

DISCOM PRIVATIZATION PLAN

Enel Experience

Presented by

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A World Class Operator



35
Countries



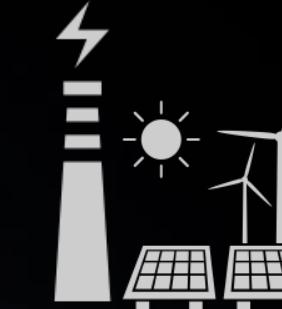
74
Million
Customers



46
Million SM
Installed

85
Million SM
Produced

> 20%
of Indian



>90
GW Installed
Capacity
(>50% RES)

~30%
of Indian



> 2 M km
network lines

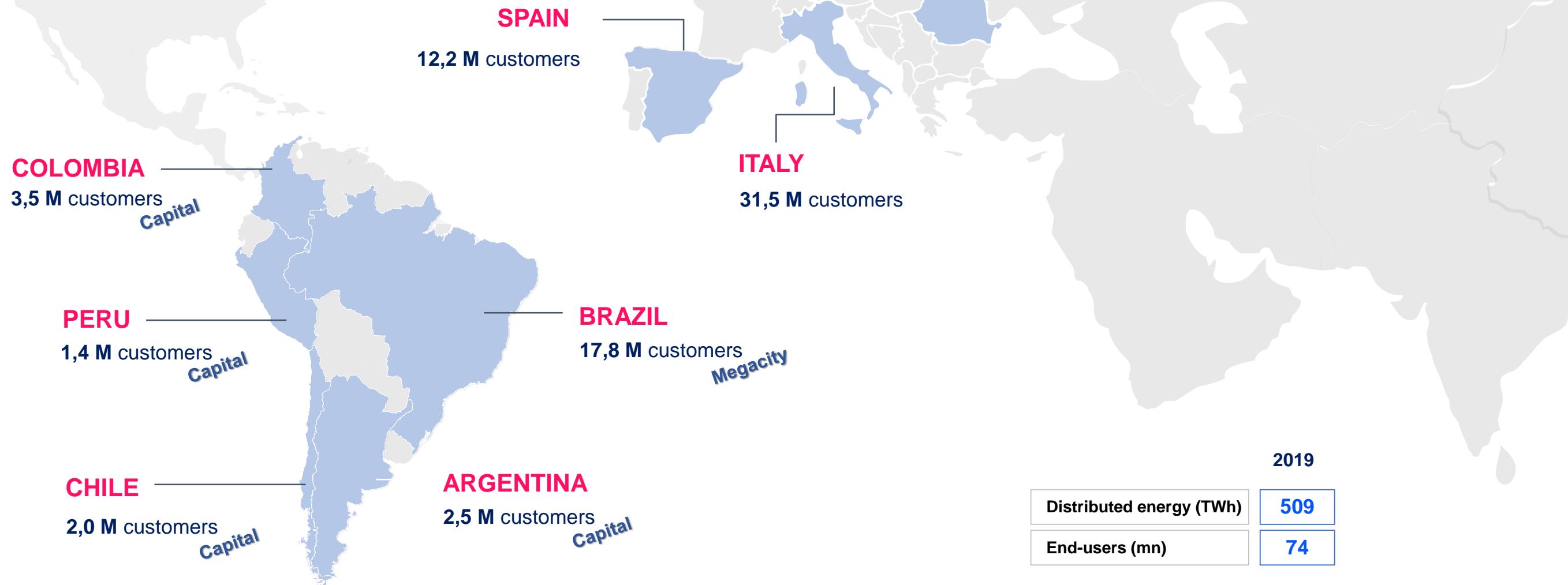


509
TWh Distributed
Energy

> 30% of Indian
distributed
energy

Enel Dx World Network Footprint

2.2 M km of Network (~ 6 times earth-moon distance)



What private players are looking for

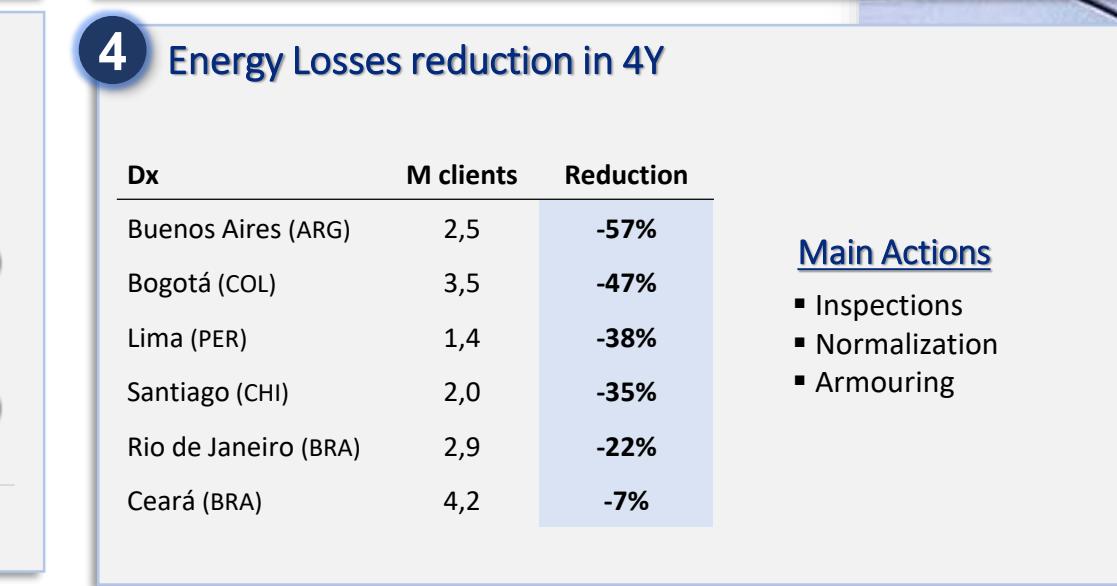
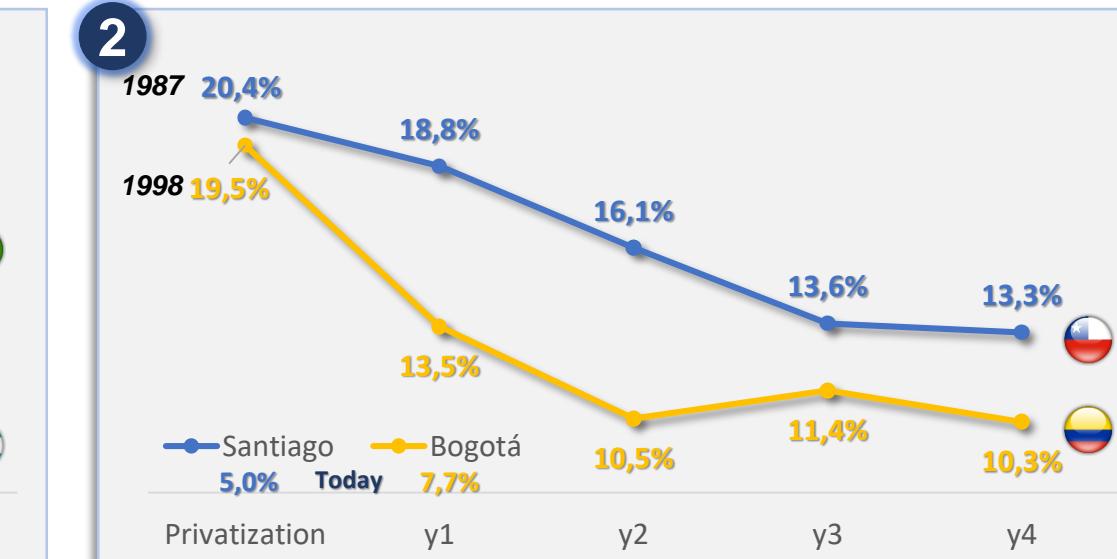
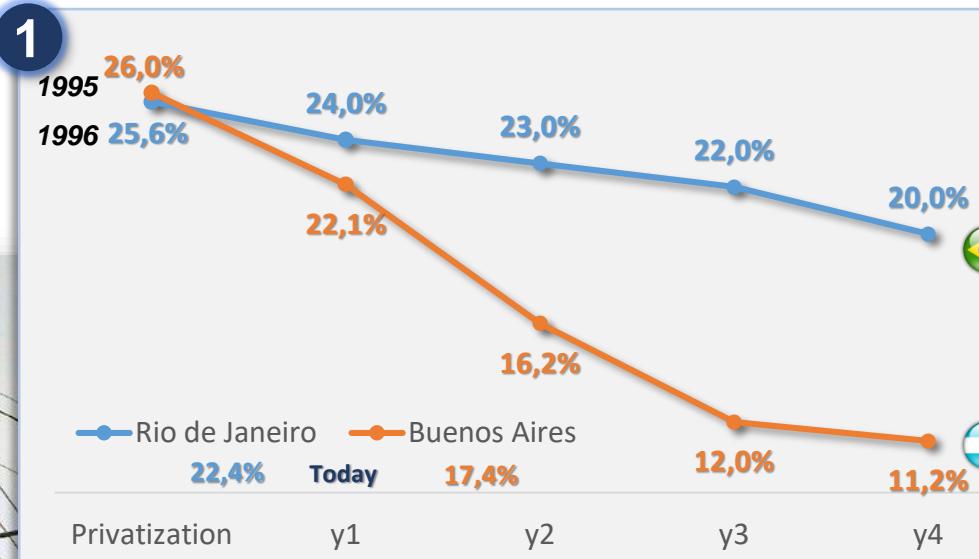
And the Government could incentivize

- 1. Sustainable business** (collection and losses)
- 2. Demand growth** (electrification)
- 3. Rewarding regulation** (profit sharing)
- 4. Room for operative improvement**
- 5. Digitalization**

General Regulatory Scheme

	Latam <i>0.8 billion citizens</i>	Europe <i>0.7 billion citizens</i>	India <i>1.3 billions citizens</i>
1 Concession duration Reg Period Length	30y / Permanent 4y / 5y period	30 y 4y / 6y period	25y 3 y period
2 Investment remuneration Time to start remuneration	RAB x Reg. Rate Few years later / Ex-ant	RAB x Reg. Rate 1 year later	RAB x Reg. Rate 1 year later
3 Regulated Rate	2X	X	2X
4 OPEX Remuneration	National Benchmark / Conditioned pass through	Actual cost Full pass through	3Y average Actual Cost
5 Profit sharing	>50% for Operator	50%	50%
6 Inflation adjustment	Yes	Yes	Yes
7 Losses Incentives / penalties Quality Incentives / penalties	Yes Yes	Yes Yes	Yes Not yet

