



Press Release

ACEA Energia and ERG conclude two Power Purchase Agreements (PPAs) for the sale of renewable energy totalling 1.5 TWh over the next three years

Genoa, 18 October 2019 – ACEA Energia (100% ACEA Group) and ERG, through its subsidiary ERG Power Generation S.p.A., have signed two PPAs concerning the supply of power totalling 1.5 TWh during the period 2020-2022.

The two agreements for the supply of electricity between complementary operators, ACEA Energia as player in the sale sector and ERG as producer from renewable sources, offer important synergies through the valorisation of their respective assets, such as the customer portfolio and renewable energy generation.

The agreements, which provide for most of the electricity to be sold at a price established within a “collar”, allow both companies to optimise their risk profiles. The supply involves, *inter alia*, ACEA Energia’s offtake at a set price of the entire electricity output pertaining to the Avigliano 13.2 MW wind farm, following its recent Re-blading, on a “pay as produced” basis.

The pricing dynamics, which are endorsed by the signing of these agreements, will in future be able to form the basis for medium-long term commercial relations between the parties, via the conclusion of new ten-year PPAs.

Luca Bettonte, ERG’s CEO, commented: “By way of this agreement, in addition to stabilising the sale price for a part of its renewable energy generation portfolio, ERG is defining the procedures for the sale of electricity produced by its first wind farm to have undergone a process of Re-blading. In this way, we are laying the bases for the “pay as produced” formula, a type of contract that stabilises sale prices and may, in future, find additional applications, even over a longer term, for selling the huge volume of energy that will be produced by the wind plants concerned with Repowering .”

Valerio Marra, Chairman of ACEA Energia, commented: “We are very satisfied with the agreements concluded with ERG, which allow us to diversify the energy supply for our end customers and ensure a more stable price trend, using tools such as PPAs. These agreements promote development and production from renewable sources and therefore support the process of energy transition to which the ACEA Group is committed.”

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