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# Confindustria Seminar

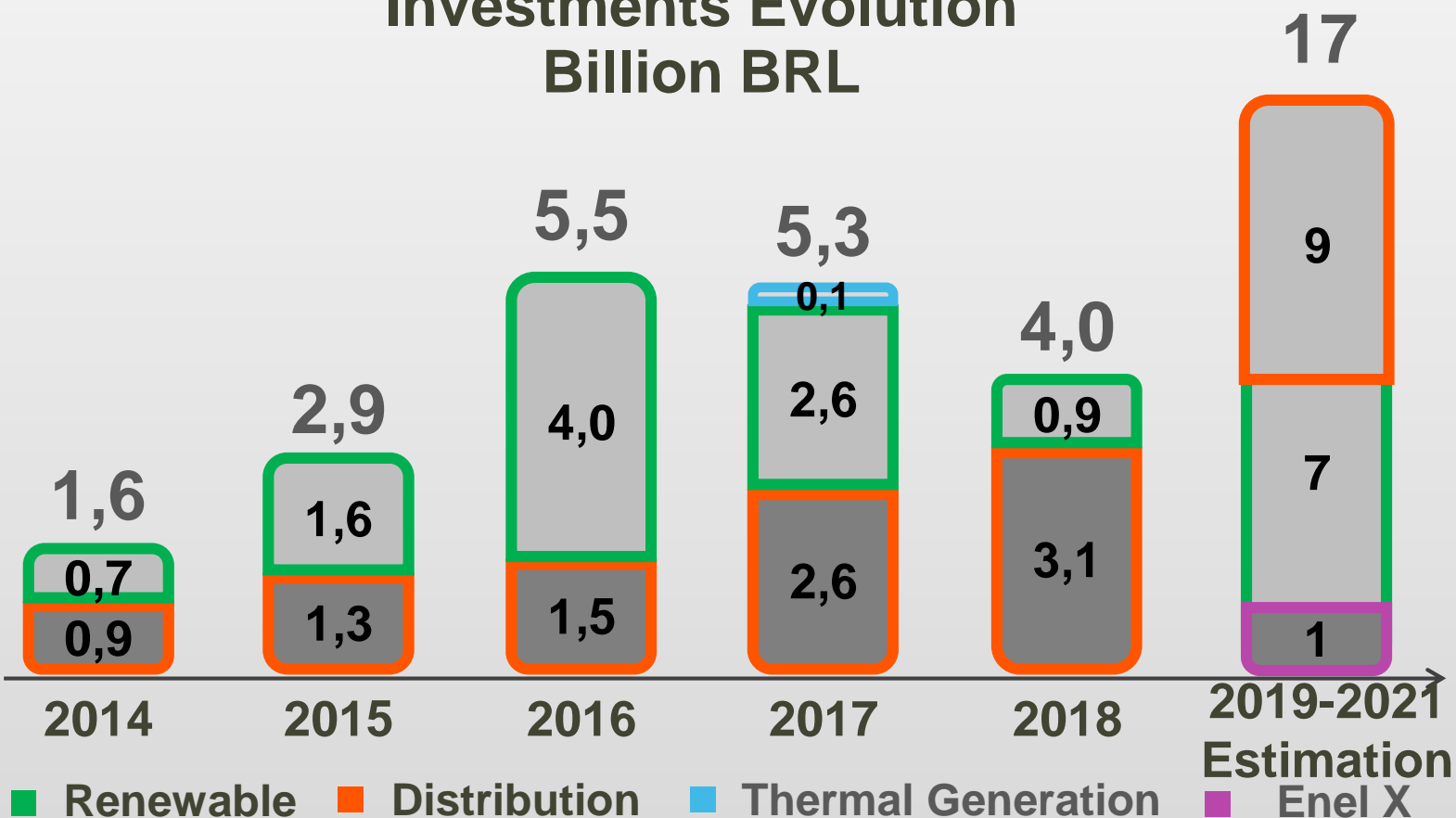
## ENEL experience on developing investments in Northeast Brazil

