

MEDIA RELATIONS

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THE BIRTH OF ENEL GREEN POWER: A NEW SEASON FOR RENEWABLES IN ITALY AND AROUND THE WORLD BEGINS

With more than 17 billion kWh of power generated from water, sun, wind and the heat of the earth, the new company is already a world leader in emission-free power generation

Rome, 1 December 2008 – Today sees the birth of Enel Green Power, the Enel Group company aimed at developing and operating power generation from renewable resources in Italy and around the world. The new company's business incorporates all of Enel's activities in the wind, solar, geothermal, run-of-the-river hydroelectric and biomass fields in Europe, North America and Central and South America.

With nearly 4,300 MW of installed capacity, Enel Green Power is the number one Italian company with an internationally integrated business in renewable energy sources and the leading company in Europe in terms of generation output: more than 17 billion kWh, enough to meet the needs of some 6,500,000 households, avoiding the annual emission of 13 million metric tons of CO₂, the greenhouse gas that is considered to be one of the main factors behind climate change.

"At Enel, we believe in the development of renewable sources", says Francesco Starace, Head of the Renewable Energy Division in which the new company operates. "Renewable sources can give an important contribution to the security of energy supply as well as to the quality of the environment. With the new company, we intend to substantially increase the installed capacity relying on water, sun, wind and the natural heat of the earth, in the next 5 years, thanks to major development projects and to targeted investments in high-value projects."

In order to leverage operations in renewables and expand Enel's presence in this sector at the international level, thus confirming our leadership in Italy in the solar, hydroelectric and geothermal markets and our steady growth in wind power, Enel Green Power can already count on a significant presence in the sector at the world level. More specifically:

Italy: 2,513 MW of installed capacity, of which 331 MW in wind, 671 MW in geothermal, 4 MW in photovoltaic solar and 1,507 MW in hydroelectric.

Spain: 374 MW of installed capacity, 322 MW are in wind power, 26 MW in hydroelectric and the same amount in co-generation.

North America: 573 MW already installed, of which 231 MW in wind, 7 MW in geothermal, 314 MW in hydroelectric and 21 in biomass.

Latin America: 664 MW of installed capacity, of which 24 MW in wind and 640 MW in hydroelectric.

In addition, about 100 MW of wind capacity are already installed in **France** and **Greece**, while major projects are under way in a number of Eastern European countries (**Romania** and **Bulgaria**).

Enel Green Power also controls **Enel.si**, Italy's leading operator in photovoltaic and solar thermal power, with a market share of 35%. The company operates directly and through a franchising network of more than 400 installers, although this number will be rising fast thanks to the recent recruitment campaign launched by the company.

NOTE

Solar Power

The gradual rise in global temperatures as well as technological development are driving the development of solar power throughout the world, particularly in the area of photovoltaic technologies. According to the European Photovoltaic Industry Association (EPIA), over the last ten years the photovoltaic industry has grown world-wide at an average rate of 35%, with total installed capacity reaching 9,162 MW for 2007, of which 2,392 MW added just in the last year. This figure is expected to exceed 21,600 MW by 2010.

Enel Green Power intends to be a leading player in this market segment. In Italy – where we also operate the 3.3 MW Serre Persano (province of Salerno) plant, one of the world's largest photovoltaic facilities – we are currently completing the installation of about 50 MW of photovoltaic power, with major projects of growth in the coming years. We have also launched an ambitious review process of our programs beginning as early as 2009, thanks to strategic partnerships with a number of the industry's leading players.

As regards the development of more advanced photovoltaic technology, Enel Green Power is currently analysing the benefits of the various options available, such as semiconductor alternatives to silicon that can achieve very high levels of efficiency, as well as concentration systems with heat recovery.

In the area of advanced technologies, Enel has begun testing of solar thermal generation with the Archimede Project, which is under way at Enel's Priolo Gargallo (Syracuse) plant. This is the world's first example of a combined-cycle gas plant integrated with a solar plant, based on a highly innovative technology developed by Enea.

