

## Comments and arguments on the CNMC report in relation to the proposed Transmission Grid Planning

- The initial proposal, drawn up in accordance with the guiding principles defined by the Ministry of Ecological Transition and Demographic Challenge, strictly complies with the investment limits established in the applicable regulations, which places it at 0.065% of GDP.

Madrid, 2 July 2020

Red Eléctrica de España, as the Electricity System Operator, submitted to the Ministry of Ecological Transition and Demographic Challenge on 3 December 2019, the 'Initial proposal for the development of the transmission grid' corresponding to the period 2021-2026, drafted following the guiding principles established by the Ministry and after a technical analysis of the feasibility of all the proposals for new projects and system requirements made by the Autonomous Communities and agents in the sector.

The initial proposal strictly complies with the investment limits established in the applicable regulations (art. 11 of RD 1047/2013) which places it at 0.065% of GDP. An overall value that totals 5.684 billion euros for the period 2021-2026 as per the GDP forecasts defined for the drafting of the proposal.

The document also includes additional investments totalling 759 million euros in international interconnections (also known as cross-border connections) with countries of the internal energy market, a type of investment which, as established in said Royal Decree, does not count towards the calculation of the previously indicated investment limits.

The Planning proposal includes the needs of the transmission grid in order to keep advancing along the path to the energy transition as defined in the Integrated National Energy and Climate Plan, and in any case, it should be noted that the value of the investment limit considered is clearly lower than the 'extreme' and 'moderate' pathways that the CNMC report includes as recommendations. In any event, it should be borne in mind that the annual investment pathway may exceed the investment limit by up to 20% in some years, provided that the overall investment limit is respected throughout the period.