

PRESS RELEASE

EDISON AND WEBUILD: INDUSTRIAL ALLIANCE TO DEVELOP PUMPED HYDROELECTRIC PROJECTS IN ITALY

The two groups commit to developing together hydroelectric storage projects in the South of Italy owned by Edison. The goal: generating at least 500 MW in pumped energy by 2030, allowing the Italian supply chain of the hydroelectric sector grow to raise Italy's energy autonomy and economic development.

Milan, July 10, 2024 – **Edison and Webuild signed a programmatic agreement to develop pumped hydroelectric projects**, highly strategic infrastructures for ecological transitioning purposes, and Italy's energy security. According to the agreement, Edison and Webuild have started a very close partnership to define and create pumped hydro projects in Pescopagano (PZ) in Basilicata, and Villarosa (EN) in Sicily, developed by Edison.

The two pumped hydro projects are part of Edison's strategy to allow renewable energy sources to grow in Italy. It foresees, by 2030, taking the Group's installed green capacity to 5 GW (from the current 2 GW). Concomitantly, also to create at least 500 MW of storage, as this is necessary to avoid dispersing the renewable energy produced during moments of greater availability, therefore ensuring the security of the electrical grid.

The two initiatives, besides creating new reservoirs and important engineering works, completely underground, to ensure greater territorial compatibility, foresee using existing reservoirs, upon which interventions aimed at making the infrastructures fully functional will be carried out, making them safer and also increasing the water volumes that can be stored even for other public uses and to fight drought. The Pescopagano and Villarosa projects are waiting for the approval procedures to conclude at the Italian Environment and Energy Security Ministry (*Ministero dell'Ambiente e della Sicurezza Energetica* - MASE) and the concession ones at the related regions, with the aim of participating at the first competitive tenders, organized by Terna, to acquire new storage capacity through long-term supply contracts, within the Storage futures Market discipline (*Mercato a termine degli stoccaggi* - MACSE), which is being defined.

«Edison and Webuild are now back to develop the Italian hydroelectric supply chain together. This agreement will create the foundations to safely build the energy transition, limiting Italy's exposure to depending for critical raw materials, while relaunching the development of a highly strategic chain, where we stand as champions in Europe, with clear benefits for the Italian economic development and the increase of the renewable energy within the network, in line with the de-carbonisation goals» said **Edison CEO Nicola Monti**.

«The agreement with Edison aims at putting together the skills of two private Italian groups, global leaders in the energy and infrastructure sector, contributing to the energy transition journey, and contrasting drought in Italy, particularly in the southern regions. Creating virtuous systems of skill and resources with the entire production chain is key to creating the infrastructure works needed by Italy to remain competitive. Webuild is

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therefore ready to put its premium know-how that it has acquired by building complex and innovative projects, globally, like the pumped hydroelectric plant of Snowy 2.0 in Australia" said **Webuild CEO Pietro Salini**.

This cooperation agreement, through the know-how and specific skills of these two Italian groups, aims at optimising projects and the way they are built, ensuring better conditions for relaunching significant private investments in the South of Italy, for an approximate amount of 1.2 billion euros, also ensuring a positive fall-back on the historical Italian civil and manufacturing sectors, besides the socio-economic benefits for the territories involved in the process, with a multiplying effect of 2.96.¹

The Italian hydroelectric chain

The Italian hydroelectric chain, which includes pumped hydro, carries out an extremely strategic role both in terms of energy autonomy and with regard to the indirect benefits and economic development. Hydroelectric technology contributes to energy security, as it reduces depending on foreign suppliers for critical raw materials, while also strengthening the Italian sector's competitiveness. **The Italian hydroelectric chain boasts a unique position in Europe and is a fundamental asset for Italy: it in fact generates 28 billion euros in turnover, of which 15 billion from export, with a commercial balance of 8 billion euros, placing itself at the top of the podium in the EU.**²

Storage systems: pumped hydro

The "PNIEC" (Integrated National Energy and Climate Plan) determined that storage systems are necessary to reach the decarbonisation goals, foreseeing the installation of **new storage systems for over 10 GW by 2030**, of which 6 GW in utility scale (batteries and pumped hydro, mainly located in the South of Italy and in the Italian isles) and the remaining in distributed batteries. Electric energy storage systems are essential for the Italian electric system. The possibility of storing electricity ensures security and stability to the network, allowing regulation and avoiding blackouts. These storage systems represent an essential condition for increasing, in the Italian network, the non-programmable renewable energy share, like the one coming from photovoltaic and wind energy.

