

## **IREN SIGNED A €180 MILLION CONTRACT WITH ANSALDO ENERGIA FOR THE EXTENSION OF THE TURBIGO POWER STATION WITH A NEW 430 MW GAS COMBINED CYCLE**

1

*Reggio Emilia, Genoa, 3 March 2020* – Iren S.p.A., through its subsidiary Iren Energia S.p.A., signed a contract with Ansaldo Energia for the new combined gas cycle realization, with an investment of approximately €180 million, which will increase installed capacity at the Turbigo site, which is all natural gas fed, from the current 850 MW to around 1,280 MW. The expansion of the capacity for 430 MW obtained a remuneration in the Capacity Market auctions:

- A total of approximately 105 million euros, distributed over the 15 years starting from 2022 (around 7 million euros / year), for the new gas turbine section, as "new authorized capacity";
- A total of approximately 12 million euros, about 6 million euros per year for the years 2022 and 2023, relating to the existing steam turbine as an "existing capacity", but not used today, which will be reactivated thanks to repowering.

The remuneration recognized for the participation in the Capacity Market is additional to the margins associated with the sale of electricity (MGP) and ancillary services (MSD).

This investment demonstrates Iren's support for the energy transition process, guaranteeing the production security and flexibility needed to balance intermittent renewable sources.

The new combined cycle, with a 57% yield, will achieve the first parallel by 31/03/2022, whereas the test exercises and inspection will be completed by 30/06/2022.

Based on an EPC contract, Ansaldo Energia will manage the executive design phase, the supply of the gas turbine, generators and set-up transformers, heat recovery vapour generator, the implementation of the civil works, the assembly and supply of ancillary electrical and mechanical installations.

Iren will integrate the project with the existing plant to obtain maximum overall production flexibility, the upgrading of certain components on the current production plant, operational since 2008, so as to further improve performance and the renewal of the concessions with the national electricity network.

*The repowering of the Turbigio station - said **Massimiliano Bianco, Chief Executive Officer of Iren** - represents a significant upside in relation to the assumptions in the most recent business plan, which we decided to implement after the pricing signals from the first Capacity Market auctions. Prices were positioned at highs both in terms of existing capacity and the new capacity, highlighting the important role of gas power stations with high levels of flexibility, which operating on a supplementary basis to renewable sources, are essential to supporting system adequacy. With this project, Iren and Ansaldo Energia are consolidating their collaboration in the energy sector, and more specifically, in managing the turbogas fleet.”*

*“By signing this contract, Ansaldo Energia further consolidates its leading role in Italy’s energy transition and confirms our sound decision to increasingly centralise the production plant in Genoa – commented **Giuseppe Marino, Chief Executive Officer of Ansaldo Energia** – since November last year, the order backlog has increased by over 600 million euro, confirming technological leadership of Ansaldo Energia and its service capacity for the maintenance and assistance to its customers”.*

#### **Iren Contacts**

##### **Media Relations**

Paolo Colombo

T + 39 011.5549175 M + 39 348.2206005

[paolobartolomeo.colombo@gruppoiren.it](mailto:paolobartolomeo.colombo@gruppoiren.it)

##### **Investor Relations**

Giulio Domma

T + 39 0521.248410

[investor.relations@gruppoiren.it](mailto:investor.relations@gruppoiren.it)

##### **Barabino & Partners**

Giovanni Vantaggi

T +39 02.72023535

M + 39 328.8317379

[g.vantaggi@barabino.it](mailto:g.vantaggi@barabino.it)

#### **Ansaldo Energia Contacts**

##### **Head of Communications and Events**

Luciano Gandini

T +39 010 6556295

M +39 331 6742485

[lucianomaria.gandini@ansaldoenergia.com](mailto:lucianomaria.gandini@ansaldoenergia.com)