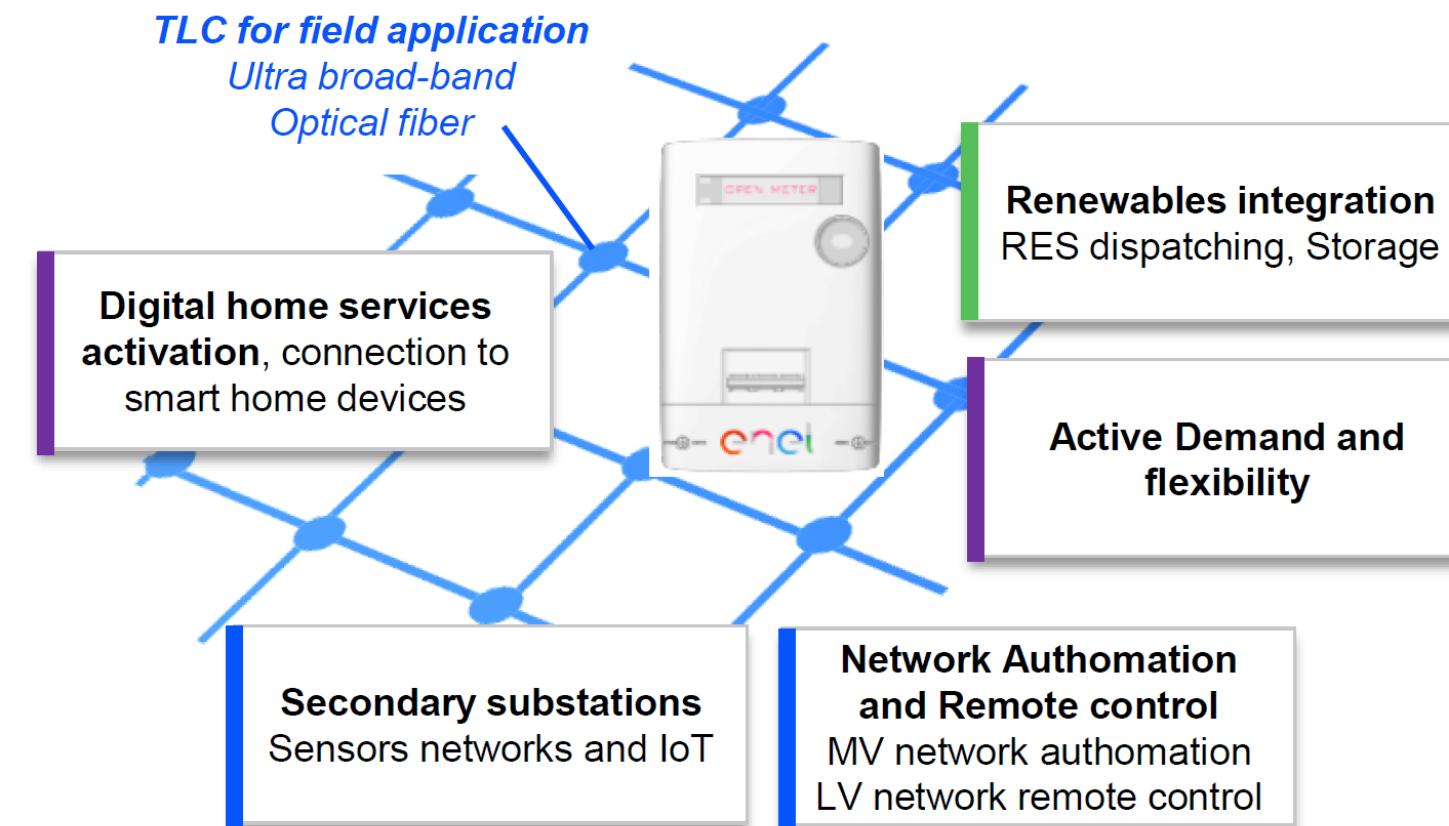
Track record of Enel after privatization in Latam



