

## PRESS RELEASE

### Agreement on the terms of the Government's shareholdings in regional grid operators

The Government and grid operators Alliander, Enexis and Stedin have reached an agreement on the terms that will allow future capital injections and related shareholdings by the Government in the grid operators. The terms are set out in a ['framework of agreements'](#) that the Minister of Finance, Sigrid Kaag, and the Minister for Climate and Energy Policy, Rob Jetten, sent to the Dutch House of Representatives today. The framework will now be submitted for a decision to the supervisory boards, employee representation bodies and existing shareholders of the grid managers. Strengthening the grid operators' equity is essential for continued investment in the energy transition at a socially acceptable cost.

The Netherlands is implementing the Climate Agreement, facilitating economic growth and connecting new homes and businesses. It is a matter of great urgency to achieve the objectives that arise from the Climate Agreement; all the more so since the Netherlands is facing an energy crisis which means that large numbers of households and businesses are demanding electrification on a large scale. Economic growth, digitalisation and consequent increasing demand for capacity in the electricity grid are growing explosively. The grid has reached full capacity in more and more locations and it is not possible to connect any more businesses. Between them, Alliander, Enexis and Stedin expect to invest some €30 billion by 2030 in expanding and reinforcing the grid. Further ambitions, such as the Fit for 55 package, REPowerEU and accelerated house building, will increase the amount of investment even more in the coming years.

#### Reinforcing the grid operators' equity

Reinforcement of the grid operators' equity is needed to avoid further pressure on investment in the gas and electricity grids. If, at the request of the grid operators and in co-operation with their shareholders, the Government decides in future to become a shareholder, this will be subject to certain conditions. The framework of agreements describes these conditions, such as lead times for the application and the governance arrangements. The framework serves as the basis for a participation agreement which will set out more detailed arrangements when the Government becoming a shareholder is actually being discussed. During the next few months, each grid operator will submit the framework of agreements separately to its supervisory board, employee representation body and existing shareholders.

Koen Boger, CEO Stedin Group: *"I am pleased that we have been able to reach agreement on the terms and conditions for a capital injection in constructive dialog between the grid operators, shareholders and Government. This allows for the Government to become a shareholder in the regional grid operators in the future. The future energy system is inextricably linked with the design of a future-proof Netherlands. The framework of agreements underlines the joint responsibility of the grid operators, our shareholders and the Government to achieve the energy transition and guarantee the associated investment."*

The first application of the framework of agreements will be at Stedin. In the recent Budget, the Government announced that it had reserved €500 million for a shareholding in the grid operator for Zeeland, South Holland and Utrecht. To maintain the level of investment required, Stedin needs assurance on the reinforcement of its equity this year.

#### Existing shareholders are reinforcing equity

The grid operators and their shareholders started the search for solutions for meeting their capital requirements a couple of years ago. The funds are required to expand the energy grids and to make them future-proof. The grid operators have already saved hundreds of millions of euros of costs through improved efficiency and they will continue to concentrate on this in future years. In addition, provincial and municipal shareholders have reinforced the three grid operators' equity by a total of €1.3 billion.

In the recent past Alliander, Enexis and Stedin and representatives of their shareholders have held talks with the Government to examine the role that the parties could play in the grid operators' financing requirements. The Government emphasised that local authorities could be called upon for a contribution. Stedin is, therefore, talking about participation to its existing shareholders and to provinces and municipalities in its area of operation which are not shareholders.

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