ACCIONA ENERGÍA
Doing business in Chile

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September 29th, 2016

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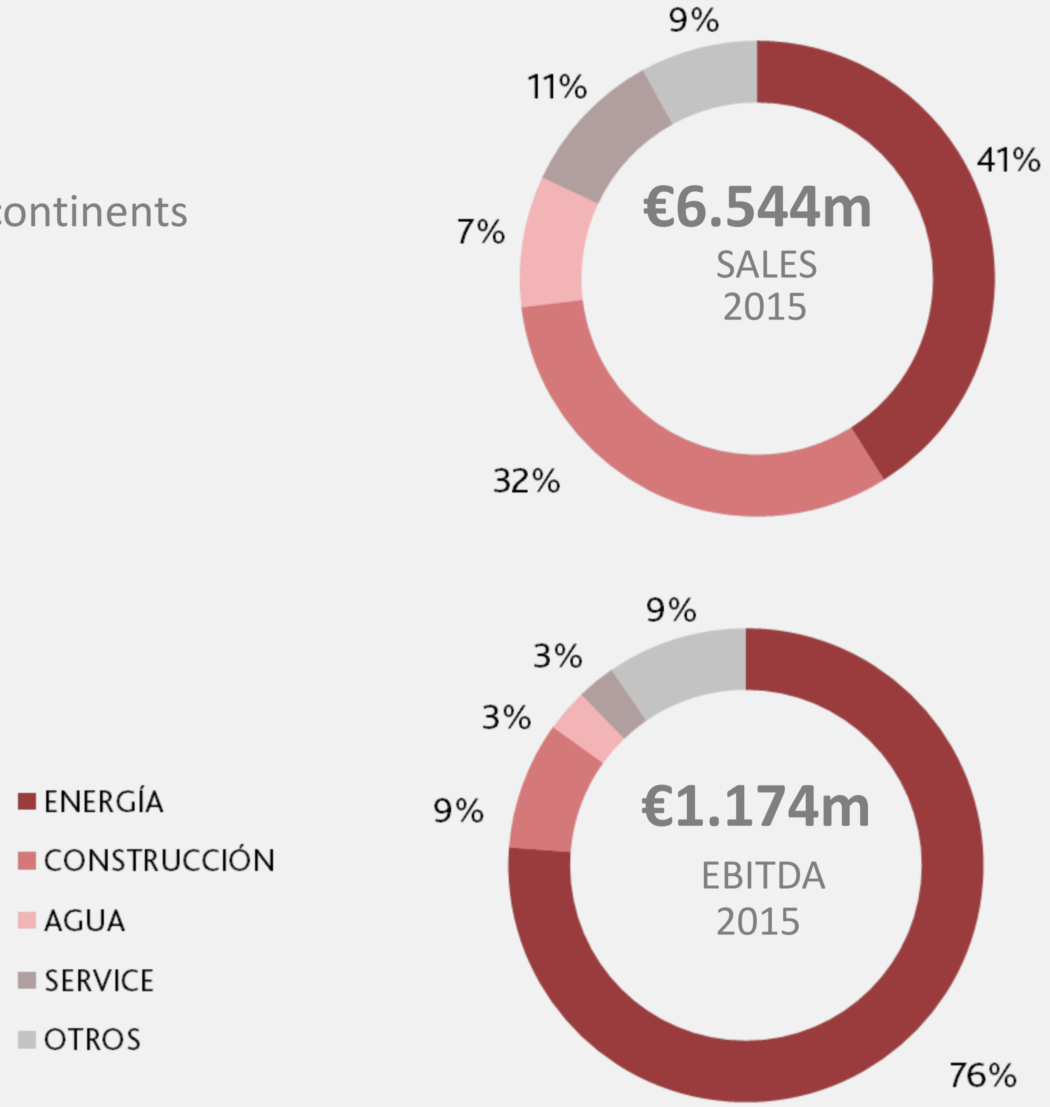
RENEWABLE ENERGY
CONSTRUCTION - CONCESSIONS
WATER - INDUSTRIAL - SERVICE

ACCIONA IN NUMBERS

+30.000 collaborators	In more than 30 countries in 5 continents
+75 years of history	~**50%** family controlled
€223 m	In net investment (2015)
€876 m	R+D period 2010-2015 (5th in Spain, 144th UE)



Datos 31.12.2015

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GLOBAL LEADER IN RENEWABLE ENERGY

8.638 MW OWNED FACILITIES
in 15 countries / 5 continents

ALSO FOR CLIENTS
+1.900 MW installed for third parties.

100% CLEAN TECHNOLOGIES
Wind, Solar PV, CSP, Hydro and biomass.

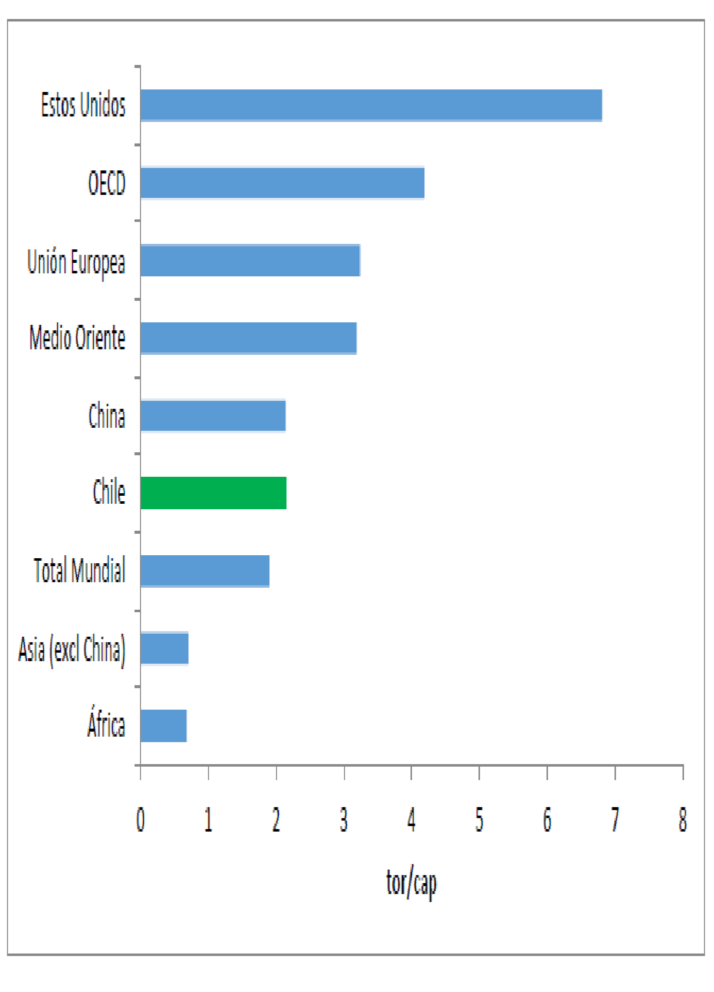
VERTICAL INTEGRATION
Know-how in all value chain.

