

'GREEN' MULTINATIONALS EXPOSED

ENDESA (Enel Iberia S.R.L.)



HEADQUARTERS Madrid, Spain

**MAIN
SHAREHOLDERS**¹

- Enel S.P. A. — 70.10%
- The Vanguard Group, Inc. — 0.30%
- Thornburg Investment Management, Inc. — 0.18%
- Geode Capital Management LLC — 0.08%
- JPMorgan Asset Management (UK) Ltd — 0.07%
- American Century Investment Management, Inc. — 0.05%
- Pacer Advisors, Inc. — 0.04%
- Nordea Investment Management AB (Denmark) — 0.03%
- Endesa, S.A. — 0.02%
- FIL Investments International — 0.02%

PROFITS

- US\$2.67 billion in 2022
- US\$10.89 billion between 2016 and 2022

**TOP SALARIES AND
BONUSES**

US\$2.60 million for CEO José Damián Bogas Gálvez (2022)²

**DIVIDEND PAY-OUTS
AND SHARE BUYBACKS**

- US\$1.76 billion in dividend payouts in 2022; US\$12.60 billion between 2016 and 2022
- US\$0.00 in share buybacks in 2022; US\$0.00 in share buybacks between 2016 and 2022

**RENEWABLE
GENERATION**

9.29 GW of installed capacity as of 2023³

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (€ BILLION)	2.54	1.44	1.39	0.17	1.42	1.46	1.41
NET PROFIT (US\$ BILLION)	2.67	1.70	1.58	0.19	1.68	1.58	1.49
DIVIDENDS (€ BILLION)	1.68	1.52	2.13	1.56	1.51	1.46	1.41
DIVIDENDS (US\$ BILLION)	1.76	1.80	2.43	1.75	1.78	1.58	1.50
SHARE BUYBACKS (€ BILLION) ⁴	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHARE BUYBACKS (US\$ BILLION)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Exchange rate based on IRS annual values: <https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>

Endesa was founded in November 1944 by the fascist-controlled Spanish government under the name of Empresa Nacional de Electricidad, S.A. (National Electricity Company).⁴ By forming the company, the military dictatorship that was ruling Spain sought to gain control of a strategic sector that was at the time led by private actors.⁵

Endesa was privatised in the late 1980s. Yet the firm has maintained its ties with political power. Many senior politicians from both the social democratic party (PSOE) and conservative party (PP) have assumed official positions within Endesa, its subsidiary firms and its Italian parent company Enel.⁶ **The revolving door between Endesa and the government is one reason why the company has always been such an influential actor in Spain.** Endesa, alongside Iberdrola and Naturgy, make up a so-called 'energy oligopoly' because of their hegemonic position.⁷

In 2009, Enel reached an agreement with Acciona, the previous majority shareholder of Endesa, to purchase the entirety of its shareholding.⁸ Enel subsequently became the main shareholder, with 92 per cent of share capital.⁹ In 2014, following a public offering, Enel's stake was reduced to 70.14 per cent.¹⁰ In July 2016 Endesa increased its shareholding in Enel Green Power (EGP) — the fourth largest operator in the Spanish renewable energy sector — from 40 per cent to 60 per cent.¹¹ Now EGP is a subsidiary of Endesa.¹² As part of Enel and an EGP parent company, Endesa tries to portray itself as a green and modern company.¹³ However, **it still has a large share of fossil and nuclear capacity in Spain.**¹⁴

Endesa has often been criticised for its role in Spain's high levels of energy poverty.¹⁵ Energy poverty rates have increased more than in any other EU country in recent years: almost 11 per cent of households were unable to heat their homes adequately in 2020, a 7.5 per cent increase on the previous year.¹⁶

Activists such as the Alliance Against Energy Poverty argue that Endesa's practices are a key factor driving this trend, pointing to their rising profits and their tendency to cut off electricity access to vulnerable households.¹⁷

