5.78% less than in 2011 (target base year). Thus Cemig has reached and exceeded its target of reducing its electricity consumption by 4% compared to 2011.
Int-1	85.71%	0.00%	<p>Scope 1 emissions have increased since 2008 emissions to 0.023467 tCO₂e/MWh generated by Cemig. Thus, in 2014, Cemig has not improved in its goal of reducing emissions of 0.007801 (base year) to 0.007177 tCO₂e/MWh in 2015 (8% reduction compared to 2008).</p> <p>Scope 1 emissions have increased since 2013 due to emissions from Cemig's thermoelectric power plants, which produced 96.9% of Scope 1 emissions. The <i>Igarapé</i> power plant, with installed capacity of 131 MW, operates to meet contingency needs within the Brazilian electricity system. In 2014, it was in operation for 6,541 hours, as compared to 1,653 hours in 2013. This increase led to higher GHG emissions by <i>Igarapé</i> (up from 130,985 tCO₂e in 2013 to 577,922 tCO₂e in 2014). The decision to dispatch power for Brazil's electrical system is made by the National Electric System Operator (Operador Nacional do Sistema Elétrico - ONS), based on analysis of forecasts of future scenarios for water flows available to hydroelectric plants, forecast growth in power consumption, and the timetable for building of new power plants. In periods of favourable rainfall and high levels of water storage in reservoirs, decisions to dispatch generation from thermoelectric plants are minimized, as hydropower</p>

generation is prioritized. In moments of unfavourable rainfall and lower storage levels, or even at times when increased non-hydroelectric output is desired as a factor to ensure supply of the market due to generation expansion construction program uncertainties, the ONS tends to increase thermal output to reduce hydroelectric generation, to ensure sustained water storage levels in the hydropower reservoir system.

The *Barreiro* thermal plant, located on the premises of steel products manufacturer Vallourec, generates electricity from steelmaking process gases, but in 2014 consumed natural gas due to reduced industrial production by Vallourec. Consumption of natural gas by the Barreiro plant was responsible for the emission of 21,316 tCO₂e, or 3.5% of Scope 1 emissions.

CC3.2 Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes.

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If Yes :

CC3.2a Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party.

Renewable energy generation: Over 97% of Cemig's installed power generation capacity is derived from renewable sources. When generating renewable energy, Cemig is replacing power generation that otherwise would likely have come from fossil sources.

- i. This initiative enables Scope 2 reduction by all consumers connected to the national grid.
- ii. By injecting energy from renewable sources into the national grid, Cemig is strengthening a reduction of the system's emission factor, which benefits all power consumers connected to that system. In 2014, 25,253 GWh of energy was generated from renewable sources (hydro + wind).
- iii. It is estimated that renewable power generation in 2014 prevented emission of 3.421 million tCO₂.
- iv. It is assumed that Cemig's renewable power generation precluded power generation from thermal sources in the Brazilian grid system. To calculate emission reductions, we used the national grid emission factor for 2014, calculated for GHG inventories by the Science, Technology and Innovation Ministry (MCTI), multiplied by the amount of electricity generated from renewable sources.
- v. Generation of Certified Emission Reductions (CERs) under the Clean Development Mechanism (CDM) involved 11 projects, for expected total reduction of 1,072,113 tCO₂e.

Efficientia S.A. is a wholly-owned subsidiary of Cemig which develops and implements energy efficiency and power cogeneration projects, and offers consulting services to optimize the energy mix of industrial companies.

- i. This enables non-Cemig parties to reduce Scope 2 emissions, since it reduces consumption by its clients of electricity from the national grid.
- ii. In 2014 works were completed on the Santa Vitória thermal plant, a cogeneration facility with installed capacity of 20 MW fuelled by sugarcane bagasse.

Efficientia signed new contracts in 2014 to implement projects for lighting system modernization, and photovoltaic power generation.

