



## PRESS RELEASE

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## ENEL STARTS CONSTRUCTION IN U.S. OF ITS LARGEST WIND FARM LEVERAGING NEW OFFTAKE STRATEGY

- *The around 450 MW High Lonesome wind project will be the largest wind farm in Enel's global renewables portfolio*
- *The energy generated by a 295 MW portion of the project will be hedged through a long-term Proxy Revenue Swap, a risk management strategy for renewable energy projects, making it the largest deal of its kind for a single plant by capacity to be signed*
- *The project will involve an overall investment of around 600 million US dollars*

**Rome – Boston, January 4<sup>th</sup>, 2019** – Enel, through its US renewable subsidiary Enel Green Power North America, Inc. (“EGPNA”), started construction of the around 450 MW High Lonesome wind farm in Upton and Crockett Counties, in Texas. Once completed, High Lonesome will be the largest wind farm in Enel’s global renewables portfolio. The energy generated by a 295 MW portion of the wind farm will be hedged through a Proxy Revenue Swap (“PRS”), a risk management strategy aimed at minimising price and weather-related risks.

*“The start of construction of our largest wind project to-date represents a major commitment to growing our business in the US and specifically in Texas,”* said **Antonio Cammisecra**, Head of Enel Green Power. *“The project underscores our ability to work with partners to tailor energy solutions to fit their needs and continue to manage and deliver to our customers the complex deals necessary in today’s evolving energy market. We look forward to continuing to serve as the partner of choice, dedicated to delivering a sustainable energy future.”*

Investment in the construction of High Lonesome amounts to approximately 600 million US dollars and is part of the investment outlined in Enel’s 2019-2021 strategic plan. The project is currently financed through the Group’s own resources and is expected to enter into operations by the end of 2019. Once fully operational, the wind farm will be able to generate around 1.7 TWh annually, while avoiding the emission of over 1.1 million tons of CO<sub>2</sub> per year.

Enel has entered into a PRS for a 295 MW portion of the project with insurer Allianz Global Corporate & Specialty, Inc.'s Alternative Risk Transfer unit (Allianz), and Nephila Climate, a provider of weather and climate risk management products. The PRS is a financial derivative agreement designed to produce stable revenues for the project regardless of power price fluctuations and weather-driven intermittency, hedging shape risk in addition to risk associated to price and volume.

Under this agreement, High Lonesome will receive fixed payments based on the expected value of future energy production, with adjustments payed depending on how the realised proxy revenue of the project differs from the fixed payment. The PRS for High Lonesome, which is the largest by capacity for a single



plant globally and the first agreement of its kind for Enel, was executed in collaboration with REsurety, Inc., a leader in renewable energy risk management and information services.

*“The construction of High Lonesome is a strong testament to the popularity and success of innovative renewable energy protections,”* said **Karsten Berlage**, Managing Director, Allianz Risk Transfer. *“The majority of today’s stakeholders champion the continued growth of renewables and that is why Allianz is committed to flexible strategies such as the PRS that mitigate those risks - long term.”*

*“Renewable energy projects are under increasing pressure to deliver predictable returns despite the increasing volatility of the value of intermittent generation,”* said **Lee Taylor**, Co-Founder and CEO, REsurety. *“We developed the Proxy Revenue Swap specifically to deliver unrivalled certainty of cash flows, regardless of power price volatility and weather-driven intermittency. We are delighted to have had the opportunity to collaborate with Enel, Allianz and Nephila to bring the largest PRS transaction to fruition.”*

In Texas, Enel currently operates the 63 MW Snyder wind farm, located in Scurry County.

**Enel Green Power North America**, part of Enel Green Power, is a leading owner and operator of renewable energy plants in North America with projects operating and under development in 24 US states and two Canadian provinces. The company operates around 100 plants with a managed capacity of around 5 GW powered by renewable hydropower, wind, geothermal and solar energy. The company is currently the largest wind operator in Kansas and Oklahoma.

**Enel Green Power** is the Enel Group’s business line dedicated to the development and operation of renewables across the world, with a presence in Europe, the Americas, Asia, Africa and Oceania. Enel Green Power is a global leader in the green energy sector with a managed capacity of around 43 GW across a generation mix that includes wind, solar, geothermal, and hydropower, and is at the forefront of integrating innovative technologies into renewable power plants.