



PRESS RELEASE

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ENEL STARTS OPERATIONS IN UK AT THE GROUP'S FIRST STAND-ALONE BATTERY ENERGY STORAGE SYSTEM

- *The 25 MW/12.5 MWh Tynemouth project, which is the Enel Group's first utility-scale, stand-alone battery energy storage system to start operations, is supported by a four-year contract with British System Operator National Grid to provide grid-balancing services*
- *Enel acquired the project from the energy developer and operator Element Power in May last year, and invested approximately 20 million euros in the overall project, including project construction*

Rome, June 12th, 2018 – Enel S.p.A. (“Enel”) started operations at the Tynemouth stand-alone battery energy storage system (BESS) located in the metropolitan borough of North Tyneside, near Newcastle, in the UK. The system, developed by Enel's Global Thermal Generation division, uses lithium-ion batteries for a total of 25 MW/12.5 MWh. Enel's overall investment in the project, including construction, totalled approximately 20 million euros.

“The commissioning of Tynemouth is an important milestone for Enel since it is the Group's first utility-scale, stand-alone battery energy storage system, showing the potential of this promising solution in addressing the challenges of the energy transition,” said **Enrico Viale**, Enel's Head of Global Thermal Generation. *“Battery energy storage systems provide a solution for flexible and fast services to ensure the stability of electricity power systems, while, when coupled to existing power plants, they allow for an optimisation of performance and an increase in plant flexibility. The utility-scale BESS market shows a great potential for growth, which is why Enel is developing a portfolio of such projects in some of the sector's most promising countries worldwide.”*

Tynemouth is providing grid-balancing services under a four-year Enhanced Frequency Response (EFR) contract with National Grid, awarded to the project in National Grid's 2016 EFR tender. After these four years, the project will participate in ancillary services and capacity market tenders. Enel acquired the project last year by purchasing 100% of the shares in Tynemouth Energy Storage Limited from the European-based energy developer and operator Element Power. UK-based energy company RES acted as EPC contractor for the project and will support Enel in the operation and maintenance of Tynemouth BESS under a four-year contract.

“This is fantastic news for North Tyneside and I am delighted to have been invited to the opening of Enel's new site. This investment shows the international appeal that North Tyneside's economy has and further strengthens our reputation as a great place to do business. I'd like to say a huge welcome to everyone at Enel and I look forward to seeing the benefits this new facility will bring to our power system and our borough as a whole,” said North Tyneside's Elected Mayor, **Norma Redfearn**, CBE, who today inaugurated the facility alongside representatives from Enel, National Grid, RES and Element Power.



In line with the Group's commitment to sustainability, Enel carried out actions to upgrade the site, which originally was a transport, scrappage and storage compound. These actions included the removal of all scrap material, debris and waste from the site and from a nearby pond. In addition, a plan was put in place to mitigate the impact of the project construction on the habitat of local birds and of the great crested newt.

The Tynemouth BESS project, which is remotely managed from Enel's Global Thermal Generation monitoring room in Italy, represents an opportunity for Enel to gain experience and strategic knowledge in building and operating such projects as well as an attractive investment opportunity with a short time to market. The EFR contract that supports the project was one of the best remunerated among those awarded in the 2016 EFR pay-as-bid tender, with a price of around 12GBP/MWh.

Tynemouth is part of a portfolio of projects that Enel is developing to position itself in the promising sector of utility-scale battery energy storage systems, which is a technology that can contribute to the Group's commitment to low-carbon growth and business sustainability: it currently has 750 MW of such projects under development, including a 20 MW BESS, currently under construction, combined to Litoral power plant in Spain and already contracted stand-alone BESS projects for 88 MW in the US.

Enel is a multinational power company and a leading integrated player in the global power, gas and renewables markets. It is Europe's largest utility in terms of market capitalisation and figures among Europe's leading power companies in terms of installed capacity and reported EBITDA. The Group is present in over 30 countries worldwide, producing energy with around 88 GW of managed capacity. Enel distributes electricity and gas through a network of over 2 million kilometres, and with around 72 million business and household customers globally, the Group has the largest customer base among European competitors. Enel's renewables arm Enel Green Power already manages around 42 GW of wind, solar, geothermal, biomass and hydropower plants in Europe, the Americas, Africa, Asia and Australia.