

## IENE Company Profile



### Overview

Founded in December 2008, part of Enel Group, Enel Green Power develops and manages activities for the generation of energy from renewable sources worldwide. Enel Green Power is present in 27 countries<sup>1</sup> in 5 continents with a managed capacity of over 50.8 GW and over 1,200 plants. Its production mix includes the main renewable sources: wind, solar, hydroelectric and geothermal.

Enel Green Power is also a founding member of RES4MED, Renewable Energy Solutions for the Mediterranean and Beyond, an association created in 2012 to promote renewable energy and the infrastructures needed to deliver the generated electricity throughout the Mediterranean area.

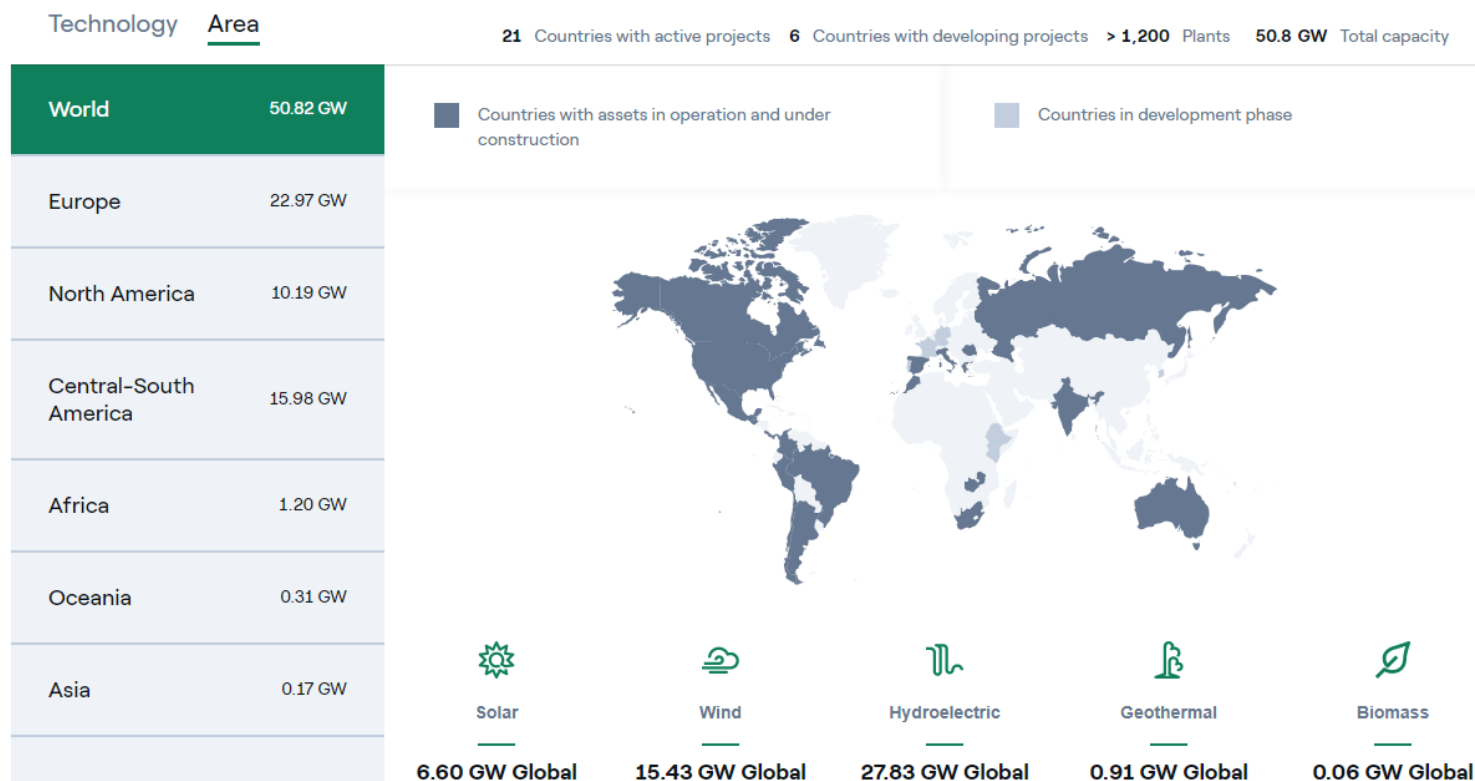
The green energy generated by Enel Green Power's plants is contributing to and accelerating the world's energy transition. The fight against climate change and the path to decarbonization are inextricably linked to Enel Green Power's core business, which is to produce green energy in order to reduce CO<sub>2</sub> emissions, provide disadvantaged areas access to electricity, and make its partner companies' businesses more sustainable.

