



INFORMATIVE NOTE

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THE NEW PORTUGUESE ENERGY STRATEGY ENE 2020

Portugal has been strongly investing in renewable energies, being presently the 4th country in the EU in what regards the production of energy from clean sources. Indeed, in 2009 renewable energies accounted for 35.9% of all electricity consumption in Portugal. To achieve this volume of consumption of clean energies, Portugal produces energy through various technologies with special focus on hydro and wind power, but also counting with strong input from other emerging technologies such as photovoltaic, cogeneration and biomass.

According to the National Electric Grid, in 2009, for every 100 watts of electricity, 15.03 watts were produced using wind energy.

Portugal has had for many years a stable legal framework which encourages investment in renewable energies through the provision of legal incentives for investment in this area. Similarly, from a bureaucratic point of view, Portugal has also made a big bet which resulted, for example, on a 94% rate of approval of proposed licensing of wind farms, considering the years 2005 to 2009.

The potential that these sources pose to the sustainable growth of the economy, generating significant volumes of investment, led to the "National Energy Strategy for 2020", better known as ENE 2020, consisting on five basis vectors:

1 - Agenda for competitiveness, growth and energy and financial independence

The ENE 2020 is intended to boost the Portuguese economy, reducing dependence on energy and reducing imports of fossil fuels. Soon the new "Innovation Support Fund" will be regulated, a financial mechanism that will be the key to implement the present measures, namely the inclusion in the Portuguese market, in large scale, of the electric car.

2 - The bet on renewable energies

Portugal made the compromise of, by 2020, achieving a goal of final energy consumption of 31% from renewable sources, which intends to accomplish by diversifying the portfolio of renewable energies, cementing the already well developed wind and hydro power and investing in technological innovation such as energy from offshore wind. Moreover, solar power is the technology with greater potential over the next decade in Portugal, while biomass has the advantage associated with low CO₂ emissions to the atmosphere.

Considering hydro, Portugal has, at this moment, projects approved for eight new dams to be built by 2020 with the aim of increasing the hydraulic capacity



of the country, which is predicted to represent 30% of the total electricity generation without leaving behind the advantages of using an endogenous energy, with little capacity of generating gas emissions and which dramatically increases employment by leveraging the technical know-how of the country.

The Portuguese Government also plans to launch new tenders for the installation and licensing of new solar and wave energy projects, tapping the enormous potential of the Portuguese coast.

3 - Promotion of energy efficiency

This strategy foresees the creation of an intelligent energy grid, capable of managing the production and distribution of energy in an environmental and economically efficient way. It is also set on the introduction of the electric car in Portugal, which by its turn is expected to create a national supply network.

4 - Ensuring the security of energy's supply

The construction of new solid and suitable infrastructures is expected in the areas of transportation and distribution of energy, especially within the Iberian energy market, enabling the distribution of clean energy to Spain and other European countries.

5 - Sustainability of the Energy Strategy

Climate change is identified as one of the greatest environmental, social and economic threats which the planet and humankind are having to face. As so, Portugal is committed to ensure, by means of this strategy, the reduction, by 2020, of the CO₂ emissions in 10 million tons.

Thus, based on these key priority areas, objectives such as the country's growth and energy and financial independence are determined through the commitment to renewable energies and the integrated promotion of energy efficiency, ensuring safety conditions to the supply, as well as supply economic and environmental sustainability of the advocated energy model, contributing to the reduction of CO₂ emissions and generating benefits to society which, progressively internalized in the price of final energy, will ensure better conditions of competitiveness for the Portuguese economy.

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