

**Mr Enrique de León**

National Committee to Combat Climate Change (CNLCC)  
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**Mr Yann Louvel**

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**Ms Heffa Shücking**

Director, urgewald  
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**April 26, 2016**

**Subject: Your letter dated April 06, 2016 regarding the Punta Catalina coal-fired power plant project in the Dominican Republic**

Dear Mr de León, Mr Louvel, Ms Pinson and Ms Shücking,

Thank you for the letter dated April the 6<sup>th</sup>, 2016 to Societe Generale and the other banks involved in the financing of the Punta Catalina power plant project.

Please find our answers to the different points you raise:

Regarding the allegations of corrupt practices in connection with the tendering process, we closely monitor the debate and controversy that surround the project. We do not wish to comment on allegations involving our customers and the related involved authorities. To our knowledge, however, no irregularities with regard to international law against bribery have occurred in relation to the project and we believe the project to be in good standing and the parties involved able to perform.

Regarding environmental and health impacts for the local population and the associated risk of social conflict, the project was assessed on its compliance with host country environmental and social laws, regulations and permits as well as with other more stringent international standards and best practices such as the World Bank standards (namely the IFC Performance Standards as well as the Environmental, Health and Safety Guidelines) and the World Bank screening criteria for coal-fired power.

In particular, the emissions of the power plant were confirmed as lower than 850 g CO<sub>2</sub>/kWh, with more than 95% of the sulphur and nitrogen oxides and mercury (SO<sub>x</sub>, NO<sub>x</sub> and Hg) removed from the flue gases.

The project complied with Societe Generale coal-fired power sector policy at the time when the financing was concluded. In addition, the third party independent review concluded that the project will not only contribute to stability and reliability of the grid system but should also help to reduce off-grid generation with positive results in terms of emissions reduction.

Regarding the availability of funds from BNDES and the impact on our loan agreement, the information included in your letter does not match with our records. The conditions set out in the waiver letter dated December 23, 2015 have been complied with for the fiscal year 2016 and the government of Dominican Republic has allocated sufficient funds in its 2016 budget to meet in full all payments scheduled for the year.

Finally, our view is that there are several arguments justifying the project considering the challenges faced by the Dominican Republic energy sector. In particular, the project will significantly improve the national energy matrix and help reduce the blackouts in a country where electricity prices are among the highest of the region.

Yours sincerely,

Jean-Michel Mépuis  
Societe Generale Group Sustainable Development and CSR Director