The "IENE Company Profile" is an occasional communication published by the Institute of Energy for SE Europe in its effort to broaden the dialogue on current energy issues of regional and global interest. A Company Profile, as the name implies, focuses on a particular company engaged in one or more areas of activity in the broad energy field. The scope of the "Company Profile" is to focus on the achievements and plans of prominent energy companies and organizations which through their work paradigm could provide inspiration for leadership, strategy and innovation. Material used for a Company Profile may come from published sources but also from original input contributed by IENE's staff and research associates.

<sup>1</sup> 21 countries with operative assets or assets under construction (Canada, United States, Mexico, Costa Rica, Guatemala, Panama, Colombia, Peru, Brazil, Chile, Argentina, Spain, Italy, Romania, Greece, Morocco, Zambia, South Africa, Russia, India, Australia) and 6 countries with assets in the development phase (Portugal, Kenya, Ethiopia, France, Germany, South Korea).

The company's development strategy is based on sustainability and technological and geographic diversification. Its staff is constantly working to create shared value, combining the pursuit of industrial objectives with tangible contributions to socio-economic development by collaborating with institutions and local communities.

### Map 1: The Global Presence of Enel Green Power in RES Projects



Enel Green Power is constantly researching and developing innovative solutions to produce green energy more safely, efficiently and sustainably. Digital transformation projects - robotization, automation and big data - improve its leveraging and use of renewable resources, while also testing new business solutions.

Developing tailor-made projects to give companies the best renewable energy supply solutions possible is a distinctive feature of Enel Green Power, thanks to its extensive international experience. Green energy, sustainable projects, competitive costs and personalized solutions are the main advantages of a Power Purchase Agreement (PPA): a tool that builds solid partnerships with commercial and industrial clients. Enel Green Power's products are augmented by a wide range of additional services.

## Operations

**Net electricity generation** in 2020 increased from 2019 due to increases in wind and solar generation, partially offset by a decrease in hydro and biomass generation. The most significant changes in wind power were seen in the United States (+2,116 million kWh) due mainly to the start of operations at the High Lonesome (I and II) and Whitney Hill plants; in Iberia (+1,108 million kWh); in Mexico (+503 million kWh), due, above all, to the start of operations at the Dolores Wind plant; in Canada (+374 million kWh) due mainly to the start of operations at the Riverview plant; and in Greece (+346 million kWh) due mainly to the start-up of the new Kafireas wind farms.

**Table 1: Net Electricity Generation of Enel Green Power, 2020 and 2019**

Millions of kWh				
	2020	2019	Change	
Hydroelectric	62,437	62,580	(143)	-0.2%
Geothermal	6,167	6,149	18	0.3%
Wind	30,992	26,668	4,324	16.2%
Solar	5,763	3,974	1,789	45.0%
Other sources	1	21	(20)	-95.2%
<b>Total net generation</b>	<b>105,360</b>	<b>99,392</b>	<b>5,968</b>	<b>6.0%</b>
- of which Italy	23,451	24,309	(858)	-3.5%
- of which Iberia	13,415	10,090	3,325	33.0%
- of which Latin America	47,400	48,448	(1,048)	-2.2%
- of which Europe	2,374	2,005	369	18.4%
- of which North America	17,182	12,969	4,213	32.5%
- of which Africa, Asia and Oceania	1,538	1,571	(33)	-2.1%

The increase in solar generation is mainly attributable to the United States (+850 million kWh) with the significant contribution of the new Roadrunner plant; Iberia (+397 million kWh), thanks, above all, to the new plants that went online in late 2019 in Estremadura; and Mexico (+397 million kWh), mainly due to the start of operations at the Magdalena plant.

Hydroelectric output fell slightly due to declining generation in Chile in particular (-866 million kWh) and Colombia (-1,305 million kWh), partly offset by an increase in output in Iberia (+1,821 million kWh).