+20 YEARS OF EXPERIENCE
Longest track record in the industry.

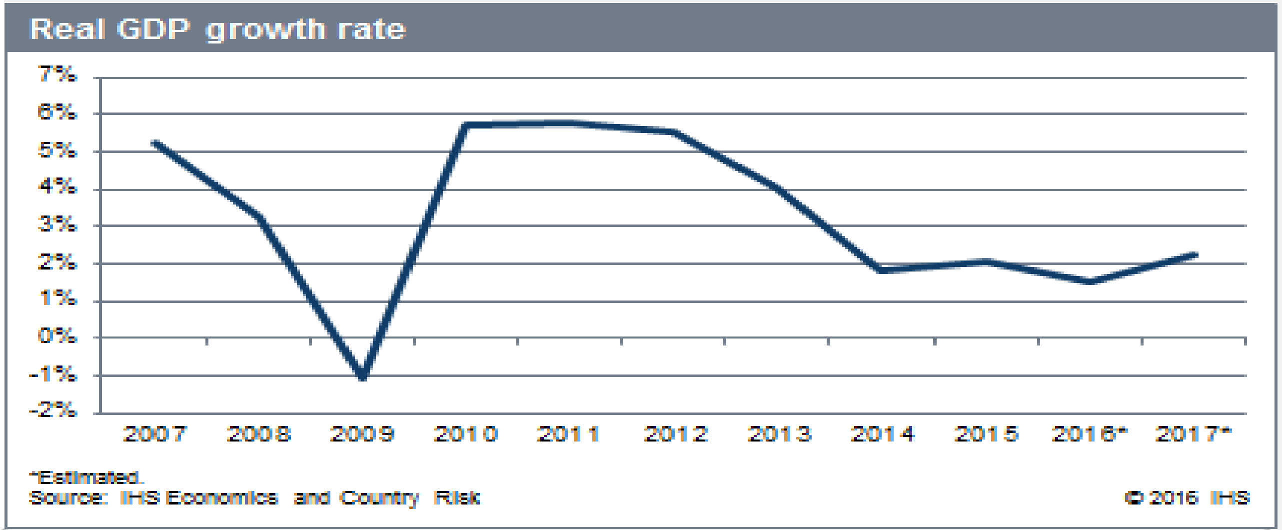
Updated March 2016

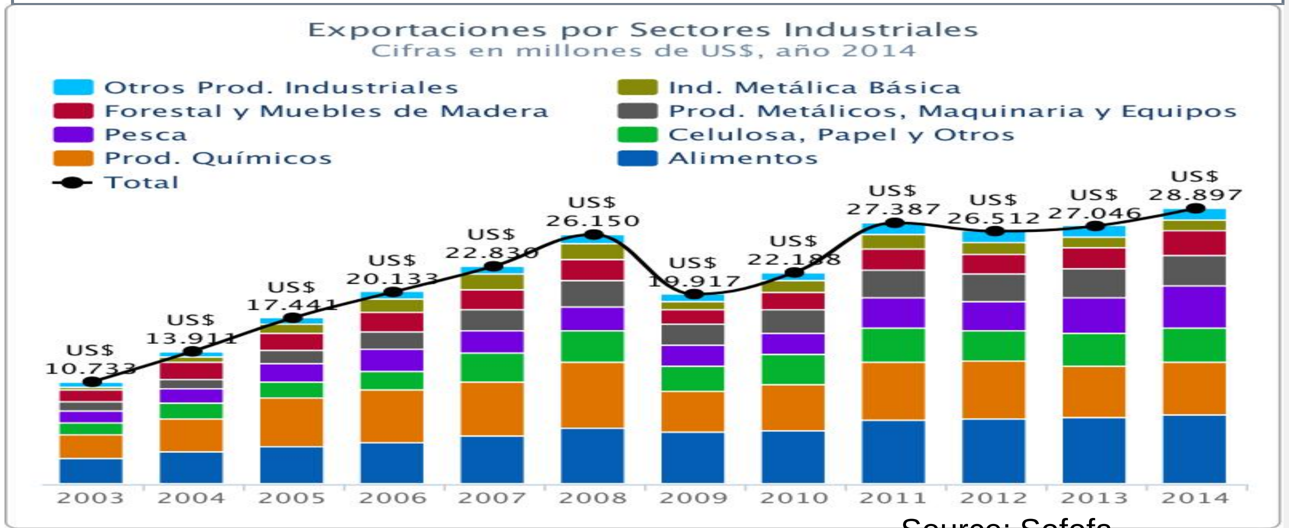
CHILE LEADING THE ENERGY TRANSFORMATION IN LATAM

CHILE
MACROECONOMIC FIGURES



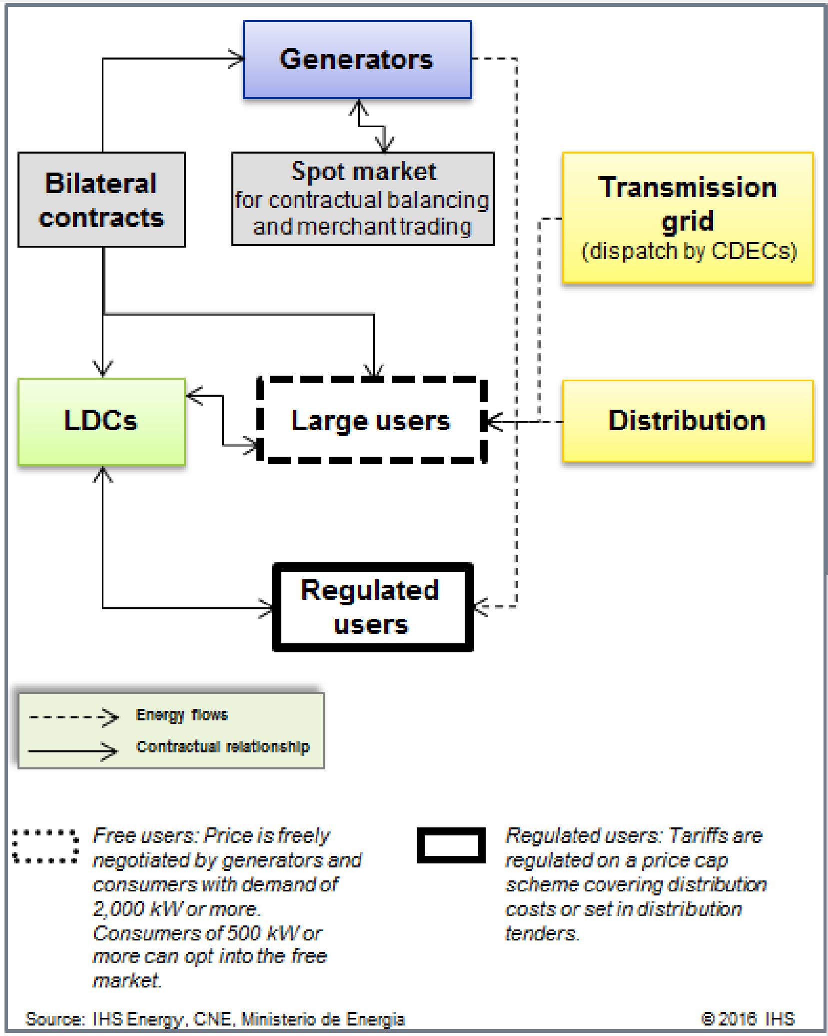
Fuente: IEA

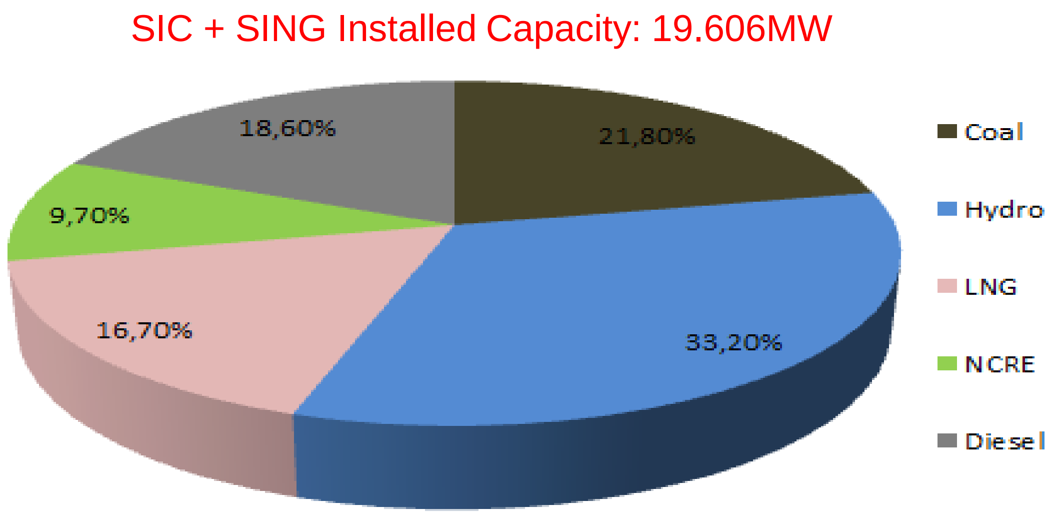




Source: Sofofa

CHILE
ELECTRCITY SECTOR





Source: CNE, Feb 2016

	Operation	Construction	RCA approved	RCA in qualification	Total Pipeline	Potential
Wind	*1.169*	*387*	*6.686*	*2.325*	***10.567***	***37.500***
Solar PV	1.375	1.635	10.700	4.852	**18.562**	**1.250.000**
