

PRESS RELEASE

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ENEL GREEN POWER, TOGETHER WITH AME, ANNOUNCES PLANS FOR FIRST PILOT PROJECT FOR GREEN HYDROGEN PRODUCTION IN CHILE

- *Renewable, or green hydrogen is expected to be produced for the first time in Chile by means of an electrolyzer fueled by wind energy*
- *The pilot project, which would be one of the largest of its kind in Latin America, is expected to be located in the Magallanes Region*

Rome and Punta Arenas, October 2nd, 2020 - Enel Green Power Chile (EGP Chile), a subsidiary of Enel Chile, is planning to participate with AME and prospective partners ENAP¹, Siemens Energy and Porsche, in the installation of a pilot plant for green hydrogen production through an electrolyzer fueled by wind energy in Cabo Negro, north of Punta Arenas, in the Magallanes Region, subject to the approval of local authorities and finalization of the financing structure. The facility is expected to be commissioned in 2022, making it the first plant of its kind to produce green hydrogen in Chile as well as one of the largest in Latin America.

The announcement was made during an event attended by Chilean Energy Minister Juan Carlos Jobet.

James Lee Stancampiano, General Manager of EGP Chile, stated: *"For Enel, Chile has always been a laboratory of innovation. Among the projects we have developed in this country are Diego de Almagro, the country's first large-scale solar plant, the first bifacial photovoltaic panels in La Silla, the commissioning of Cerro Pabellon, the first geothermal plant in South America, the wave power laboratory in Las Cruces, and the hybrid off-grid system in Ollagüe. Now, the time has also come to develop the potential of green hydrogen."*

A project in Patagonia

In a country with excellent natural resources, Patagonia stands out for having some of the best on-land wind conditions in the world due to its proximity to Antarctica, as shown by a wind resource study that was carried out by EGP Chile over the past two years. These unique characteristics allow Patagonia to have constant wind power generation, which is key for the region to position itself as a hub of green hydrogen development.

Specifically, the Magallanes Region is looking to diversify its energy mix from its historical oil and gas footprint, leveraging on the existing infrastructure to accelerate decarbonization through wind-generated green hydrogen.

Green Hydrogen in Chile

Chile is emerging as one of the countries with the greatest potential for the production and export of green hydrogen in the world. According to Chile's Ministry of Energy², up to 20% of the country's cumulated CO₂

¹ Chile's National Oil Company.

² <https://www.energia.gob.cl/noticias/nacional/con-el-fin-de-potenciar-esta-industria-en-el-pais-chile-sera-sede-del-mas-importante-encuentro-de-hidrogeno-verde-en-latinoamerica>.



reduction by 2050 will be made possible through cost-effective green hydrogen. The International Energy Agency (IEA) estimates that Chile is able to produce 160 million tons of green hydrogen per year³, doubling the current demand for hydrogen, and according to Bloomberg projections⁴, the price of green hydrogen will be competitive with diesel in approximately less than 10 years.

Enel in Chile is the largest power company by installed capacity with over 7,200 MW of which over 4,700 MW from renewable energy, namely over 3,500 MW from hydro, more than 600 MW from wind, about 500 MW from solar and approx. 40 MW from geothermal. The Group also operates in the distribution sector through Enel Distribución Chile, which serves around 2 million customers, as well as in the advanced energy solutions business through Enel X Chile.

Enel Green Power, within the Enel Group, is dedicated to the development and operation of renewables across the world, with a presence in Europe, the Americas, Asia, Africa and Oceania. Enel Green Power is a global leader in the green energy sector with an installed capacity of around 46.4 GW across a generation mix that includes wind, solar, geothermal and hydropower, and is at the forefront of integrating innovative technologies into renewable power plants.

³ IEA Report "[The Future of Hydrogen – Seizing today's opportunities](#)" (2019).

⁴ <https://www.bloomberg.com/news/articles/2019-08-21/cost-of-hydrogen-from-renewables-to-plummet-next-decade-bnef>.