

PRESS RELEASE

Canada

Dalkia to design and operate a second biomass power plant among the largest in North America

Paris - Vancouver, July 25, 2014. Dalkia and the Canadian investment fund Fengate Capital Management Ltd. are again joining forces to develop a second biomass power plant in Merritt, British Columbia (Canada). Designed and operated by Dalkia, the state-of-the-art Merritt plant will be among the largest in North America along with the Fort St. James plant, also developed by Dalkia and Fengate Capital Management Ltd.

Under a Design, Finance, Build, Operate and Maintain (DFBOM) contract, Dalkia will provide the industrial management and maintenance of the facilities as well as biomass supply and preparation services.

This plant will consume 307,000 metric tons of biomass a year, mainly sawmill waste. Supply will be managed by Dalkia and sourced from local sawmills.

With an electricity production capacity of 40 MW, this plant will supply electricity to BC Hydro & Power Authority to power almost 40,000 Canadian households. Once operational, it will avoid the annual discharge of around 95,000 metric tons of CO₂ – the equivalent of more than 45,000 cars off the road.

This project will also create around 250 jobs during the construction phase and 80 new direct and indirect jobs during the plant's 30-year operation.

This plant will be financed by Fengate Capital Management Ltd., together with a number of international and Canadian banks. As for Fort St. James, Dalkia and Fengate Capital Management Ltd. have contracted Iberdrola Engineering & Construction to build the plant.

For Dalkia, this project will generate cumulative operating and biomass sales of more than €540 million (CAD790 million) over the contract's 30-year term.

"After Fort St. James, construction of which started at the end of 2013, the Merritt biomass power plant will be one of the largest and most efficient in North America. Here again, Dalkia has confirmed its globally unparalleled expertise in biomass plants. Our cooperation with Fengate Capital Management Ltd. enables us to provide our customers with the best of our combined expertise: the design and operation of the most complex facilities on the one hand, and asset financing on the other," explains Antoine Frérot, Chairman and CEO of Veolia.



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About Dalkia

A subsidiary of Veolia Environnement and Electricité de France (EDF), Dalkia, a global leader in energy services, provides innovative solutions to support the sustainable growth of cities and businesses. In an era of climate change, volatile energy prices and scarce resources, Dalkia offers customers its expertise in developing, constructing and operating greener and more economical energy solutions. With more than 50,000 employees in 35 countries, Dalkia reported managed revenue of €8.9 billion in 2012. www.dalkia.com

Contact

Sandrine Guendoul
+ 33 (0)1 71 75 12 52
sandrine.guendoul@veolia.com

Stéphane Galfré
+ 33 1 71 75 19 27
stephane.galfre@veolia.com