**Net efficient installed capacity** increased in 2020, compared with 2019, and mainly in:

- the United States as a result of construction of the Roadrunner Ph II, Ph III and Ph IV solar plants, expansion of the Cimarron Bend wind farm, and the start of operations at the White Cloud and High Lonesome plants;
- Mexico in relation to the Dolores Wind SA de Cv and Parque Amistad III SA de Cv wind farms;
- Brazil in relation to the São Gonçalo photovoltaic plants and the Lagoa dos Ventos I wind farm;
- Spain for the Aragona wind farms and the Andalusia, Castilla - La Mancha, Extremadura and Balearic Islands photovoltaic plants.

**Table 2: Net Efficient Installed Capacity of Enel Green Power, 2020 and 2019**

MW	2020	2019		Change
Hydroelectric	27,820	27,830	(10)	-
Geothermal	882	878	4	0.5%
Wind	12,412	10,327	2,085	20.2%
Solar	3,897	3,094	803	26.0%
Other sources	5	5	-	-
<b>Total net efficient generation capacity</b>	<b>45,016</b>	<b>42,134</b>	<b>2,882</b>	<b>6.8%</b>
- of which Italy	13,986	13,972	14	0.1%
- of which Iberia	7,781	7,391	390	5.3%
- of which Latin America	14,554	13,676	878	6.4%
- of which Europe	1,141	1,037	104	10.0%
- of which North America	6,643	5,282	1,361	25.8%
- of which Africa, Asia and Oceania	911	776	135	17.4%

## Performance

The **gross operating profit** increased by €59 million from 2019, essentially reflecting:

- an increase in gross operating profit in Italy, due above all to improved performance of hydroelectric plants;

- an increase in gross operating profit in Spain, due above all to increased quantities generated and sold as a result of an increase in capacity following the start of operations at a number of wind and solar plants, as well as to increased quantities generated by hydroelectric plants, the effect of which was partially offset by a reduction in prices;
- an improved gross operating profit in North America, mainly in the United States and Canada, where the recognition of negative goodwill in the amount of €181 million and gains on the sale of projects in the amount of €42 million in 2019 were more than offset by the following effects:
  - increased gross operating profit related to new plants entering service;
  - increased tax-partnership income (€137 million) recognized in 2020 following the start of operations at new Enel North America plants, in particular Cimarron Bend, White Cloud, Roadrunner, and Aurora Wind;
  - an increase in income from indemnities and disputes (€31 million);
  - an increase in income attributable to the sale of the Haystack wind project by Tradewind (€45 million);
- an increase in gross operating profit in Europe, and in Greece in particular, following the start of operations for the Kafireas wind farms in the first part of 2020;
- a decrease in gross operating profit in Latin America, due mainly to:
  - a decrease in gross operating profit in Chile due mainly to the recognition by Enel Generación Chile in 2019 of penalty revenue in the amount of €80 million as a result of the early withdrawal by a large-scale industrial customer from a long-term electricity supply agreement, as well as adverse exchange rate developments;
  - a deterioration of gross operating profit in Brazil, mainly as a result of the lower quantities sold, the significant weakening of the Brazilian real against the euro and the effect of the sale of a number of wind plants in 2019;
  - a reduction of gross operating profit in Colombia, mainly due to adverse exchange rate developments and to a decline in quantities generated and sold as a result, above all, of limited water availability and lower electricity demand.

**Table 3: Gross Operating Profit<sup>(1)</sup> of Enel Green Power, 2020 and 2019**

Millions of euro

	2020	2019		Change
Italy	1,311	1,240	71	5.7%
Iberia	434	358	76	21.2%
Latin America	1,979	2,202	(223)	-10.1%
- of which Argentina	28	51	(23)	-45.1%
- of which Brazil	271	335	(64)	-19.1%
- of which Chile	825	888	(63)	-7.1%
- of which Colombia	573	620	(47)	-7.6%
- of which Peru	136	157	(21)	-13.4%
- of which Panama	101	112	(11)	-9.8%
- of which other countries	45	39	6	15.4%
North America	767	737	30	4.1%
- of which United States and Canada	693	658	35	5.3%
- of which Mexico	74	79	(5)	-6.3%
Europe	161	112	49	43.8%
- of which Romania	78	75	3	4.0%
- of which Russia	(7)	(1)	(6)	-
- of which Greece	85	35	50	-
- of which Bulgaria	7	6	1	16.7%
- of which other countries	(2)	(3)	1	33.3%
Africa, Asia and Oceania	53	62	(9)	-14.5%
Other	(58)	(123)	65	52.8%
<b>Total</b>	<b>4,647</b>	<b>4,588</b>	<b>59</b>	<b>1.3%</b>

(1) The comparative figures for 2019 have been adjusted to take account of the fact that as from 2020 in Latin America amounts attributable to large customers managed by the power generation companies were reallocated to the End-user Markets Business Line.