Wind Power

Wind power has experienced remarkable growth in recent years, and is expected to continue growing at a rate of about 30% per year in the coming years.

In Italy, it has been the fastest growing source of energy over the last decade. And Enel Green Power has made a significant contribution to this growth. Starting with Italy's first wind farm, which Enel built in Alta Nurra (Sardinia) in 1984, we now operate 17 wind farms with a total generation capacity of 331 MW.

We also have a significant, rapidly growing presence in the rest of Europe (more than 410 MW), Latin America (24 MW) and North America (231 MW). In the United States in particular, where we have projects for some 1,000 additional MW, in October 2008 we completed construction at the major (250 MW) plant in Smoky Hills (Kansas). In January 2008 we completed the installation of 21 wind turbines of 3 MW each in Snyder (Texas) on the tallest (more than 100 metres) towers ever erected in the United States.

Enel Green Power intends to maintain the company's commitment to the landscape value, placing the utmost importance on ensuring that the wind farms are in harmony with the surrounding area and boosting local communities. All while also pursuing innovation and the new frontiers of wind power, such as off-shore plants.

Hydroelectric Power

Hydroelectric power generation is a highly important industry segment on a global level. In Italy, it accounts for approximately 15% of the country's power needs, thanks to Enel's crucial commitment to developing know-how that has made the company a world leader in the development of this clean, renewable and cost-effective source of energy.

Nearly all of Europe's hydroelectric potential is currently being utilised. For this reason, we are both seeking to increase the efficiency of existing technologies and looking with particular interest at the development of "run-of-the-river" hydro power, which, despite having a limited power output per plant, could, on the whole, make a significant contribution to meeting electricity demand. The role of mini-hydro is being further enhanced by the growing need to protect the environment. Indeed, small-scale hydroelectric plants have construction and organisational features that limit their environmental impact. In addition, they can be managed by smaller communities and integrated into a balanced, multiple-use water system.

Currently, Enel Green Power operates more than 270 mini-hydro facilities in Italy (with a total capacity of 1,507 MW), making a concerted effort to ensure the safety and maintenance of the hydroelectric sites.

Enel's commitment to developing hydroelectric power continues in many other countries, as well. Beyond the Italian border, there are already some 100 Enel Green Power hydroelectric plants with a total capacity of about 1,000 MW.

Geothermal Power

Italy is where geothermal energy was used for the first time for industrial purposes, and the country remains one of the leading producers of geothermal electricity.

More than a century has passed since those beginnings and since that day the history of geothermal power has become a source of pride for the Italian power generation industry, as well as for Enel Green Power, which currently manages 31 geothermal power plants in Val di Cecina and on Mt. Amiata (Tuscany), with more than 8,700 district heating users, geothermal heat for 25 hectares of greenhouses, and power generation of more than 5 billion kWh per year, equal to the average consumption of 2 million Italian households.

Further development of geothermal power generation in Italy is an important part of Enel Green Power's strategy. We are also committed to strengthening our undisputed world leadership in geothermal energy through new projects abroad.

Of particular note are our efforts in the United States, where Enel Green Power already operates 7 MW and is developing new projects with a capacity of approximately 150 MW. A number of investment programs are also being developed in several countries in Central and South America. In Chile, for example, we are prospecting on two concessions with a potential capacity of more than 100 MW.

Biomass

The exploitation of biomass is an important chapter in Europe's development of renewable energy. This resource is expected to make a significant contribution in the production of electricity, heat and biofuels, with the latter being the leading alternative to the use of fossil fuels for transportation. Enel Green Power intends to contribute to the development of the biomass energy industry in Italy.

Enel is already operating a biomass plant in Canada at St. Félicien, with a capacity of 21 MW. Two projects are already being completed within the Group: the conversion of the Mercure thermal plant (Basilicata) to biomass and the installation of a new thermal unit at the Sulcis plant (Cagliari) that will be able to use plant waste for fuel.

We are also working on pilot areas for energy crops in agricultural areas that are currently under-utilised and where populations are dwindling, in order to use the biomass produced in power generation and co-generation.