La transition énergétique : défis, enjeux et financement

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Elia Group: A strong, reliable and sustainable partner

The Elia Group encompasses two leading TSOs in two European regions, with Elia in Belgium, 50 Hertz in Germany

<table>
<thead>
<tr>
<th>Regulatory regimes</th>
<th>143,000 km² covered</th>
<th>18,400 km high-voltage lines in Belgium &amp; Germany</th>
<th>6 interconnections</th>
</tr>
</thead>
<tbody>
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<td>3</td>
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<thead>
<tr>
<th>Regulatory Asset Base in 2017 (incl. 60% 50Hertz)</th>
<th>installed capacity of renewable energy</th>
<th>employees</th>
<th>nationalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.4b€</td>
<td>35,000 MW</td>
<td>2,200</td>
<td>26</td>
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</tbody>
</table>
ORES Group: A public company, near customers and stakeholders

Wallonia’s premier electricity, natural gas and municipal public lighting operator, ORES is a company committed to serving the community and staying in touch with citizens. Its number one responsibility is to guarantee a reliable, good quality energy supply for households, business and local authorities.

![Image of ORES worker]

- **2** Regulatory regimes
- **200** municipalities
- **2,300** employees
- **443,164** municipal public lights
- **50,280 km** of electricity networks
- **9,596 km** of natural gas networks
- **120,000** renewable energy production units
- **3.7 b€** Regulatory Asset Base
Evolution des émissions de CO2 au cours du temps
Les 3 piliers complémentaires de la décarbonisation

Efficacité énergétique

Electrification du transport

Changement du mix de production
Trois tendances transforment le secteur électrique

Decarbonisation

Augmentation des investissements
Distribution is also changing

• Objectives :
  • Maintain quality networks and leading operating know-how
  • Make assets and infrastructures more smart in order to
    Better knowledge and understanding of energy flows on the networks
    Welcome securely and with reliability more decentralised productions
    Anticipate and integrate flexibility on electricity market
    Unlock the potential of data in order to propose services of quality that add value
  • Develop an ambitious municipal public lighting program in order to « facilitate the city » and support smart cities development
  • Facilitate alternative mobility development especially from natural gas
  • Networks investments for the period 19-25 of \( +/- 2 \text{ billions} + 900 \text{ millions} \) for transformation and major company programs (ERP, EAM, smart meter, smart grid)

⇒ At the European level, we are talking about 11 billions yearly investments for distribution
And tomorrow…

• Today, grid management means: strong, reliable grid and sustainable actor

• Tomorrow,
  • Innovation and flexibility
  • Risk on solutions off grid

• Security and flexibility of the electric system also at local level

• More efficiency for the global electric system (belgium level or european level)
Trois tendances transforment le secteur électrique

- Decarbonisation
- Decentralisation

[Images of renewable energy sources and a diagram showing new players in the energy sector, including household, local storage, heat pump, tertiary sector, distributed generation, and electric vehicles.]
To tackle these trends, the consumer should be at the heart of the energy transition.
As a distribution network operator, ORES plays a key role within the energy market. Its ambition is to be a “facilitator” for its clients – households, businesses and public services – as well as the market as a whole.

To achieve this, the company strives to:

▪ take into account its customers’ needs in order to offer them a service that meets their expectations;
▪ manage data effectively in order to encourage communication within the market as well as its development;
▪ fulfil its public service obligations,
  including in particular those that guarantee access to energy for the most vulnerable.
Trois tendances transforment le secteur électrique

- **Decarbonisation**
- **Decentralisation**
- **Integration des marchés européens Électriques/de l’énergie**
Des ambitions nées de la transition énergétique … à financer … de manière responsable

- Regulated activities, audited by CREG and regional regulators (CWaPE…)
- Tariffs included the cost of the transition : OPEX and CAPEX (depreciation) + financial charges
- Significant Investments for next years , to be approved by authorities
- Recommended gearing by regulators : +/- 40 % equity et +/- 60% debt
  ⇒ Structural debt
  ⇒ Growing debt
  ⇒ Diversification for financing : green bond….
- Tariffs : cost + incentives, revenue cap + efficiency factor … but social responsibility : transparency, integrity and sustainability
- Energy transition means also collaboration between actors : community of energy, flexibility providers…
Des tarifs en … transformation

- Grid tariffs in evolution: less volume centric, allocation between group of customers
- Tariffs must recognise investments in research and developments: more innovation incentive
- Fair tariffs between consumer and prosumer
Thank you for your attention

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