

Reuters: EDP.LS
Bloomberg: EDP PL

Investors & Analysts' Briefing

CONSTRUCTION OF FRIDÃO AND ALVITO HYDRO PLANTS IN PORTUGAL AWARDED TO EDP

EDP won the auction for the concession to build the Fridão and Alvito hydro plants and operate them for a period of 65 years after its entry into operation. EDP's proposal amounted 161.7 million euros plus the 70 million euros minimum value established in the terms of the tender, which should be paid by EDP in 2008. The investment in the two plants should amount to 510 million euros and the plants are expected to enter in operation in 2016.

The Fridão hydro plant project, at the Tâmega river, part of the Douro's basin, should represent an investment of 242 million euros and an installed capacity of 256MW. This capacity is higher than the 162MW reference capacity defined in the National Dams Plan (NDP) as a result of the inclusion of a stabilization dam downstream the river. This plant entails a significant pumping potential which has not considered in the proposal that was now presented.

EDP's proposal was the only one which considered the construction of Alvito hydro plant, at Ocreza River, part of the Tejo's basin, representing an investment of 268 million euros and an installed capacity of 136 MW, higher than the 48 MW indicated by the NDP. This plant will have pumping capacity taking advantage of Pracana's hydro plant reservoir, located downstream from the new plant and also operated by EDP, and will provide significant operating synergies in Tejo's basin.

The final award of these concessions is subject to the confirmation by INAG (the Portuguese Water Institute) that the EDP's proposal is in line with the terms of the tender. Furthermore, the development of these projects is pending from environmental approvals, which, if not obtained, will imply the recovery of part of the amount hereby offered, in accordance to the rules of the tender.

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