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Elia Group, re.alto and Volkswagen subsidiary Elli sign agreement to accelerate the integration of electric vehicles into the electricity system and further decarbonise society

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- The three signatories will focus on removing barriers to the integration of EVs into the electricity system to deliver value both for consumers and the electricity and mobility sectors
- The memorandum of understanding (MoU) includes four pillars of exploration: price signals/incentives; market design; trusted data; and data security and safe connectivity
- The MoU is closely aligned with Elia Group's focus on consumer centricity and Volkswagen Group's commitment to accelerating the shift to sustainable electric mobility

BRUSSELS – BERLIN | Elia Group, its corporate start-up re.alto, and Elli, a subsidiary of the Volkswagen Group that bundles together the Group's activities related to charging and energy solutions, have signed an MoU which highlights their joint vision regarding the integration of EVs into the electricity grid. The widespread adoption of EVs will be one of society's fastest and most effective routes to abating climate change in the coming decade. Additionally, EV batteries will be able contribute to keeping the grid in balance as the share of renewables in the energy mix increases. This can only occur if consumers are encouraged to valorise their flexibility, aligning their charging behaviour with the availability of affordable green energy. Consumers will then become active players in the energy transition. Over the next few years, the MoU's signatories will identify possible barriers to EV integration and explore how to showcase its benefits, for example by developing demonstrators.

E-mobility is essential for making rapid progress towards decarbonisation

EVs are expected to provide a significant amount of the flexibility that the electricity system of the future will need. As increasing amounts of intermittent renewable energy are integrated into our energy system, so the task of maintaining the balance between energy demand and supply becomes more and more difficult. As flexible assets, EVs will contribute to system balance and grid stability: consumers will be able to charge their EVs when there are high amounts of cheap renewable energy in the system and inject the electricity stored in their EVs back into the grid when it needs it most.

Empowering consumers to valorise their EV flexibility on electricity markets

United in their belief that the integration of EVs into the electricity system carries multiple benefits, Elia Group, re.alto and Elli signed the MoU earlier today in Berlin. Each partner will contribute a specific area of expertise to the activities they will develop. Whilst Elia Group's know-how lies in the challenges and opportunities that the energy transition will



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present to the electricity system, re.alto - which was founded by the Group in 2019 - has a sound knowledge of digital marketplaces and connecting energy data and digital products together via application programming interfaces. Elli, which was founded in 2018 and is part of the Volkswagen Group, will bring its experience as a provider of charging infrastructure, mobility services, flexibility services and electricity to the partnership.

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The rapid rise in electric vehicles is reinforcing the need for cooperation between the electricity and mobility sectors. We want to enable the increasing number of EV users to charge their EVs while keeping the electricity system in balance. As a next step, the batteries of these cars will also be able to be used in such a way that they will contribute to the overall levels of energy comfort experienced by end users. Elli shares the same vision of the future regarding electric mobility as us and also has a strong focus on digital innovations. In the context of sector convergence, we are therefore the ideal partners to develop digital consumer services together.

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An essential key to achieving climate neutrality lies in the linking of the energy and mobility sectors. Using the electric vehicle battery as a mobile power bank delivers a triple benefit: firstly, the climate benefits as renewable energy can be stored and therefore be used more efficiently; secondly, the electric grid benefits, as the car can contribute toward grid stability; and thirdly, the customer can earn additional revenue with vehicle-to-grid services. To explore the benefits of this consumer-centric approach, this cooperation with Elia Group is crucial for us.

- Elke Temme, CEO Volkswagen Group Charging GmbH (Elli) and Senior Vice President Charging & Energy Volkswagen Group Technology

As outlined in the MoU, the partners will explore the barriers to and benefits of integrating EVs into the energy system, for example by developing demonstrators. Their joint activities will each fall under one of four pillars, as follows:

- price signals/incentives: exploring how price signals will enable and incentivise EV owners to use their assets as decentralised storage capacity through vehicle-to-grid technology and so support the power system;
- market design: investigating how to give consumers the freedom to choose their energy supplier, no matter where they have travelled to, and working on removing barriers that are preventing EV fleets and consumers from choosing their suppliers, smart charging service providers and aggregators at charging poles;
- 3. trusted data: ensuring that EV data is recognised as reliable and secure, and can be used by the power





system;

4. **data security and safe connectivity**: exploring mechanisms which allow the safe transmission of data and defining roles and responsibilities related to steering the charging behaviour of EVs whilst ensuring connectivity remains safe and secure.

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There is no doubt EVs and their batteries will play a crucial role in decarbonisation. The true potential of EVs goes way beyond pure mobility. They will not only allow people to move, but will also allow households to consume green energy at affordable price levels. For that, we will need real-time energy data exchange at scale and services with a seamless consumer experience. This is exactly what re.alto focuses on and what we will work on together with Elli through our partnership. - Conrad Tuytte, CEO of re.alto

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The Elia Group MoU takes the cooperation with Elli launched by 50Hertz to a new level. Volkswagen AG is the world's largest automotive group in terms of turnover and is now the manufacturer with the highest number of newly registered electric vehicles in Germany. VW's strategy is clearly focused on e-mobility. We are therefore particularly happy to have Elli as a subsidiary of VW as a strong partner to drive forward the topics of market integration, system and grid efficiency of electromobility.

- Stefan Kapferer, CEO 50Hertz

The signing of the MoU strengthens and broadens the ties between 50Hertz (Elia Group's German subsidiary) and Elli, who have been working together since 2020 on projects related to balancing reserve markets. It also follows Elia Group's publication of a vision paper in November 2020 on e-mobility, which identified three enablers for encouraging the adoption of EVs. Additionally, it forms part of the steps Elia Group has been taking to translate its Consumer-Centric Market Design (CCMD) into tangible, practical solutions. The Group published a white paper on the CCMD in mid-2021, which outlines how small changes to the market design will encourage consumer-centric energy services to emerge. These services will provide consumers with better services, allow them to reap the benefits of their flexible appliances and contribute to the decarbonisation of the energy system.







Elia Group's e-mobility vision paper can be accessed here, whilst information about the CCMD can be found here.

The Volkswagen Group has made charging and energy its core business. The company Elli, with around 250 employees, takes care of customer needs at the interface between energy and mobility. Elli is the Volkswagen Group brand that offers a broad portfolio of energy and charging solutions in Europe and also acts as a mobile service provider. The current product range includes charging solutions for private customers and companies - from the company's own wallbox and the flexible fast charging station Flexpole to charging services and innovative, smart green electricity tariffs. Elli's goal is to make the benefits of the energy transition accessible to everyone - easily and effort-lessly. All drivers and fleet managers of electric vehicles should have a seamless and holistic charging and energy experience. Elli was founded in 2018 and has locations in Berlin, Wolfsburg and Munich.

Volkswagen Group's strategy on e-mobility can be accessed here.





About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,192 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition .

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By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

International focus

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

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More information: eliagroup.eu

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