

Meeting between the President of the Basque Country and the Chairwoman of Red Eléctrica

## **Red Eléctrica and the regional Basque Government ratify their commitment to boosting the energy transition in the region**

- Iñigo Urkullu and Beatriz Corredor have agreed to join forces to accelerate projects and investments that will not only transform the energy model of the Basque Region but will also provide a stimulus for recovery post pandemic.
- These include the interconnection with France across the Bay of Biscay, which is expected to be commissioned between 2026 and 2027, and whose preliminary project is currently in the public information and consultation phase.

Vitoria-Gasteiz, 8 June 2021

The President of the Basque Government, Iñigo Urkullu, and the Chairwoman of the Red Eléctrica Group, Beatriz Corredor, met this morning in Ajuria Enea, in a meeting in which they ratified their commitment to boosting the energy transition in the region and highlighted the coordination and collaboration between the Basque Government and Red Eléctrica de España, Spanish electricity system operator and transmission agent.

Both have agreed to continue joining forces to accelerate projects and investments that will not only transform the energy model of the Basque Country but will also provide a stimulus for recovery post pandemic. Noteworthy among them being the interconnection with France across the Bay of Biscay, with which the Basque Country opens a strategic door towards the consolidation of the European energy market.

For her part, Beatriz Corredor stressed that "the Basque Country plays a strategic role in a more interconnected future and, therefore, a more sustainable one for Europe. Red Eléctrica is banking on its potential and, therefore, we will work to make this possible, being aware that the ongoing and future projects will be key to the economic and social development of the region. They will generate a virtuous circle of synergies and new investments that will undoubtedly be a boost for the productive fabric in the Basque region, creating employment and wealth for all its citizens, which is essential at this time of recovery after the serious crisis we have suffered."

In this regard, Red Eléctrica will invest 986 million euros over the coming years in key projects such as the interconnection with France and other infrastructure that is necessary for the development of the transmission grid in the Basque Country and that will not only contribute to the bolstering of the electricity supply in the region and facilitate its transition towards a decarbonised energy model but will result in an improvement in economic competitiveness, with significant benefits in the production chain and the activation of employment. The estimated socio-economic impacts of these investments - direct, indirect and induced - include the generation of more than 7,900 jobs, and an impact on GDP income of 484 million euros.

Interconnection across the Bay of Biscay

Mr. Urkullu and Ms. Corredor have highlighted the latest advances made in the interconnection with France across the Bay of Biscay, a new infrastructure that is expected to be commissioned between 2026 and 2027 and which will contribute to making the Basque Country a benchmark model for a more interconnected and sustainable European electricity system.



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This new infrastructure, whose preliminary draft is currently in the public information and consultation phase, will increase interconnection capacity with France from the current 2,800 MW to 5,000 MW, which will favour the integration of renewable energy, increase the efficiency and competitiveness of the two electricity systems and strengthen the security of supply on either end of the cable.

This project is an essential pillar for progress in the consolidation of the European electricity system and a key infrastructure for advancing the decarbonisation targets and the fight against climate change pursued by EU legislation. For this reason, it was declared a 'Project of Common Interest' by the European Commission. Thus, it is estimated that, at the European system level, the new link will reduce CO<sub>2</sub> emissions by 1,225 kilotonnes per year; increase the integration of renewable generation by more than 7,400 GWh per year; and save the system up to 221 million euros per year in variable generation costs.

#### Strategic projects within the region

During the meeting, other projects that are already underway - included in the current electricity planning - were analysed, as well as some of those foreseen in the draft of the new 2021-2026 Electricity Transmission Grid Planning and that will be essential for the Basque Country to successfully tackle the necessary integration of renewable energy targets set out in the regulatory framework regarding energy and climate change.

These actions include the optimisation of the HV electricity grid currently in service in the region through the renovation and improvement of numerous existing facilities. It also includes the new Luminabaso substation which, together with the already completed enlargement of the Hernani and Vitoria substations, will guarantee the electricity supply for the future high-speed train.

Among those projects underway, noteworthy are the two actions on the northern axis which will connect the entire Cantabrian coast with Europe and the Mediterranean axis.

- The Güeñes-Itsaso line to which Red Eléctrica will allocate more than 70 million euros and whose degree of progress is currently 60%.
- The connection of the Itsaso 400 kV substation with the existing line in Navarra between Castejón and Muruarte, whose administrative permitting process will begin in the coming weeks, has a budget of 70 million euros and will enable the Basque Country to be supplied with the surplus renewable energy that is generated in Navarra. The project includes the dismantling of 120 kilometres of two 220 kV lines that are more than 50 years old.

As part of her visit to the Basque Country, the Chairwoman of Red Eléctrica, Beatriz Corredor, also met with the delegate of the Spanish Government in the Basque Country, Denis Itxaso, to address issues of common interest for the economic and social development of the region.

Similarly, this afternoon, she will meet with Unai Rementeria, President of the Provincial Council of Biscay and with the Provincial Councillors for Sustainability and the Natural Environment, Amaia Antxustegi, and for Economic Promotion, Ainara Basurko, to analyse the projects that Red Eléctrica currently has underway in the province.