

Press release

Stedin foresees capital requirement of 750 million to 1 billion euros over coming years in connection with energy transition

Rotterdam, 13 May 2020 – Grid operator Stedin is facing major investments in the energy grid in connection with the energy transition. Stedin expects that additional equity of 750 million to 1 billion euros will be required for these investments over the coming years. For a significant part of this amount, Stedin appeals to its shareholders. This was announced by the board of Stedin Group at the general meeting of shareholders.

A large part of the gas and electricity grid will be restructured in connection with the energy transition. Stedin Group is investing in the infrastructure needed to transport electricity generated locally by wind and solar parks in order to provide a sustainable alternative to natural gas as a source for district heating as well as in preparing the charging infrastructure for the prospective millions of electrical cars and buses. These investments come on top of the ongoing investments needed for the proper operation of the electricity and gas grid. Current regulations do not allow an additional increase in the revenues of the grid operator. This puts a strain on the financial position of Stedin, which has the statutory task to install and ensure the continuing reliability of the energy grid in its service area.

Capital requirement

Stedin Group is now asking for a part of the capital that is needed for the investments for the energy transition. Total investment until 2030 will amount to around 7 billion euros. The grid operator's capital requirement may fluctuate, depending on the pace of the energy transition, future regulations and tariff development.

Possible solutions

Stedin expects the energy transition to continue in spite of the impact of coronavirus-related measures on the economy, which means that additional equity will still be necessary. CFO Danny Benima: "These are uncertain times. We realise that our shareholders may also be impacted by the coronavirus. This is why we are discussing possible ways to finance the energy transition investments with them." Together with its shareholders, Stedin will develop a plan over the coming months on the combination of possible solutions that will strengthen the balance sheet. More information on this will be available in the fall of this year.

About Stedin Group

Working together towards a world full of new energy. This is the goal that the approximately 4,500 employees of Stedin Group are striving to achieve every day. We believe that it is our responsibility to ensure that all our customers have access to the sustainable energy they need to live, work and conduct business. Stedin Group is increasing the sustainability and maintaining the robustness and affordability of the energy system. This is achieved through the combined efforts of grid operators Stedin (provinces of Zuid-Holland and Utrecht) and Enduris (province of Zeeland) and the experts of infrastructure company DNWG Infra.

Note to the editor, not for publication

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