

ENEL SIGNS MOU WITH STATE GRID CORPORATION OF CHINA

- *Enel CEO Fulvio Conti signs a Memorandum of Understanding with State Grid Corporation of China, the world largest and China's dominant distribution and transmission utility, to cooperate in the areas of smart grids and renewable energy*
- *Fulvio Conti also meets with China Huaneng Group, the largest power generation company in China, to expand the scope of existing cooperation*

Rome, April 8th, 2014 – Today in Beijing, Fulvio Conti, CEO and General Manager of the Enel Group, signed a Memorandum of Understanding with Liu Zhenya, Chairman of the State Grid Corporation of China, the world's largest and China's dominant distribution and transmission utility.

This agreement is aimed at cooperation on Smart Grid technologies that can enable sustainable urban development as well as on exchanging experiences in the implementation of renewable energy generation.

On the sidelines of the event, Fulvio Conti commented, "*Today's agreement marks the beginning of an important partnership that recognizes Enel's potential contribution through its technology and experience as well as the significant strides being made by State Grid in the field of smart grids and renewable energy. I am confident that Enel's ongoing cooperation with the leading Chinese energy companies such as State Grid will create value and opportunities for everyone involved.*"

Earlier in the day, Fulvio Conti also met with Cao Peixi, President of China Huaneng Group, to further expand and strengthen the existing cooperation between the two companies. A Cooperation Framework Agreement, which will be finalized and signed within the first half of 2014, encompasses cooperation in the field of joint technology development, carbon strategy, power sector investment, and academic exchanges through the respective research foundations.

According to the 2013 World Energy Outlook published by the International Energy Agency, electricity demand in China will account for 31% of global demand by 2035 with emissions expected to become double of that of the United States, if no new actions are taken.

To mitigate this trend and to transition to a low carbon economy, the Chinese government has introduced new industrial policies to support and develop clean energy industries in nuclear, solar, wind and biomass energy technologies, as well as promote hybrid and electric vehicles, energy efficiency and environmental protection technologies. Other policies aim at supporting new technology research and innovation.

Together with rising energy consumption and growing awareness of environmental issues, urbanization is another relevant trend that is emerging in China. By 2020, 60 percent of its 1.3 billion people will be living in cities¹. To absorb this migration, China will need to invest in innovative, sustainable transport networks and urban infrastructures in order to ensure that this growth meets environmental targets. Urban planning has been set as a policy priority of the Chinese government.

ENEL IN CHINA

Enel has been active in China since 2004 through a set of greenhouse-gas emissions abating projects as envisaged by the Kyoto Protocol. The Country plays a central role in the Group's emissions reduction strategy, as 57% of projects in the portfolio are located there.

In the Country Enel Group is also well recognized for its technical expertise and its innovative technologies. This has brought Enel to be considered as a relevant partner for cooperation.

In September 2009, an agreement was signed between Chinese Ministry for Science and Technology and the Italian Ministry of the Environment aimed at implementing a feasibility study for the construction of a carbon capture and storage facility within the area of a Chinese power plant and based on the Enhanced Oil Recovery technology. This cooperation has been carried out with the involvement of Huaneng Group as the Chinese technological partner.

In March 2012, Enel and the Huaneng Clean Energy Research Institute signed a Memorandum of Understanding that laid the grounds for the cooperation on clean coal technologies, renewables and distributed generation.

In October 2013 the cooperation between the two groups has been extended through a new Memorandum of Understanding that focused on possible industrial cooperation on environmentally friendly power generation.

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¹ "National New-type Urbanization Plan (2014-2020)," released on March 16 2014