- iii. It is estimated that the contracts signed in 2014 will result in emissions reductions of 117.26 tCO₂/year;
- iv. It is estimated the contracts signed in 2014 will also result in reduction of electricity consumption totalling 309 MWh/year and reduction in power generation of 556.5 MWh/year. To calculate emission reductions, we used the national grid emission factor for 2014, calculated for GHG inventories by the Science, Technology and Innovation Ministry (Ministério de Ciência, Tecnologia e Inovação MCTI) multiplied by the amount of electricity saved and generated.

² GHG emission factors for the Brazilian National Grid System for the inventory of these gases.
Available at: <http://www.mct.gov.br/index.php/content/view/321144.html#ancora>.

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- v. Generation of Certified Emission Reductions (CERs) under the Clean Development Mechanism (CDM) was not considered for any of these projects implemented.

Gasmig: This Cemig subsidiary, which is exclusive distributor of piped natural gas throughout Minas Gerais, has developed the Inovagás project, which offers energy efficient solutions to customers.

- i. This initiative helps to reduce Scope 1 emissions by non-Cemig parties, as it allows them the option of consuming a fuel with a lower GHG emission factor.
In 2014, Gasmig built 64.84 km of pipelines in the Belo Horizonte metropolitan area, in the southern state of Minas Gerais (Sul de Minas), the Steel Valley region (Vale do Aço) and the city of Juiz de Fora, to serve needs of commercial and industrial consumers.
- ii. Gasmig brings natural gas infrastructure to strategic areas of the state, allowing more carbon-intensive fossil fuels to be replaced in manufacturing industries.
- iii. In 2014, consumption of Gasmig-distributed natural gas avoided the emission of 1,105,629 tCO₂e.
- iv. Gasmig monitors the amount of natural gas it supplies to the industries it serves. In 2014 Gasmig sold 1.531 billion m³ of gas. The emission reduction estimate was based on the assumption that in the absence of natural gas distribution, industry (corresponding to 67.89% of natural gas consumed in 2013) would consume fuel oil, vehicles (2.36%) would consume gasoline, thermoelectric power plants (29.17%) would use diesel, and general purpose consumers (commercial, residential, cogeneration and generation 0.58%) would use diesel or fuel oil from a stationary source. Using the emission factors, and the lower calorific values and densities of the Brazil GHG Protocol, emissions were calculated based on the use of natural gas (real world scenario), and the baseline scenario based on the use of fuel oil, gasoline and diesel. The figure for emissions avoided is the result of subtracting one from the other.
- v. Gasmig did not take into account the generation of Certified Emission Reductions (CERs) under the Clean Development Mechanism (CDM).

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CC3.3 Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)?

Yes.

If Yes, complete questions CC3.3a, CC3.3b and CC3.3c:

CC3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO₂e savings.

Stage of development	Number of projects	Total estimated annual CO₂e savings in metric tons CO₂e (only for rows marked*)
Under investigation	591	
To be implemented*	98	1,278,279
Implementation commenced*	5	1,502
Implemented*	3	5,451
Will not be implemented	0	

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CC3.3b For those initiatives implemented in the reporting year, please provide details in the table below.

Activity type	Description of activity	Estimated annual CO ₂ e savings (metric tonnes of CO ₂ e)	Scope	Voluntary/ Mandatory	Annual monetary savings (R\$)	Investment required (R\$)	Payback period	Estimated lifetime of the initiative (years)	Comments
		3,197			9.3 million	31.6 million		16-20 years	
Energy efficiency: Processes	<p>Nature of the activity: Includes initiatives focused on reducing technical electricity losses in the distribution system. These losses are inherent in electricity transmission through equipment, transmission lines and distribution. Included among actions taken in 2014 to control and minimize technical losses are:</p> <p>Medium voltage reactive compensation project: Preparation of a reactive compensation plan for the installation of 225 automatic capacitor banks by 2016, with an anticipated investment of R\$ 9.0 million and a reduction of technical losses accounting for R\$ 4.2</p>		Scope 2	Voluntary			3 years		

million/year (which corresponds to 23.6 GWh/year).

