Press Release

ENEL: NEW CODE ON RENEWABLES PRESENTED IN CATANIA

A useful tool for State and industry players, says Luigi Pelaggi, Head of the Technical Office of the Environment Ministry, providing access to a more effective, agile and flexible system

This book represents further evidence of Enel's commitment to sustainable development, notes Gianluca Comin, Enel's Head of External Relations, which will make things easier for institutional bodies and industry players alike

Rome, November 13th 2009 - The second **Renewable Energy and Energy Efficiency Code** has just been published, bringing together 122 national and community items of legislation, 25 circulars and resolutions, 38 court rulings, 38 resolutions by the Authority for Electricity and Gas, and 312 regional laws in a 1,600 page-long document. These numbers are an eloquent testament to the vast regulatory framework that has been set up so far.

The 2010 edition of the Code was presented today in Catania during the fourth stop on the "Incredibile Enel" energy roadshow. The presentation was made by Luigi Pelaggi, Head of the Technical Office at the Ministry of the Environment and Protection of Land and Sea, and by Gianluca Comin, Head of External Relations at Enel, before an audience of political representatives working on environmental issues, industry representatives, academics and businessmen.

In his presentation, Mr. Comin stated: "This book is a vital tool that demonstrates Enel's commitment to an ever more sustainable approach to development not just through its own environmental policies, the use of new technologies and major investments in renewables and leading-edge research, but by facilitating activities of government bodies, industry companies and managers that every day have to navigate through this sea of red tape. We are firmly convinced that we need to pool our forces so that once and for all we can overcome the difficulties that crop up in a number of areas, either as a result of public opinion, opposition by local communities and institutions, and slow, excessively complex authorization processes. A coherent and farsighted energy policy is a necessity if we are to restore Italy's rightful status as a nation of high growth and strong competitiveness."

Mr. Pelaggi said: "This Code effectively enables State and energy industry players to benefit from a more agile and flexible system. Not only is it capable of removing the roadblocks that have often slowed development of renewables in the past, but it offers a welcome boost to the investments that Italy needs. Right now, the Ministry of the Environment is preparing a number of mid-term provisions to support industry growth, including guidelines for renewables, improvements to biomass plants, a renewal of solar energy incentives, and a new Pact for the Environment. These provisions will build on

what we have already achieved, notably, the renewables incentive decree, the July 2009 Pact for the Environment, and the Kyoto Fund."

Renewables continue to carve out an increasingly important role. The dual concept of energy and climate change is at the centre of the world's attention; forthcoming major international events such as the Copenhagen Summit in December and the 2012 expiry of the Kyoto Protocol underscore just how important renewables are, alongside "clean" coal and nuclear power, as part of energy solution strategies.

Even at a time of economic crisis, the renewables industry has maintained constant growth and profitability, and is expected to keep the same trend in the future. By the end of 2008, worldwide installed capacity amounted to 1,150 GW. By 2020, this is set to rise by at least another 700 GW according to the International Energy Agency's most prudent estimates.

Enel is doing its part. To foster energy efficiency, it has run a wide-ranging awareness-raising campaign promoting intelligent energy use. The company has distributed 31 million high-efficiency fluorescent light bulbs which last 8 times longer and consume 80% less energy than traditional incandescent light bulbs. It has also distributed more than 9 million water economizers, which offer savings of up to 60% on hot water, annual savings of approximately 2.2 billion kWh (equivalent to the amount of electricity consumed by 800,000 Italian households in one year), and 1.5 million metric tonnes in reduced CO_2 emissions. Thanks to the digital meters that Enel has installed in 32 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 helping to level out spikes in demand.

Enel is the renewable sources sector leader. Taking into account its large hydroelectric plants, Enel now has more than 34,000 MW of installed renewable capacity (of which 15,500 in Italy). To enhance its renewables operations, last December Enel established Enel Green Power, a company dedicated solely to renewable sources, which has over 4,500 MW of installed capacity across Europe and the Americas, capable of generating over 17 billion kWh annually. Thanks to a major 3.7 billion euro investment programme, between now and 2013 Enel plans to significantly boost its capacity by optimizing its technology/country mix and leveraging its leadership in technologies such as geothermal energy, while rapidly growing in other technologies such as wind and solar power.

However, the construction of infrastructure, even in the renewables sector, is beset with difficulties in Italy due to NIMBY-inspired opposition, and the protracted, sometimes contradictory and uncertain nature of authorization processes.

Against this backdrop, the regulatory system documented in the Code helps to support industry development by setting more clear regulations for areas such as geothermal and hydroelectric energy, which had hitherto been unclear and incomplete. A DVD attached to the book collates the large number of regional laws in force, along with additional documentation.