Solar CSP	39	110	1.222	1.585	**2.956**	**548.000**
Biomass	481	-	171	120	**772**	**1.000**
Geothermal	-	48	70	50	**168**	**5.000**
Mini Hydro	589	22	338	120	**1.069**	**3.000**
Pump Storage	-	-	300	-	**300**	**3.000**
TOTAL	**3.653**	**2.202**	**19.487**	**9.052**	**34.394**	**1.847.500**

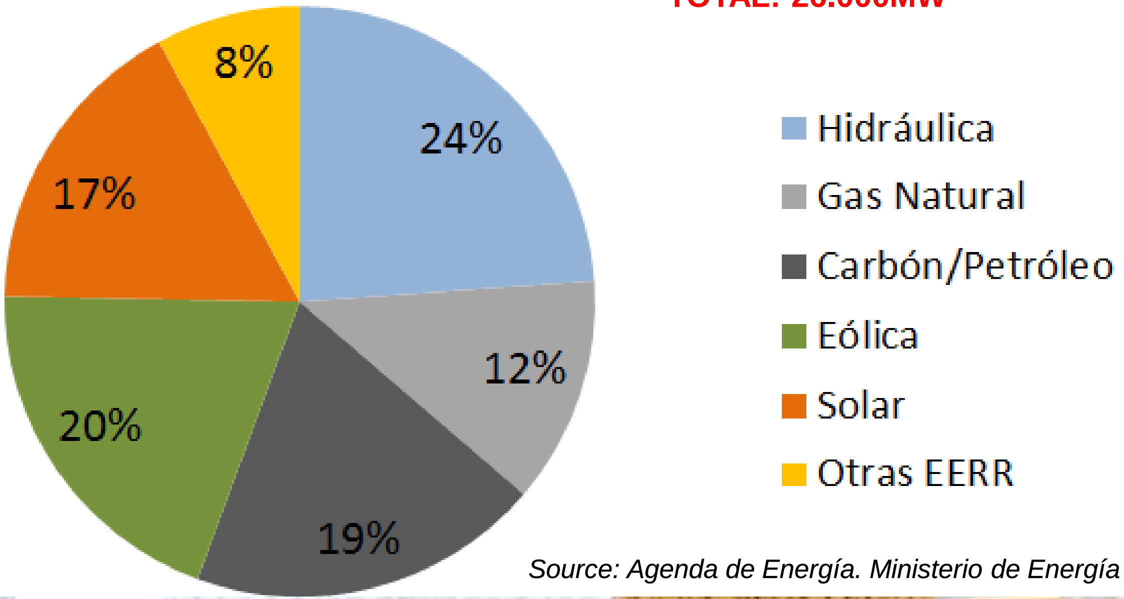
Source: ACERA, August 2016

CHILE - NON CONVENTIONAL RENEWABLE ENERGY
AGENDA 2050 SUMMARY

MAIN NCRE TARGETS:

- 20% NCRE generation by 2025
- 70% NCRE generation by 2050
- > 45% of new capacity will be NCRE
- 20% Energy efficiency
- Multisectorial agreement
- Social and environmental guidelines
- Regional interconnection