Strengthening the medium voltage/low voltage electrical system and expanding/strengthening the high voltage (69 kV to 230 kV) sub-transmission system.

Completion of the installation in the electrical system of 385 banks of fixed capacitors.

Acquisition and installation of amorphous core technology distribution transformers, which reduce no load losses by approximately 80%, and strengthen the respective low voltage circuits.

Other specific actions include: investigations of new grid technologies and conductors; studies to increase the operating efficiency of the electrical system (circuit reconfiguration); and establishment of criteria for limitation of technical loss levels in low and medium voltage circuits.

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Activity type	Description of activity	Estimated annual CO ₂ e savings (metric tonnes of CO ₂ e)	Scope	Voluntary/ Mandatory	Annual monetary savings (R\$)	Investment required (R\$)	Payback period	Estimated lifetime of the initiative (years)	Comments
	The Company's Scope 2 emissions are reduced (emissions associated with technical electricity losses are recorded under Scope 2 in Cemig's inventory; losses>								
Mellon	Income Stock Fund								
Mellon	Intermediate Bond Fund								
Mellon	International Fund								

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Fidelity Bond Coverage for Fund for Which the Dreyfus Corporation Acts as Investment Adviser,

1/31/2006

Sub-Investment Adviser or Administrator - Gross Assets at Pursuant to Rule

17g-1(d) Under the Investment Company Act of 1940

Fund Name		Amount of Bond	
		Gross Assets at 1/31/2006	Required Pursuant to Rule 17g-1(d)
Mellon	Large Cap Stock Fund		
	Massachusetts Intermediate		
Mellon	Municipal Bond Fund		

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Mellon	Mid Cap	Stock Fund
Mellon	Money Market	Fund
		Intermediate Municipal
Mellon	National	Bond Fund
Mellon	National	Money Market Fund
Mellon	National	Short-Term Municipal Bond Fund
Mellon	Pennsylvania	Intermediate Municipal Bond Fund
Mellon	Short-Term U.S.	Government Securities Fund
Mellon	Small Cap Stock	Fund

GROUP TOTAL: \$13,697,189,718 \$2,500,000

Dreyfus Premier State Municipal Bond Fund

Connecticut Series
 Florida Series
 Maryland Series
 Massachusetts Series
 Michigan Series
 Minnesota Series
 North Carolina Series
 Ohio Series

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Fidelity Bond Coverage for Fund for Which the Dreyfus Corporation Acts as Investment Adviser,

Sub-Investment Adviser or Administrator - Gross Assets at 1/31/2006 Pursuant to Rule

17g-1(d) Under the Investment Company Act of 1940

Fund Name	Gross Assets at 1/31/2006	Amount of Bond Required Pursuant to Rule 17g-1(d)
Pennsylvania Series		
Texas Series		
Virginia Series		

GROUP TOTAL: \$1,667,070,248 \$1,500,000

	GRAND TOTALS:	\$163,083,182,915	\$106,950,000
AVAILABLE	FIDELITY	BOND COVERAGE	\$125,000,000

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AGREEMENT REGARDING DREYFUS JOINT INSURED BOND

AGREEMENT among The Dreyfus Fund Incorporated and certain other investment companies as to which The Dreyfus Corporation or any affiliate (["Dreyfus"]) now acts as

Investment Adviser, Sub-Investment Adviser and/or Administrator (individually, a "Fund" and, collectively, the "Funds") and which are registered under the Investment Company Act of 1940, as amended (the "Act").

WITNESSETH:

WHEREAS, the Funds are covered as joint insureds under a Fidelity Bond or Bonds (the "Bond") which complies with Rule 17g-1 promulgated by the Securities and Exchange Commission under the Act ("Rule 17g-1"); and WHEREAS, the Funds have entered into this Agreement to meet the requirements of paragraph (f) of Rule 17g-1;

NOW THEREFORE IT IS HEREBY AGREED:

1. In the event that recovery is received under the Bond as a result of a loss sustained by two or more of the Funds, each Fund shall receive an equitable and proportionate share of said recovery, but said recovery shall at least equal the amount that each such Fund would have received had the Fund provided and maintained a single insured bond with the minimum coverage required by paragraph (d)(1) of Rule 17g-1.

