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ENEL AND THE REGION OF SICILY SIGN PROTOCOL OF UNDERSTANDING FOR ENERGY DEVELOPMENT ON THE ISLAND

- *The Region issued the authorisation decree to build up and operate the Porto Empedocle LNG terminal (planned investment: 650 million euros) which includes the agreement setting relevant measures beneficial to the territory.*
- *Enel and the Region will work together to increase power generation from renewable sources and the development of innovative projects, through more timely authorisation procedures. Plans call for 400 MW of new green capacity over the next 4 years (planned investment: one billion euros).*
- *Enel will improve the environmental performance and quality of thermal power plants in Sicily (planned investment: 70 million euros) to further reduce impact.*

Palermo, 6th August 2009 – The President of the Region of Sicily, **Raffaele Lombardo**, and the Chief Executive Officer and General Manager of Enel, **Fulvio Conti**, today signed a Protocol of Understanding for the development of the power sector on the island, with a view to producing more energy at lower cost and low environmental impact. The agreement pays special attention to the diversification of energy sources (with an increase in renewables), the security of supply (through infrastructure projects), and investments in new technologies, research and innovation.

CEO **Fulvio Conti** commented "Enel, in line with Sicily's Regional Energy and Environmental Plan, aims at strengthening its presence in Sicily, by improving the efficiency and environmental impact of existing power plants, increasing power generation from renewable sources and encouraging new investment and industrial projects, such as the Porto Empedocle (Agrigento) LNG terminal. These projects will provide opportunities for growth, innovation and sustainable development at the local level thus strengthening the productive and social environment of the region, boosting employment."

The Protocol signed today provides for a Framework Agreement as well as three specific agreements regarding: the Porto Empedocle LNG terminal project, improving the

environmental performance of Enel's thermal plants in Sicily and the promotion and implementation of innovative projects to develop renewable power generation in the region.

Sicily and Enel will create a Joint Working Group with the task of coordinating and monitoring the technical and operational procedures for the projects.

Porto Empedocle LNG terminal

Further to the agreement reached, Sicily issued the authorization decree for the construction and operation of a LNG terminal based on the final favourable opinion expressed by the Conferenza dei Servizi.

The LNG (Liquefied Natural Gas) terminal Enel is developing through Nuove Energie SpA with an investment of approximately 650 million euros provides for additional actions promoting the social and economic projects for the area and its neighbourings, beyond the ones part of the agreement already signed with the Municipality of Porto Empedocle last January.

More specifically, additional infrastructure works will be carried out such as the construction of a new berth for cruise ships, improvements to the public lightening in the Valle dei Templi (Temple Valley) as well as to roads, the availability of industrial and potable water free of charge once the terminal is operating, landscaping the green areas around the facility and a contribution to the project of the Maritime Museum of Porto Empedocle. The agreement also foresees a significant contribution of 2.5 million euros per year, related to the volume of the gas also devoted to social, economic and environmental benefits.

Taking also into account Enel commitment within the agreement signed with the Municipality of Porto Empedocle, the overall amount of the infrastructure and economic measures the territory will benefit from totals around 50 million euros of which 6 million euros per year will be added throughout the operational life of the gas terminal.

Environmental quality of Enel power plants in Sicily

Enel operates 5 thermal power plants in Sicily (with a total capacity of 2,486 MW) and 9 hydro plants (with a total capacity of 713.5 MW), which meet current law emissions limits. The Enel Group is committed to investing some **70 million euros** between 2009 and 2013 to ensure the continuing full efficiency of the power plants, enhancing their quality and minimizing their environmental impact.

Promotion of renewables and innovative projects in the Region

The Region of Sicily and Enel have agreed to work together to seize all new development opportunities in the power generation from renewable sources including through the

application of new technologies. In this framework, specific action plans will be developed for the technological modernisation of public buildings, with the installation of photovoltaic technology and mini-wind power systems, as well as structural changes to optimise energy efficiency.

Enel foresees increasing the output of electricity generated from renewable sources by at least **400 MW** over the next four years through new wind and solar plants. The planned investment is estimated at around **one billion euros**. To support these projects, the Region of Sicily commits to processing quickly the related authorisations for which it is responsible. Enel will also pursue the development of renewable distributed generation (photovoltaic and mini-wind turbines) by further strengthening the ENEL SI franchising network which already operates in Sicily.

The Region will also support the development of Enel's centre of excellence for the implementation of innovative solar technologies in Catania, promoting collaboration with the island's university research facilities and with the local business community. It will also support the experimental activities related to the "Archimede" solar thermal project now being developed at Priolo Gargallo (Syracuse), with a view to assessing the feasibility of replicating the initiative at other sites.

Enel is also committed to promoting the establishment of a factory for the manufacture of high-tech photovoltaic panels in Catania, in partnership with national and international leaders in the sector (STMicroelectronics and Sharp).