EXPECTED INSTALLED CAPACITY BY 2025
TOTAL: 26.000MW



Source: Agenda de Energía. Ministerio de Energía de Chile

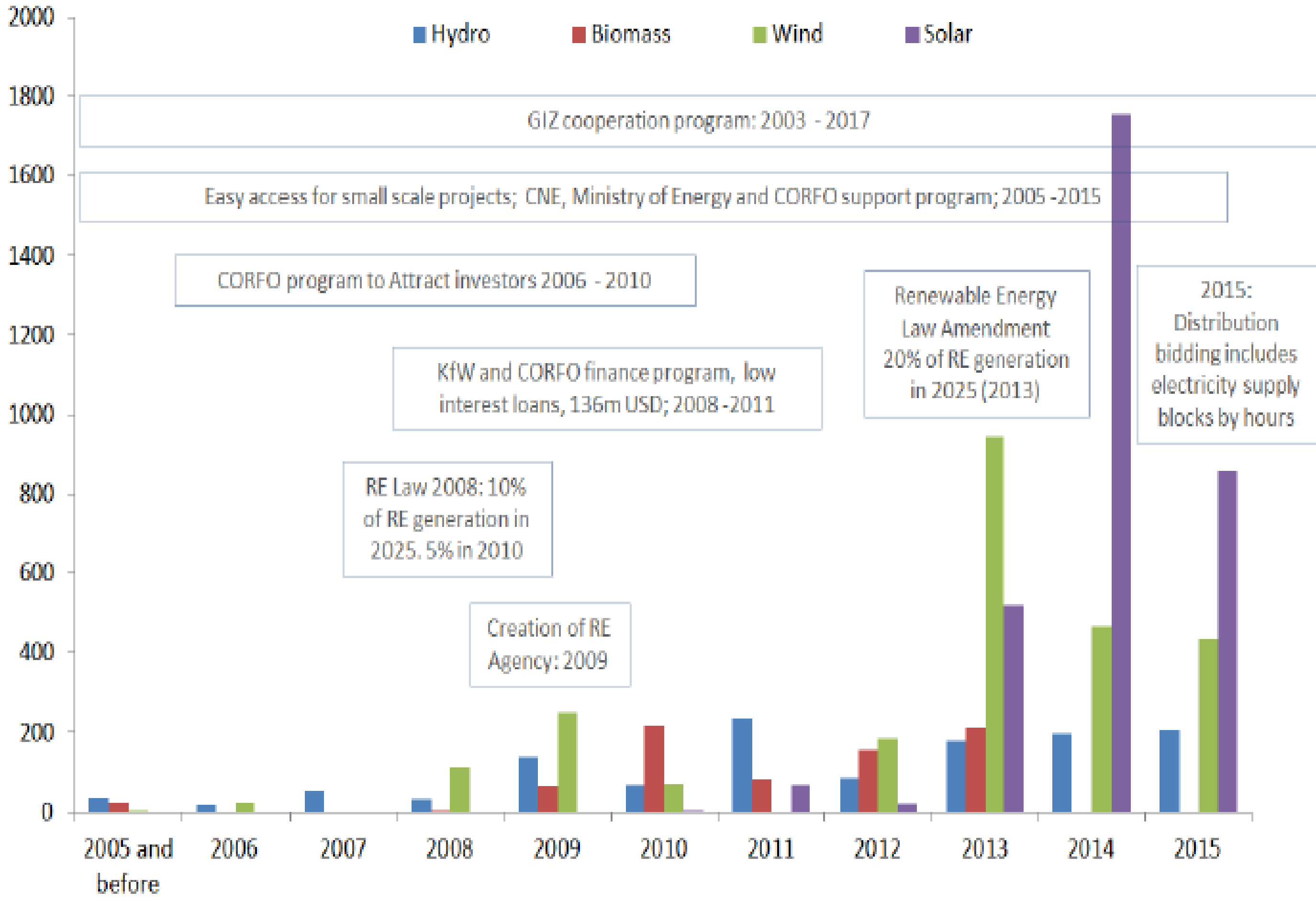
CHILE - NON CONVENTIONAL RENEWABLE ENERGY

10 YEARS OF SUPPORT POLICY, MARKET BASED, NO DIRECT SUBSIDIES

Policy Evolution

- Importance of stable, long term regulatory framework
- 3 governments, similar goals
- Development of first long term "AGENDA 2050"
- Neutral with RE technologies, except geothermal
- Foster competition with conventional sector
- Wind and PV main investments until **at least 2025**

Figure 2: Finance over time by technology and main policy interventions.