Pumped hydroelectric plants are therefore the most reliable type of way of storing electricity, capable of ensuring an efficient use of the excess energy created by non-programmable renewable sources. Foreseeing two reservoirs at two different heights: the water is pumped from top to bottom during the hours with greater renewable generation, therefore avoiding dispersing the excess energy. This way, it is possible to store potential energy to be once more transformed into renewable electricity to be released in the energy grid when required (during the night or in moments of lower demand).

Pumped hydro plants ensure one of the most efficient ways to produce electricity (i.e. almost all of the kinetic energy of the water is transformed into electricity) and are very flexible too from an operational standpoint. They can in fact start working very quickly, therefore regulating the Italian electrical network. These plants also do not consume water, as they work the majority of the time in a closed cycle system and can therefore also play a significant role in storing water so that it can be used for irrigation purposes.

¹ Source: The European House - Ambrosetti

² Source: The European House - Ambrosetti

Edison

Edison is a leading energy company, with 140 years of history and records that make it Europe's oldest operator in the sector. The company employs more than 5,500 people, operating in Italy and Europe in renewable and low-carbon production, natural gas procurement and sales, sustainable mobility, and through Edison Energia and Edison Next in energy, environmental and value-added services for customers, companies, territories and Public Administration. The Group is at the forefront of the energy transition challenge, consistent with the UN Sustainable Development Goals and European decarbonisation policies. Edison has a highly flexible and efficient power generation fleet, consisting of more than 250 power plants including hydroelectric, wind, solar and high-efficiency gas-fired combined-cycle thermoelectric power plants with a total capacity of about 7.2 GW; and supplies the country with LNG and natural gas, thanks to a large and highly diversified portfolio of 13 billion cubic metres per year.

Webuild

Webuild is a global leader in the design and construction of large, complex projects in the sectors of sustainable mobility, hydropower, water management and production, and green buildings. For many years, the recognized leader in the water sector, also ranking among the Top 10 international players in Australia, Europe and the US, the Group has consolidated experience in 50 countries. In almost 120 years of applied engineering on more than 3,200 projects, the Group has built 14,140 kilometres of rail and metro lines, 82,533 kilometres of roads and highways, 1,020 kilometres of bridges and viaducts, 3,408 kilometres of tunnels, and 313 dams and hydropower plants. Projects include the Bridge over the Danube River in Braila in Romania, and the Genoa Long Beach International Gateway in California; the expansion of the Panama Canal and the Third Bosphorus Bridge in Turkey; the Kingdom Centre skyscraper in Riyadh in Saudi Arabia, and metro lines in Copenhagen, Paris, Rome, Milan, Doha and Riyadh. Projects under construction include the New Genoa Breakwater, the Brenner Base Tunnel, Line 4 of Milan's metro, and Line C of Rome's metro, the Genoa-Milan high-capacity railway line, the Snowy 2.0 hydroelectric project in Australia, and the Trojena project for NEOM in Saudi Arabia. As of December 31, 2023, the Webuild Group with 87,000 people, achieved 10 billion in total revenues, and a total backlog of €64 billion, with over 90% of its construction backlog related to projects linked to the advancement of the United Nations Sustainable Development Goals (SDGs). Webuild, subject to the direction and coordination of Salini Costruttori S.p.A., is headquartered in Italy and is listed on the Milan stock exchange (WBD; WBD.MI; WBD:IM). Since 2021, it is member of the MIB ESG, the index of Italian companies with the best ESG practices.

Edison Press Office

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