Rome, 20<sup>th</sup> November 2019

# Enel Commitment to Brazil



Investments Evolution  
Billion BRL



**2017**

**+2,2 bi R\$**

*Enel Goiás' acquisition*

**+1,4 bi R\$**

*Volta Grande's acquisition*

**+4,5 bi R\$**

*Renewable's auctions (A-4 and A-6)*

**2018**

**+7,1 bi R\$**

*Eletropaulo's acquisition*

# Enel Green Power participation in Northeast



**Cristal – BA**  
89,7 MW

**Fontes – PE**  
79,9 MW

**Modelo – RN**  
56,4 MW

**Curva – BA**  
56,4 MW

**Serra Azul - BA**  
118 MW



**Fontes Solar – PE**  
11 MWp (10 MWac)

**BSO** **Cristalândia – BA\***  
90 MW

**BSO** **Lapa Cluster – BA\***  
158 MWp (120 MWac)

**Delfina - BA**  
180 MW

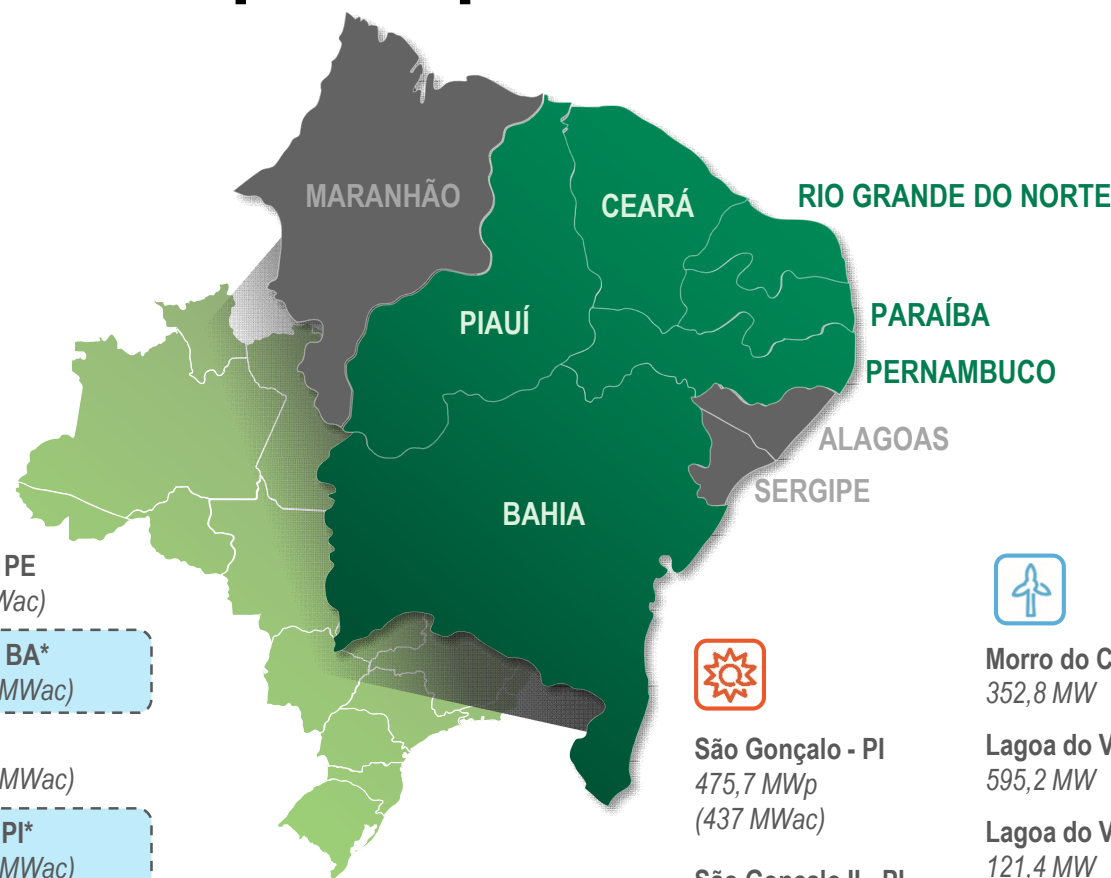
**Ituverava - BA**  
254 MWp (196 MWac)