The **ordinary gross operating profit** amounted to €4,721 million (€4,618 million in 2019), reflecting €50 million in costs relating to restructuring plans connected with the energy transition in Italy, Spain and Latin America, €10 million in costs incurred as a result of the COVID-19 pandemic for workplace sanitization activities, personal protective equipment and donations, €10 million in write-downs of the materials inventories of Enel Green Power Italia and €4 million for the supply of solar panels by Enel Green Power Italia related to a contractual clause connected with the sale of EF Solare Italia to F2i in 2019.

**Operating profit** for 2020, including depreciation, amortization and impairment losses in the amount of €1,913 million (€1,328 million in 2019), decreased by €526 million compared with 2019, due mainly to the recognition of impairment losses on the CGUs of Mexico, Australia and Argentina (for a total of €534 million) and to the impairment losses on the assets of a solar panel production line of Enel Green Power Italia (€65 million) and the CIS Nola plant (€15 million).

**Table 4: Operating Profit<sup>(1)</sup> of Enel Green Power, 2020 and 2019**

Millions of euro				
	2020	2019		Change
Italy	935	909	26	2.9%
Iberia	235	183	52	28.4%
Latin America	1,544	1,793	(249)	-13.9%
- of which Argentina	(15)	38	(53)	-
- of which Brazil	207	249	(42)	-16.9%
- of which Chile	660	718	(58)	-8.1%
- of which Colombia	521	560	(39)	-7.0%
- of which Peru	99	118	(19)	-16.1%
- of which Panama	83	96	(13)	-13.5%
- of which other countries	(11)	14	(25)	-
North America	(28)	418	(446)	-
- of which United States and Canada	394	367	27	7.4%
- of which Mexico	(422)	51	(473)	-
Europe	129	58	71	-
- of which Romania	109	49	60	-
- of which Russia	(13)	-	(13)	-
- of which Greece	46	10	36	-
- of which Bulgaria	4	3	1	33.3%
- of which other countries	(17)	(4)	(13)	-
Africa, Asia and Oceania	(11)	24	(35)	-
Other	(70)	(125)	55	-44.0%
Eliminations and adjustments	-	-	-	-
<b>Total</b>	<b>2,734</b>	<b>3,260</b>	<b>(526)</b>	<b>-16.1%</b>

(1) The comparative figures for 2019 have been adjusted to take account of the fact that as from 2020 in Latin America amounts attributable to large customers managed by the power generation companies were reallocated to the End-user Markets Business Line.

**Capital expenditure** increased by €336 million in 2020 compared with the same figure for the previous year. More specifically, the change is attributable to:

- an increase of €459 million in capital expenditure in Latin America attributable mainly to photovoltaic plants (€403 million), geothermal plants (€12 million) and wind farms (€130 million), partially offset by a decrease in capital expenditure on hydroelectric plants (€71 million). The increase in capital expenditure was concentrated in Chile and Brazil;
- an increase of €140 million in capital expenditure in Africa, Asia and Oceania related mainly to wind farms (€189 million) concentrated in South Africa and India, which was partially offset by decreased capital expenditure for photovoltaic plants (€49 million), mainly in Australia and Zambia;
- an increase of €29 million in capital expenditure in North America related mainly to increased capital expenditure in the United States at wind farms (€306 million) and photovoltaic plants (€90 million), partially offset by reduced capital expenditure at wind farms (€235 million) and photovoltaic plants (€100 million) in Mexico and at wind farms in Canada (€84 million), reflecting the construction of numerous plants in 2019;
- a decrease of €305 million in capital expenditure in Iberia, mainly related to wind farms (€387 million), given that construction for most of the projects was completed in 2019. This was partially offset by increased capital expenditure for photovoltaic and hydroelectric plants;
- a decrease of €32 million in capital expenditure in Europe, particularly in Greece (€98 million), as projects developed in 2019 became operational. This effect was partially offset by increased capital expenditure for wind farms in Russia in the amount of €74 million.

