

ANNUAL REPORT
20

18



**ENERGIAREN
EUSKAL ERAKUNDEA**
ENTE VASCO
DE LA ENERGÍA



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ENERGIAREN
EUSKAL
ERAKUNDEA

ENTE VASCO
DE LA
ENERGÍA



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CHAIRWOMAN'S LETTER

1



Once again this year, the actions developed and promoted by EVE, the Basque Energy Agency have helped us advance towards the targets set in the Basque Energy Strategy 3E 2030, following the basic lines of the Basque Government's energy policy.

The new energy paradigms are benchmarked against the most developed countries in this area. The aim is to promote more sustainable energy models and strike the right balance between industrial/ economic development and environmental considerations, through the use of clean energy and renewables. As it has done throughout its history, EVE continues to provide a clear model for Basque industry and society, through its actions and results.

Some of the greatest challenges are associated with the energy transition – or *eco-transition*, to use a term that places greater emphasis on the environmental importance of increasing energy efficiency and using renewables to replace other more pollutant and less sustainable sources. EVE has been addressing these challenges ever since its foundation, long before these terms were first coined and can therefore draw on a level of experience that very few organisations can match.

Through strategic renewable energy projects, diversification of sources, energy efficiency and energy saving, EVE has helped boost the industrial, technological and competitive development of the Basque Country.

Some of the greatest challenges are associated with the energy transition – or *eco-transition*. EVE has been addressing these challenges ever since its foundation, long before these terms were first coined

ARANTXA TAPIA OTAEGUI
President of the EVE



In 2018, the organisation made progress in all areas, including such critical aspects as efficiency and sustainability, renewables and use of local resources, distributed generation and demand management, public-sector energy sustainability, participation in international programmes, promotion and aid, studies, energy analysis and publications, energy regulation, technological surveillance, energy management and use of geological and mining resources. It also carried out intense educational and informative work targeted at both specialist and general audiences. It also continued its policy of providing aid and technical collaboration for actions and projects by local authorities in the field of energy efficiency and renewables, which are helping fulfil the objectives of the Basque energy transition.

It also continued its policy of providing aid and technical collaboration for actions and projects by local authorities in the field of energy efficiency and renewables

The 2018 Aid Programme, which promotes rational use of energy and renewable energy projects, had an initial budget of €8 million, later raised to €9.4 million.

In the area of public-private partnership, in 2018 EVE and Iberdrola laid the foundations for the Bidelek 4.0 grid-digitisation project, which will build on the success of Bidelek Sareak.

EVE has also been involved in developing a unique project for a 24 MW installation at the Arasur logistics platform, in which investment and final power output will be shared with a large number of private companies.

In the area of public-sector collaboration, the organisation reinforced its commitment to the development of marine energy through BiMEP, with economic support from the Spanish Institute for Energy Development and Saving.





The 2018 Aid Programme, which promotes rational use of energy and renewable energy projects, had an initial budget of €8 million, later raised to €9.4 million

A collaboration agreement was also signed with Bilbao City Council to promote geothermal infrastructure projects.

As in other years, EVE published numerous studies, reports, analyses and other documents providing data, indicators and comparisons that will help position the Basque Country in a competitive environment and provide backing for developing legislation that will contribute to achieving the proposed strategic objectives.

EVE has also maintained its presence in important strategic companies such as BBG, BBE and ETN and others which have enabled private-sector involvement in activities that require backing from the public sector to be viable, such as Ibil, Itsas Gas and Telur.

As this review of the year shows, EVE continues to adapt to the new economic, industrial and energy context, playing a central role in implementing public policies and the central pillars of action of the Basque Energy Strategy.

STRATEGY AND ORGANISATION

2



ADDRESSING THE CHALLENGES OF THE ENERGY TRANSITION AND A GENERATIONAL HANDOVER

The Basque Energy Agency (Energiaren Euskal Erakundea/ Ente Vasco de la Energía) was created by an act of the Basque Parliament on 24 November 1982. For over 36 years, it has been working to plan, coordinate and monitor energy-related actions in the Basque public sector. As well as these conventional energy agency functions, it has also taken an active part in a large number of projects in the energy industry and other synergic sectors, following the directives of the Basque Government.

EVE is bringing ever greater dedication and commitment to the areas of energy efficiency and diversification, the guiding principles that inform all of its actions. It has extended aid programmes to promote energy saving and efficiency and renewable energy projects and acquired holdings in strategically important companies. Here it plays an institutional role, bringing stability and balance to the projects.

The Basque Energy Strategy sets the targets and guidelines for energy policy over a specific time period. The current strategy, the 3E2030, sets out a long-term vision of an increasingly low-carbon energy system that is sustainable, both in terms of competitiveness and supply security.

For over three decades, the central pillars of EVE's work have remained unchanged. However, it is aware that it is facing a period of change, motivated primarily by an evolving landscape in terms of technology, global and local energy policy, public-sector dynamics, etc. In the medium to long run, this may lead to a profound transformation of EVE's its role as the Basque energy agency.

Moreover, it will have to address these developments against the backdrop of a generational shift in the organisation, especially in management and other key positions. And while this same issue is currently affecting much of the Basque public administration, at EVE it coincides with a wider change in context, particularly in terms of the energy transition process.

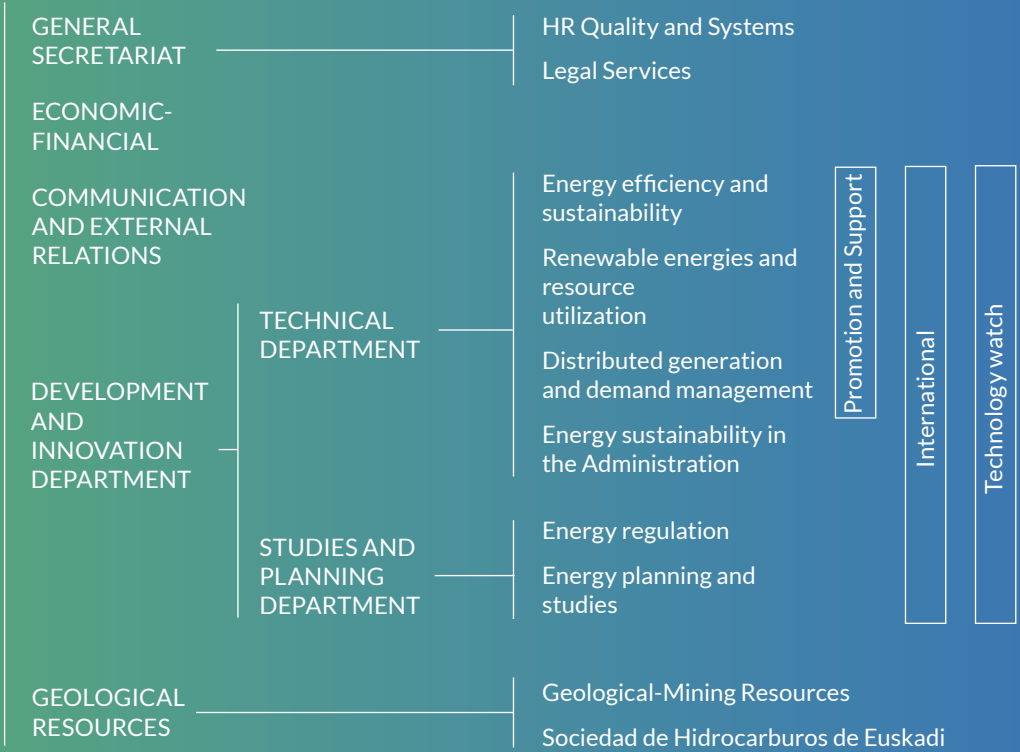
To ensure that this process is fully and properly addressed, over the next year EVE will need to undertake a process of strategic deliberation with a view to analysing the context of its medium- and long-term activities, defining its future model and designing a roadmap for the generational handover. The idea is not to find substitutes for the same positions, but to plan a more profound and longer-term transformation.