**Morro do Chapéu - BA**  
172 MW

**BSO** **Nova Olinda – PI\***  
292 MWp (210 MWac)

**Delfina VIII - BA**  
29,4 MW

**Horizonte – BA**  
103 MWp (77,1 MWac)



**São Gonçalo - PI**  
475,7 MWp  
(437 MWac)

**São Gonçalo II - PI**  
133,1 MWp  
(138 MWac)



**Morro do Chapéu II - BA**  
352,8 MW

**Lagoa do Ventos - PI**  
595,2 MW

**Lagoa do Ventos II - PI**  
121,4 MW

**Cumarú – RN**  
205,8 MW



**Bahia**  
1.260 MWp

**Ceará**  
220 MWp

**Pernambuco**  
620 MWp

**Piauí**  
1.800 MWp

**Rio Grande do Norte**  
1.100 MWp



**Bahia**  
2.200 MW

**Paraíba**  
600 MW

**Piauí**  
400 MW

**Sergipe**  
700 MW

**872 MW**

**819 MWp**

**Total NE: 3.575 MW**

(In Operation + Under Construction)

Total Brazil: 4.847 MW | **Northeast share: 74%**

**609 MWp**

**1.275 MW**

**Under construction 1.884 MW**

Total Brazil: 1.884 MW | **Northeast share: 100%**

**5.000 MWp**

**3.900 MW**

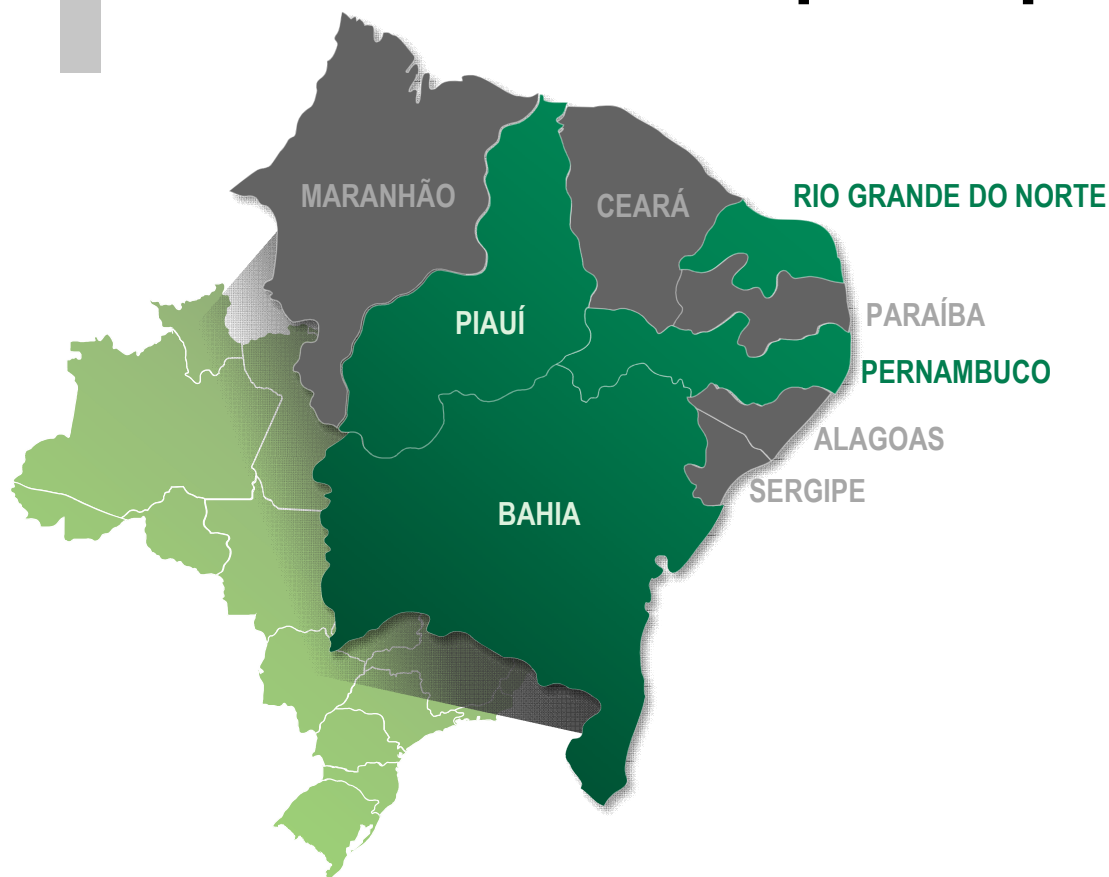
**Under development 8.900 MW**

Total Brazil: 10.200 MW | **Northeast share: 87%**

**In operation 1.691 MW**  
Total Brazil: 2.963 MW | **Northeast share: 57%**

\*Assets under EGP operation over a BSO contract

# Enel Green Power participation in Northeast



From 2010 till 2021:

**Total 3.575 MW**  
(In Operation  
+ Under Construction)

**JOBS  
CREATED**  $\approx 14K$

**TOTAL  
INVESTIMENT\***  $+14\text{Billion}$  (in BRL)

**AVOIDED  
CO<sub>2</sub> EMISSION\*\***  $\approx 3,4\text{Million Ton/year}$

**ICMS  
DUE TAX**  $\approx 2,5\text{Billion}$  (in BRL)

\*Considers operational + under construction projects

\*\*Considers only operational projects

# Challenges Faced and Opportunities for EGP in Northeast Brazil



	In Beginning of activities	Current Scenario
Permitting	<ul style="list-style-type: none"><li>✓ Environmental agencies processes too long</li><li>✓ Infrastructure needed to be improved</li></ul>	<ul style="list-style-type: none"><li>✓ Reduced lead times and better process understanding</li></ul>
Labor	<ul style="list-style-type: none"><li>✓ Unqualified and unexperienced</li></ul>	<ul style="list-style-type: none"><li>✓ Local companies with technology expertise</li></ul>