Endesa has received multiple warnings, complaints and fines in Spain. In May 2019, the National Commission on Stock Markets (CNMV) fined Endesa €5.8 million.¹⁸ **The CNMV concluded that Endesa, alongside Naturgy, manipulated the electricity market to increase wholesale prices between October 2016 and January 2017, coinciding with a peak in demand due to cold weather.¹⁹** Paradoxically, a decade before, in 2005, Endesa criticised its competitors — Iberdrola, Gas Natural, Unión Fenosa and Viesgo — on the same grounds.²⁰

In addition, Spain's market regulator CNMC fined EGP €4.9 million for unduly taking up capacity at two nodes on the power grid to the detriment of other firms seeking shared access to the same nodes.²¹ EGP was supposed to act as the representative of all interested renewable energy producers. Instead, according to CNMC, EGP prioritised its own requests to connect power plants and postponed submitting applications from its competitors to the transmission system operator, effectively denying them access to the nodes.²²

Endesa's activities in Latin America have attracted allegations of devastating social and environmental harm. Hydroelectric dams including São Luiz do Tapajós, Brazil;²³ Ralco HEP and Bio Bio Watershed, Chile;²⁴ El Quimbo, Colombia;²⁵ El Chaparral, El Salvador;²⁶ and Palo Viejo, Guatemala²⁷ have been subject to legal challenges, and protests by Indigenous communities, concerning environmental destruction, loss of livelihoods and displacement. Allegations and potential impacts include land dispossession, displacement, human rights violations, food insecurity, flooding, destruction or harm to livelihoods, cultural practices and sacred sites, as well as environmental degradation, such as biodiversity loss, water and air pollution, soil erosion, deforestation and desertification.²⁸

In Mexico, the Ixtepec community is opposing private wind farms and proposes their own wind farm cooperative as an alternative, claiming energy sovereignty for their territory.²⁹ At the Solar Park Villanueva project in the desert of Viesca (754 MW), Mexico, workers from subcontracted Mexican companies are protesting and blocking the plant's entrance, demanding that their salaries are paid.³⁰ According to Mexican newspaper SDP Noticias, they protested because of US\$9.2 million in non-payments and alleged acts of corruption, causing the inauguration of the plant to be cancelled.³¹

Meanwhile, in the US, the Protect Osage Coalition, composed of members of the Osage Nation, conservation groups and local residents, has been organising to oppose the construction of the Enel-owned Osage wind project, due to the alleged lack of local consent, destruction of habitats and sacred sites and illegal mining on Osage territory.³²

Endesa is reliant on public funds. Through Enel, the company had access to the European Central Bank's quantitative easing policy, named the Corporate Sector

Purchase Programme (CSPP). The CSPP has financed Enel Finance Intl N.V. and Enel S.p.A. in 26 operations.³³ The Bank would have acquired more than US\$36 billion of Spanish corporate bonds but it does not publish the amount of money in each operation.³⁴ In addition, Endesa aims to mobilise US\$27.5 billion through the NextGenerationEU recovery funds.³⁵ The plan is to use these funds for an estimated 122 projects,³⁶ predominantly focusing on renewable energies, smart networks, transport, energy efficiency and retrofit, green hydrogen, energy storage and flexibility, and the conversion of coal-fired power plants.³⁷

Finally, Endesa appears to have benefited substantially from the war in Ukraine. **In 2022, its net income increased by almost 60 per cent compared to the previous year** (see above figures). Endesa says that the additional net income of almost US\$1 billion is because of the 'good performance of the gas business and the high performance of the combined cycle plants'.³⁸ Yet these figures likely have some connection to record high electricity prices and the windfall profits that the company accumulated.

CORE CONTROVERSIES

- **Since privatisation, there has been a revolving door between Spain's two major political parties and Endesa.**
- **Endesa has often been criticised for contributing to energy poverty due to its rising profits and tendency to cut off electricity access to vulnerable households.**
- **In 2019 Endesa was fined for manipulating energy markets to increase wholesale prices (and therefore profits).**
- **Endesa's subsidiary was fined for not fulfilling its responsibility to act as the representative of all renewable energy producers but prioritising its own interests at the expense of other firms.**
- **Endesa's dams in Latin American countries have allegedly jeopardised Indigenous and other local people's livelihoods by causing flooding and displacement, resulting in a number of legal challenges.**
- **Workers from Endesa's subcontracted companies have been protesting at one of its solar plants in Mexico, demanding that their salaries are paid.**
- **Endesa aims to mobilise US\$27.5 billion in public support through the NextGenerationEU recovery funds.**
- **Endesa has recorded substantial increases in profits during the Ukraine war, with its net income increasing by 60 per cent from the previous year.**

The company was invited to send factual corrections to these findings but did not respond to our inquiry.

