

INFORMATIVE NOTE

Maintaining its commitment to developing the infrastructure essential for the energy transition, as Ignacio Galán stated at the first meeting of the company's management team after the summer, held, as is traditional, today in Bilbao

Iberdrola accelerated its investment in smart grids in the Basque Country to 144 million over the last 18 months, 50 % more than in the 2017-2019 three-year period

- **Planned investments between 2022 and 2024 amount to more than 200 million euros, which it estimates will generate up to 2,500 jobs in the territory**
- **Together with the Provincial Council of Bizkaia, it is promoting a global centre to define the electricity grids of the future and it plans to develop and manage the smart grids in the Zorrotzaurre district**
- **The company continues to act as a driving force for the economy of the Basque Country: the socio-economic impact of its 2020-2025 investment plan will exceed 15 billion**

Iberdrola chairman, Ignacio Galán, meeting today in Bilbao with the company's management team as well as the Executive Committee in their traditional first meeting after the summer, has confirmed the importance of [smart grids](#) to driving the energy transition and the company's intention to accelerate their development in the Basque Country, with investments that, in the last year and a half, have amounted to 144 million euros — 82 millions of these in Bizkaia —, 50 % more than those made in the 2017-2019 three-year period.

The investments by i-DE, Iberdrola's distribution company, between 2020 and July 2021 were aimed at renewing the existing infrastructure which, through the digitalisation and automation of the grid, have facilitated the incorporation of renewable energies into the electricity system and have enabled an agile and efficient response to energy needs in times of pandemic, also contributing to the development of the value chain and employment in the Basque Country. As a result of this investment effort, the quality of supply to its customers in the Basque Country reached 99.9 %, as reflected in the TIEPI index, which stood at 54 minutes in 2020.

Galán pointed out that investments in distribution networks support an industrial value chain with 90 % local suppliers, many of them SMEs, in areas such as capital goods manufacturing, engineering, assembly companies, civil works, logistics, raw material suppliers, etc.

Algorithms for network incident management

The high levels of automation of Iberdrola's networks in the territory are complemented with intelligent Control Systems and, in particular, with the Automatic Restoration Algorithm (ARA), which detects incidents in the grid and acts autonomously to isolate incidents as soon as they occur. Without the need for human intervention, the ARA makes it possible to recover an average of 70 % of the power and customers affected in less than 3 minutes.

The company is also undertaking an ambitious substation modernisation plan, which includes more than 70 in the Basque Country; a plan launched in 2018 with an investment of close to 160 million euros.

More investment in grids to meet climate targets and reactivate the economy



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The Iberdrola chairman also detailed Iberdrola's network investment plan in the Basque Country for the three-year period 2022-2024, which amounts to more than 200 million euros, with which the company expects to generate up to 2,500 jobs in the region.

He also insisted on the need to increase these investments, up to 300 million euros over the period, in order to achieve the objectives of the roadmap for implementing the National Integrated Energy and Climate Plan (PNIEC), eliminating investment barriers where appropriate and where distribution companies have the capacity and intention to develop them.

In the Basque Country, i-DE manages more than 18,400 km of low and medium voltage lines and more than 4,400 km of high and very high voltage lines. It also has 11,248 digitised transformation centres, 3,589 new automated centres and remote-control elements and 1.3 million smart meters in service.

A driving force for R&D&i and local and international talent

In Larraskitu, Iberdrola is finalising its [Global Smart Grids Innovation Hub \(GSGIH\)](#), a cutting-edge, open innovation centre that will define the smart grids of the future. The centre was created with the aim of becoming a benchmark in innovation applied to grids and will act as a platform for R&D&i and local and international talent, combining the company's technological capacity with that of its global strategic partners and a broad collaborative ecosystem of suppliers, universities and start-ups worldwide.

The company has already identified and is working on more than 120 projects worth 110 million euros and has reached agreements with 30 technology partners on developing grid digitalisation solutions, renewables integration, electric vehicles deployment and energy storage systems.

The Provincial Council of Bizkaia is collaborating in this initiative, which is also connected to the Biscay Startup Bay strategy, as it will also become a *scaleup* for startups in the energy sector that set up in the Torre Bizkaia.

Zorrotzaurre: a smart island with zero emissions

Iberdrola is also involved in the project led by the Bilbao City Council to make the island of Zorrotzaurre a smart district with zero emissions. With an investment of 20 million euros, the company plans to develop and manage the smart grids in the district and will provide smart solutions for electric mobility, self-consumption, storage and air conditioning, as well as monitoring tools for private and industrial customers.

In the project, i-DE will play an important role in the digital transformation of the electricity infrastructure and will also act as the distribution system operator ([DSO](#)), which distributes and manages energy from its generation to its consumption by end users. In this process, digitalisation is key and investments in automation, smart meters, real-time systems, big data and data analytics are required.

Engine of the Basque Country's economy

At the meeting, Galán underlined the company's commitment to continue acting as a [driving force](#) in the Basque Country: the socio-economic impact of its 2020-2025 investment plan will exceed 15 billion in the region. A commitment to continue leading the energy transition that will also boost the value chain, as almost half of the impact of its activity by 2025 will be purchases from Basque suppliers.



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In 2020, Iberdrola's socio-economic contribution to the Basque Country amounted to 2,3 billion euros, with purchases worth 1 billion euros from Basque suppliers, through which Iberdrola supports 17,000 jobs in the region. Investments amounting to 160 million euros.

Iberdrola's economic activity in the Basque Country generated a tax contribution of 740 million euros last year. A total of 250 million euros was allocated to dividends distributed among its more than 65,000 shareholders in the Basque Country.

About Iberdrola

[Iberdrola](#) is a leading global energy supplier –the third-largest by market capitalisation in the world and the leader in renewables– championing the energy transition towards a low-emissions economy. The group supplies energy to around 100 million people in dozens of countries and has renewable, grid and commercial activities in Europe (Spain, the UK, Portugal, France, Germany, Italy and Greece), the US, Brazil, Mexico and Australia, while counting markets including Japan, Ireland, Sweden and Poland among its growth platforms.

With a workforce of more than 37,000 and assets of over €122.5 billion, it recorded turnover in excess of €33 billion and net profit slightly exceeding €3.6 billion in 2020. The company contributes to the maintenance of 400,000 jobs in its supply chain, with an annual procurement budget of €14 billion. A leader in the fight against climate change, Iberdrola has committed more than €120bn over the last two decades to building a sustainable energy model based on sound environmental, social and governance (ESG) principles.

