



Optimisation of the offshore energy hub: Elia welcomes government's decision to further optimise the next project phase, including a second interconnector with the United Kingdom

- The construction of the energy island and the electrical infrastructure required to connect the first two offshore concession zones in the Princess Elisabeth Zone to the island continues.
- The government has reaffirmed the importance of a second interconnector with the United Kingdom as part of Belgium's energy policy, as this is in the interest of both its industry and consumers.
- Discussions with UK partners will be continued in order to find joint solutions for the realisation of this interconnector.

BRUSSELS | The Belgian federal government, in collaboration with Elia, the federal administration and the electricity and gas regulator (CREG), is aiming to develop an alternative concept for the next phase of the Princess Elisabeth offshore energy hub. This new proposal should remain aligned with the original objectives of the project at a lower cost. The ambition remains the same: to further develop and optimise wind production capacity in Belgium's second offshore wind zone, while also realising a second interconnector with the United Kingdom. This revision has been prompted by unprecedented global increases in the price of high-voltage direct current (HVDC) technology and related services required for offshore development. In line with the government's decision, Elia will not sign the previously negotiated contract relating to the purchase of HVDC infrastructure. The signing of this contract was temporarily suspended earlier this year.

"Elia is delivering this project within a legal framework. Thanks to the government's decision, its implementation can now continue. We support the government's ambition to realise the project's core objectives through an optimised configuration which is adapted to current market conditions. We are pleased that the strategic importance of further offshore development and a second interconnector with the United Kingdom has been reaffirmed. These are key elements in Belgium's long-term energy policy. Along with the authorities, the regulator and our UK partners, we will assess how this ambition can be achieved in the most efficient way."

— Frédéric Dunon, CEO of Elia Transmission Belgium

Controlling the costs in response to the rising cost of HVDC infrastructure

The decision taken by the government today aims to control the costs and optimise the investments associated with the development of the Princess Elisabeth energy hub. The project, which is being led by Elia, is designed to act as a connection point which will bring electricity from future offshore wind farms to Belgium and will enable an interconnector with the United Kingdom.

The construction of the energy island is ongoing. This island will enable wind farms in the Princess Elisabeth Zone to be efficiently connected to Belgium's grid, both from a technical and economic perspective. Today's decision covers, among other things, the contract for the HVDC converter stations and cables.

Due to the sharp increase in the cost of HVDC infrastructure and its installation, back in January, Elia decided to postpone the signing of the contract that covers this. The delay was intended to provide enough time for a broadly supported and future-proof solution to be reached with all of the project's stakeholders. Following today's decision, the HVDC contract will not be signed with the terms and conditions it originally included.

A clear mandate to move the project forward

The government has also given a clear mandate to the federal Minister of Energy, Mathieu Bihet — a mandate that Elia fully supports and which provides some direction for the next steps to take as part of the project. Elia is committed to conducting all necessary analyses and taking the required initiatives, in close cooperation with the authorities and the CREG, to identify the best possible solution for the realisation of the energy hub at the lowest possible cost.

The project is of major strategic importance for Belgium and will be critical for the country's electricity supply over the next few decades.

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 19,741 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 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/NextGrid Holding.

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