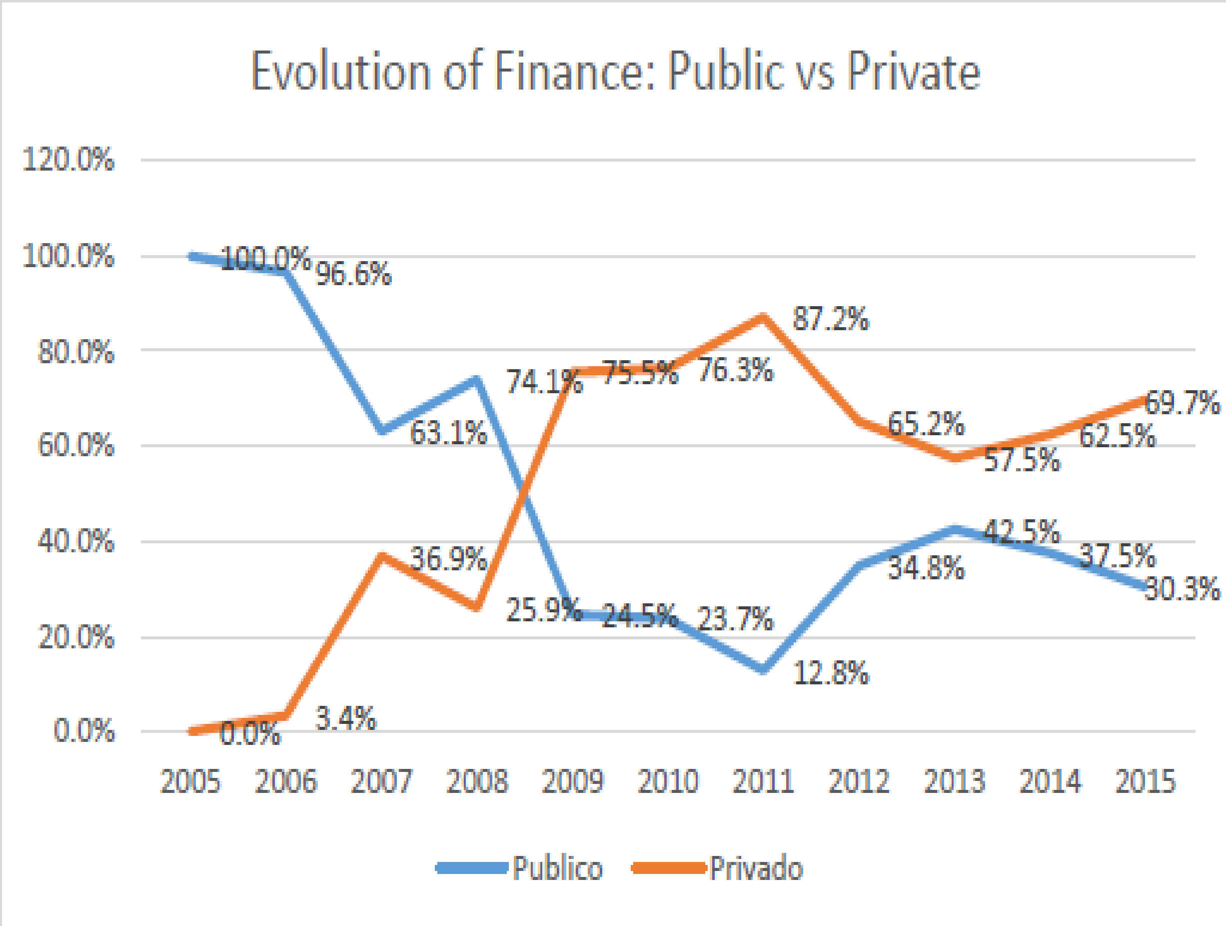


Source: Renewable Energy Financing: The case of Chile. Javier Garcia, OECD. June 2016

CHILE - NON CONVENTIONAL RENEWABLE ENERGY

IMPORTANCE OF STRONG FINANTIAL SYSTEM

Figure 1 : Evolution of project's finance, public vs. private, 2005 – 2015



Public vs Private funding

- In first 3-5 years public funding is the main trigger
- Long term private finance is main driver
- Institutional investment for mature industry (not there yet)
- AFPs, Insurance companies, Industrial groups, family offices still not playing significant role
- Non-recourse or limited recourse project finance main tool
- Bonds, corporate funding and other mechanisms still not fully developed

Source: Renewable Energy Financing: The case of Chile. Javier Garcia, OECD. June 2016

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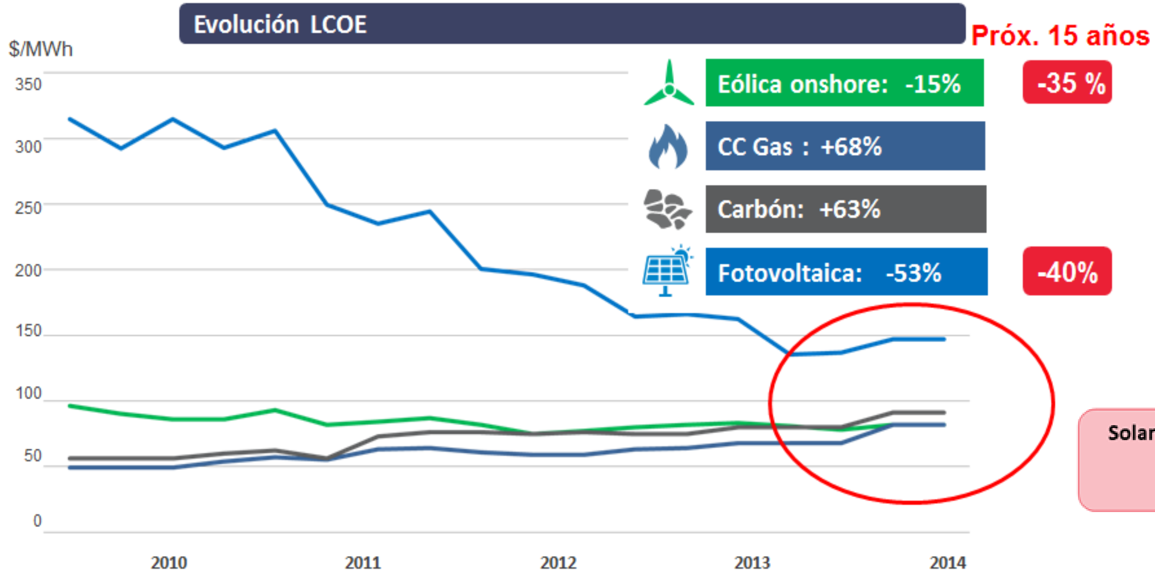
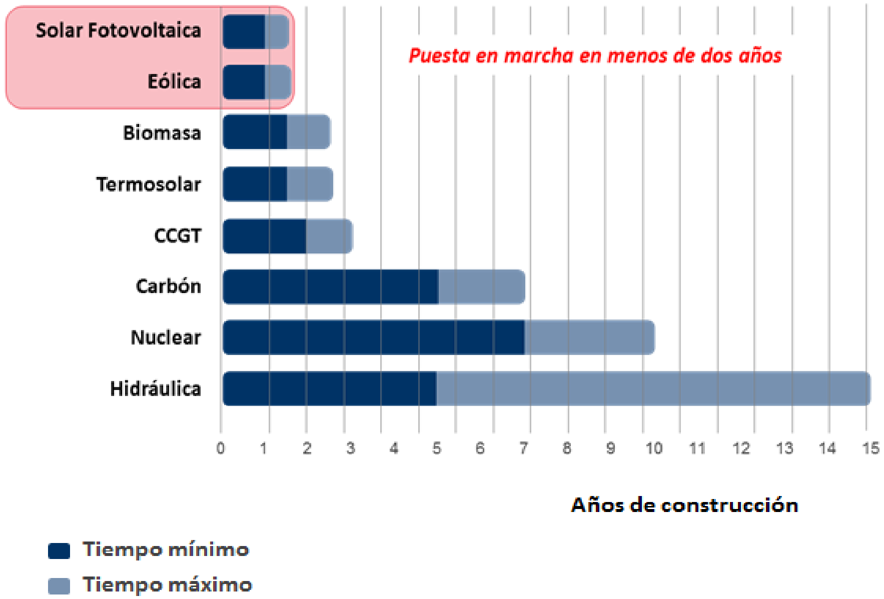
CHILE - NON CONVENTIONAL RENEWABLE ENERGY
SAVED BY TECHNOLOGY- CHEAP AND FAST TO DEPLOY