ENDNOTES

1. Please note, this data changes regularly. Source: MarketScreener (n.d.) 'ENDESA, S.A.'. <https://www.marketscreener.com/quote/stock/ENDESA-S-A-69599/company/> Last accessed: 24 October 2023
2. Original data was in Euros (€2,4 million) and converted using the exchange rate at the time of writing. Source: Civieta, O. (2023) 'Este es el dinero que ganaron los presidentes de Iberdrola, Endesa, Naturgy y Repsol en 2022', 1 March. <https://www.businessinsider.es/dinero-ganaron-presidentes-iberdrola-endsa-naturgy-repsol-2022-1204708> Last accessed: 31 October 2023
3. Endesa (2023) 'Clean energy and sustainable construction'. <https://www.endesa.com/en/our-commitment/energy-transition/renewable-energies> Last accessed: 31 October 2023
4. Endesa. (2022) 'Endesa Historical Collection: how and when was it founded?', 21 December. <https://www.endesa.com/en/blogs/endsa-s-blog/light/endsa-historical-collection> Last accessed: 10 October 2023
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6. Many senior politicians from both PSOE and PP have assumed official positions within Enel, Endesa and its subsidiary firms. They include: Elena Salgado, former Minister of Economics; Pedro Solbes, former Minister of Economics; Joan Majó, former Minister of Industry and Energy; Luis de Guindos, former Minister of Economics and former Prime Minister José Maria Aznar. See: Huter, M. et al. (2018) 'Revolving Doors and the Fossil Fuel Industry: Time to tackle conflicts of interest in climate policy-making', May. https://www.greens-efa.eu/files/assets/docs/report_of_revolving_doors_digital_-min.pdf Last accessed: 29 September 2023
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9. Ibid.
10. Ibid.
11. Ibid.
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13. Ibid.
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28. At the São Luiz do Tapajós hydroelectric dam in Brazil, a population of 10,000 people was affected by potential biodiversity loss, crop damage, soil contamination and erosion, alongside water pollution and reduced access to or destruction of sacred sites. The project was ultimately cancelled. At the Bio Bio Watershed hydroelectric dam in Chile, a population of 1,480,000 people are affected by all the same issues as in Brazil, as well as alleged human rights violations and land dispossession, but the project is still going ahead. At the El Quimbo hydroelectric dam in Colombia, a population of 67,500 people is allegedly affected by air pollution, biodiversity loss, desertification and drought, flooding and food insecurity, human rights violations and cultural impacts. The project is in operation. In El Salvador, the affected population of 232,000 has been affected by biodiversity loss, displacement, loss of livelihood and violations of human rights. The project is under construction. At the El Chaparral hydroelectric dam in Guatemala, the population of 36 Ixil and the Quiché communities of Cotzal are facing flooding, crop damage, deforestation, displacement and loss of cultural practices. The project is in operation. For sources of all of the above see footnotes 23–27.
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For over a century, energy multinationals have been wrecking the planet and exploiting people in pursuit of profit. Now, power producers and technology manufacturers are marketing themselves as 'green' to boost their reputation and benefit from public subsidies, grabbing lands, violating human rights and destroying communities along the way. Our investigation of fifteen 'green' multinationals conclusively shows that financial returns, not decarbonisation, is their primary business. 'Green' capital has taken over the energy transition, dictating its pace and blocking climate policies that hamper its profits. It is time to take on these greenwashing corporations and reclaim the entire energy sector through public ownership and democratic governance.

Download the full report and the 14 other company profiles on <https://www.tni.org/GreenMultinationals>.

