

CIRCULAR DPR - H / 24 / 2012 Classification: Public Mar. 20 / 2012

THE COMPANY'S COMMITMENT TO CLIMATE CHANGE

We hereby announce that, considering the importance of climate change issues, on December 01, 2011 the Executive Board committed itself to the “10 Climate Initiatives”, thereby establishing its strategy for mitigating, adapting to and raising awareness among society of climate change issues.

Cemig's preparation and commitment to a low carbon economy are aimed at aligning its businesses based on an assessment of climate-related risks and opportunities and informing society and its investors of the efforts and measures being implemented by the Company:

1. Energy generation from renewable sources

Cemig gives priority to the share of renewable sources in the composition of its energy matrix. Around 99% of the Company's generation comes from renewable sources: hydroelectric, wind and industrial process gases, which leave our emissions of greenhouse gases at minimal levels, well below the Brazilian and global averages for the electric sector. Also, through the Renova Energia Company, in which Cemig is a shareholder, Cemig is involved in the generation of electric energy by means of alternative renewable sources, such as Small Hydroelectric Plants (SHPs) and wind power.

2. Creation of the first Brazilian Esco – Energy Service Company certified in ISO 9001 and associated with an energy utility

Efficientia S.A., founded in 2002, works to develop and facilitate the implementation of technological solutions that promote the efficient use of energy and the consequent reduction in greenhouse gas emissions at the facilities of medium and large clients in the commercial, industrial and service sectors.

3. Implementation of energy conservation and efficiency projects

Cemig believes that energy efficiency represents one of the most effective options for reducing emissions of greenhouse gases. The Cemig/Aneel Energy Efficiency Program¹ is constituted of various projects, most of them multi-year in nature, aimed at undertaking activities in communities with low purchasing power, philanthropic institutions (hospitals/daycare centers/retirement homes) and public schools, in order to promote a change

in their culture aimed at using energy more efficiently and reducing wastage.

¹ National Electric Energy Agency - Aneel

4. Involvement in the field of natural gas distribution through Gasmig

Gasmig, in which the majority shareholders are Cemig and Petrobras, is a company whose objective is to provide solutions based on the use of natural gas for all segments of the market by replacing fuels that produce more pollution. Gasmig has increased its share of the energy matrix in the State with entrance into operation of the Sul de Minas and Vale do Aço distribution networks.

5. Investment in renewable sources

Historically, Cemig has invested in research and development in order to be able to implement new technologies, especially with regard to technological innovations related to the generation of clean energy. The Company already boasts enterprises that offer electric energy on a commercial scale from wind farms and cogeneration plants. Various photovoltaic generation projects are being studied and/or implemented, with the Mineirão Stadium Solar project and the first Photovoltaic Generation Plant to produce solar energy commercially in Brazil being especially noteworthy. Through the development of the Wind Atlas, Cemig has mapped the wind potential of the entire State of Minas Gerais, identifying promising locations for the installation of new enterprises. The Company already sells energy produced from biogas, composed of methane and carbon dioxide and produced through the decomposition of trash in a sanitary landfill. With this initiative, the Company is able to offer its clients yet another sustainable alternative energy source.

6. Integration of carbon risk into the technical-economic feasibility of new projects and into asset acquisitions and mergers

Cemig assesses the risk of increased carbon emissions in its energy matrix by conducting environmental due diligence for the acquisition of new assets or mergers, or by taking this risk into consideration during the technical-economic feasibility studies for new projects. This initiative has helped the Company in its decision making by including climate strategy in the expansion of its business.

7. Assessment of climate change risks and opportunities

Cemig identifies the main risks and opportunities for its businesses resulting from climate change and develops monitoring and control measures. For further details, please see Cemig's answers to the Carbon Disclosure Project – CDP.

8. Improvements in process efficiency

Cemig is repowering its sole thermoelectric plant, with an installed capacity of 131 MW, which burns fuel oil, thereby producing greater efficiency at the plant and contributing directly to a reduction in the emission of greenhouse gases. Reducing energy losses in the electric system is one of Cemig's strategic objectives and the Company is engaged in various projects dedicated to this purpose. Reducing losses indirectly reduces emissions of greenhouse gases³ (Scope 2 GHG Protocol).

³ Emissions of Greenhouse Gases in this activity are calculated based on the emissions factors developed using the coefficient for the use of fossil fuels at thermoelectric plants for the production of electric energy for the national interconnected system (SIN).

9. Reduction of transportation emissions

Through its Vehicle Fleet Renewal and Compliance Policy, which establishes a period of five years as the average age for the fleet, Cemig prioritizes the acquisition of more efficient and economical vehicles. Aligned with this Policy, the Fleet Refueling Control Program utilized by Cemig has produced an effective reduction in the consumption of fuels by its vehicles.

10. Technology and innovation program

Cemig has partnerships with universities and research institutes with the goal of actively participating in the process of technological advancement. The Company is installing, initially in the Sete Lagoas/MG Region, Intelligent Networks, also known as a Smart Grid. This initiative will allow for the automation of the networks and energy metering, generation and distributed storage systems, thus contributing to a reduction in losses and, consequently, in emissions. Additionally, the Company has produced important innovations related to the climate, such as electric vehicles, solar heating and photovoltaic energy generation systems.