Over the next year EVE will need to undertake a process of strategic deliberation with a view to analysing the context of its medium- and long-term activities, defining its future model and designing a roadmap for the generational handover

EVE has always shown itself to be capable of adapting to new needs. It has successfully created an organisation that can meet present and future challenges in such a significant and changing environment as the energy sector. And it has achieved all this without losing sight of its role as a public authority, obtaining the recognition and trust of the private and industrial sector, especially through its successes in public-private partnerships, which have become the hallmark of the agency.

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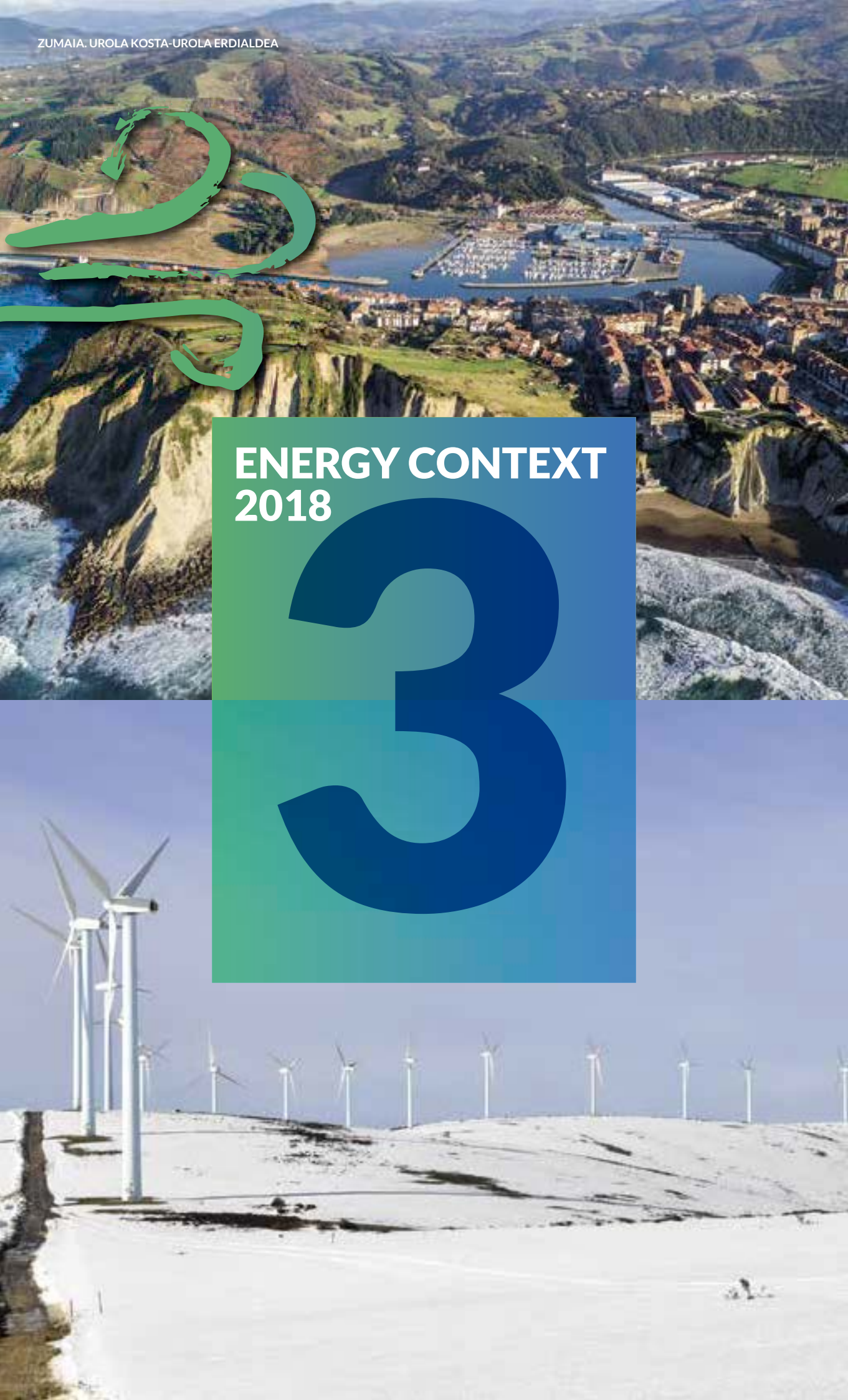
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Mr José Luis Sáenz de Ormijana Fulgencio

