RED ELÉCTRICA DE ESPAÑA

Grupo Red Eléctrica

Press release

The Government of the Canary Islands grants administrative authorisation for the Salto de Chira pumped-storage hydroelectric power station on the island of Gran Canaria

Red Eléctrica's first major energy storage project on the Canary Islands is given the green light

- Red Eléctrica will invest more than €400 million in the construction of the Salto de Chira power station.
- The power station will offer a greater guarantee of supply and bolster the security of the system on the island and will increase the penetration of renewable energy, seeking to reach an average annual coverage of 51% of the demand on Gran Canaria by 2026, while reducing CO_2 emissions by 20%.
- The project maximises the use of two large inland reservoirs located on the island.

Madrid, 15 December 2021

The General Directorate for Energy of the Department of Ecological Transition, the Fight against Climate Change and Territorial Planning of the Government of the Canary Islands has issued the administrative authorisation for the Salto de Chira pumped-storage hydroelectric power station project, to be built on the island of Gran Canaria. This is the first major energy storage project in the Canary Islands.

The approval of the preliminary administrative and construction permits, as well as the declaration of Public Utility of the project by the General Directorate for Energy of the Government of the Canary Islands, will allow construction work to begin on the energy storage infrastructure.

The authorised project will take advantage of the fact that there are two large inland reservoirs (the Chira and Soria dams) located on the island in order to build between them a 200-MW pumped-storage hydroelectric power station (equivalent to approximately 36% of the peak demand of the island of Gran Canaria) and an energy storage capacity of 3.5 GWh. Additionally, the project includes the construction of a seawater desalination plant and the associated marine works, as well as the necessary facilities for connection to the transmission grid.

Water will be an essential element for the operation of the new infrastructure, but it is also a scarce resource in the archipelago. Therefore in order to fulfil its mission as an energy storage facility, the project includes the construction of a water desalination plant in the municipality of Arguineguín, which will guarantee the necessary flow in the reservoirs at all times.

Red Eléctrica de España will invest more than €400 million in the construction of Salto de Chira, a project that has been declared of general interest by the Government of the Canary Islands. Project execution and completion is expected to take about 70 months as of the date the works commence.

Key infrastructure for the Canary Islands' electricity system

The Salto de Chira power station will provide a greater guarantee of supply in Gran Canaria by increasing installed power capacity, and on the other hand will bolster the security of the electrical energy system. This undoubtedly a fundamental aspect for an electrically isolated system, such as the one of the Canary Islands, and which is

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therefore more vulnerable. Furthermore, in the event of a supply interruption, the facility will make it possible to speed up and drastically reduce restoration times.

It is estimated that in 2026, the Salto de Chira power station will contribute to increasing the integration of renewable energy production on the island by 37%, over the estimated energy that would be generated without the existence of this facility, raising the average annual coverage of the demand using renewable generation to 51%, which at specific times may be much higher. Moreover, this will lead to a 20% reduction in annual CO_2 emissions.

The increased capacity to integrate renewable energy will mean greater energy independence and a reduction in the imports of fossil fuels, which pollute more and are more expensive, and which will lead to an estimated saving in generation costs of €122 million per year.

The project is in compliance with Law 17 /2013, which establishes that any pumped-storage facility whose main purpose is to guarantee supply and system security in island and non-mainland electricity systems, as well as the integration of non-manageable renewable energy, will be owned by the system operator, i.e., Red Eléctrica de España.

Furthermore, it is estimated that the project will generate 4,366 jobs, of which 3,518 will be generated in Gran Canaria (1,423 direct jobs, 1,987 indirect jobs and 109 induced jobs), contributing to the economic recovery of the Canary Islands archipelago in a sustainable manner and in line with the principles of the European Green Deal and the strategic lines and basic principles of the Pact for the Social and Economic Reactivation of the Canary Islands.