Land Regularization	<ul style="list-style-type: none"><li>✓ Precarious documentation of ownership and long time for regularization</li></ul>	<ul style="list-style-type: none"><li>✓ Better understanding of processes</li><li>✓ Reduction of regularization lead time</li></ul>
Connection	<ul style="list-style-type: none"><li>✓ Limitation in connection availability</li><li>✓ Delays in works for transmission extension</li></ul>	<ul style="list-style-type: none"><li>✓ New investments and improved connection availability in the best resource areas</li><li>✓ Construction delays considerably decreases</li></ul>

## New Opportunities

*Infrastructure improvement  
and general logistics*

*Staff availability in environmental  
agencies*

*Standardization of tax  
benefit rules between States*



# Sustainability Enel Green Power



## Focus:

- Social and economic development
- Education



## Bahia

**29** social, cultural and environmental  
**projects**

**96.675** benefited people since 2017



## Rio Grande do Norte

**6** social, cultural and environmental  
**projects**

**2.194** benefited people since 2017



## Piauí

**11** social, cultural and environmental  
**projects**

**19.434** benefited people since 2017



## Pernambuco

**5** social, cultural and environmental  
**projects**

**9.460** benefited people since 2017





# Sustainability is key factor for EGP Brazil



**Contribution to the improvement of teaching** through the training of teachers and students of public schools to stimulate reading and the knowledge about renewable energy and other environmental issues.



**9,304 benefited people**  
(BA, PI, PE and RN)



**New employment and income opportunities for communities**, especially in E&C phase, with training and improving the skills of local labor. 50% of the workforce comes from local communities.



**14,000 new jobs (E&C)**  
BA (48%), PI (46%), PE (3%) and RN (3%)



**Promoting access to safe drinking water** for domestic consumption and **providing technology for reuse in family farming**.