GEOLOGICAL RESOURCES DIRECTOR

Mr Luis Muñoz Jiménez



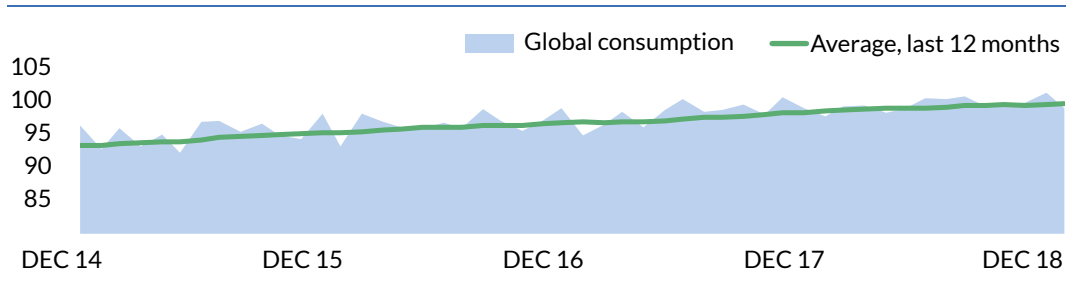
**ENERGY CONTEXT
2018**

3

GLOBAL OIL CONSUMPTION CONTINUES TO CLIMB

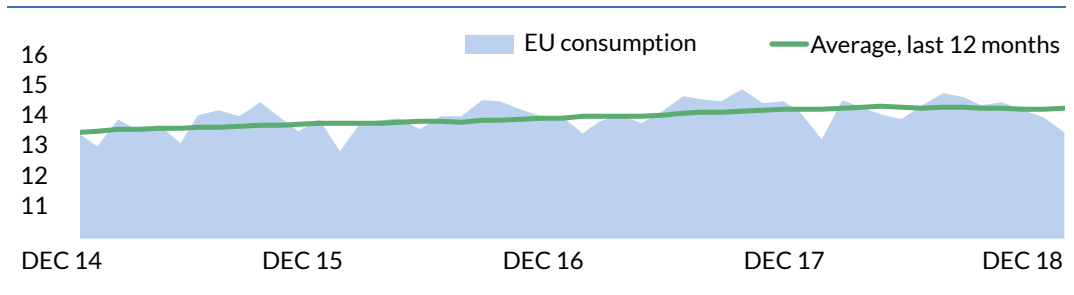
In December 2018, global oil consumption stood at 101.6 million barrels per day (2.3% up on the figure for December 2017). Over the same period, Chinese demand rose by 11% to 14.5 Mbd, US demand rose by 0.4% to 20.4 Mbd and EU demand fell by 0.9% to 14 Mbd. After peaking at \$80 per barrel in October, in December the average price of Brent oil stood at \$56 (€50). Overall, the price fell by 12% over the year. Compared to the previous year, the average annual price of crude rose by 31%.

GLOBAL OIL CONSUMPTION. Mbd/month



Source: Ente Vasco de la Energía.

EU OIL CONSUMPTION. Mbd/month

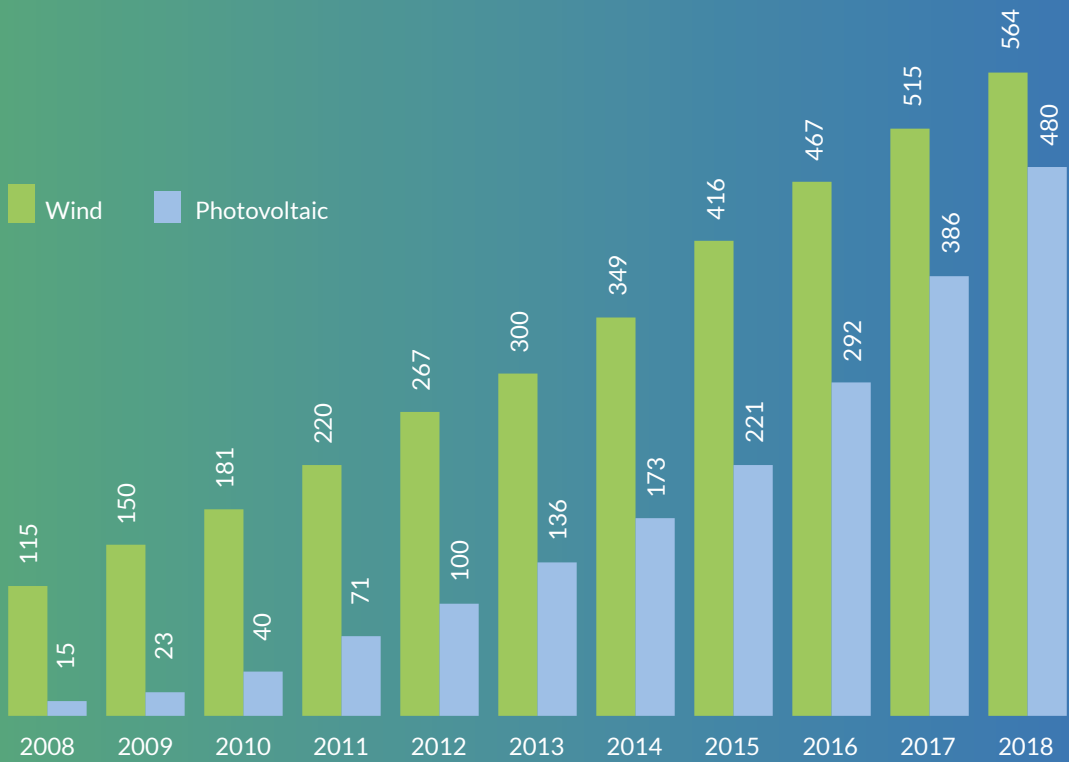


Source: Ente Vasco de la Energía.

The worldwide boom in renewables continues, with growth in both wind power and photovoltaic. In 2018, installed wind power capacity came to an accumulated total of 564 GW. This represents an increase of 49 GW, of which China accounts for nearly 21 GW. The worldwide growth in photovoltaic output has been even greater, with Asia leading the field. In 2018, China and Japan had an installed capacity of 175 GW and 55 GW respectively.



GLOBAL INSTALLED WIND AND PHOTOVOLTAIC CAPACITY (GW)

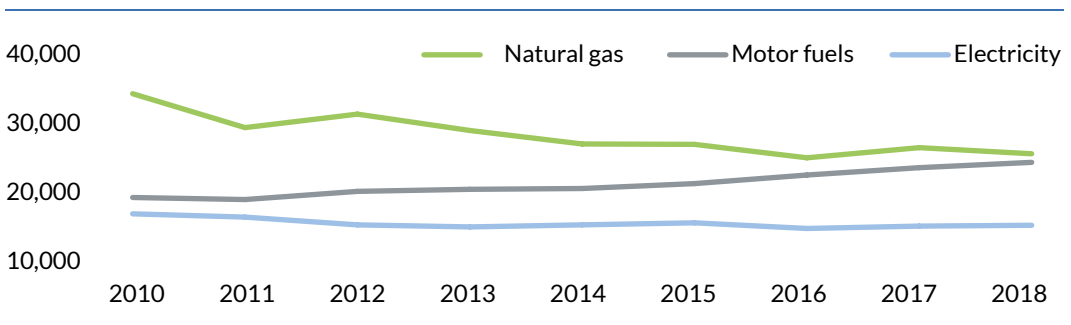


Source: International Renewable Energy Agency (IRENA).

In Spain, electricity demand for the year came to 249 TWh, practically unchanged since 2017. In terms of relative share, 2018 was a good year for renewables, which provided 40% of demand (compared to 34% in 2017), of which 20% came from wind power and 14% from hydroelectric. The remainder of the power generated came from nuclear (22%), coal (14%), CHP (12%) and combined cycles (11%). Consumption of natural gas fell slightly (-0.4%), with two contrasting sectorial trends (a 18.4% fall in thermal power stations, which saw continuous falls during the second half of the year and a 4.5% rise in conventional consumption from other sectors). Consumption of motor fuels rose by 2.4%. By type, there is a clear rise in petrols with average interannual monthly rises of 6.6%, compared to a 1.6% rise in Diesel A (“road diesel”).

