



PRESS RELEASE | 14 December 2022

Federal Government endorses Belgian Energy Island as spearhead project for EU COVID-19 recovery fund

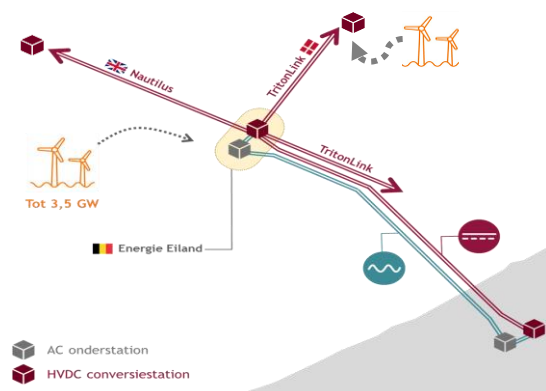
- Recovery fund was established in the midst of the COVID-19 pandemic for a greener European economy and sustainable growth
- Elia will use the funding to build the foundations of the Princess Elisabeth Island
- The Belgian energy island will be a key link for unlocking offshore wind potential located in the North Sea

BRUSSELS | The Federal Government and Elia Transmission Belgium (Elia) have signed an agreement relating to financial support offered up as part of the Recovery & Resilience Facility (RRF). The fund was established by the European Commission in the midst of the COVID-19 pandemic to support future-oriented investments being undertaken by Member States. The RRF aims to make Europe's economy greener and more robust - two objectives that are even more relevant given the current energy crisis. The signing of the protocol which governs the €99.7 million grant being given to Elia took place in the presence of the Minister of Energy, Tinne Van der Straeten, the State Secretary for Economic Recovery and Strategic Investment, Thomas Dermine and Stefaan de Rynck, head of the European Commission's Representation in Belgium.

An innovative masterpiece

The Princess Elisabeth Island will be a major energy hub. The artificial island will be located about 45 km off the Belgian coast and will almost exclusively house transmission infrastructure. The island will receive electricity produced by wind turbines located in the second offshore wind zone (3.5 GW) and will transform it from 66kV to 220 kV. This electricity will then be brought to land via a shared cable system. In time, the island will also serve as a hub for additional interconnectors with Great Britain (Nautilus) and Denmark (TritonLink). These hybrid interconnectors will have a dual function: they will allow electricity to be exchanged between countries and will also be connected to large offshore wind farms in the North Sea which will supply our country with large volumes of renewable energy.

3D image of the Princess Elisabeth Island & the Belgian offshore hub



Subsidy granted in line with strict conditions

Thanks to funding from the RRF, Elia will build the island's foundations. Work on this will start in 2024 and must be completed by 31 August 2026. The foundations will be composed of concrete caissons filled with sand; the section of the foundations that will sit above the waterline will cover an area of about 5 hectares. The funding will be distributed in several installments to Elia as project milestones are reached, such as the completion of the island's design, the granting of the environmental permit or the start of the work on the caissons. The installation of the high-voltage infrastructure on the island will then begin.

€1 million for additional biodiversity projects

Of the €99.7 million subsidy being granted to Elia, €1 million will go to third-party projects that will contribute to encouraging biodiversity at sea. A call for projects will be launched for this purpose. The Minister of Energy will decide which projects will be considered as part of this. These third-party projects will be delivered in addition to the Nature Inclusive Design approach that Elia has chosen to adopt for the island and is currently working on with a group of experts. Different measures and modifications to the design of the island will reduce its impact on the marine environment and improve local biodiversity.

"This signing ceremony marks the start of moving from the planning phase to the implementation phase, bringing us closer to building the very first energy island in the North Sea by 2026. The energy island will provide access to new wind farms from the Belgian North Sea and wind energy from Denmark and the United Kingdom. Thanks to the energy island, we will strengthen our energy independence, lower our bills and reduce CO₂ emissions".

Tinne Van der Straeten, Belgian Federal Minister of Energy

"The Government and business community have, through their joint vision, ambition and sound teamwork, allowed Belgium to grow over the past 20 years into one of the world's front-runners in the development of offshore wind energy. Today, courage and perseverance are once again needed to take the next big step towards the establishment of a European offshore electricity network that will be linked to Great Britain and Denmark, amongst other countries. Over the next few years, more than half of the €4.5 billion of the EU RRF will flow into Belgian projects, so facilitating a more low-carbon, sustainable and climate-resilient economy."

Thomas Dermine, Belgian State Secretary for Economic Recover and Strategic Investment

"The energy island in the North Sea is a key project in Belgium's National Recovery and Resilience Plan, which Europe supports through NextGenerationEU. It will accelerate the energy transition and nearly double Belgium's offshore wind power capacity. The RRF given to Elia is an important step in terms of the realisation of the project and the achievement of the objectives outlined in the Belgian plan."

Stefaan de Rynck, Head of the European Commission's Representation in Belgium

"The Belgian Energy Island constitutes another important step in the realisation of the energy transition. After the COVID-19 pandemic, we were almost immediately confronted by the energy crisis, which makes the project even more relevant. The Princess Elisabeth Island will support sustainable economic growth and will help industry to reach its decarbonisation goals. Thanks to support from the European RRF, our country will be able to realise an innovative feat that will once again put Belgium on the map as a pioneer in offshore energy. As the CEO of Elia Group, I would sincerely like to thank the European Commission and the Belgian Government for making this possible".

Chris Peeters, CEO Elia Group

Timing

The tendering process for the island is ongoing, as is the preparation of the environmental impact assessment, the preparation of the licensing process and the application for a domain concession. The foundation will begin to be constructed in 2024, with this work lasting until mid-2026. After that, the installation of the electrical infrastructure on the energy island will begin. The construction of future wind farms will be organised by the Government through tenders. The linking of the wind farms to Elia's grid is related to the commissioning of onshore grid reinforcement projects; more specifically, the Ventilus and Boucle Du Hainaut projects. Elia is aiming for full connection capacity by 2030.

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 socio-economic 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 happen

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 its activities as a transmission system operator, Elia Group provides consulting services to international customers through its subsidiary Elia Grid International. In recent years, the Group has launched new non-regulated activities such as re.alto - the first European marketplace for the exchange of energy data via standardised energy APIs - and WindGrid, a subsidiary which will continue to expand the Group's overseas activities, contributing to the development of offshore electricity grids in Europe and beyond.

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

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