**Table 5: Capital Expenditure<sup>(1)</sup> of Enel Green Power, 2020 and 2019**

Millions of euro

	2020	2019	Change	
Italy	283	240	43	17.9%
Iberia	460	765	(305)	-39.9%
Latin America	1,514	1,055 <sup>(1)</sup>	459	43.5%
North America	1,773	1,744	29	1.7%
Europe	157	189	(32)	-16.9%
Africa, Asia and Oceania	414	274	140	51.1%
Other	28	26	2	7.7%
<b>Total</b>	<b>4,629</b>	<b>4,293</b>	<b>336</b>	<b>7.8%</b>

(1) The figure does not include €4 million regarding units classified as "held for sale".



An overview of the performance of Enel Green Power in 2020, compared to 2019, is shown in Table 6, while Table 7 shows a breakdown of its revenues by region and country in 2020.

**Table 6: General Overview of the Performance of Enel Green Power, 2020 and 2019**

Millions of euro

	2020	2019		Change
Revenue	7,692	7,717	(25)	-0.3%
Gross operating profit	4,647	4,588	59	1.3%
Ordinary gross operating profit	4,721	4,618	103	2.2%
Operating profit	2,734	3,260	(526)	-16.1%
Capital expenditure	4,629	4,293 <sup>(2)</sup>	336	7.8%

**Table 7: Revenues by Region and Country of Enel Green Power, 2020 and 2019**

Millions of euro

	2020	2019		Change
Italy	2,154	1,918	236	12.3%
Iberia	771	653	118	18.1%
Latin America	3,234	3,677	(443)	-12.0%
- of which Argentina	39	64	(25)	-39.1%
- of which Brazil	837	694	143	20.6%
- of which Chile	1,209	1,479	(270)	-18.3%
- of which Colombia	814	1,007	(193)	-19.2%
- of which Peru	132	196	(64)	-32.7%
- of which Panama	136	169	(33)	-19.5%
- of which other countries	67	68	(1)	-1.5%
North America	1,156	1,115	41	3.7%
- of which United States and Canada	1,018	956	62	6.5%
- of which Mexico	138	159	(21)	-13.2%
Europe	323	271	52	19.2%
- of which Romania	198	175	23	13.1%
- of which Greece	114	86	28	32.6%
- of which Bulgaria	9	8	1	12.5%
- of which other countries	2	2	-	-
Africa, Asia and Oceania	99	107	(8)	-7.5%
Other	226	105	121	-
Eliminations and adjustments	(271)	(129)	(142)	-
<b>Total</b>	<b>7,692</b>	<b>7,717</b>	<b>(25)</b>	<b>-0.3%</b>

(1) The comparative figures for 2019 have been adjusted to take account of the fact that as from 2020 in Latin America amounts attributable to large customers managed by the power generation companies were reallocated to the End-user Markets Business Line.

## 2021 Preliminary Financial Results

**Revenues** amounted to €88.3 billion, an increase of €22.3 billion (+33.8%) compared with the figure of €66.0 billion posted in 2020. The change is mainly attributable to: (i) the increase in revenues from Infrastructure and Networks, essentially due to the effect of the greater volumes transported, as a result of the increase in demand for electricity, (ii) the increase in revenues from Enel Green Power, mainly as a result of higher production from renewable sources, (iii) higher revenues from End-User Markets, due to increased sales of electricity in Italy and Latin America, (iv) the increase in revenues from Enel X as a result of the increase in services associated with the new commercial initiatives and demand response activities, (v) higher revenues from Thermal Generation and Trading due to the increase in the volumes of energy and gas sold and to increased commodity trading activities related to contracts with physical delivery. The increase in revenues also includes the gain realized on the sale of the stake held in Open Fiber S.p.A. This increase in revenues more than offset the adverse exchange rate effect, mainly in Latin America.

**Ordinary EBITDA** amounted to €19.2 billion, an increase of €1.2 billion (+6.7%) compared with the figure of €18.0 billion posted in 2020. This increase, which includes the gain realized on the sale of the stake held in Open Fiber S.p.A., is also attributable to:

- Enel Green Power, mainly as a result of: (i) improved operating performance in North America and Brazil following the commissioning of new plants, (ii) the improvement in the margin in Spain, both due to the improved performance of wind and solar plants and to the positive effects linked to the favorable outcome of a dispute
- Enel X, mainly in Italy and North America, due to increased service margins associated with new commercial initiatives and demand response activities

Against the positive changes highlighted above, there are negative effects deriving from the trend in exchange rates, mainly in Latin America, from the normalization of trading activities compared to the previous year and from a decrease in margins in end-user markets, also due to the effect of higher procurement costs.