In the Basque Country, electricity consumption in 2018 was 0.9% up on the previous year. Consumption increased by 0.5% in the residential sector, and by 1% in the services and industrial sectors. Natural gas consumption fell by 3.4% (with a fall of 37% in thermal power stations and a 3.1% rise in other sectors). Total consumption of motor fuels was 3.2% higher than in 2017, with a 3.0% increase in Diesel A and a 5.6% rise in the use of petrol.

BASQUE ENERGY DEMAND BY ENERGY TYPE. GWh (NCV)



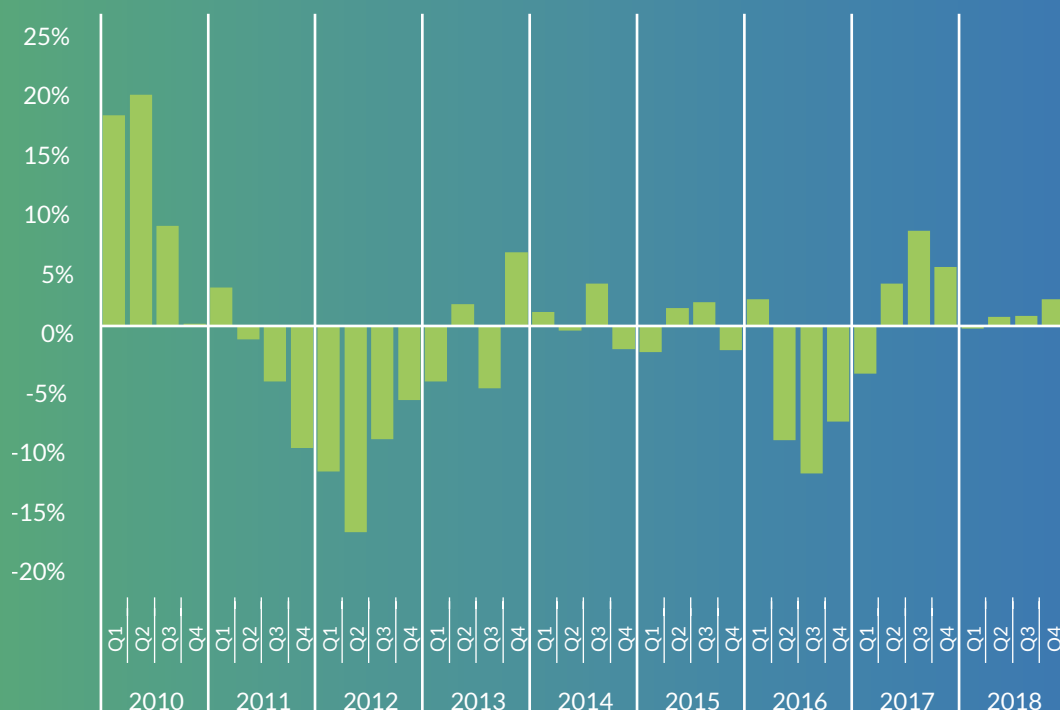
Source: Ente Vasco de la Energía - Preliminary energy figures 2018.

In sectorial terms, the relative share of electricity consumption remained unchanged, with industry accounting for 56% of the total, followed by services (22%) and the residential sector (17%). Rail transport represents just over 1% and oil refining 4%. Consumption in the industrial sector was up by 1% in 2018, despite a 0.4% fall in the steel and foundry subsector. Since 2010, industrial consumption has fallen by nearly 34%. The buildings sector saw a 0.8% rise; within this area, consumption by public authorities remained unchanged, while there was a growth in commerce and other services (1.4%) and a slight recovery in the catering industry (1%). Consumption in the residential sector rose slightly (0.5%) and fell in rail transport (-1.3%).

In sectorial terms, the relative share of electricity consumption remained unchanged



QUARTERLY CHANGE IN INDUSTRIAL POWER DEMAND IN THE BASQUE COUNTRY 2010-2018



Source: Ente Vasco de la Energía – Preliminary energy figures 2018.



**TECHNICAL
DEPARTMENT**

4



ENERGY EFFICIENCY AND SUSTAINABILITY

With a huge variety of users and ever more forms of transport, the passenger and freight transport system is an extremely complex one. The sector encompasses different areas and needs that require made-to-measure solutions.

In 2018, we identified long distance heavy goods transport by road as one of the most cohesive sub-sectors in terms of business models, needs, difficulties and challenges and conducted a study to determine key features of the fleet (size, type of service, most frequently used routes and, above all, fuel consumption). We plan to use this information to design more effective actions aimed at reducing petroleum-based fuel consumption in the sector.

The study shows a high degree of fragmentation, with a ratio of just 2.08 vehicles per owner and only one firm in the Basque Country with more than 100 traction units. Estimated consumption by Category N3 heavy transport vehicles comes to 341 tonnes of oil equivalent (toe) per year, 17% of the total for the Basque transport sector.

Through an aid programme, special incentives were offered for comprehensive fleet energy management audits. In a second phase of the plan, it is planned to analyse the results to determine the measures required to reduce energy consumption in the sub-sector.

MARINE NATURAL GAS

Following completion of alterations to the Bahía de Bizkaia Gas (BBG) regasification terminal where smaller ships can load—and adaptation to the Oizmendi (formerly Monte Arucas) to provide bunkering services for LNG and other petroleum-based fuels, during 2018 monitoring of the two projects continued under the European CORE LNGas hive project (part of the “Connect Europe Facility” (CEF) initiative).

An important milestone came in February 2018, when the first ship-to-ship LNG supply operation in the European Atlantic Arc or Mediterranean was performed at Bilbao Port. A number of manoeuvres were performed, including loading the Oizmendi at the BBG terminal, transferring 85 Nm³ of LNG from the Oizmendi to the MV Ireland and returning the Oizmendi to the terminal for inerting.



HYDROGEN AND FUEL CELLS

In recent years, there has been renewed interest in the production of hydrogen gas and its use in fuel cells. In future energy scenarios, it is forecast that surplus power will be generated from renewables, creating an important mismatch with consumption curves. Under these circumstances, it is critically important to develop new forms of power storage that will allow the energy to be transferred, in time as well as space. In this context, the use of hydrogen gas in fuel cells holds out great potential, given its applicability in the transport sector, among others.

As part of a necessary process of technology surveillance, in 2108 EVE signed an agreement with the Fuel Cell & Hydrogen Joint Undertaking (FCH JU), a public-private initiative involving the European Commission, the hydrogen industry and research centres, with the aim of collaborating on projects and initiatives to promote this technology.

ELECTRIC TRANSPORT

In the area of electric transport, EVE continued to develop a new strategy for promoting electric mobility, the **Comprehensive Electrical Mobility Plan (PIME)**. Approved by the Basque government in July, the aim of the plan is to promote sustainable mobility and electric vehicle usage in the region by means of 63 initiatives. These mainly focus on electrification of public transport, the installation of a charging network and grants to individuals, companies and public authorities for purchasing EVs.

Over 15 fast-charge stations have now been installed in the Basque Country

In 2018 new **fast-charging infrastructure** came into operation under public-private collaboration agreements, backed by grant programmes. Over 15 fast-charge stations have now been installed in the Basque Country.

