

MEDIA RELATIONS

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TOO MANY REGULATIONS HINDER DEVELOPMENT OF RENEWABLE SOURCES

- *The first Renewable Energy and Energy Efficiency Code was unveiled today: 2,000 pages, 259 European, national and regional regulations.*
- *Fitto: "In order to achieve the ambitious environmental goals set by the European Union we have to streamline authorisation processes and combine incentive systems".*
- *Conti: "Administrative roadblocks, fragmented responsibility and complex bureaucratic processes are undermining the economic and industrial expansion of our country".*

Rome, 10 December 2008 – One thousand nine hundred and ten pages, pulling together 84 national and community laws, 27 resolutions by the Authority for Electricity and Gas, 21 court decisions (ranging from the Constitutional Court to the Council of State to the regional administrative courts), 7 circulars and resolutions and 120 regional laws. These numbers describe the contents of the "2009 Renewable Energy and Energy Efficiency Code". The book by Edizioni Ambiente was presented today in Rome by Enel Chairman Piero Gnudi and Enel CEO and General Manager Fulvio Conti. The unveiling was also attended by the Minister for Relations with the Regions, Raffaele Fitto, environmental policy makers and representatives of the sector regulator. This marks the first comprehensive collection of the 259 regulations that govern this crucial environmental sector. It will be an essential tool for those who must deal with these complex regulatory matters on a day-to-day basis.

Minister Raffaele Fitto stated: "Italy will only be able to achieve the ambitious goals set by the European Union for the development of renewable sources and energy efficiency if we can successfully combine authorisation processes and incentive systems. This requires a task force with national and regional representatives to eliminate overlap and delays that are no longer acceptable and that are certainly incompatible with the scope of the economic resources needed to accomplish such a task".

"Given the already ambitious and onerous commitments linked to the '20-20-20' European plan, the administrative roadblocks, the regulatory complexity and the fragmented responsibility," commented Fulvio Conti, "represent a rise in costs as well as an obstacle to the implementation of the required investments in infrastructures, especially in the renewable sources sector. Now is the time to overcome the "no" culture at all costs and to overcome the administrative nonchalance that undermines the

economic and industrial expansion of the country in order to reach an understanding between the State and the regions that will spur investment”.

“It has been calculated that the complexity of the process in Italy pushes green electricity prices up by 20-25%,” noted Gianni Silvestrini, scientific director of the Kyoto Club. Sergio Garribba, energy policy advisor for the Ministry of Economic Development, stated that “the government plans to swiftly move towards consolidated, harmonised texts”.

Enel is doing its part. To promote energy efficiency, it has developed a widespread information campaign promoting the intelligent use of energy. It has distributed 17 million high-efficiency fluorescent light bulbs, which last 8 times longer and consume 80% less than traditional incandescent light bulbs. It has also distributed more than 4 million water economizers, with savings of up to 60% on hot water and annual savings of approximately 201 million kWh and 139,000 metric tons in reduced CO2 emissions. Thanks to the digital meters Enel has installed in 30 million homes throughout Italy, the company can monitor consumption in real time and offer time-differentiated rates that encourage consumers to shift electricity consumption to non-peak hours, thus contributing to levelling out spikes in demand.

Enel is now the leader in the renewable sources sector. Taking into account its major hydroelectric plants and its stake in Endesa, Enel¹ now has about 30,000 MW of installed renewable capacity (of which 15,400 in Italy). Last year, it generated 67.1 TWh (of which 26.9 in Italy) from these sources, thereby avoiding 50 million metric tons in CO2 emissions for the year. To improve its operations in this field, Enel formed a new company dedicated solely to renewable sources—Enel Green Power—which has about 4,300 MW of installed capacity throughout Europe and the Americas. Also, thanks to a major investment programme, it plans to significantly increase capacity in the next years, thus optimising its technology/country mix and exploiting at its best its leadership in certain technologies, such as geothermal, and sharply growing in others such as wind and solar.

However, the round table discussion today revealed that a company, in building infrastructures, even in the renewable sector, encounters many difficulties in Italy due to opposition resulting from the “Not In My Back Yard” (NIMBY) syndrome as well as to considerable administrative inefficiencies that make the authorisation process protracted, confused and uncertain.

“We hope,” concluded Conti, “that, thanks to the cooperation of all the institutions and people in charge, the next edition of the Code will become a quicker and more enjoyable tool in order to stir the investments needed by our country,”.

¹ Enel calculations – 2007 pro-forma figures with Endesa consolidated 67.05% and OGK-5 100%. The figures exclude sales to E.On..