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PRESS RELEASE

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FUTUR-E: NEW LIFE FOR THE ENEL BASTARDO SITE

Enel launches public call for innovative and sustainable projects to redevelop the area

Gualdo Cattaneo (Perugia), November 29th, 2016 – A public call for tenders aims to identify innovative, sustainable proposals for the acquisition and redevelopment of the industrial site of the Pietro Vannucci power plant in Gualdo Cattaneo in the Province of Perugia. This is the project presented today in the Conference Hall of the power plant by Giuseppe Molina, Enel's Head of Thermal Generation Italy, Fabio Paparelli, Vice President of Umbria's Regional Government, Andrea Pensi, Mayor of Gualdo Cattaneo, Marcello Bioli, Mayor of Giano dell'Umbria and Ernesto Cesaretti, Head of the local branch of the Italian Industry Association (Confindustria Umbria).

Anyone interested in submitting projects for the site can present their statement of interest between November 30th, 2016 and April 4th, 2017 in accordance with the rules set out in the public notice to be published on the website <u>www.futur-e. it</u> on November 30th.

All statements of interest will be subject to a preliminary review by Enel, with the aim of ensuring they comply with the call's basic requirements. The prequalified applicants who pass this selection procedure will be able to take part in the second part of the process involving submission of a binding offer containing a proposal for redevelopment of the area and a business plan including a financial bid for purchase of the site. The deadline for the second phase and the procedure to follow for this phase will be duly communicated to the prequalified applicants.

The proposals will be assessed by a technical committee whose members, including representatives from local authorities and from Futur-e technical partner Polytechnic University of Milan, will evaluate the suitability of the solutions suggested for redeveloping and improving the area with particular attention to meeting the needs of and offering opportunities to the local communities that have already been surveyed by means of a targeted listening plan. The proposals will also be assessed in terms of specific requirements for sustainability, feasibility, economic parameters and impact on the job market.

The starting point for Project Futur-e (<u>www.futur-e.enel.it</u>), a new conception of energy as the engine of a more versatile and efficient system, is the awareness of the change in how electricity is produced. The decline in consumption, the development of renewable sources and the technological evolution of distribution grids are leading to an overall transformation of the entire power sector. This transformation starts with traditional power plants, whose function is being reconceived in order to meet the growing needs for environmental sustainability and energy efficiency and competitiveness, factors that affect both individuals and power companies.

Enel is committed to leading a new industrial model based on adding value to those less efficient power plants, some of which have not been generating energy for some years, including as reserve capacity.



These are power plants that would be unable to return to production even if there were to be a notable increase in electricity demand. In other words, these are power plants or parts of them that already have or are about to exhaust their life cycle and their function.

The project has a "circular economy" structure, fostering the direct involvement of all stakeholders at the local, national and international level, with the goal of creating value for the company and the local community.

This approach focuses on the sustainability of the system to jointly identify, through public calls for tenders and ideas, potential circular and sustainable solutions to transforming these 23 plants into new opportunities for local development.

The 23 Enel sites in Italy that are to be transformed are Trino Vercellese (province of Vercelli), Alessandria, Genoa, La Spezia, Carpi (Modena), Porto Tolle (Rovigo), Livorno, Piombino (Livorno), Camerata Picena (Ascoli Piceno), Pietrafitta (Perugia), Gualdo Cattaneo (Perugia), Montalto di Castro (Viterbo), Campo Marino (Campobasso), Larino (Campobasso), Maddaloni (Caserta), Giugliano (Napoli), Bari, Rossano (Cosenza), Termini Imerese (Palermo), Augusta (Siracusa), Portoscuso (Carbonia-Iglesias), the already disposed Porto Marghera (Venezia) and the already requalified Assemini (Cagliari). In some cases these refer to individual areas in power plants equipped with other generating units that will not be included in the transformation project. This is the case of Pietrafitta, whose CCGT unit will continue to operate, while the two old gas-fired units are included in the Futur-e project.

Project Futur-e thus represents a virtuous example of the "circular economy" in both its approach and its implementation.

Through the <u>futur-e.it</u> web platform, all stakeholders can have clear and transparent access to information on the project, facilitating the participation of all actors potentially interested in the site redevelopment initiatives.

The project is a way to responsibly steer the transition under way in the energy industry, laying the foundations to foster new business and development opportunities for the territory while promoting local excellence and the natural, cultural and artistic heritage.

These power plants represent an industrial heritage to which value can still be added in the knowledge that there cannot be a one-size-fits-all strategy. Each site has its own particular characteristics linked to its geographic location, and the evolution over time of the territory surrounding it and therefore any solution must take account of the individual features of each of the 23 sites. In order to do this, Enel has launched a plan to listen to and hold discussions with all the stakeholders. The aim of this plan is to involve local people, institutions and businesses in facing up effectively to the new reality and to change, anticipating and seizing new opportunities for development with a focus on innovation and sustainability.

Brief description and history of the power plant

The plant has two conventional 75 MW coal-fired units cooled with an air-water condenser. In 1960 the energy company Unione Esercizi Elettrici (UNES) designed the lignite-fired Gualdo Cattaneo power plant which began work in 1962-1963. Following nationalisation of the power industry in that period, the plant was transferred to Enel, which considered lignite to be uncompetitive and so opted for fuel oil. The plant entered service in 1967.



Between 1988 and 1991, the power plant was converted to use coal, mainly reflecting the company's decision to diversify the energy sources used to generate electricity. In 1990 Unit 2 entered service, following in 1991 by Unit 1.

Following the decline in the electricity demand, the plant's output fell significantly. Between its entry into service and 2000, the plant operated continuously and constantly, while as from 2000 it was called upon to operate less regularly and on a more flexible and diversified basis.

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