In the area of **dissemination**, training was provided to key groups, with symposia in a number of areas: professional training centres, electric fitters, taxi drivers and fleet operators in general. In addition, the charge manager, Ibil, has promoted over a hundred EV trials in collaboration with Bilbao and Vitoria-Gasteiz city councils.

Around 2% of **taxi** drivers are now using 100% electric vehicles, thanks to support from the RKARGA initiative and the eTaxi monitoring scheme.



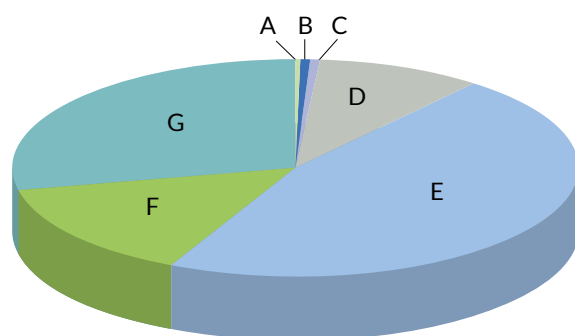


BUILDING ENERGY RATING CERTIFICATE

EVE has continued to provide technical support to the Basque Government on energy certification for buildings. This includes validating entries in the BER register and providing support to those wishing to consult the register.

As of 31 December 2018, 140,626 certificates had been registered, of which 15% were in Araba, 33% in Gipuzkoa and 52% in Bizkaia.

CERTIFICATES ISSUED BY ENERGY RATING. 2018



Energy rating	Total number	(%)
A	558	0.40
B	650	0.46
C	745	0.53
D	13,357	9.50
E	65,472	46.56
F	20,295	14.43
G	39,549	28.12
TOTAL	140,626	100

The statistics show a clear trend towards improvement in assessments of new and more recent buildings, in terms of both emissions and consumption. Of homes certified and built in 2017, 23.1% had an A rating, while in 2018 the figure was 22.6%. The total proportion of A and B rated homes rose from 77% in 2017 to 86% in 2018.

PROMOTION OF ENERGY SERVICE COMPANIES (ESCOs)

Throughout 2018, a number of energy service contracts were drawn up for renovation of installations in buildings and outdoor lighting. These include work for the Ría de Bilbao Maritime Museum, Aparkabisa (owned by the provincial government of Alava/Araba), and the municipal authorities of Derio, Beasain and Ormaiztegi.

In all, ESCOs invested €3 million, contributing over 1,000 toe/year in primary energy savings.

In addition to local companies, an increasing number of European ESCOs are now operating in the Basque Country, demonstrating the maturity and competitiveness of the regional market.

RENEWABLE ENERGY AND USE OF RESOURCES

In the area of renewable energy, EVE's actions for the year followed the lines set out in the action plans prepared in 2017, which establish specific targets for biomass, wind power, geothermal and marine energy.



BIOMASS

Of all renewables, biomass contributes most to the Basque energy balance, and this trend is set to continue to 2030. In 2018, EVE's actions in this area included:

TECHNICAL ADVICE

- To the city councils of Donostia-San Sebastián (district heating network in the Txomin Enea neighbourhood) and Vitoria-Gasteiz (urban regeneration project including thermal renovation of residential buildings and creation of a district heating network fired by forestry biomass in the Coronación neighbourhood).
- To all Basque municipalities through the coordinated collaboration initiative, HAZI, to promote the use of forestry biomass. Over the year, collaboration agreements were signed with three municipal authorities, bringing the total so far to 27.
- To industrial companies to identify technical solutions for their production processes to encourage the use of biomass.

PROJECT IDENTIFICATION AND DEVELOPMENT

- Within the framework of the Energy Sustainability Decree, viability studies were conducted on possible facilities for harnessing biomass for thermal uses (Bermeo Hospital, University of the Basque Country in Leioa, etc.).
- Analysis of business models for developing energy projects using biomass from vine pruning waste in La Rioja Alavesa.

OTHER ACTIVITIES

- Ente Vasco de la Energía heads the working group on biomass created by Eneragen (the Spanish State Association of Energy Agencies).

ONSHORE WIND POWER

The following actions were carried out in this area:

PROJECT IDENTIFICATION AND DEVELOPMENT

- Preparation of basic documents to begin the necessary administrative processes for the second Basque Territorial Sector Plan for Wind Power.
- Study of potential for small wind power facilities at three height levels for wind turbines of 3, 25 and 100 kW, respectively.

OTHER ACTIVITIES

- Attendance at the Wind Europe Congress and Fair 2018 in Hamburg, where EVE accompanied Basque companies.
- Continued preparation of events at Wind Europe 2019, to be held in Bilbao.

GEOHERMAL

In order to ensure the right market conditions to allow geothermal power to prosper in the Basque Country, public-sector promotion is essential. During 2018, EVE carried out the following initiatives:

TECHNICAL ADVICE

- Joint proposal with Bilbao City Council to submit a project for the “Smart Cities and Communities Lighthouse-2019” call, involving a technical solution for the Zorrozaurre project. Joint proposal with Amsterdam City Council, with a technical solution based on geothermal technology.

PROJECT IDENTIFICATION AND DEVELOPMENT

- Study for promoting geothermal technology in collaboration with the Basque Food Cluster.
- Study for use of hydrothermal technology in the ports of Bermeo, Lekeitio and Ondarreta.

OTHER ACTIVITIES

- Collaboration with GEOPLAT (the Spanish Geothermal Energy Technology Platform) to hold the third course on Design of Geothermal Exchange Systems in Bilbao (October 2018).





MARINE ENERGY

In the area of marine energy, EVE continued international promotion of the BiMEP and Mutriku infrastructures for testing offshore energy systems using wave energy and offshore wind power. Progress has also been made to integrate the work of the two facilities and submit joint tenders, in order to coordinate more efficiently the assets and services offered.

BIMEP PROJECT

EVE is working to extend BiMEP's current authorisation (for wave energy only) to offshore wind. The necessary environmental authorisation has now been obtained, and we are currently awaiting administrative authorisation.

As regards operations at the test infrastructure:

- The second cycle of tests on the MARMOKA-5 collector from Oceantec (IDOM) has begun. The collector will remain in place at BiMEP until mid-2019.
- Various elements developed by Basque companies have been tested at the site: buoys for wave measurement from ZUNIBAL; connectors from DITREL, test pieces from IK4 AZTERLAN, etc.
- The "HARSHLAB" project (a floating laboratory for testing components, electrical equipment and moorings in hostile environments), promoted by Tecnalía and other Basque companies, was moored at BiMEP on 12 September 2018.

EVE continued international promotion of the BiMEP and Mutriku infrastructures

MUTRIKU PROJECT

- Total output from the plant during 2018 came to 259,854 kWh.
- Work has continued on recruiting new technologists to perform tests.