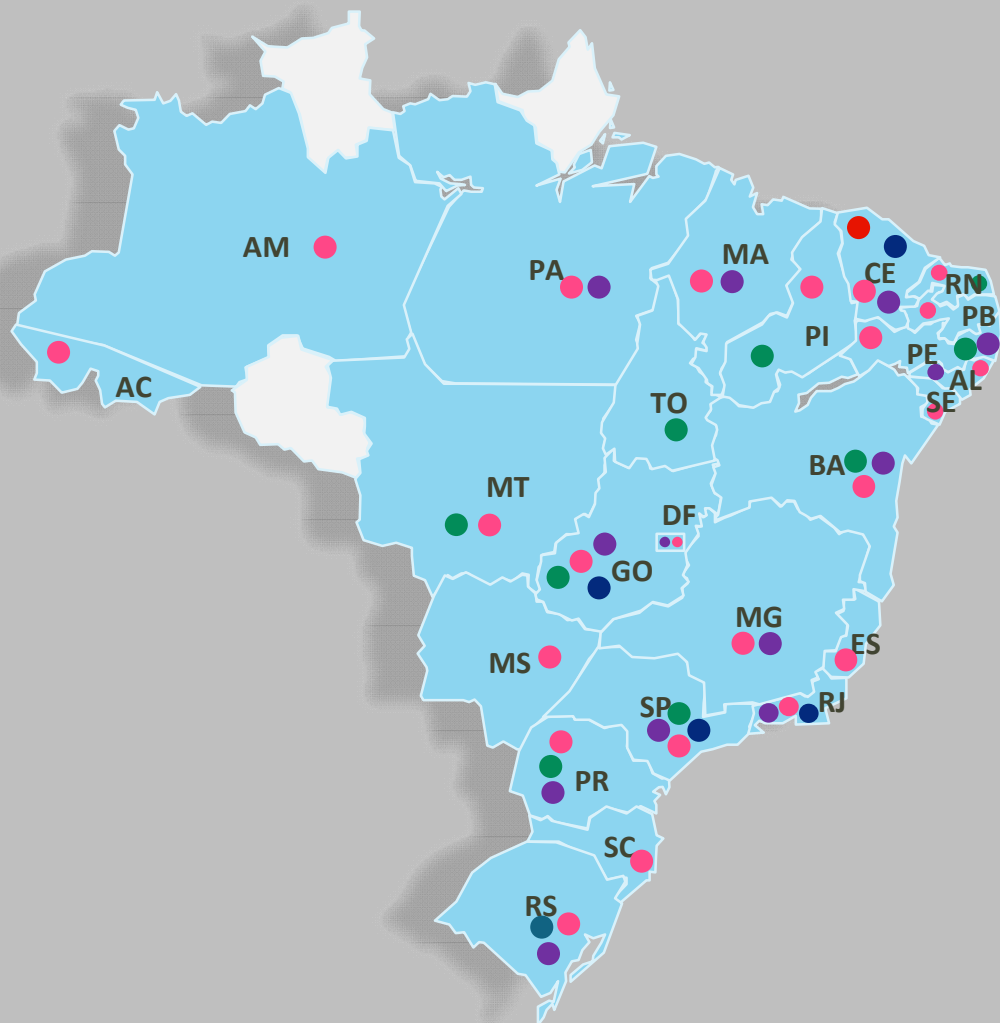





**254 benefited families**  
(BA)



**Support for the preservation of endangered species in the Caatinga biome in Bahia**, through monitoring, introduction of new individuals and environmental education in communities.

- Arara-Azul-de-Lear (*Anodorhynchus leari*)
- Onça-parda (*Puma concolor*)
- Onça-pintada (*Panthera onca*).



-  **23** States and Federal District
-  **521** Stores (CE, RJ, SP e GO)
-  **~5.174** MW of installed capacity



## Distribution

4 Distributors  
17 millions of clients



## Transmsision

2.200 MW  
Interconection Brazil-Argentina



## Geração Renovável

2.963 MW in Operation\*  
1.884 MW under Construction

\*Considers  
BSO assets



## Thermal Generation

327 MW in Operation



## Trading

390 clients\*\*  
4.8 GWH comercialized\*\*

\*2018



## Enel X

Energy Solutions  
Present in 14 states