Innovation and Digitalization

Smart Meter Solution

Smart meter as the pivot of a digital network architecture



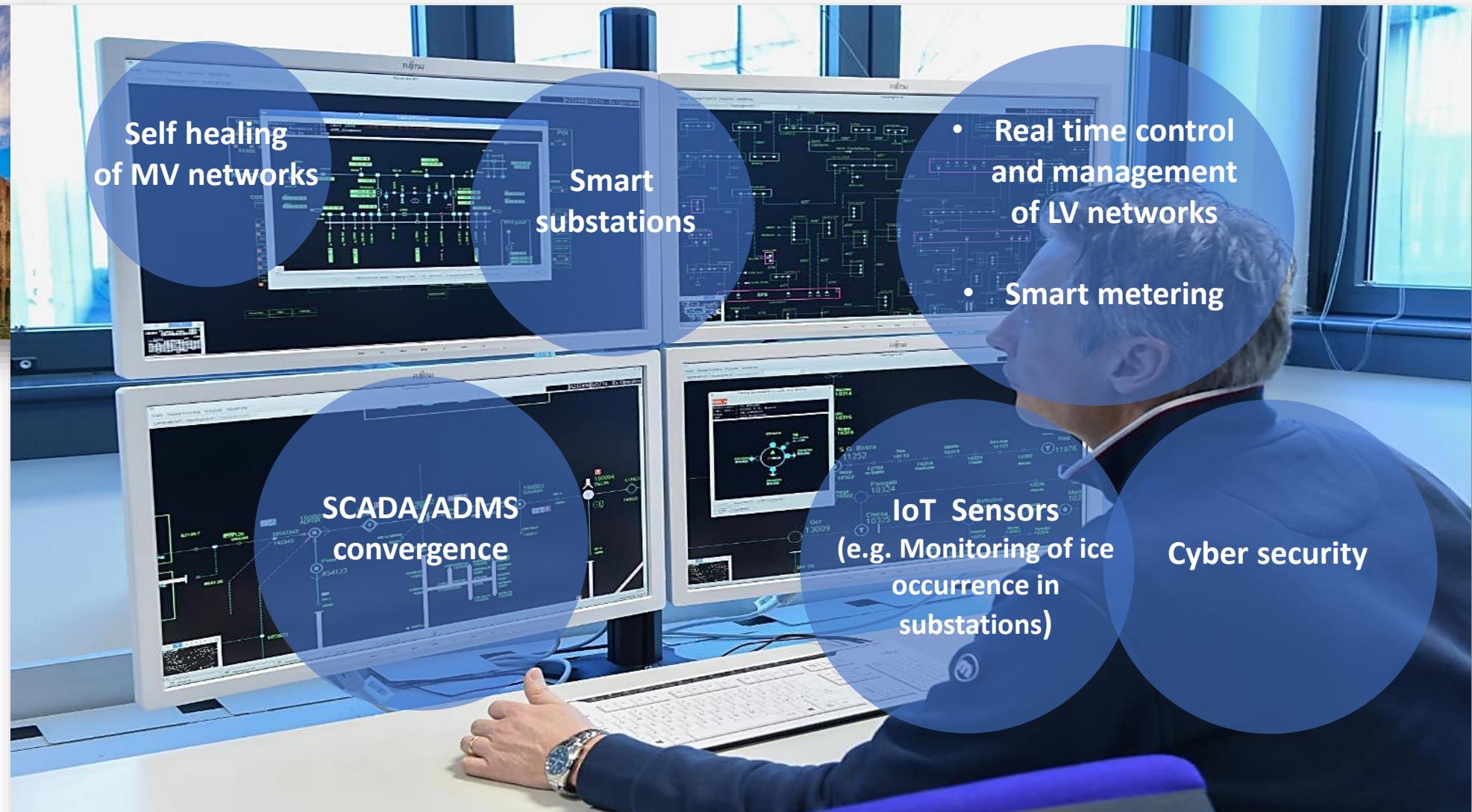


Boosting New Generation of Network Management

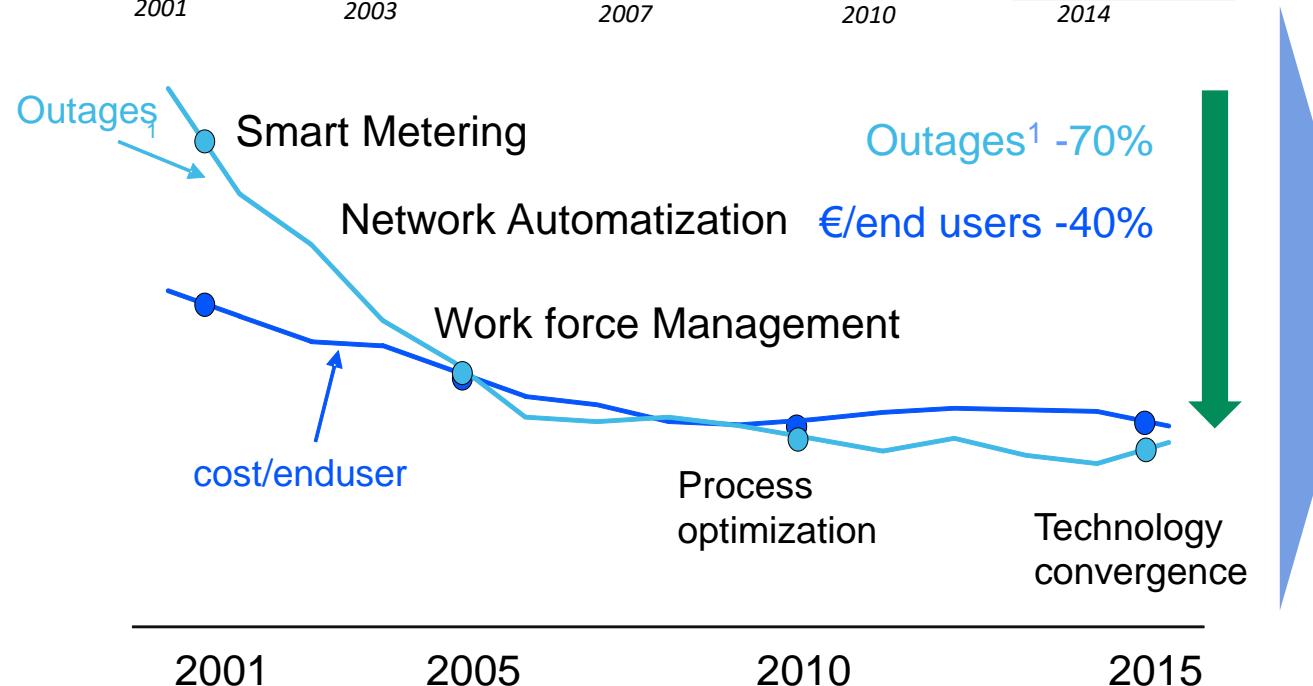


Italy case:

- Distribution Automation MV Network
- 120k substations remotely controlled
- Self Healing MV < 1s
- 32 mln 2nd generation Smart Meters installation in progress (2017-2022)
- 32 mln 1st generation installed 2001-2006, 15 years regulated lifetime
- Cloud-based system, +7,000 bn data per year, 15 min load curves
- Real time management of LV network, meters as sensors

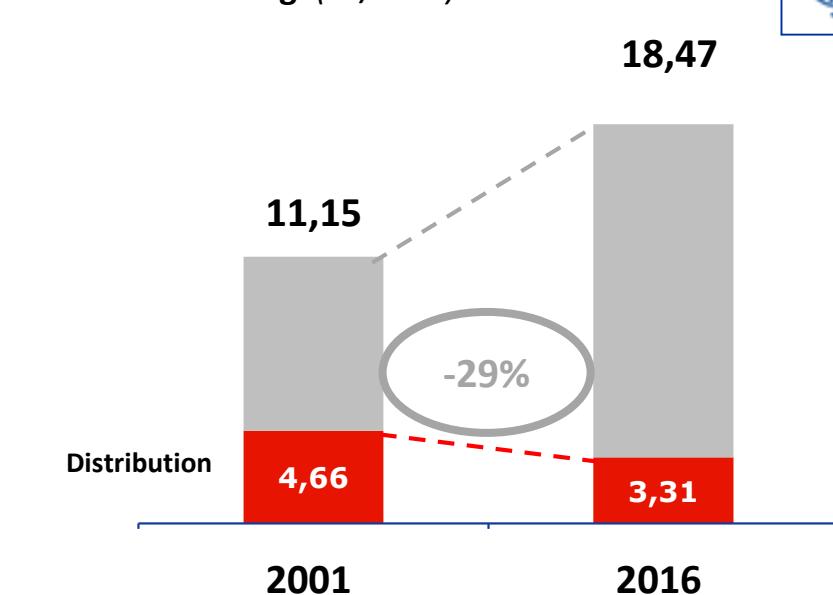


Why Grid digitalization is so important



Reduction of the distribution component of the tariff²

Tariff – average (c€/kWh)



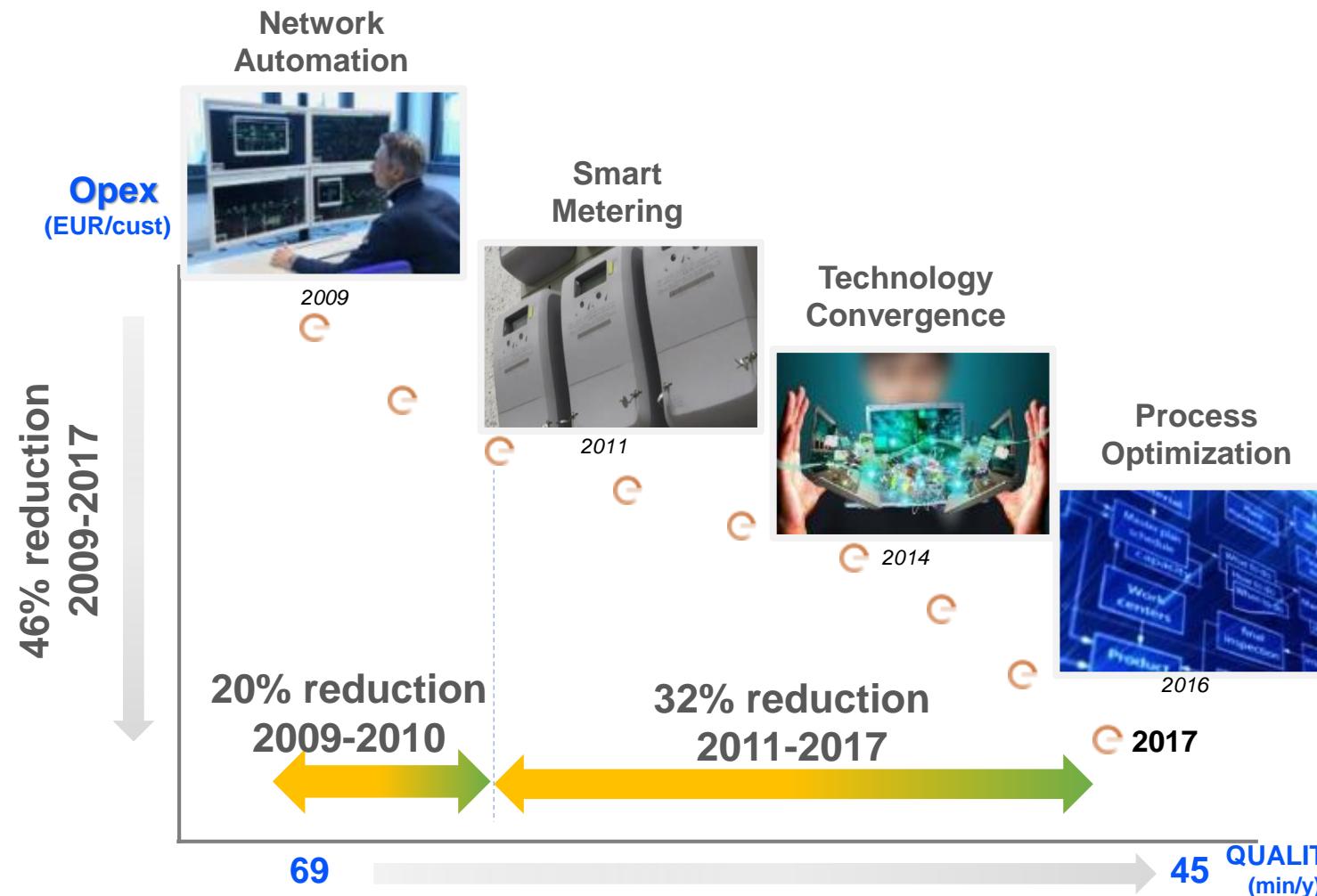
**Smart Metering is the cornerstone of Smart Grid cluster program,
leading to strong benefit to Consumers + profitability and efficiency for DSO**