2 The Funds acknowledge and agree that, upon approval by the Funds' respective Boards of Directors/Trustees, the amount of the Bond or the carriers issuing the Bond may be changed from time to time, and that any such change shall not affect the rights and obligations of the Funds under this Agreement.

3. Each Fund shall be responsible for paying its pro-rata share, based on the ratio of its assets to the assets of all of the Funds, of the premium payable in respect of the Bond. The Funds acknowledge and agree that any new Fund added to the Bond or as a party to this Agreement will not be responsible for the foregoing amount incurred prior to the first Bond renewal following the addition of such Fund.

4. The Funds agree that any registered investment company for which Dreyfus in the future becomes the Investment Advisor, Sub-Investment Advisor and/or Administrator added as a joint insured under the Bond may become a party to this Agreement upon the execution of a copy of this Agreement by its duly authorized officer and shall thereafter be deemed a "Fund" hereunder.

5. This Agreement shall cease to apply to any Fund in respect of any loss that occurs after such Fund (i) ceases to be an investment company by order of the Securities and Exchange Commission pursuant to Section 8(f) of the Act, or (ii) ceases to be advised, sub-advised and/or administered by Dreyfus, and such Fund shall, at and after such time, cease to be a party to this Agreement for all purposes.

6. This Agreement shall be binding upon and shall inure to the benefit of any successor company of any of the undersigned, or any company into which any of the undersigned may be merged or with which it may be consolidated.

7. As to each Fund that is organized as a trust, this Agreement has been executed on behalf of the Fund by the undersigned officer of the Fund in his capacity as an officer of the Fund;

the obligations of this Agreement shall only be binding upon the assets and property of the Fund and shall not be binding upon any Board member, officer or shareholder of the Fund individually.

IN WITNESS WHEREOF, the Funds have caused this Agreement to be executed by their respective officers, thereunto duly authorized as of the day and year written below.

Dated as of January 31, 2006

Joni Lacks Charatan
Vice President of:

CitizensSelect Funds
CitizensSelect Prime Money Market Fund
CitizensSelect Treasury Money Market Fund
Dreyfus A Bonds Plus, Inc.
Dreyfus Appreciation Fund, Inc.
Dreyfus BASIC Money Market Fund, Inc.
Dreyfus BASIC U.S. Government Money Market Fund
Dreyfus BASIC U.S. Mortgage Securities Fund
(formerly, Dreyfus BASIC GNMA Fund)
Dreyfus Bond Funds, Inc.
Dreyfus Municipal Bond Fund
Dreyfus Premier High Income Fund
Dreyfus California Intermediate Municipal Bond Fund
Dreyfus California Tax Exempt Money Market Fund
Dreyfus Cash Management
Dreyfus Cash Management Plus, Inc.
Dreyfus Connecticut Intermediate Municipal Bond Fund
Dreyfus Connecticut Municipal Money Market Fund, Inc.
Dreyfus Fixed Income Securities
Dreyfus High Yield Shares
Dreyfus Mortgage Shares
Dreyfus Florida Intermediate Municipal Bond Fund
Dreyfus Florida Municipal Money Market Fund
The Dreyfus Fund Incorporated
Dreyfus GNMA Fund, Inc.
Dreyfus Government Cash Management Funds
Dreyfus Government Cash Management

Dreyfus Government Prime Cash Management
Dreyfus Growth and Income Fund, Inc.
Dreyfus Growth and Value Funds, Inc.
Dreyfus Emerging Leaders Fund
Dreyfus Midcap Value Fund
Dreyfus Small Company Value Fund
Dreyfus Premier Future Leaders Fund
Dreyfus Premier Midcap Value Fund

