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The Nemo Link interconnector celebrates its fifth anniversary with an outstanding operational and commercial performance, leading to the reimbursement of over €200 million to consumers in both the UK and Belgium

- Nemo Link was commissioned five years ago to enable the exchange of up to 1,000 MW of electricity between the UK and Belgium. Today, Nemo Link is one of the most efficient interconnectors of its type in the world.
- The HVDC subsea interconnector, which stretches across a distance of 140 km, has an availability rate of 99.5% and it has enabled the exchange of 29.6 TWh between both countries. It supports security of supply and offers up more opportunities for grid balancing and increasing socioeconomic gains.
- Nemo Link also strengthens international cooperation, which will be essential for the decarbonisation of Europe. The interconnector facilitates the integration of the European electricity market and the exchange of renewable energy over a vast geographical area.
- Due to its cap and floor regulatory model and given its outstanding commercial performance over the past five years, over €200 million will be returned to consumers in both the UK and BE.

BRUGES - RICHBOROUGH | Elia Transmission Belgium and National Grid Ventures (Great Britain) celebrated the fifth anniversary of the commissioning of their subsea interconnector - Nemo Link - in the presence of the Belgian Energy Minister Tinne Van der Straeten. Nemo Link connects Bruges in Belgium to Richborough on the English coast. The interconnector was commissioned on 31 January 2019, enabling electricity to be exchanged in both directions. The interconnector increases the opportunities for both countries to exchange renewable energy surpluses they have generated with each other and provides them with a greater amount of flexibility. With a capacity of 1,000 MW, Nemo Link also helps to facilitate security of supply and balance out electricity grids while limiting price spikes. The interconnector's operational performance during its first five years is among the best in the world for its type of asset. Since its commissioning, Nemo Link has saved 1.4 million tonnes of carbon. Its capacity can be used to supply a city of 1 million residents with electricity.

Excellent operational figures for first five years of operation

Nemo Link has performed exceptionally well during its first five years of operation. The subsea cable was available 99.5% of the time (not including planned outages), making it one of the most reliable assets of its type in the world. Very little unplanned maintenance was needed during this period (0.5%). Some 29.6 TWh of electricity was exchanged between Belgium and Great Britain during the interconnector's first five years of service.

| Year | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------|--------|--------|--------|--------|--------|
| % time flows to BE | 3.40% | 14.64% | 3.79% | 44.45% | 26.00% |
| % time flows to GB | 85.73% | 82.38% | 95.19% | 53.70% | 69.75% |
| % time no flows | 10.87% | 2.98% | 1.02% | 1.85% | 4.25% |

Flows of electricity across the interconnector are mainly driven by power price differences between both markets. During the first couple of years of the interconnector’s operation, electricity mainly flowed to Great Britain. This dynamic changed in 2022 and early 2023 due to the energy crisis, since Great Britain had better gas supplies than Belgium. As a result of this, power prices in Great Britain rose less than those in Belgium. When gas prices in the two markets began to converge again and electricity prices gradually fell, electricity returned to mainly flowing to Great Britain.

1 GW of additional support for security of supply

Nemo Link has demonstrated its essential role in strengthening security of supply in Great Britain and Belgium. For example, in July 2022, the subsea interconnector helped to address significant security of supply issues that were being experienced in London. The interconnector has also provided essential support on several occasions over the past five years, making it easier to keep the system in balance and meet consumption needs in Belgium.

Grid balancing and integration of renewables

The subsea interconnector provides more options for balancing the Belgian and British grids, limiting the impact of any imbalances between supply and demand, which is becoming increasingly important given the growth in intermittent renewable energy sources. Nemo Link gives market players and system operators more options for adapting to sudden fluctuations in electricity consumption and generation. The additional flexibility provided by the high-voltage direct current (HVDC) interconnector can limit price spikes caused by imbalances.

A cap and floor mechanism that returns surpluses

Nemo Link is also our first interconnector to operate under a cap and floor regulatory model, which sets minimum and maximum revenue levels. In other words, this model ensures a profit is made while limiting the level of return. Levels are determined under the supervision of the relevant regulatory authorities: the Commission for Electricity and Gas Regulation (CREG) in Belgium and the Office of Gas and Electricity Markets (Ofgem) in Great Britain. Due to its outstanding commercial performance during its first five years of operation, Nemo Link is expected to return over €200 million to British and Belgian consumers (with half of this amount going to each set of consumers).

Enhancing international cooperation

For Belgium, achieving net zero by 2050 will depend to a large extent on strong European collaboration; without it, the decarbonisation of society and industry will be difficult to achieve. Conversely, the UK is expected to consistently produce a surplus of renewable energy. These structural surpluses will provide the country with an opportunity to contribute to the energy needs of its neighbouring countries. In the North Sea, Elia is currently working on two hybrid interconnectors: one with the United Kingdom (Nautilus) and one with Denmark (TritonLink). Our ambition is to connect both projects to the Belgian energy island: the Princess Elisabeth Island.

The impact of Brexit

Due to Brexit, Nemo Link can no longer take part in European day-ahead and intraday market coupling. As a result of this, all of Nemo Link's capacity, even for day-ahead trading, is now sold via explicit auctions which has resulted in the efficiency of the power flows between both countries falling. As part of the EU-UK Trade and Cooperation Agreement, more efficient market coupling in the day-ahead market time frame should be developed (a Multi-Regional Volume Coupling solution). However, returning to EU market coupling arrangements would be the preferred solution as it would generate the highest socioeconomic benefits.

"I'm particularly proud to be celebrating 5 years of the Nemo Link interconnection in the presence of grid operators Elia and National Grid. I'm proud for several reasons: the Nemo Link electrical interconnection is one of the most efficient in the world and has been contributing to the security of supply and energy independence of our two countries for the past 5 years. Nemo Link is also an essential link in our energy strategy, bringing the green energy produced by our offshore wind turbines to our homes and businesses. I'd also like to take advantage of this 5th anniversary to underline the excellent cooperation between Belgium and the UK on energy and electricity interconnections. Along with 7 other North Sea countries, we share a common ambition to make the North Sea the largest sustainable power station in Europe, with a positive effect on our energy bills and the climate."

Tinne Van der Staeten, Belgian Minister for Energy

"We are thrilled to be here celebrating five years of the hugely successful Nemo Link which has played a key role in energy security for the UK and Belgium. As we deploy more wind power to meet our climate and energy security targets, connections to our neighbouring countries will continue to play a role increasing security of supply and reducing prices for consumers. Nemo Link is a fantastic example of what can be achieved when we collaborate and work together with our neighbours."

Katie Jackson, President of National Grid Ventures

“Nemo Link was the first subsea interconnector that we built in Belgium, and we are very proud to be able to celebrate its fifth anniversary and its great success. The interconnector has demonstrated its reliability and has, on several occasions, provided an additional source of support to stabilise electricity supply and reduce energy prices in our two countries. In addition to its significant benefits in terms of societal wellbeing, Nemo Link has also allowed us to improve our offshore interconnector expertise. Developing possibilities for exchanging electricity surpluses with our neighbours will be crucial for decarbonising our continent”.

Catherine Vandendorpe, Interim CEO of Elia Group

About Elia Group

One of Europe's top 5 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 19,349 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 rise 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 various 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.

eliagroup.eu

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