

Relevant Information

Medellín, July 28, 2020

EPM UPDATES THE ITUANGO HYDROELECTRIC PROJECT COSTS

At today's EPM Board meeting, the update of the cost of the Ituango project was approved, with an increase of 5.88% remaining at COP 16.2 billion, in the process of approving future terms.

The considerations that gave rise to the variation in the cost of the project include:

- Increase in the costs of powerhouse and pipeline treatment, injections to contain slope infiltrations and consolidation of the massif of the southern zone (units 5 to 8 - stage 2), treatment through alternate route on left margin, filters and drainage of the dam and instrumentation, lining of galleries and construction and shielding of the tunnels to enable intermediate discharge.
- Construction of the vertical wells of units 5 to 8 corresponding to the southern zone or stage 2 of the project.
- Update of the macroeconomic scenario, considering the impact of the increase in the exchange rate (TRM, for the Spanish original).
- It is considered less than the value of the investments, the civil works and the decommissioned equipment, damaged due to the contingency.

The project cost update has no significant additional resource requirement in the years 2020 and 2021. As of June 30, 2020, the value invested in the project amounts to COP 11.8 billion. In addition, the efforts leading to obtaining compensation payments from insurance companies are continued, with which it is expected to cover a significant part of the costs of recovering the affected works of the project. To date, USD 150 million has been received.

According to the program, power generation units 1 to 4 (stage 1) are expected to start operating in 2022, complying with the obligations assigned by the Energy and Gas Regulatory Commission (CREG, for the Spanish original), in the reliability charge auctions in which the project has participated. In addition to contributing to system reliability, the startup of the hydroelectric project will contribute to the competitiveness of the price of energy in the country. Units 5 to 8 (stage 2) are expected to start operating in 2024.

As new impacts or changes in the current situation are analyzed, both because of the coronavirus (COVID-19) pandemic and other circumstances that may arise, they will be incorporated into the timetable and possible new scenarios for startup will be established.

estamos ahí.



EPM continues to work with all its resources to reduce the risks of the communities located downstream and protect their lives, take care of the environment and technically recover the Ituango Hydroelectric Project, a work that will provide 17% of the energy that Colombia needs to continue growing.

estamos ahí.

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