**EBITDA**, which includes the effects of non-ordinary items relating to the costs arising from corporate reorganization plans launched by the Group within the framework of the energy transition and digitalization process, to the write-downs of inventories relating to certain coal-fired plants in Italy, Spain and Chile, as well as to

the costs incurred as a result of the COVID-19 outbreak, was €17.6 billion (€16.9 billion in 2020, +4.1%).

**Net financial debt** at year-end 2021 comes to €52.0 billion. The change from €45.4 billion reported in 2020 (+14.5%) is attributable to the requirements generated by investments in the period, the payment of dividends and the acquisition of additional stakes in the share capital of Enel Américas. The positive cash flow generated by operations, the issuance of a perpetual non-convertible subordinated hybrid bond as well as the sale of the stake held in Open Fiber S.p.A., have partially offset the financial requirements associated with the abovementioned items.

The number of **employees** at the end of 2021 was 66,279 (66,717 at the end of 2020).

During 2021, the Enel Group produced a total of 222.6 TWh of electricity (207.1 TWh in 2020), distributed 510.3 TWh on its networks (485.2 TWh in 2020) and sold 309.4 TWh (298.2 TWh in 2020). Specifically, outside Italy, the Enel Group in 2021 produced 174.6 TWh of electricity (164.6 TWh in 2020), distributed 283.5 TWh (270.8 TWh in 2020) and sold 216.7 TWh (208.0 TWh in 2020).

**Table 8: Operational, Economic and Investment Results of Enel Green Power, 2021**

Operational	Total
Net electricity generation for 2021 (TWh)	119
Net efficient installed capacity for 2021 (GW)	53
Economics (M€)	Total
Gross operating profit for 2021	4761
Ordinary gross operating profit for 2021	4814
Operating profit for 2021	3470
Investments (M€)	Total
Capital expenditure for 2021	5.773
- of which Asset management	423
- of which Asset Development	5.351

## 2021 A Record Year in Terms of Renewable Capacity Built in a Year, Energy Generated and Project Pipeline

Enel Green Power set a new record in 2021 by building 5,120 MW of new renewable capacity, including 220 MW of battery capacity for the first time. This figure represents an increase of 2,014 MW (+64.8%) compared to the renewable capacity built in 2020.

Furthermore, Enel Green Power also set a record in terms of energy generated from renewable sources in 2021 with approximately 119 TWh, of which 55.4 TWh from wind and solar, up 9 TWh compared to 2020, 57 TWh from hydro and 6 TWh from geothermal. The growth in the pipeline of projects under development was also notable, reaching approx. 370 GW, which includes renewables, Battery Energy Storage Systems (BESS) and capacity already in execution.

The new renewable capacity built by Enel Green Power at December 31<sup>st</sup>, 2021 includes around 70 plants, mainly wind (2,596 MW) and solar (2,238 MW). In addition, during the year, Enel Green Power built a total of 220 MW of BESS at the Lily, Azure Sky Solar and Azure Sky wind plants in the United States.

In terms of geographical spread, the new capacity is distributed as follows:

- 832 MW in Europe, mainly in Spain and Italy
- 1,950 MW in Latin America, mainly in Brazil and Chile
- 1,364 MW in North America, mainly in the United States
- 754 MW in Africa, Asia and Oceania

With the 5,120 MW built in 2021, Enel Green Power now manages around 54 GW of total renewable capacity, making it the world's largest private operator in the renewable sector. Enel Green Power managed to achieve this record in a year marked by the COVID-19 pandemic.

During the construction process of this new renewable capacity, the Group has always made the protection of the health of its workers, employees and the community where it operates the main priority. This milestone confirms the Enel Group's commitment to continuing to increase its renewable capacity, with a global geographic footprint, as also highlighted in its 2030 Vision, which foresees reaching a total renewable capacity, including battery capacity, of around 154 GW by 2030.