¹ SAIDI - System Average Interruption Duration Index² AEEG – Authority Electricity Energy and Gas



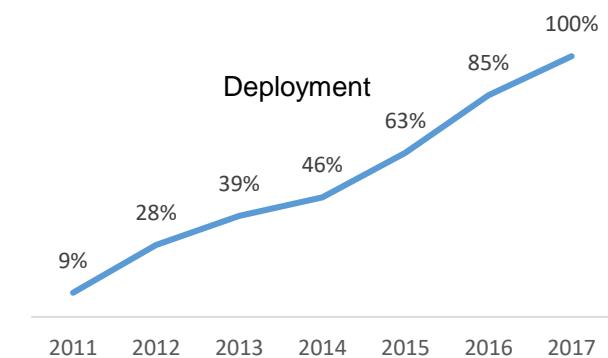
Enel digital efficiencies experiences

Spain case: opex reduction & quality improvement



Smart Metering rollout

- 12 M smart meters installed 2011-2018



- 41% of the OPEX reduction achieved during 2011-2017 comes from smart meters deployment

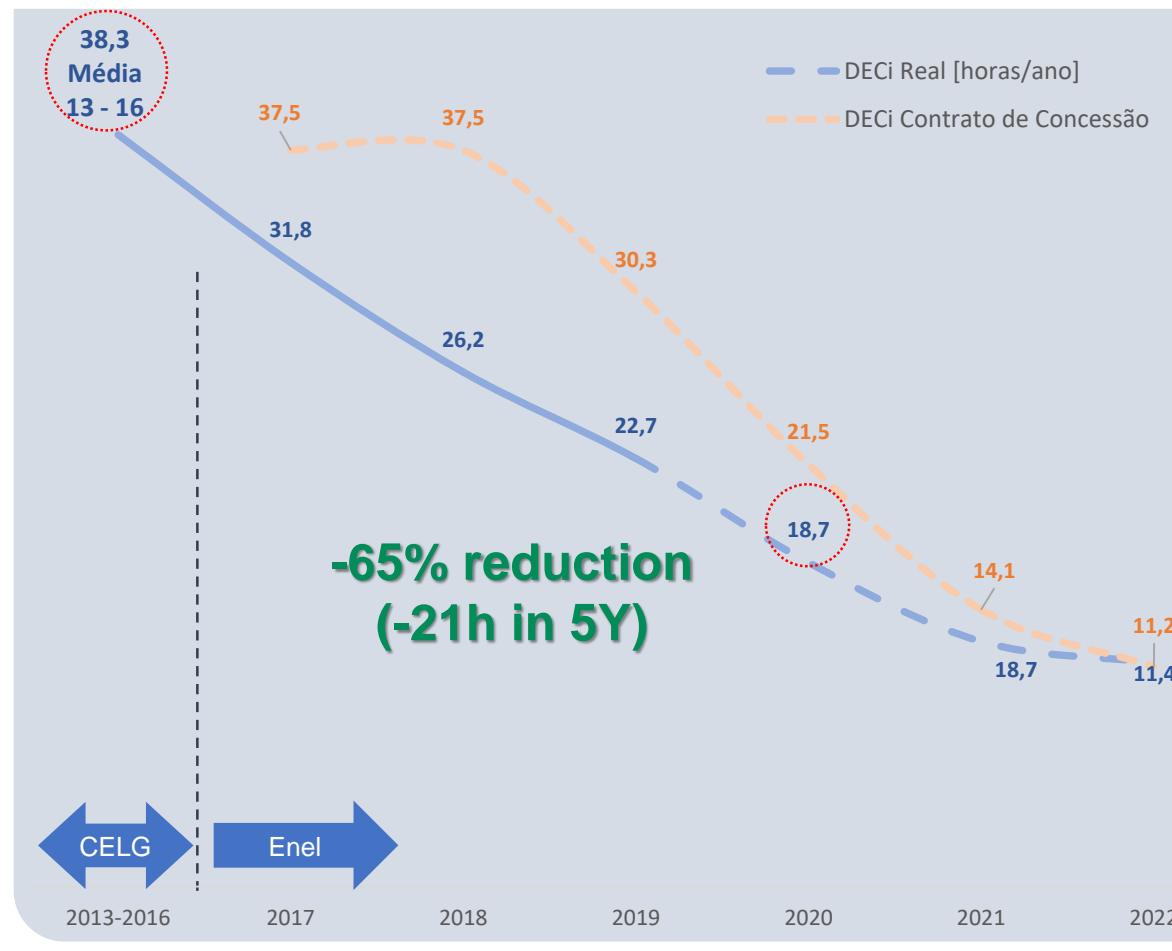




Real example of Enel last privatization

CELG : Quality improvement

Quality (DEC)*



Workforce Management



Process Optimization



Enel acquired the Discom in 2017 privatization:

- 3 M clients
- 337 k km² area
- 228 k km Network
- 1,098 Employees

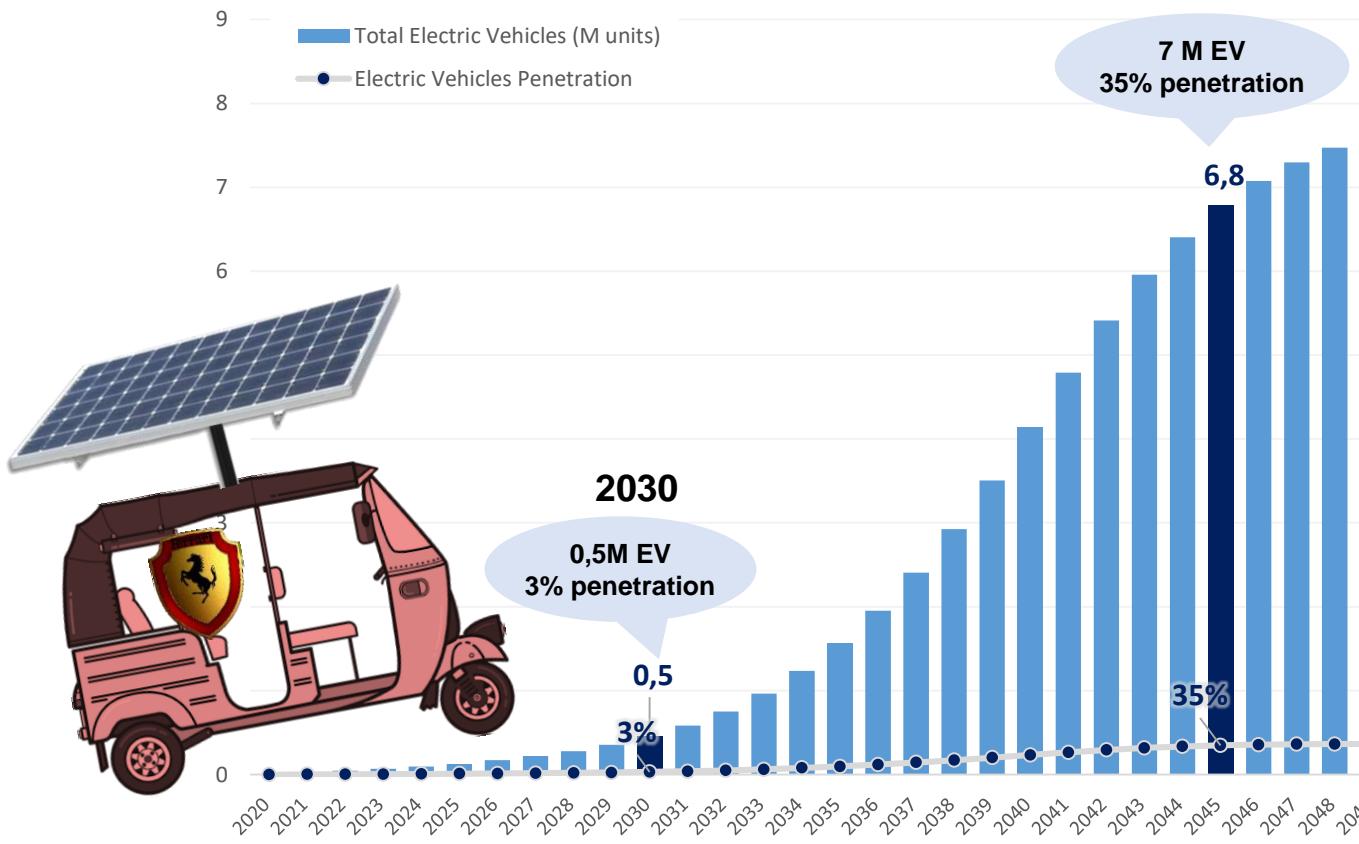




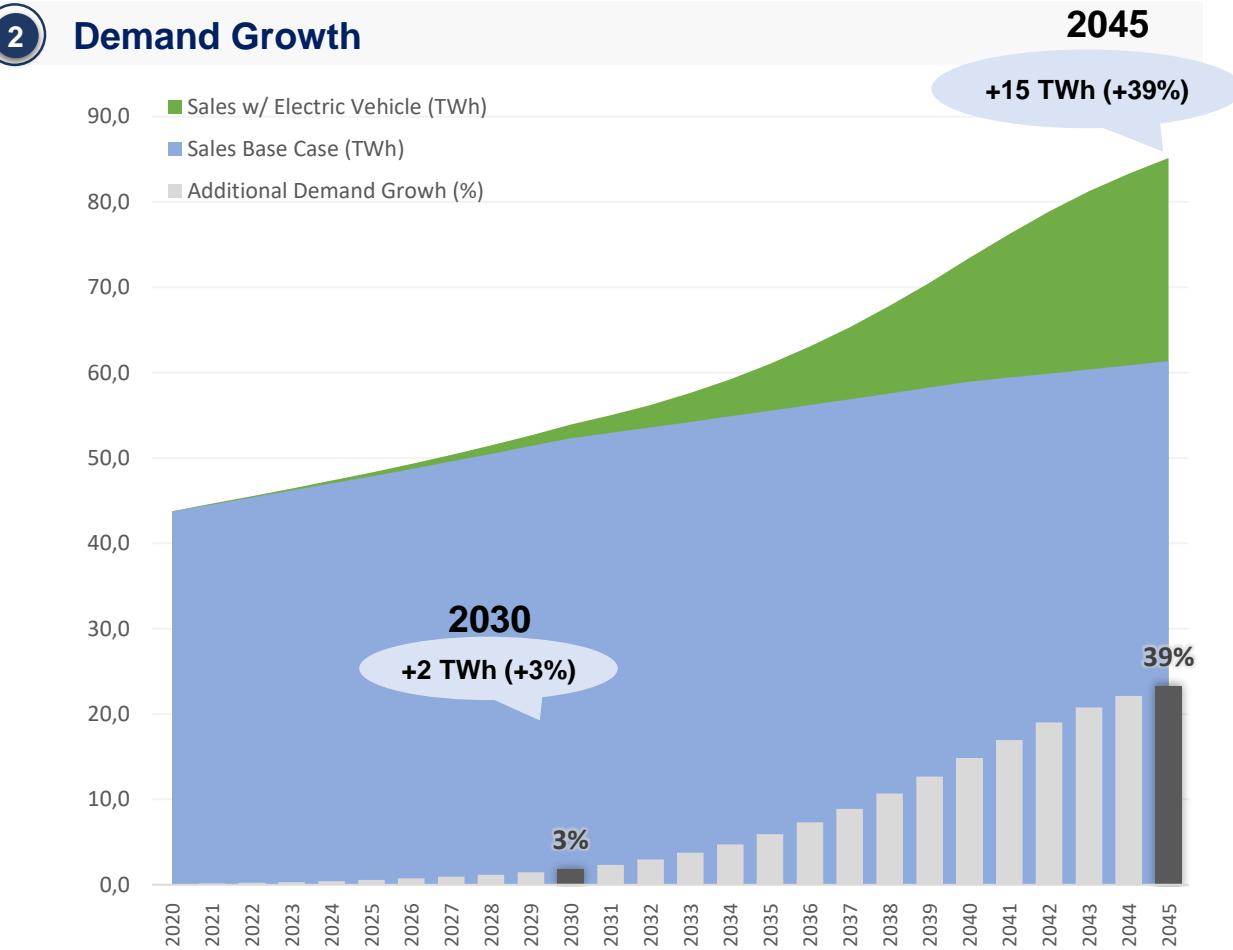
Electric Vehicles impact on network

San Paulo case

① Vehicles Penetration



② Demand Growth





Program start 2007

Objective

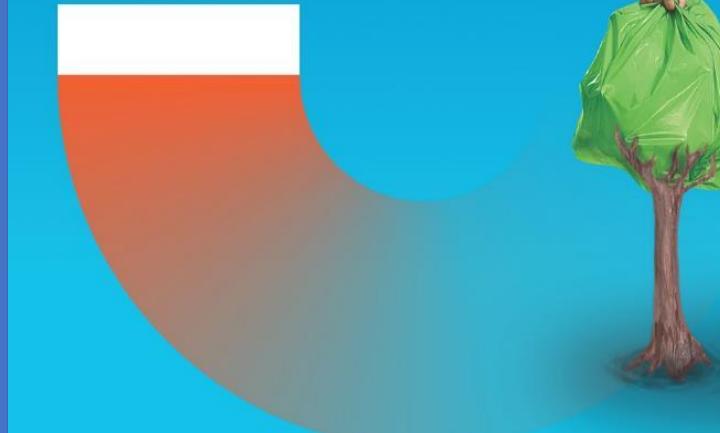
Promote the reduction of customers' energy bills through bonuses obtained by the selective collection of recyclable waste

Exchange requirements

Any Enel customer can participate;
There is no limit on the number of exchanges
There is no limit on the amount of weight taken to the Ecoponto



Troque seu lixo por energia



enel

ANEEL
ANELER MÍNIMA DE ENERGIA ELÉTRICA
PEE - Programa de Eficiência Energética

Thank You

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