OTHER ACTIVITIES

- EVE took part at the Ocean Energy Europe (OEE) conference and exhibition in Edinburgh, organised by the industry association representing ocean energy in Europe.
- In June 2018, the Basque Country was re-elected to the chair of the Atlantic Arc Commission's working group on Marine Renewable Energy for a further two years.
- EVE has been involved in submitting 3 projects to EU calls, which will enable funding for new trials at BiMEP and Mutriku.
- Support for the master's degree in REM (Renewable Energy in the Marine Environment) offered by the University of the Basque Country.
- An integrated tool has been developed on the BiMEP website to offer data from Mutriku to possible users of the plant. A 360° tool has also been created, offering a virtual tour of the two plants (Mutriku and BiMEP).

USE OF RESOURCES

Ente Vasco de la Energía has holdings in several companies through which it manages 346 renewable power production plants. In 2018, these plants had a joint output of 44,496 MWh. This figure was 16% above forecasts, mainly due to high rainfall in the first half of the year.

RESULTS 31-12-2018, FORECASTS AND PERCENTAGE OF FORECAST

Plants		Accumulated annual	Production annual estimated	% percentage of forecast
Landfill biogas (1 plant)	kWh	7,324,063	7,200,000	102%
Photovoltaic (337 plants)	kWh	5,395,754	5,867,000	92%
Small hydro (7 plants)	kWh	31,516,670	25,015,000	126%
Wave energy (1 plant)	kWh	259,854	280,000	93%
TOTAL	kWh	44,496,340	38,362,000	116%



DISTRIBUTED GENERATION AND DEMAND MANAGEMENT

The Basque energy model is continuing its transition towards a more sustainable model, with an ever-greater share of demand being met by renewables, particularly electrical (solar photovoltaic and wind). In this area, consumers—operating individually or in energy communities—are key players, consuming the energy they produce and selling any surplus production.

Consumers are key players, consuming the energy they produce

Publication of Decree-Law 15/2018, providing for urgent measures for the energy transition and consumer protection has created a new regulatory framework for such consumers. Among other issues, it removes existing tariff barriers. Self-consumed energy will now be free from transit and other charges, opening the way to shared self-consumption.

SOLAR PHOTOVOLTAIC

There are over 2,000 facilities in the Basque Country, with a total installed capacity of nearly 26 MW. Between them, they generate enough electricity to supply the needs of 8,400 homes. Twenty percent of the total installed capacity is owned by Ente Vasco de la Energía.

In order to meet the Basque Government's 2030 targets, it will be necessary to increase the use of renewables by nearly 115%. In the case of solar photovoltaic power, the target is to increase current installed capacity by a factor of over 10.

To promote and implement new renewable energy projects, Ente Vasco de la Energía and its affiliates have been involved in a number of projects:



ARASUR PHOTOVOLTAIC PROJECT

This is a public-private partnership between Ente Vasco de la Energía and LKS (KREAN GROUP) to develop one of the largest solar photovoltaic power generation facilities in the Basque Country. It will be located on an industrial site within the Arasur Intermodal Logistics Platform, in Ribera Baja (Alava), and will have maximum peak capacity of 24 MWe. This will enable us to meet 2020 targets on solar photovoltaic and double the current level of installed capacity in the Basque Country.

It is planned to undertake the project through a Development Company, in which EVE (through CADEM), will have a 30% holding, with LKS-KREAN GROUP owning the remaining 70%.

FLOATING PHOTOVOLTAIC PROJECT

In collaboration with Iberdrola, Tecnalia and several other Basque companies from the industry, a study was carried out into the possible creation of a floating solar photovoltaic facility for testing and studying this technology.

A new global market of floating facilities is currently emerging and Basque companies will need to perform tests and trials to gain access to international competitions and markets. Several possible locations for the facility in the Basque Country are now being studied.



A new global market of floating facilities is currently emerging and Basque companies will need to perform tests and trials to gain access to international competitions and markets

SELF-CONSUMPTION PROJECTS

Analysis for detection of demonstration projects for self-consumption facilities (shared and non-shared), in publicly owned buildings, industrial facilities and condominiums.

ADVICE TO OTHER GOVERNMENT AUTHORITIES AND INDUSTRY AGENTS

- Advice to the Provincial Government of Álava on design and sizing of outlying installations to supply electricity to irrigation ponds.
- Advice on installation of solar photovoltaic panels on buildings owned by the Basque Government buildings and public-sector companies.
- Study on extension of the solar photovoltaic facility on the Bilbao Exhibition Centre to 1 MW for self-consumption on the premises.
- Analysis and identification of the potential of degraded environments (including quarries, ponds, tailings dams, etc.) where photovoltaic facilities might be installed.
- More than 350 photovoltaic facilities (4-5 MW) have been made available to companies from the industry to perform tests and trials on new technological components. “Meteo for Energy”, a company from Alava/Araba, is currently conducting studies at the Harana Kontrasta to collate generating data.
- Analysis for adaptation of photovoltaic facilities owned by EVE with the aim of enabling self-consumption (Tolosaldeko Apatxa-Erreka Indutria Lurra S A, Bastida Ikastola, etc.).

ENERGY SUSTAINABILITY IN GOVERNMENT

Ente Vasco de la Energía has entered into agreements with a number of Basque Government departments to support them in meeting their commitments under Decree 178/2018, of 22 September 2018, governing energy sustainability in the Basque public sector.

During the year, under these agreements energy audits were performed on 134 buildings (owned by the technology parks, Neiker, EuskoTren, Lanbide, Osalan, Emakunde, the Orchestra of the Basque Country, the Departments of Security and Justice, the Office of the President and the Basque Parliament), to identify ways of reducing energy consumption in buildings and to promote the use of cleaner fuels and renewable energy.

These audits are part-financed by the ELENA programme, managed by the European Investment Bank and the European Commission.

In addition, numerous Basque municipalities have committed to working towards energy improvement through voluntary agreements such as the Covenant of Mayors and the initiative known as “Advancing towards the Covenant”. EVE has given advice on drawing up municipal plans, heating networks, forestry biomass projects, contracts with energy service companies, etc.

EVE also works with Udalsarea 21 (the Basque network of municipalities for local sustainability) which promotes the implementation of Basque environmental policies among local authorities. Udalsarea 21 has created a working group on energy and climate change.

AID PROGRAMMES

Ten aid programmes were published during 2018:

- **Six aid programmes in energy efficiency targeted at specific sectors:** industry, industrial estates, tertiary, local authorities, transport and energy service companies (ESCOs).
- **Four aid schemes in renewable energy:** biomass, geothermal, renewable electrical installations and marine energy.

The total amount allocated to these schemes comes to €9.4 million.

PROGRAMME OF AID TO THE INDUSTRIAL SECTOR

In 2018, €0.7 million was spent on the execution of 78 projects, most of which focused on specific energy efficiency actions, with the remainder targeting energy audits and renewable energy facilities.

Total induced investment came to €33.1m, resulting in overall energy savings of 10,168 toe per year.

