

The Chairwoman of Red Eléctrica meets with the President of the Regional Government of Valencia to accelerate investment in the region and stimulate economic recovery

- Beatriz Corredor also held meetings with the Minister for Sustainable Economy, Productive Sectors, Trade and Labour of the Government of Valencia, Rafael Climent, and with representatives of CEV (the Community of Valencia's Business Confederation).
- Red Eléctrica will invest 118 million euros until 2023 in the transmission grid located in the Community of Valencia to boost the region's economic competitiveness and accelerate the energy transition.
- The Autonomous Community's commitment to the integration of renewable energy has led it to become the fourth region in Spain with the highest volume of new PV power capacity requests.

Valencia, 18 September 2020

Beatriz Corredor, the Chairwoman of Red Eléctrica de España (REE), visited Valencia today and met with the President of the Regional Government, Ximo Puig. After the meeting, both expressed the need to join forces to accelerate strategic investments in the region, which will not only provide a decisive boost to the energy transition, but will also represent a stimulus for the region's economic recovery following the effects that the COVID-19 pandemic is having on the country.

For Ms. Corredor, "we have a unique opportunity to accelerate sustainable investments in essential infrastructure that is necessary to boost the activity of other productive sectors in the Community of Valencia, generating a virtuous circle with a huge capacity for job creation and modernisation of the productive system as a whole, especially now, at a time as complex as the one we are living now".

For his part, Ximo Puig highlighted that "having the capability that Red Eléctrica offer will play an essential role in the programme for the recovery of Community of Valencia and the productive activity of the companies in the region."

In this regard, the Company will invest 118 million euros between 2021 and 2023 in transmission grid infrastructure within the Community of Valencia that will contribute to improving its economic competitiveness and help facilitate its energy transition towards a model with a greater role for renewable energy in addition to strengthening its electricity system. This figure is in addition to the 270 million euros that the Company, as the party responsible for the transmission of electricity and the operation of the electricity system in Spain, already invested in projects for facilities that have been commissioned in the region since 2015.

During her visit, the REE's Chairwoman also held meetings with Rafael Climent, Minister for Sustainable Economy, Productive Sectors, Trade and Labour of the Government of Valencia, and with representatives of the Community of Valencia's Business Confederation, who called for REE's investments in the region to be accelerated. In the words of its President, Salvador Navarro, "it is important to speed up investment in electricity infrastructure in the Region in order to deal with the recovery under better conditions. The investments are necessary for the



development of the industrial sector, to guarantee the connection of alternative energy generators to the grid and, in short, to help increase the weight of the industry sector in our GDP and make it more competitive".

Strategic projects in the region

The development of electricity infrastructure is an essential element for the economic development of the different regions of Spain. In this regard, Red Eléctrica has various key course of action underway throughout the Region of Valencia to guarantee the region's economic competitiveness, such as the construction of three new substations and feeder lines (220 kV) which are fundamental to activate its industry, as they are located in three industrial parks, one in each province of the region. These substations are the located in the following locations: El Serrallo chemical industrial park, in Grao de Castellón; the Sancho Llop industrial park, in the southern part of Gandía, which will enable new industrial developments in the La Safor region; and the third one is the Castalla substation, which will support the electricity grid in the Foia de Castalla region, which will facilitate the growth of this region. This last substation will also make it possible to integrate photovoltaic energy produced in power generation facilities located in the area.

In addition, the Company is working on further developing the electricity infrastructure that is necessary for the development of the railway network in the area, such as the 'Mediterranean Corridor' from Algeciras to the French border, and the Valencia-Teruel-Zaragoza axis, which will boost the transportation of goods towards the Cantabrian region. This development includes the enlargement of the 220 kV Segorbe substation - which opens the door to electrification of the Sagunto-Teruel-Valencia railway axis; and the commissioning next year of the 400 kV Montesa substation, currently under construction, to provide support for the Mediterranean Corridor.

In addition to the foregoing, other actions are being carried out to strengthen the electricity system in the region, such as the 220 kV Eliana-Beniferri underground line, which will improve grid meshing in the periurban belt of the city of Valencia and, consequently, the guarantee of supply. This project, now under construction, will be operational in the first quarter of 2021.

All these actions can be encompassed in a set of measures which will give a crucial boost to the Region of Valencia, but which will nevertheless entail processes for their execution that take time. For this reason, "it would be essential for the parties to commit themselves to speeding up the environmental and administrative permitting processes for the projects as much as possible, so that the investments may support the economic development and help comply with the fight against climate change targets as soon as possible".

Integration of renewables

Beatriz Corredor conveyed that, now more than ever, economic reactivation has to be based on a sustainable model, where renewable energy plays a leading role and, in this regard, she has valued positively the commitment undertaken by the Community of Valencia to work towards a greener energy model. According to data for August, the region has a set of generation facilities that total 8,268 MW, of which 28.1% is renewable, wind power having the most significant presence with 15.2% of the total installed power capacity. Thanks to this, so far this year 16.4% of electricity generation in the region has come from renewable sources and the share of wind power stood at 10.2%, making it the third ranked technology in the region's generation mix.

The region's commitment to energy transition continues to be strengthened, as shown by the latest data on requests for grid access. As at 31 July, Red Eléctrica had granted access to the grid in the region totalling 12.8 GW of new renewable generation (1.7 GW wind and 11.1 GW solar photovoltaic). These figures are particularly relevant in the case of solar photovoltaic, which currently stands at 364 MW of installed power capacity in the region and represents 4.4% of its total installed capacity. In fact, Valencia is one of the regions in Spain with the highest



volume of new PV power capacity requests, surpassed only by Andalusia, Castilla y León and the Community of Madrid.

Red Eléctrica is already working to enable this new power generation to be connected to the transmission grid. On the one hand, the Company is strengthening the grid by building new bays in existing substations and, on the other, they are developing and building new substations, such as the Castalla substation which is currently under construction.