Once fully operational, the new capacity built in 2021 will produce around 16.3 TWh per year, avoiding the emission of around 11 million tons of CO<sub>2</sub> into the

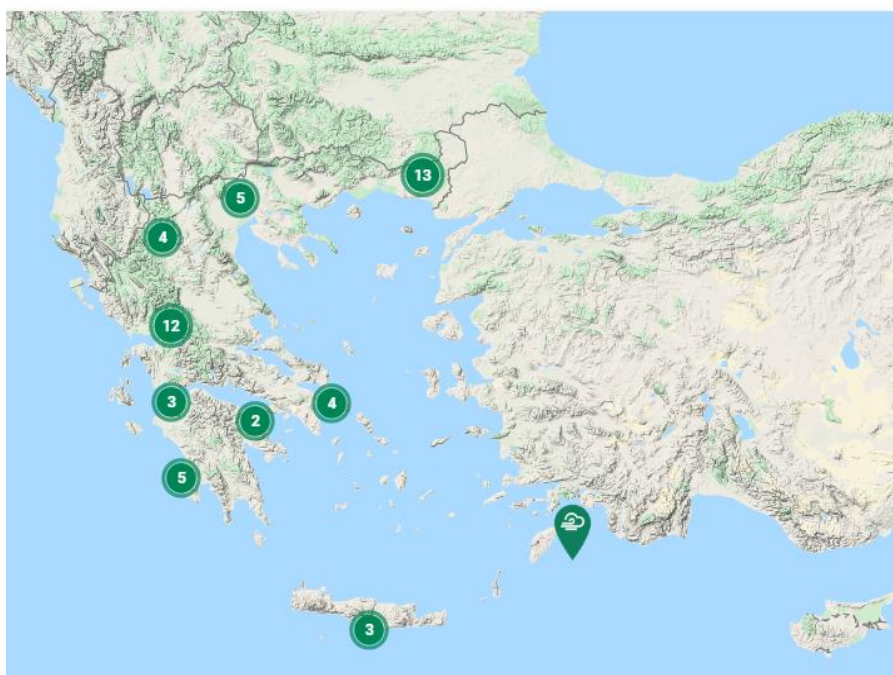
atmosphere each year. This result will also contribute to the Enel Group's target to reduce direct GHG emissions to 140gCO<sub>2</sub>eq/kWh in 2024, putting the Group in a good position to achieve the target of an 80% reduction in direct GHG emissions by 2030 compared to 2017 levels, in line with the 1.5°C scenario, and the Sustainable Net Zero 2040 target.

In 2021, the Enel Group also took an important step towards fully decarbonizing the generation mix by ceasing operations at coal-fired plants with a total installed capacity of 1,983 MW: Litoral (1,120 MW, Andalusia, Spain), La Spezia (548 MW, Liguria, Italy) and units 1 and 2 at Fusina (315 MW, Veneto, Italy).

### Enel Green Power Hellas

The presence of Enel Green Power in Greece is important, including a portfolio of 59 plants. The total capacity of these plants is about 481 MW and its breakdown per RES type is as follows: 368.2 MW from wind, 94.29 MW from solar and 19.3 MW from hydro.

**Map 2: The Presence of Enel Green Power in RES Projects in Greece**



### Kafireas Wind Facility: The Flagship Project in Greece

The Kafireas facility, which is located at Karystos on the island of Evia (or Euboea), features 67 turbines spread across seven wind farms. Its inauguration in 2020 marked something of a turning point in Greece's energy policy. Indeed, its

importance was such that the Greek prime minister attended the opening ceremony. The project, which had an overall cost of €300 million, is set to reduce CO<sub>2</sub> emissions by nearly 315,000 tons annually.

### Map 3: Kafiareas Wind Facility in Greece



The construction of the complex, which generates more than 480 GWh per year, with 154 MW of sustainable renewable energy, was in line with Enel Green Power's "Sustainable Construction Site" model, which was applied in Greece for the first time. It involved the recycling of 550,000 tons of soil and stones excavated during construction to help reconvert an inactive quarry back to nature, as well as the reuse of 10 tons of construction materials such as wooden pallets. This was in cooperation with the local community and helped fix stables used by shepherds.

During the construction, two archeological sites came to light, a quarry and a temple. These have since been excavated and preserved thanks to Enel Green Power's contribution. Visitors are encouraged to discover the new findings and this will promote sustainable tourism, in addition to boosting the local economy.

### IENE Company Profile

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