

**MEDIA RELATIONS**

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## **ENEL AND THE REGION OF SARDINIA SIGN PROTOCOL ON RENEWABLES AND DEVELOPING INDUSTRY ON THE ISLAND**

*The agreement inaugurates a new phase in the dialogue between Enel and regional authorities, with a view to fostering the development of the Sardinian territory and increasing output of clean energy.*

*The Region has agreed to the rapid authorisation of the construction of wind plants with 160 MW of capacity, while Enel will provide 550 GWh a year to large-scale power users on the island at a price of 40 euros per MWh.*

**Rome, 5 July 2007** – The President of the Region of Sardinia, Renato Soru, and the CEO of Enel, Fulvio Conti, today signed a protocol of understanding to foster the development of renewables and ensure an abundant supply of power at competitive prices to strategically important enterprises that operate on the island.

Under the agreement, the Region of Sardinia has agreed to ensure the rapid issue – within 90 days of the effective date of the protocol – to Enel of all authorisations, permits and concessions for which it is responsible, without prejudice to municipal interests, needed to expand existing wind plants or build new wind facilities for a total capacity of 160 MW. The works are to be carried out within industrial areas or other areas to be selected on the basis of the Regional Landscape Plan.

The construction of the new wind plants will avoid the emission of about 190,000 metric tons of carbon dioxide and the consumption of some 56,000 metric tons of oil equivalent per year. The development of renewable energy resources is part of a more than 4 billion euro investment plan that will make Enel the most advanced energy company in the world in the search for innovative solutions to reduce the environmental impact of the generation and distribution of electricity.

On its part, Enel has agreed to provide 550 GWh (1 GWh = 1,000 MWh) of energy per year at a price of 40 euros per MWh – a total annual value of 22 million euros – to large-scale power users that undertake new investments and do not benefit from subsidised rates. The power, which will be provided for four years using procedures agreed with the Competition Authority and the Authority for Energy and Gas, is broadly equivalent to the output of Enel's wind power facilities in Sardinia, equal to the sum of installed wind capacity (100 MW) and the additional capacity from the construction of the plants to be authorised under the protocol (160 MW).

Enel has also agreed to sell the Region of Sardinia the hydroelectric plants "Tirso 1° Salto" and "Tirso 2° Salto" at Busachi (OR), with an installed capacity of 21.2 MW and 4.2 MW respectively, at a price equal to their book value.

Finally, Enel has undertaken to develop a plan for the removal of retired power line infrastructure and to pursue a number of priority initiatives to improve service quality for the Region's industrial areas. The Region will make a one-off contribution of 5 million euros to these works. Enel's commitment in this area has already reduced service interruptions from 259 minutes in 2000 to 80 minutes in 2006.

Enel and the Region of Sardinia have also agreed on a joint project to develop intelligent electricity distribution networks (smart grids), subject to verification of technical requirements, feasibility and the issue of any necessary authorisations. The project will permit the implementation of a new-concept distribution grid that will facilitate the connection of distributed and renewable generation, enabling optimal management of electricity flows and greater energy efficiency.