



TERNA AND LEGAMBIENTE JOIN FORCES TO PROMOTE SMART ISLANDS PROJECT

- *The two companies have signed a Memorandum of Understanding aimed at identifying innovative and smart solutions for environmental and socially sustainable electricity generation on the smaller Italian islands.*
- *Plans set out the redevelopment of run-down areas with the aim of renewable generation respecting the local environment.*

Rome, 17 November 2017 – Stefano Ciafani, General Manager of Legambiente and Luigi Michi, Terna Strategy and Development Manager and CEO of Terna Plus, the subsidiary responsible for developing new business, signed the Memorandum of Understanding to promote all necessary initiatives aimed at publicising and expanding a culture of sustainability in the environmental, social and energy fields.

Under the agreement, Terna and Legambiente will collaborate to identify solutions that favour the development of renewable sources on the smaller Italian islands and commit themselves to sustaining and strengthening sustainability at both national and local level as well as redeveloping run-down areas of the country with the aim of renewable generation.

The Smart Islands project, which Terna has already implemented on various Italian islands, was developed to sustain and support modernisation and improved efficiency of the electricity network on those islands which are not connected to the national grid, using innovative solutions that integrate green sources, energy storage and urban mobility, whilst respecting the environment also offering them progressive and sustainable energy independence. Terna is highly committed to climate change, sustainable development and supporting an increase in the use of green sources within the context of its activities and its Development Plan.

With the signing of the memorandum, Legambiente and Terna launch their collaboration on the two-phase process. The first step will be to identify those sites which best combine the landscape characteristics and the functional needs of the work to be carried out, whilst maintaining the needs of those involved and achieving a greater consensus. The second phase will involve local communities and institutions in evaluating the necessary steps for approval of works identified and feasibility assessment. From the start, the studies will focus on the islands of Giannutri and Giglio as well as Pantelleria, for which the agreement sets out identification of viable options for the redevelopment of areas used as landfill sites and verification of their suitability for renewable-energy plants. The agreement will then gradually expand its scope to include the development of innovative and sustainable solutions on other islands not connected to the mainland for which Terna has been developing further initiatives and agreements for some time.

Innovation and technology now underpin sustainability which is a core element in Terna's investment plan and in the corporate growth strategy. The Italian TSO has launched a proactive

approach aimed at creating a cutting-edge electricity system which is more efficient, smarter, less polluting and more sustainable as well as also bringing lower costs benefiting both stakeholders and citizens.

Terna's Luigi Michi said *"This agreement coincides with Terna's plan to turn not only the islands of Giannutri, Giglio and Pantelleria, but also other Italian islands not connected to the main grid, into true Smart Islands through the planned projects which combine both electrical and environmental needs. Sustainability is a strategic tool for Terna, and alongside Legambiente, they will offer their vast experience and proven know-how developed in innovative systems to the smaller islands, supporting the outstanding natural beauty and strong tourism market."*

Legambiente's Stefano Ciafani added: *"The islands symbolise the challenge faced in the battle for environmental sustainability, against climate change and for the development of renewable sources and the generation of clean energy. We are, however, convinced that the small Italian islands have the right conditions needed for positive change, benefiting the environment, citizens, and the quality and availability of work, with positive impacts on tourism. This is why we signed the agreement with Terna. Together we will develop a path that favours the development of clean energy on the minor islands by using innovative solutions integrated within the environment and landscape."*