PROGRAMME OF AID IN INDUSTRIAL ESTATES

This aid programme, concentrating on energy, was created in coordination with another parallel programme managed by SPRI, targeting infrastructures. Under the programme, just over €0.3 million has been allocated to 21 projects, most related to outdoor lighting in industrial estates. Induced investment came to €2 million, with energy saving of 414 toe/year and an installed power capacity in photovoltaic of 1 MW.

This aid programme was created in coordination with another parallel programme managed by SPRI



PROGRAMME OF AID TO THE TERTIARY SECTOR

Closed programme with a budget of just over €1.1 million euro, which has provided support to 141 projects with total investment of close to €40 million. These projects achieve a total saving of 2,525 toe/year, with a solar thermal contribution of over 200 kW.

PROGRAMME OF AID TO LOCAL GOVERNMENT

With a budget of €500,000, the programme has provided backing for 66 projects related to local authorities, involving energy saving, efficiency and renewable energy. These projects will generate induced investment of over €11 million with energy saving of 794 toe/year.

PROGRAMME OF AID TO EFFICIENT TRANSPORT AND MOBILITY

This programme concluded with €1,057,000 awarded in grants to over 460 successful projects in the area of efficient transport and mobility. The measures subsidised included more than 300 power-assist electric bicycles and more than 60 energy (mainly electrical) supply infrastructures. Total induced investments came to €31 million with an energy saving of approximately 4,000 toe/year.

PROGRAMME OF AID TO ESCOS

The programme promotes investment by energy service companies (ESCOs) in energy efficiency and renewables within the ambit of public authorities. Fifteen energy projects were submitted in 2018, with a range of measures (energy efficiency and renewable energy sources) which will achieve energy savings of 1,035 toe/year. A total of €400,000 was allocated to the programme.

PROGRAMME OF AID TO BIOMASS PROJECTS

Grants were provided to seven projects, each with an installed capacity of over 70 kW. Over €210,000 was awarded, mainly to high-efficiency biomass boilers, which will bring energy savings of close to 900 toe/year, with a thermal capacity from biomass of over 4 MW.

PROGRAMME OF AID TO GEOTHERMAL PROJECTS

Nearly €200,000 was allocated in grants to five heating facilities using geothermal energy, each with an installed capacity of over 70 kW. Together, these projects will provide energy savings of 303 toe/year and a geothermal capacity of 1.6 MW.

PROGRAMME OF AID TO POWER PRODUCTION FROM RENEWABLES

With a final budget of close to €500,000, grants have been awarded to 81 on- and off-grid renewable power facilities, fundamentally using solar and mini-wind technology. Estimated energy savings from these projects come to 460 toe/year, with a combined installed capacity of 2.1 MW.

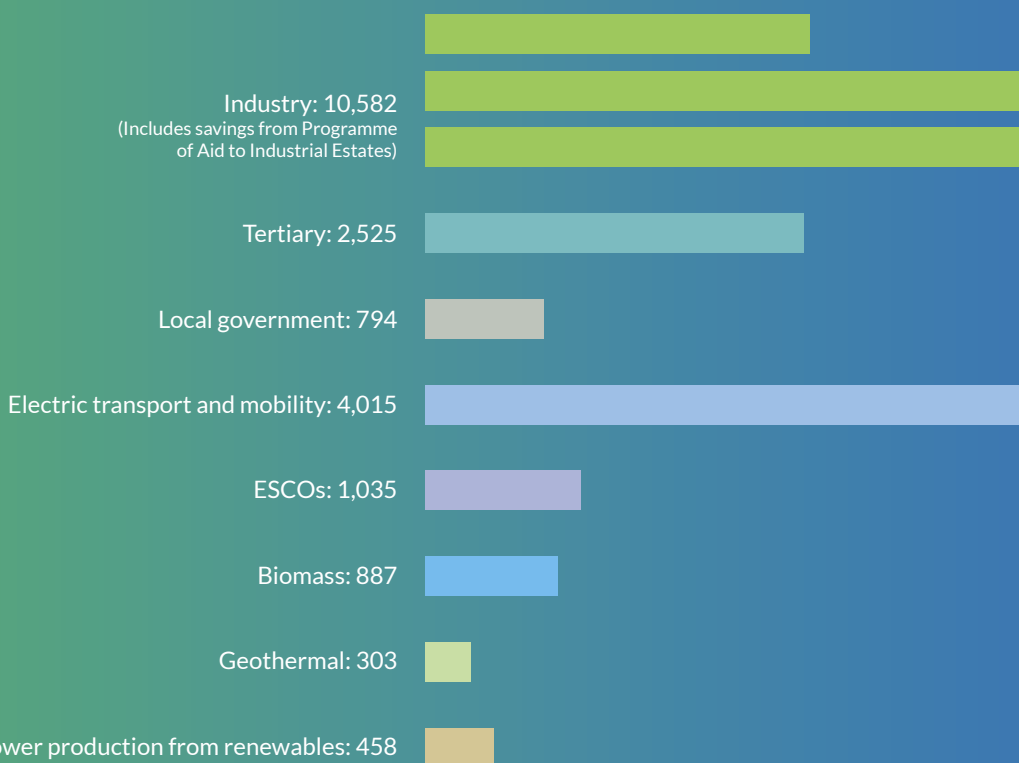
Grants have been awarded to 81 on- and off-grid renewable power facilities

PROGRAMME OF AID TO EMERGING MARINE ENERGY

This aid programme targets the introduction and testing of different technologies at development phase, whose potential lies in harnessing marine energy. During 2018, two projects were submitted, which will be developed over the next two years.

DISTRIBUTION OF ENERGY SAVINGS ACHIEVED IN 2018 BY AID PROGRAMME

TOTAL SAVINGS: 20,599 TOE/YEAR



INTERNATIONAL

The mission of EVE's international area is to generate knowledge, ideas and opportunities that will increase the value of activities and projects in strategic areas (measured in terms of operating effectiveness and economic efficiency) by participating in collaboration projects financed by international bodies.

During 2018, EVE participated in several information sessions on European Commission support programmes, including LIFE, Interreg SUDOE and H2020 Energy. Ten proposals were submitted to the H2020, Interreg Atlantic Area, Interreg SUDOE, Interreg Europe and LIFE programmes. Of these, two have been approved and another has now passed the second assessment phase.