(formerly, Dreyfus Midcap Value Plus Fund)
Dreyfus Premier International Value Fund
(formerly, Dreyfus International Value Fund)
Dreyfus Premier Select Midcap Growth Fund
Dreyfus Premier Small Company Growth Fund
Dreyfus Premier Strategic Value Fund
(formerly, Dreyfus Aggressive Value Fund)
Dreyfus Premier Structured Large Cap Value Fund
Dreyfus Premier Structured Midcap Fund
Dreyfus Premier Technology Growth Fund
(formerly, Dreyfus Technology Growth Fund)
Dreyfus Growth Opportunity Fund, Inc.
Dreyfus High Yield Strategies Fund (closed-end fund)
Dreyfus Index Funds, Inc.
Dreyfus International Stock Index Fund
Dreyfus S&P 500 Index Fund
Dreyfus Smallcap Stock Index Fund
Dreyfus Institutional Money Market Fund
Government Securities Series
Money Market Series
Dreyfus Institutional Cash Advantage Funds
Dreyfus Institutional Cash Advantage Fund
Dreyfus Institutional Cash Advantage Plus Fund
Dreyfus Institutional Preferred Money Market Funds
Dreyfus Institutional Preferred Money Market Fund
Dreyfus Institutional Preferred Plus Money Market Fund
Dreyfus Insured Municipal Bond Fund, Inc.
Dreyfus Intermediate Municipal Bond Fund, Inc.
Dreyfus International Funds, Inc.
Dreyfus Premier Emerging Markets Fund
(formerly, Dreyfus Emerging Markets Fund)
Dreyfus Investment Grade Funds, Inc.
(formerly, Dreyfus Investment Grade Bond Funds, Inc.)
Dreyfus Inflation Adjusted Securities Fund
Dreyfus Intermediate Term Income Fund
Dreyfus Premier Short Term Income Fund
Dreyfus Premier Yield Advantage Fund
Dreyfus Investment Portfolios
Core Bond Portfolio
Core Value Portfolio
Emerging Leaders Portfolio
Founders Discovery Portfolio
Founders Growth Portfolio
Founders International Equity Portfolio
MidCap Stock Portfolio
Small Cap Stock Index Portfolio
Technology Growth Portfolio
The Dreyfus/Laurel Funds, Inc.

Dreyfus BASIC S&P 500 Stock Index Fund
 (formerly, Dreyfus Institutional S&P 500 Stock Index Fund)
 Dreyfus Bond Market Index Fund
 Dreyfus Disciplined Stock Fund
 Dreyfus Institutional Government Money Market Fund
 Dreyfus Institutional Prime Money Market Fund
 Dreyfus Institutional U.S. Treasury Money Market Fund
 Dreyfus Money Market Reserves
 Dreyfus Municipal Reserves
 Dreyfus Premier Balanced Fund
 Dreyfus Premier Core Equity Fund
 (formerly, Dreyfus Tax-Smart Growth Fund)
 Dreyfus Premier Large Company Stock Fund
 (formerly, Dreyfus Disciplined Equity Income Fund)
 Dreyfus Premier Limited Term Income Fund
 Dreyfus Premier Midcap Stock Fund
 (formerly, Dreyfus Disciplined Midcap Stock Fund)
 Dreyfus Premier Small Cap Value Fund
 Dreyfus Premier Tax Managed Growth Fund
 Dreyfus U.S. Treasury Reserves
 The Dreyfus/Laurel Funds Trust
 Dreyfus Premier Core Value Fund
 (formerly, Dreyfus Core Value Fund)
 Dreyfus Premier International Bond Fund
 Dreyfus Premier Managed Income Fund
 Dreyfus Premier Limited Term High Yield Fund
 (formerly, Dreyfus Premier Limited Term High Income Fund)
 Dreyfus Tax Managed Balanced Fund
 The Dreyfus/Laurel Tax-Free Municipal Funds
 Dreyfus BASIC California Municipal Money Market Fund
 Dreyfus BASIC Massachusetts Municipal Money Market Fund
 Dreyfus BASIC New York Municipal Money Market Fund
 Dreyfus LifeTime Portfolios, Inc.
 Growth Portfolio
 Growth & Income Portfolio
 Income Portfolio
 Dreyfus Liquid Assets, Inc.
 Dreyfus Massachusetts Intermediate Municipal Bond Fund
 Dreyfus Massachusetts Municipal Money Market Fund
 Dreyfus Midcap Index Fund, Inc.
 Dreyfus Money Market Instruments, Inc.
 Government Securities Series
 Money Market Series
 . Dreyfus Municipal Cash Management Plus
 Dreyfus Municipal Funds, Inc.
 (formerly, Dreyfus BASIC Municipal Fund, Inc.)
 Dreyfus BASIC Municipal Money Market Fund

