

Investors & Analysts` Briefing

Reuters: EDPR.LS
Bloomberg: EDPR PL

Spain published the interim regulatory revision for wind energy assets

Madrid, February 22nd 2017: The Spanish Government published today, in Boletín Oficial Del Estado, the Order ETU/130/2017 which includes the interim revision of the parameters to remunerate the renewable energy assets, under the remuneration framework that was approved by the Royal Decree 413/2014 ("RD 413/2014") of June 2014.

According with the Order IET/1045 approved in 2014 the remuneration was structured in order for a standard asset to receive a pre-tax return of 7.4% in the first regulatory period, from 2013 to 2019. To achieve the defined pre-tax return, the standard asset receives a remuneration to investment in addition to the electricity market price.

The 3 year interim revision period (2017-2019) of the parameters includes:

- Wind profile coefficient: from previous 11.11% to 14.79%
- 2014-2016 regulatory adjustments: difference between actual market price and forecasted market price and reference caps and floors for the standard production envisaged in Order IET 1045/2014
- Market price (€/MWh): forecasted pool prices with defined caps and floors for the standard production, such that:

€/MWh	2017	2018	2019	≥2020
High Cap	49.81	48.30	48.68	60.00
Low Cap	46.33	44.92	45.28	56.00
Central Scenario	42.84	41.54	41.87	52.00
High Floor	39.35	38.16	38.46	48.00
Low Floor	35.87	34.78	35.06	44.00

Investor Relations Department

Rui Antunes, Head of IR
Maria Fontes
Pia Domecq
Paloma Bastos-Mendes

Phone +34 902 830 700
Fax +34 914 238 429
ir@edpr.com
www.edpr.com

Standard production (MWh):

- 1) is exposed to prices fluctuations when the wholesale price is between the "High Floor" and the "Low Cap"
- 2) benefits 50% when the wholesale price is between the "High Cap" and "Low Cap" and are 50% protected of the price between "High Floor" and "Low Floor"
- 3) isn't exposed to prices fluctuations when the wholesale price is higher than the "High Cap" or below the "Low Floor"



Investors & Analysts` Briefing

Reuters: EDPR.LS
Bloomberg: EDPR PL

As a consequence of the above, remuneration to investment (*see Annex I*) for EDP Renováveis (“EDPR”) will increase from €158 million per year, in place from 2014 to 2016, to €182 million per year from 2017 to 2019. The €182 million per year includes €2 million per year from regulatory adjustments already accounted in the 2014-2016 period.

Annex I – Remuneration to Investment

The remuneration to investment depends on the entry into service of the asset and is defined based on a standard asset for each year, such that:

Date	Remuneration to Investment (€ thousand/MW)
<2004	0
2004	22.8
2005	33.8
2006	55.0
2007	86.7
2008	119.2
2009	127.2
2010	136.1
2011	120.1
2012	115.8
2013	111.9

EDP Renováveis, S.A.

Investor Relations Department

Rui Antunes, Head of IR
Maria Fontes
Pia Domecq
Paloma Bastos-Mendes

Phone +34 902 830 700
Fax +34 914 238 429
ir@edpr.com
www.edpr.com