

PRESS RELEASE  
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## LUKOIL FINISHES RECONSTRUCTING HYDRAULIC STRUCTURES OF KRASNOPOLYANSKAYA HPP

LUKOIL finished reconstruction of the hydraulic structures making up the Krasnopolyanskaya HPP's hydropower complex in the Krasnodar region. The reconstruction made it possible to increase the volume of water that flows to the daily regulating pond from the mountain river of Beshenka.

As an energy storage system, the daily regulating pond contributes to finding solutions for a number of topical issues related to the hydropower complex operation. It allows to compensate for the fluctuations in hydropower generation by storing energy during low demand periods and releasing it during peak load hours, when electricity prices are at their highest. It also enables the HPP to render ancillary services on the electric power and capacity market.

This is the first project of this kind for LUKOIL. It will contribute to increasing the share of renewables in the company's energy balance by augmenting power generation at its hydropower plants. It will also promote modern solutions for renewables management.

### *Information:*

*LUKOIL operates a large portfolio of generation facilities running on renewable energy sources. In 2019, renewable generation accounted for 6% of LUKOIL commercial electricity production. This results in a reduction of greenhouse gases emissions by more than 500 thousand tonnes of CO<sub>2</sub> equivalent annually.*

*LUKOIL's main renewable assets include four hydropower plants in Russia (total capacity – 291 MW), the Land Power wind farm in Romania (84 MW), and solar power plants in Russia (in the Volgograd region), Romania and Bulgaria (with aggregate capacity exceeding 20 MW).*

*The hydropower complex of the Krasnopolyanskaya HPP includes two hydropower plants: the Krasnoployanskaya HPP (22 MW) and the recently renovated small-scale HPP on the Beshenka River (1.5 MW).*