Dreyfus BASIC New Jersey Municipal Money Market Fund
Dreyfus High Yield Municipal Bond Fund
Dreyfus Premier Select Intermediate Municipal Bond Fund
(formerly, Dreyfus BASIC Intermediate Municipal Bond Portfolio)
Dreyfus Premier Select Municipal Bond Fund
(formerly, Dreyfus BASIC Municipal Bond Portfolio)
Dreyfus Municipal Income, Inc. (closed-end fund)
Dreyfus Municipal Money Market Fund, Inc.
Dreyfus New Jersey Intermediate Municipal Bond Fund

Dreyfus New Jersey Municipal Money Market Fund, Inc.
Dreyfus New York Municipal Cash Management
Dreyfus New York Tax Exempt Bond Fund, Inc.
Dreyfus New York Tax Exempt Intermediate Bond Fund
Dreyfus New York Tax Exempt Money Market Fund
Dreyfus Pennsylvania Intermediate Municipal Bond Fund
Dreyfus Pennsylvania Municipal Money Market Fund
Dreyfus Premier California Tax Exempt Bond Fund, Inc.
(formerly, Dreyfus California Tax Exempt Bond Fund, Inc.)
Dreyfus Premier Equity Funds, Inc.
Dreyfus Premier Growth and Income Fund
Dreyfus Premier Fixed Income Funds (formerly, Debt and Equity Funds)
Dreyfus Premier Core Bond Fund
(formerly, Dreyfus Core Bond Fund)
Dreyfus Premier GNMA Fund
Dreyfus Premier International Funds, Inc.
Dreyfus Premier Greater China Fund
Dreyfus Premier International Growth Fund
Dreyfus Premier Manager Funds I
Bear Stearns Prime Money Market Fund
Dreyfus Premier Alpha Growth Fund
Dreyfus Premier Intrinsic Value Fund
Dreyfus Premier S&P STARS Fund
Dreyfus Premier S&P STARS Opportunities Fund
Dreyfus Premier Manager Funds II
Dreyfus Premier Balanced Opportunity Fund
Dreyfus Premier Blue Chip Fund
Dreyfus Premier Select Fund
Dreyfus Premier Municipal Bond Fund
Dreyfus Premier New Jersey Municipal Bond Fund, Inc.
(formerly, Dreyfus New Jersey Municipal Bond Fund, Inc.)
Dreyfus Premier New Leaders Fund, Inc.
(formerly, Dreyfus New Leaders Fund, Inc.)
Dreyfus Premier New York Municipal Bond Fund
Dreyfus Premier Opportunity Funds
Dreyfus Premier Consumer Fund
Dreyfus Premier Enterprise Fund

(formerly, Dreyfus Premier Micro-Cap Growth Fund)
Dreyfus Premier Financial Services Fund
(formerly, Dreyfus Financial Services Fund)
Dreyfus Premier Health Care Fund
Dreyfus Premier Natural Leaders Fund
Dreyfus Premier Short-Intermediate Municipal Bond Fund
(formerly, Dreyfus Short-Intermediate Municipal Bond Fund)
Dreyfus Premier State Municipal Bond Fund
Connecticut Series
Florida Series
Maryland Series
Massachusetts Series
Michigan Series
Minnesota Series
North Carolina Series
Ohio Series
Pennsylvania Series
Texas Series
Virginia Series

