

PRESS RELEASE

ENEL GENERACIÓN REQUESTS AUTHORIZATION FOR THE EARLY CLOSURE OF BOCAMINA, ITS LAST COAL PLANT IN CHILE

- *The company plans to disconnect Bocamina's Unit I by December 31st this year and Unit II by May 31st, 2022, which will make it the first company to stop generating from coal in Chile.*
- *In line with the Strategic Plan 2020–2022, during this period a series of renewable projects will enter into operation to meet the company's commitments to large customers, and sustainably meet the growth in demand.*

Santiago, May 27th, 2020. Enel Generación Chile's Board of Directors announced today its decision to accelerate the closure of the two units of Central Bocamina thermoelectric complex, located in Coronel. To finalize this measure, the company will formally request the executive secretary of the National Energy Commission (CNE) to authorize the final withdrawal, disconnection, and cessation of operation of Bocamina I (128 MW) by December 31st, 2020 and Bocamina II (350 MW) by May 31st, 2022.

This definition implies closing much earlier than promised by the company in the National Decarbonization Plan signed with the Ministry of Energy on June 4th, 2019, which provided for the closure of unit I towards the end of 2023 and, the closure of Bocamina II in 2040 at the latest and confirms the leadership of the Enel Group in Chile by accelerating its commitments to tackle the impact of climate change, while advancing its plan to add 2GW of renewable energy by 2022.

*"We have carried out a process to accelerate a just energy transition towards a more efficient, economic and cleaner mix, capable of sustaining the country's development and, at the same time, reducing its impact on the environment and climate. This is a key milestone that marks Enel Chile's exit from coal-fired generation", explained **Paolo Pallotti**, general manager of Enel Chile. "A change of context and the technological evolution of renewables that makes projects more efficient, allowed us to anticipate the commitment acquired with the country when we signed the National Decarbonization Plan," he added.*

If the disconnection request is approved, Enel Chile will record an impairment related to Bocamina II that will affect Enel Chile's net income of 2020, in the amount of approximately USD 586 million.

Development of renewables

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Regarding this announcement, the general manager of Enel Generación Chile, **Michele Siciliano**, highlighted the numerous positive impacts that this will trigger: *"With this decision we are the first Chilean company to stop generating from coal, which has benefits from the environmental, economic and social points of view. Thus, we give a concrete response to the action plan of Chile and Enel regarding the Sustainable Development Goal on Climate Action"*

As part of the commitment to advance towards an increasingly cleaner energy mix, Enel Chile is progressing in the development of the projects included in its Strategic Plan. These initiatives seek to add a total of 2 GW of installed renewable capacity by 2022, half of which is already under construction. These projects under development are, among others, Azabache (60.9MW), the first hybrid industrial plant in the country; Campos del Sol (382MW), one of the largest solar projects under construction in Chile, and the 33MW expansion of Cerro Pabellón (48MW), the only geothermal plant in operation in South America.

In the same way as it did in the case of the Tarapacá Plant, which coal unit was withdrawn from the system in December 2019, for the Bocamina Plant, a redeployment plan will also be carried out for all the workers of both units, considering opportunities in all areas and lines of business of the group in Chile. *"The idea is not to generate any disruption as a result of this process,"* Siciliano said. Likewise, it will begin an analysis to assess the potential for energy conversion of its facilities or to seek the best use for the property, with the objective of developing that territory.