

INFORMATIVE NOTE

22 November 2021

Accompanied by the president of the autonomous region, Iñigo Urkullu, the vice-president Nadia Calviño, the deputy general of Biscay, Unai Rementeria, and the mayor of Bilbao, Juan M^a Aburto

King Felipe VI visits the Iberdrola technology centre in Bilbao that will define the electricity grids of the future

- **His Majesty the King and the chairman of Iberdrola, Ignacio Galán, visited the most innovative projects at the Global Smart Grids Innovation Hub.**

This morning in Bilbao, King Felipe VI met representatives of companies collaborating in the Global Smart Grids Innovation Hub, a technology hub sponsored by Iberdrola and the Provincial Council of Bizkaia, which is equipped with the latest developments in digitalisation, artificial intelligence and advanced data analytics.

A total of 50 companies, technology centres and universities are already working on 120 projects worth 110 million euros at the centre. The innovation centre in Bilbao is one of the company's strategic projects and is working to develop the electricity grids of the future, which will be the cornerstone of the energy transition for all international markets.

This public-private collaboration space -with more than 1,000 m² and located at Iberdrola's network headquarters in Larraskitu- was created to speed up innovation and R&D&i on the real nervous system of decarbonisation: smart grids. The *hub* is a combination of state-of-the-art technology research, training and entrepreneurship and the latest developments in digitalisation, artificial intelligence and advanced data analytics, among many other fields.

King Felipe was interested in the projects, particularly the development of smart grids, their sustainability, efficiency and how they will affect service quality. The chairman of Iberdrola stressed the importance of entrepreneurship and investment to convey a message of commitment and confidence to society.

Today, the Iberdrola Tower in Bilbao was the venue chosen for a plenary session of the ERT, an organisation whose members are the main European industrial employers. King Felipe, EC Vice-President Frans Timmermans, ERT Chairman Carl-Henric Svanberg and the chairman, Ignacio Galán, among others, took part in the meeting.

King Felipe said that competitiveness and climate objectives are not mutually exclusive. In these times of unprecedented challenges, coordinated action by governments, businesses and citizens is more important than ever.

Svanger said that this meeting is an excellent opportunity to share ideas about some of the main economic and social trends at a time when the ecological and digital transformation is gaining speed.

During his speech to the ERT, the chairman, Ignacio Galán, explained that decarbonisation is at the centre of the European Strategy and that resources must be invested in the sectors of the future to improve the global competitiveness of the economy and create long-term, high-quality jobs. Spain, the Basque Country and Biscay are excellent examples of the benefits of this transformation.

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Main features of the Smart Grid Innovation Hub

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

Before the official launch, Iberdrola and the Provincial Council of Bizkaia brought together the capacity of 50 industrial companies, universities and technology centres, that contribute their technological capacity, industrial character 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 installations, 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.

Another focus for action will revolve around the connected worker and the robotisation of operations, in order to make use of equipment incorporating 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 working more safely and efficiently.

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 the industrial fabric and the green recovery of the economy and employment. The company has thus launched a historic investment plan worth 150 billion euros over the next



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decade, 75 billion euros by 2025, to triple its renewable capacity and double network assets and take 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 transport 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 Rating 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 bn, it recorded a turnover in excess of €33 bn and net profit slightly exceeding €3.6 bn 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.