Fuente: Bloomberg New Energy Finance. Levelized Cost of Electricity

Wind cheapest LCOE

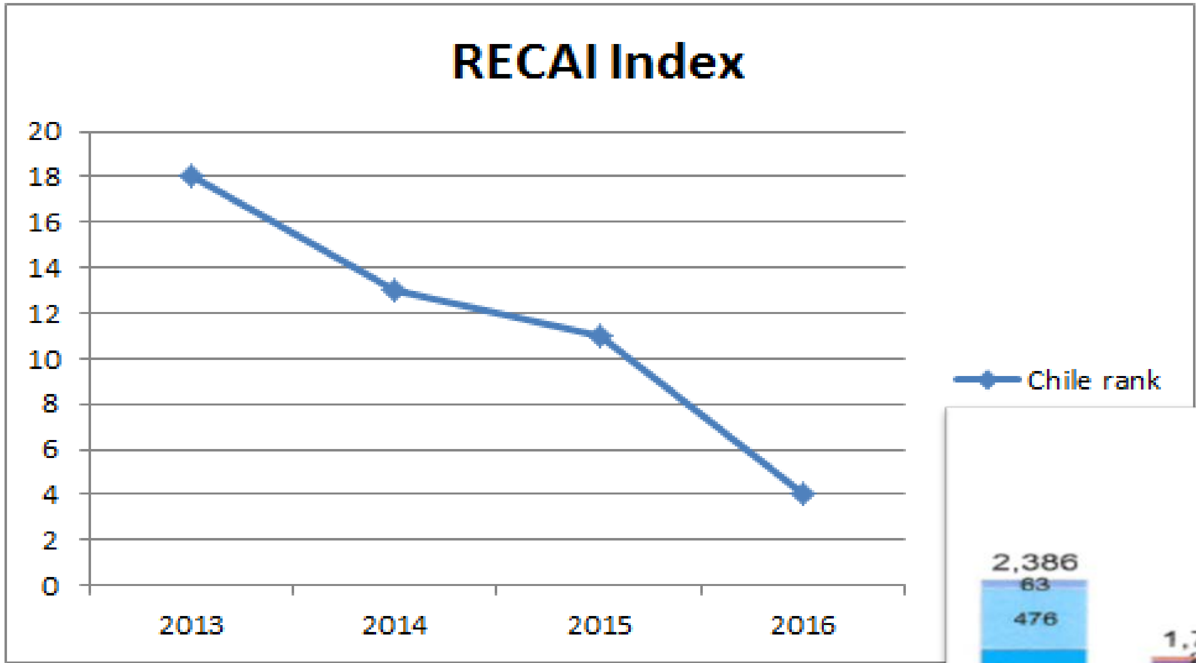
- Wind became the most competitive RE Technology
- Since 2015, PV surpassed Wind LCOE
- Forecasts are overwhelming



Wind the fastest to build

- With 3MW+ platforms, you can have >100MW bulit per project per year
- Perfect exit from our storm
- PV is currently at similar speeds

CHILE - NON CONVENTIONAL RENEWABLE ENERGY
IMPRESSIVE EVOLUTION IN PAST 5 YEARS



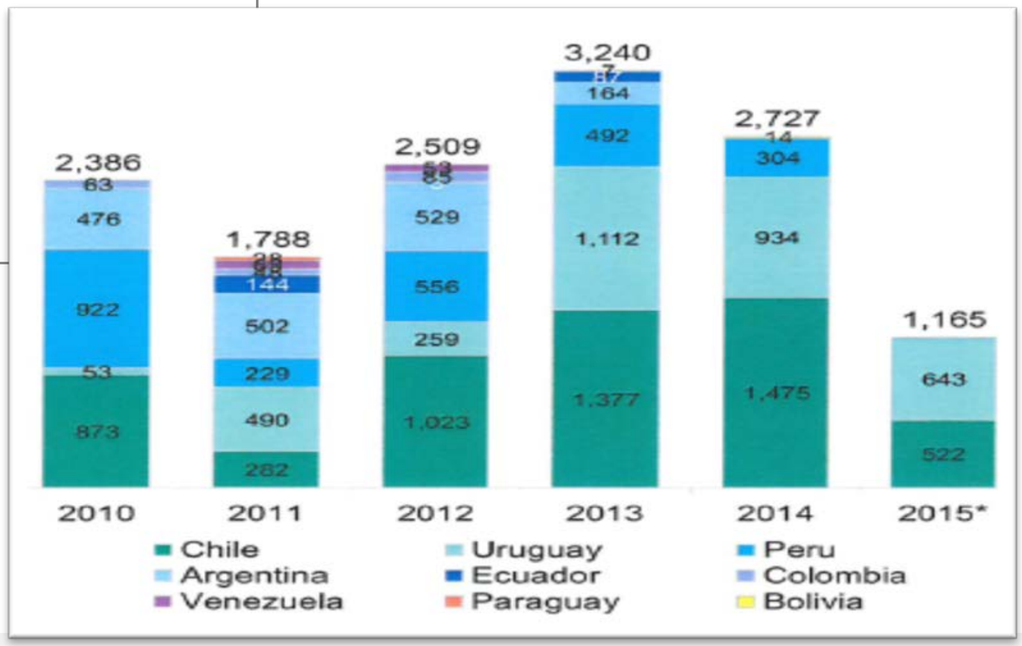
Source: Recai index, May 2016. E&Y

Renewable Energy Country Attractive Index

- By 2010 Chile was not in the list
- Currently 4th worldwide and 1st in Latam
- Wind index: 6th

