

MEDIA RELATIONS

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ENEL: AGREEMENTS SIGNED IN CHINA FOR THE REDUCTION OF GREENHOUSE GASES

- *Thanks to the agreements signed today at the Embassy of Italy in Beijing at the presence of the Ambassador H.E. Mr. Riccardo Sessa, the Group led by CEO Fulvio Conti is implementing a cooperation with China aimed at promoting clean coal technologies with a specific reference to ultra-super critical power plants as well as cutting edge CO₂ capture and sequestration techniques*
- *If installed at all new China's coal power plants, these technologies would cut down about one billion tons of CO₂ per year versus overall emissions produced by China's coal power plants in excess of 4 billion tons of CO₂ per year as estimated by 2015.*
- *Enel also acquires 11.45 million metric tons of CO₂ emissions allowances – supporting greenhouse gas abatement efficiency projects which are being carried out in the Chinese steel industry*
- *With this transaction, Enel has strengthened its leadership position in the Chinese market with a portfolio of CO₂ credits from more than 60 greenhouse gas abatement projects cutting emissions in excess of 70 million tons from 2007 to 2012. This transaction confirms Enel as the second largest buyer of CDM in the world.*

Beijing, 5 May 2008 – Enel signed two cooperation agreements in Beijing today for the abatement of greenhouse gas emissions. The accords are part of Enel's global strategy on combating climate change and add to the other agreements already reached with leading Chinese, Indian and South American enterprises.

Enel CEO, **Fulvio Conti**, said: *"Today's agreements strengthen the cooperation between Enel and the institutions and leading companies of China, with whom we have been working successfully since 2004. Enel offers this great country cutting edge technology, such as that for the capture and sequestration of carbon dioxide which will make a crucial contribution to combat against climate change"*.

H.E. Mr. **Riccardo Sessa**, Ambassador of Italy, hosted and attended the event at the premises of the Embassy of Italy. "Energy is a key issue in contemporary international relations" Ambassador Sessa said. "China is aiming at improving the efficiency of the energy it uses and at reaching a sustainable development. It is a great challenge that no country, regardless of its size, can win on its own. We need to cooperate on these strategic issues and Italy and China are doing just that through

various programmes and through the expertise and know how provided by leading industrial groups such as ENEL”.

The Deputy General Director of the Minister of Science and Technology of the People’s Republic of China (MOST) , Mr **YAO Weike** remarked: “ *The memorandum of understanding on clean-coal technologies constitutes a further step forward in the outstanding cooperation set between MOST and IMELS and opens new possibilities for collaboration between Enel and its Chinese counterparts* ”.

The General Manager of the Italian Ministry of Environment, **Corrado Clini** stated: “*These are very important agreements paving the way for a fruitful cooperation to be developed with a view to promoting low-carbon intensive technologies in China.*”

The first agreement consists of a memorandum of understanding between Enel, the Ministry of Science and Technology of the People’s Republic of China and the Ministry for the Environment of Italy. The agreement will enable Enel to cooperate in R&D activities aimed at promoting the use of clean coal technologies in China thanks to the experience developed in Italy at the Torrevaldaliga Nord power plant in Civitavecchia (an ultra-super critical coal power plant) as well as on pilot projects currently under development for CO₂ capture and storage techniques.

The accord signed today is part of the Sino-Italian Cooperation Program (SICP) launched in 2001 to identify opportunities for projects aimed at promoting a sustainable development path in China and it is within the framework of activities that both Enel and the Ministry for the Environment started in 2004 with the objective to cut down greenhouse gas emissions in China.

Thanks to the accord, the Group led by Fulvio Conti has laid the foundations for seizing further opportunities in abating greenhouse gas emissions and, at the same time, promoting the technology and know-how transfer that will give China sustainable industrial development, increasing efficiency and environmental commitment.

Applying the efficiency standards applied by the Torrevaldaliga Nord power plant, which is under completion in Civitavecchia, to the existing Chinese coal power plants would increase efficiency by about 50% with a consequent reduction by more than one third of CO₂ emissions generated per MWh.

Moreover, the reduction in emissions achieved by applying these technologies to all of new China’s coal-fired plants by 2015 would avoid the emission of about a billion metric tons of CO₂ per year.

The second agreement is a contract between Enel and the Wuhan Iron & Steel Co for the acquisition of allowances relating to 5 projects in energy efficiency aimed at reducing CO₂ emissions totalling 11.45 million metric tons from 2008 to 2012. The emission abatement obtained through this agreement has a market value of approximately 150 million euros.

The Wuhan Iron & Steel Co is listed on the Shanghai Stock Exchange, it produces nine million tons per year of iron and steel and represents the second biggest Chinese steel company for market capitalization.

Enel has already finalized more than 60 projects for the abatement of greenhouse gas emissions in order to invest in less efficient markets, thus achieving – through the same economic effort - greater environmental benefits, in compliance with the Kyoto Protocol. The signing of this agreement further consolidates Enel's leadership position in the Chinese market where the company run by Fulvio Conti is number one in terms of avoided emission volumes thanks to projects approved so far by the Chinese authorities.