Dreyfus Premier Stock Funds
Dreyfus Premier International Equity Fund
Dreyfus Premier International Small Cap Fund
Dreyfus Premier Small Cap Equity Fund
The Dreyfus Premier Third Century Fund, Inc.
Dreyfus Premier Value Equity Funds
Dreyfus Premier Value Fund
Dreyfus Premier Worldwide Growth Fund, Inc.
(formerly, Dreyfus Premier Growth Fund, Inc.)
Dreyfus Short-Intermediate Government Fund
The Dreyfus Socially Responsible Growth Fund, Inc.
Dreyfus Stock Index Fund, Inc.
Dreyfus Strategic Municipal Bond Fund, Inc.
(closed-end fund)
Dreyfus Strategic Municipals, Inc.
(closed-end fund)
Dreyfus Tax Exempt Cash Management
Dreyfus Treasury Cash Management
Dreyfus Treasury Prime Cash Management
Dreyfus 100% U.S. Treasury Money Market Fund
Dreyfus U.S. Treasury Intermediate Term Fund
(formerly, Dreyfus 100% U.S. Treasury Intermediate Term Fund)
Dreyfus U.S. Treasury Long Term Fund
(formerly, Dreyfus 100% U.S. Treasury Long Term Fund)
Dreyfus Variable Investment Fund
Appreciation Portfolio
Balanced Portfolio

Developing Leaders Portfolio (formerly, Small Cap Portfolio)
Disciplined Stock Portfolio
Growth and Income Portfolio
International Equity Portfolio
International Value Portfolio
Limited Term High Yield Portfolio
(formerly, Limited Term High Income Portfolio)
Money Market Portfolio
Quality Bond Portfolio
Small Company Stock Fund
Special Value Portfolio
Dreyfus Worldwide Dollar Money Market Fund, Inc.
General California Municipal Money Market Fund
General Government Securities Money Market Funds, Inc.
General Government Securities Money Market Fund
General Treasury Prime Money Market Fund
General Money Market Fund, Inc.
General Municipal Money Market Funds, Inc.
General Municipal Money Market Fund
General New York Municipal Bond Fund, Inc.
General New York Municipal Money Market Fund
Mellon Funds Trust (formerly, MPAM Funds Trust)
Mellon Balanced Fund
(formerly, MPAM Balanced Fund)
Mellon Bond Fund
(formerly, MPAM Bond Fund)
Mellon Emerging Markets Fund
(formerly, MPAM Emerging Markets Fund)
Mellon Income Stock Fund

(formerly, MPAM Income Stock Fund)
Mellon Intermediate Bond Fund
(formerly, MPAM Intermediate Bond Fund)
Mellon International Fund
(formerly, MPAM International Fund)
Mellon Large Cap Stock Fund
(formerly, MPAM Large Cap Stock Fund)
Mellon Massachusetts Intermediate Municipal Bond Fund
(formerly, MPAM Massachusetts Intermediate Municipal
Bond Fund)
Mellon Money Market Fund
Mellon Mid Cap Stock Fund
(formerly, MPAM Mid Cap Stock Fund)
Mellon National Intermediate Municipal Bond Fund
(formerly, MPAM National Intermediate Municipal Bond Fund)
Mellon National Municipal Money Market Fund
Mellon National Short-Term Municipal Bond Fund

(formerly, MPAM National Short-Term Municipal Bond Fund)

Mellon Pennsylvania Intermediate Municipal Bond Fund

(formerly, MPAM Pennsylvania Intermediate Municipal Bond Fund)

Mellon Short-Term U.S. Government Securities Fund

(formerly, MPAM Short-Term U.S. Government Securities Fund)

Mellon Small Cap Stock Fund

(formerly, MPAM Small Cap Stock Fund)