Renewable Energy Country Attractive Index

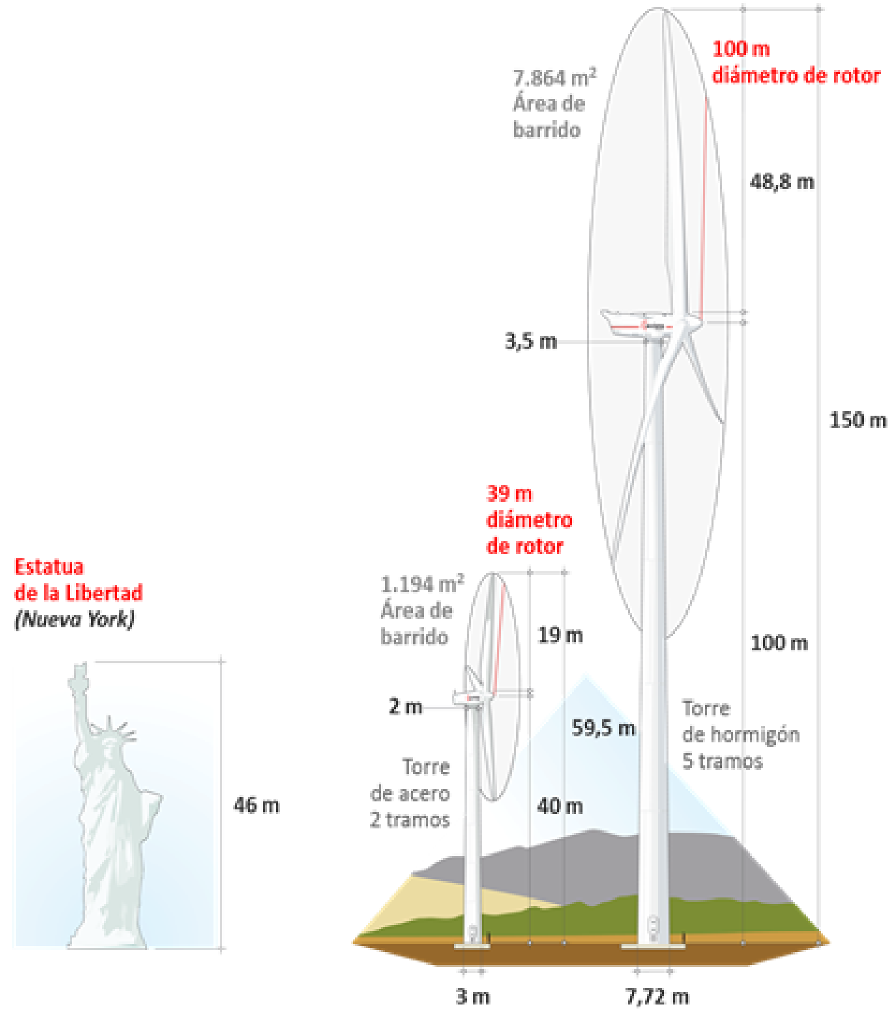
- Between 2010 and 2015 Chile #1 in latam investment (except Brasil)
- Trend should be similar until 2020

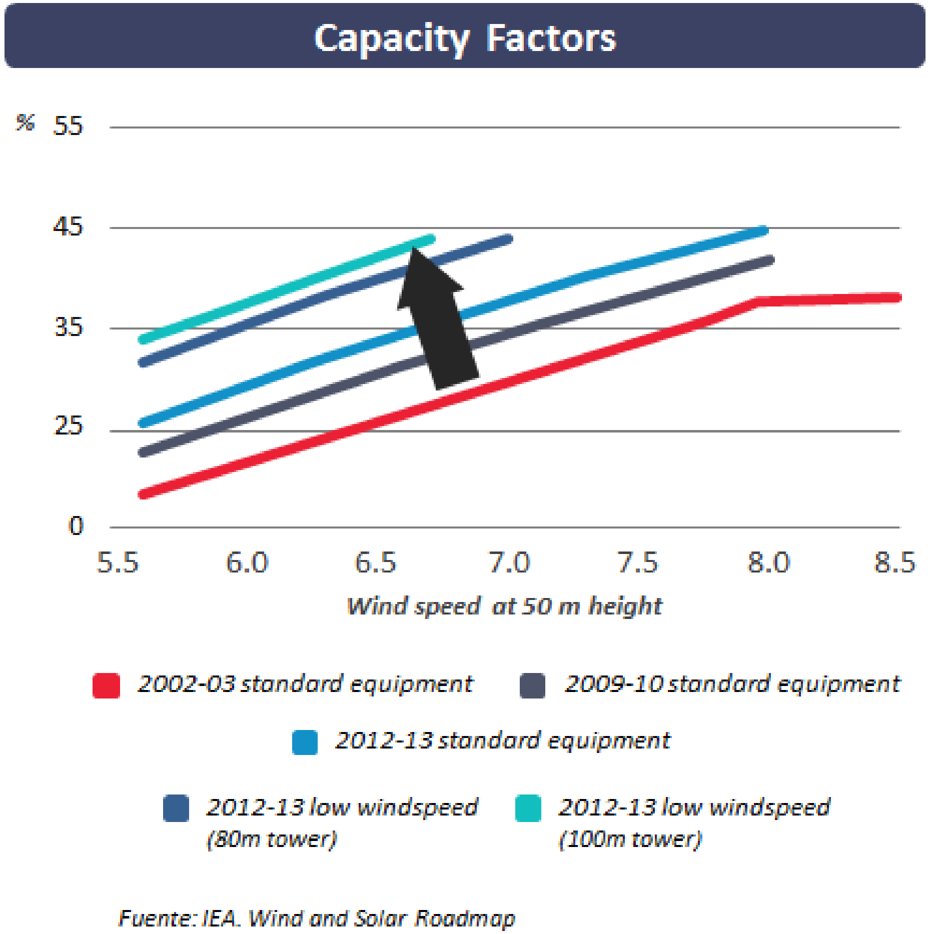


WIND POWER PLAYING A MAIN ROLE
IN THE SHAPE OF CHILE’S
ELECTRICITY SUPPLY

CHILE WIND POWER

NON CONVENTIONAL WIND NEEDS NEWEST, AD-HOC TECHNOLOGIES





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CHILE WIND POWER

REGULATED CLIENTS PUBLIC TENDERS MAIN WINNER

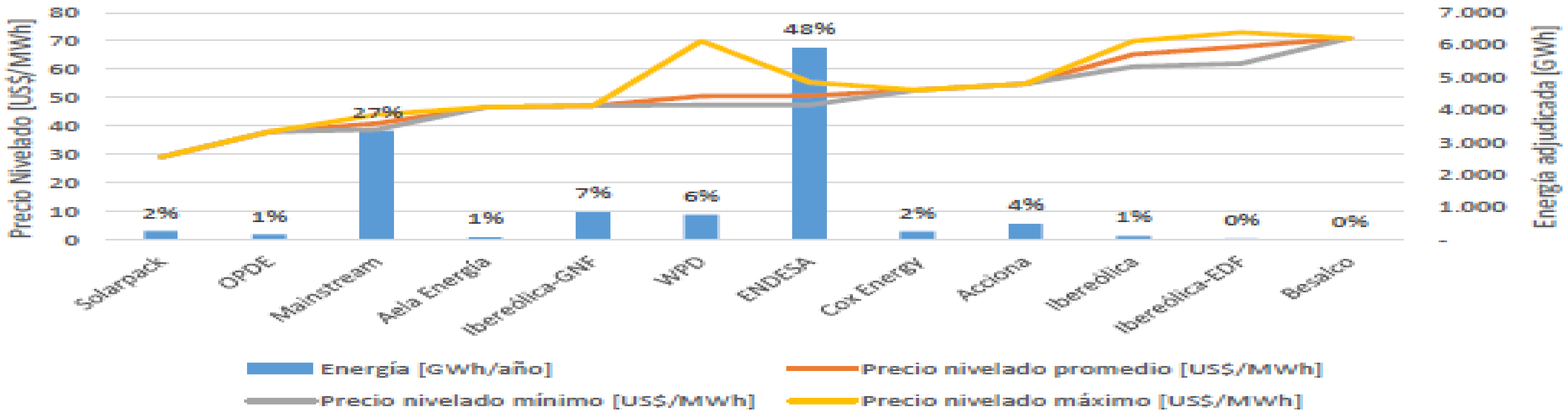
Bloque de suministro	1	2A	2B	2C	3
Energía licitada [GWh/año]	3.080	680	1.000	520	7.150
Horario	00:00 – 23:59	00:00 – 07:59 y 23:00 – 23:59	08:00 – 17:59	18:00 – 22:59	00:00 – 23:59
Fecha inicio suministro	01/01/2021				01/01/2022

