

## INFORMATIVE NOTE

5 October 2021

*A hub that attracts talent, innovation and entrepreneurship to enable the energy transition, with grids as the cornerstone*

# Iberdrola and the Provincial Council of Bizkaia launch a global technology centre that will define the electricity grids of the future

- Equipped with the latest advances in digitalisation, artificial intelligence and advance data analysis, the hub hosts 50 companies, technology centres and universities which are working on 120 projects worth €110 million
- Iberdrola Chairman Ignacio Galán said: "We understood before anyone else that our commitment to decarbonisation could only be successful if we digitalised the electricity grids. We have the technology, the companies and the capacity, but we need to eliminate the existing barriers to investment in networks and to create a climate of trust for investors with the same stability that exists in other countries where we operate." Galán highlighted that half of the €150 bn euros in the company's investment plan to 2030 has been earmarked for grids. "For decades, Iberdrola has been demonstrating its empathy, sensitivity and commitment to creating jobs and wellbeing for all citizens. We are aware of the opportunity we have before us and we want to continue contributing to social and economic progress," he added.
- Unai Rementeria, general representative of Bizkaia: "Iberdrola and the Provincial Council of Bizkaia have created this hub together to stay at the forefront of the energy industry, innovate and attract talent. We have also set ourselves the shared goal of helping our companies through the necessary energy transition and we are committed to doing it together. After considerable work, this ambitious dream is now a reality, and the smart grids hub is now up and running. And I am certain that it will become an international benchmark."

The Chairman of Iberdrola, Ignacio Galán, and the general representative of Bizkaia, Unai Rementeria, officially opened the *Global Smart Grids Innovation Hub*, one of the company's strategic projects which, from Bilbao and for all international markets, will work on developing tomorrow's grids, the cornerstone of the energy transition.

This public-private partnership space - which occupies more than 1,000 m<sup>2</sup> and is housed at Iberdrola's network headquarters in Larraskitu - was created with the aim of accelerating innovation and R&D&i in the true nervous system of decarbonisation: smart grids. A *hub* that combines cutting-edge technology, research, training and entrepreneurship and is equipped with the latest innovations in digitalisation, artificial intelligence and advanced data analysis, among many other fields.

During the opening ceremony, Iberdrola Chairman Ignacio Galán explained that "we understood before anyone else that our commitment to decarbonisation could only be successful if we digitalised the electricity grids. We have the technology, the companies and the capacity, but we need to eliminate the existing barriers to investment in networks and to create a climate of trust for investors with the same stability that exists in other countries where we operate."

In this regard, Galán highlighted that half of the €150 bn in the company's investment plan to 2030 is earmarked for networks to make the ecological transition, "a factor that stimulates our industrial sector and, with it, job creation". To this end, "in the interests of achieving the green deal and to promote common progress, I hope that the current situation we are experiencing in Spain will be



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rechannelled. We need to address the energy price situation and the challenges of decarbonising the economy from a European perspective, with solutions in line with the EU framework and rigorous analysis. For decades, Iberdrola has been demonstrating its empathy, sensitivity and commitment to creating jobs and wellbeing for all citizens. We are aware of the opportunity we have before us and we want to continue contributing to social and economic progress in our surroundings," he added.

For his part, Unai Rementeria, general representative of Bizkaia, pointed out that the Global Smartgrids Innovation Hub is an ally for the present and future of Bizkaia. "Iberdrola and the Provincial Council of Bizkaia devised this hub together. To stay at the forefront of the energy sector, innovate and attract talent. We have also set ourselves the shared goal of helping our companies through the necessary energy transition and we are committed to doing it together. After considerable work, this ambitious dream is now a reality, and the smart networks hub is now up and running. And I am certain that it will become an international benchmark".

### 50 industrial companies, universities and technology centres

The *Global Smart Grids Innovation Hub* is a magnet for attracting talent and promoting new technologies that will enable the energy transition, maximising the use of renewables, the full integration of energy storage systems and optimising access to new uses of electricity, such as mobility and heating.