Tecnología	Porcentaje
Mix convencional + ERNC	48%
Eólica	47%
Solar fotovoltaica	2%
Eólica, Solar fotovoltaica	2%
Hidro	1%

Tecnología	Suma de MW
Eólica	3.047
Solar fotovoltaica	816
Hidro de pasada	18
Total general	3.880

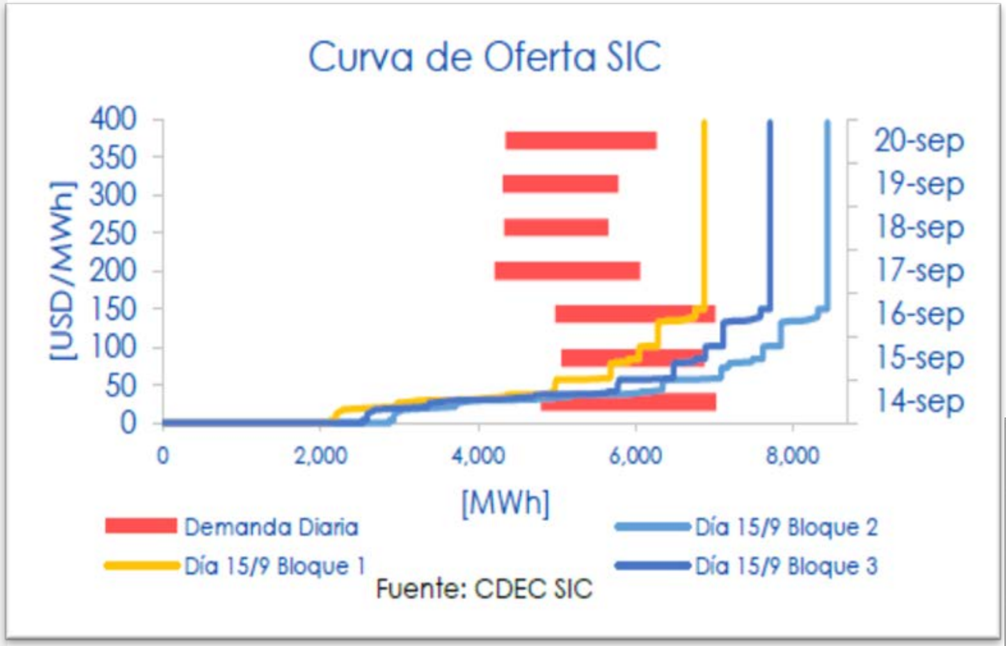
Latest Public PPA tender

- 3rd of its type (2014 – 2015)
- Technological neutral
- > 30% of total regulated consumption
- 20 year PPAs
- 5 years to supply
- Small portionfor hourly blocks
- 7X Energy offered
- All new capacity awarded for renewables



Source: ACERA, September 2016

CHILE WIND POWER
COMPETITIVE, SAFE, SUSTAINABLE TECHNOLOGY

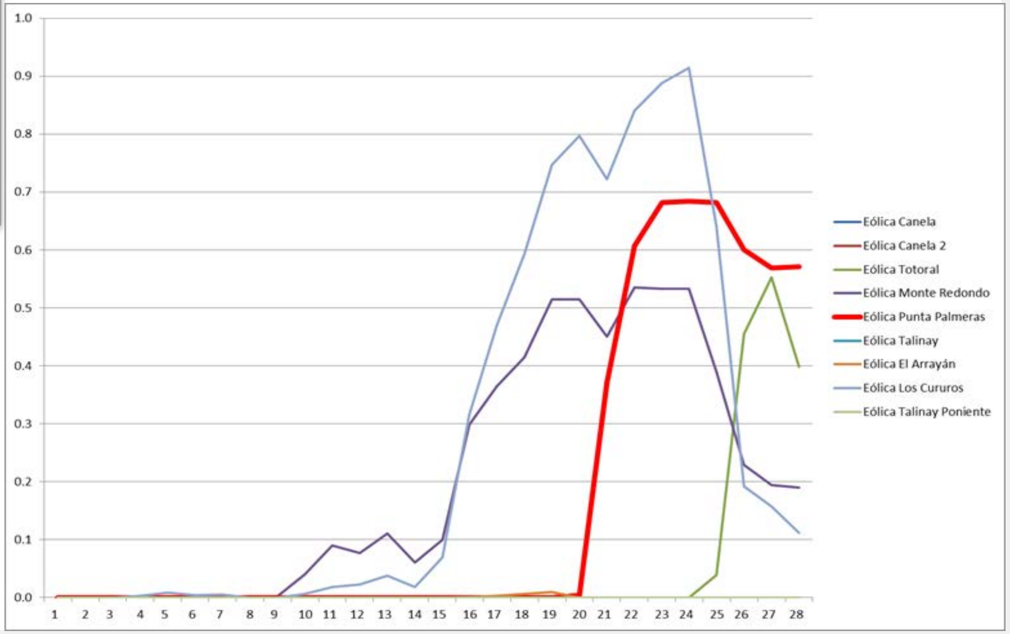


Main systems issues

- Multi nodal pricing
- Tx restrictions, Price decoupling
- Strecth offer curve
- Volatile prices
- Wind and PV curtailment

September 2015 Earthquake

- Epicenter in Canela, beside all mayor windfarms
- 8,3 Ritcher
- All coast evacuated, including thermal plants personnel
- Wind Farms fully reconnected in 24hrs



A BRIGTH DECADE FOR WIND,
AN EVEN BRIGHTER FUTURE

CHILE WIND POWER
CONCLUSIONS AND CHALLENGES

NCRE sector steadily growing

- 3GW of new wind already contracted by 2022
- Investment wind more than EUR$700M per year until ar least 2025
- Private PPA market will catch up with Public PPAs
- Restrictions to CO2 emissions will increase
- ILO 169 and other social & environmental policies will raise te bar

Main challenges ahead

- Compete with PV for the future market growth
- Grid integration in Chile’s unique geography
- Develop local know how, industrial and service capacity
- Export energy to regional neighbours

THANKS FOR YOUR ATTENTION