Before the official launch, Iberdrola and the Provincial Council of Bizkaia had brought together the capabilities of 50 industrial companies, universities and technology centres, that contribute technological expertise, industrial mentality and research experience.

The smart grid innovation hub is also an international collaborative project, bringing together the potential of more than 200 professionals to undertake innovation projects in countries in Europe, America and the Middle East. So far, some 120 projects worth 110 million euros have been identified.

### Digital solutions, business development and connected worker/secure design

The areas of work will provide solutions in new materials and technologies to reduce the environmental impact of electrical infrastructures, equipment to facilitate the integration of renewable energies and boost the deployment of electric vehicles, power electronics and energy storage systems, and the digitalisation of the distribution grid supported by the latest generation of telecommunications systems, such as 5G. It will also promote solutions related to energy savings and efficiency, based on demand management or the reduction of losses from the grid.

The main areas of innovation for the *hub* include the digitalisation of the low voltage grid network, the basis for building the *smart city* of the future. In this regard, the projects focus on developing the next generation of smart meters and on equipment and the grid to provide data and intelligence.

Work will also be undertaken on new smart and sustainable substations to replace the current control cable 'bundles' with shared data 'buses', using solutions based on the concept of the 'internet of things'.

The *Global Smart Grids Innovation Hub* will promote knowledge transfer through scholarships and postgraduate courses; it will serve as a catalyst for business development through startup incubation and acceleration programmes; and it will activate competitive intelligence actions, such as designing global conferences.



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Another focus for action will revolve around the connected worker and the robotisation of operations, making use of equipment that incorporate sensors to receive real-time information about risks. In addition, it will use ground and aerial robots (drones) to perform operations remotely, avoiding travel and delivering safe and efficient working operations.

The *Global Smart Grids Innovation Hub* is connected to the Biscay Startup Bay strategy, which will also become a *scaleup* centre for energy sector start-ups installed in the Torre Bizkaia.

### Investments to tackle the challenges of the green economy

Iberdrola has been leading the energy transition for two decades, acting as a key driving force behind the transformation of industries and the green recovery of the economy and jobs. The company has launched a major investment plan worth €150 billion over the next decade, €75 billion by 2025, to triple its renewable capacity and double network assets while taking advantage of the opportunities offered by the energy revolution that the world's leading economies are facing.

Almost half of this volume of investment has been allocated to electricity grid activities, in order to give continuity to its rollout, establish a solid distribution network and make it flexible based on an ambitious digitalisation project as a key element to meet future needs for electricity.

Iberdrola already operates one of the largest electricity distribution grids in the world; more than 1.2 million kilometres of electricity transmission and distribution lines and more than 4,400 substations, which carry electricity to more than 34 million people across the world.

By 2025, regulated assets will reach €47 bn, mainly located in A-rated countries. By 2030, the company expects to have doubled its regulated network assets to €60 bn.

### About Iberdrola

[Iberdrola](#) is one of the world's principal energy companies, a leader in renewables, and it is spearheading the energy transition towards a low-emission 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 as growth platforms.

With a workforce of more than 37,000 and assets of over 122.5 billion euros, 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 €12bn over the last two decades to building a sustainable energy model based on sound environmental, social and governance (ESG) principles.

### About the Provincial Council of Bizkaia

The [Provincial Council of Bizkaia](#) is the leading institution in the territory, which manages the development and progress management strategy. Bizkaia has earned itself an international position as a magnet for knowledge and an industrial benchmark in the energy field. A strategic sector with significant dynamism throughout its value chain, leading the energy transition. Bizkaia is a unique territory for investment and launching new projects. It has the taxation, talent, infrastructure, support and ecosystem necessary to promote projects in strategic sectors such as energy, mobility, industry 4.0, aeronautics and foodtech.