EUROPEAN PROJECTS IN WHICH EVE PARTICIPATED IN 2018:

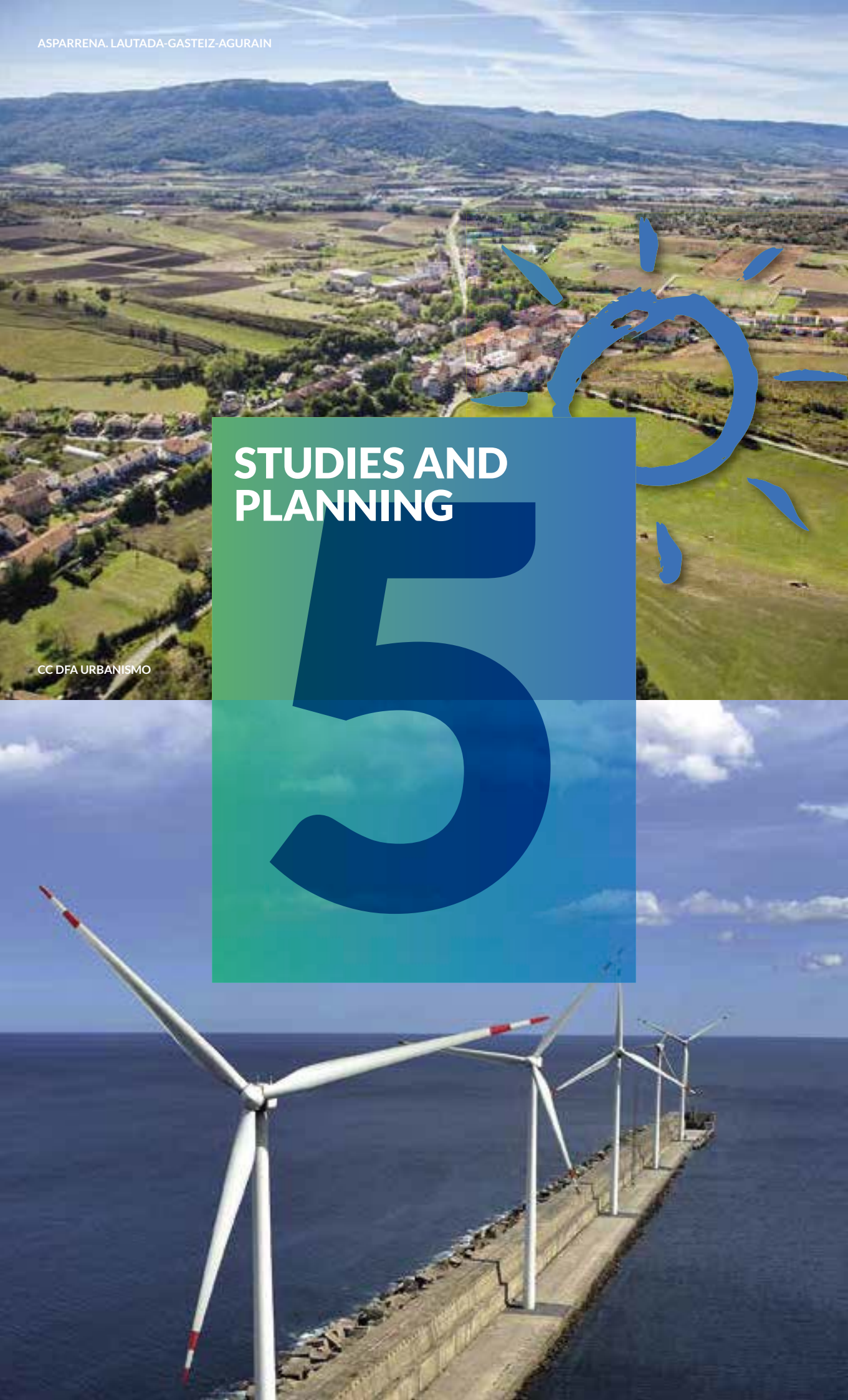
PROGRAMME	PROJECT	AREA	SHORT DESCRIPTION	EC SUBS.	END
CONNECTING EUROPE	CORE LNGas hive	Maritime Transport	Promotion of LNG in overseas transport.	€290,000	Jun-19
H2020	UPGRID	Networks	Development of smart grids in the Basque Country.	€113,500	Jan-18
FP7	A2PBEER	EE in building	Rehabilitation of building in the University of the Basque Country.	€145,601	Feb-17
FP7	EU-GUGLE	EE in building	Renovation of Sestao urban centre.	€99,390	Mar-18
H2020	OPERA	Marine	Offshore demonstration project to reduce the operating costs of wave power.	€275,750	Aug-19
H2020	MARINET 2	Marine	Access for technology developers to the test site at the Mutriku OWC facility.	€102,980	Jun-21
H2020	OCEANERANET COFUND	Marine	Continuation of OCEANERANET. Coordination of aid programmes for ocean energy.	€798,618	Dec-21
H2020	RELaTED	EE in building	Support to the Basque Government's security department in a demonstration project of a low-temperature heating network.	€162,000	Oct-21
H2020	SmartenCity	Urban regeneration	Support for regeneration of the Coronación neighbourhood of Vitoria-Gasteiz.	€51,293	Jul-21
H2020	EuroPACE	EE in building	Involvement in adapting the PACE financial instrument (support for energy renovation in buildings) to the Basque Country.	€163,505	Feb-21
ELENA	CODESO	EE in public authorities	Support to the Basque Government on improvements in energy efficiency of its buildings.	€1,400,000	Dec-20



**STUDIES AND
PLANNING**

5

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STUDIES AND INFORMATION

During the year, a number of studies and sectoral and market analyses were undertaken to gain a more accurate picture of the Basque energy situation. Amongst the most important actions were a report on the Basque electricity market and the wholesale natural gas market, a study on energy use in industry (Phase 1), and a series of analyses of regulations.

EVE also publishes annual energy statistics, updated historical series and energy balance sheets in “Euskadi Energía”, as well as releasing regular newsletters on the Basque energy situation, and has an information service for third parties.

RESET is a study on the climate-change readiness of the Basque energy industry, carried out in collaboration with the publicly owned environmental management company, IHOBE. As well as assessing climate threats, vulnerability and associated risks for the Basque energy industry, it also identifies the types of measure to be adopted.

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ENERGY STRATEGY OF THE BASQUE COUNTRY 3E2030

In 2016, the Basque government approved the Basque Energy Strategy for the period 2016-2030 (3E2030). Each year, a document is published entitled “Basque Energy Strategy 2030: Progress report” setting out the actions taken and giving preliminary annual figures. In 2018 the figures for energy efficiency, renewable energy and energy resources were all on target, although oil consumption in transport rose during the period. Overall, progress at the end of 2017 was on target at 11%.

In 2018 the figures for energy efficiency, renewable energy and energy resources were all on target, although oil consumption in transport rose during the period

REGULATION

For the European Union, 2018 was a key year in the process of decision-making on the transition towards a low-carbon development model that will ensure safe, affordable and climate-friendly energy. Particularly important in achieving this goal is the “clean energy package”, comprising directives on renewables, energy efficiency, EU governance and redesign of the electricity market. Another significant development was the agreement to raise the 2030 targets on renewables and energy efficiency, and reduction of greenhouse gas emissions in transport, a key sector.

In Spain, a series of urgent measures was introduced, including Royal Decree Law 15/2018 and subsequent legislation. New consumer protection measures were introduced, including an extension to the “social discount” on electricity and the creation of a new discount on heating. The legislation acknowledges the right to shared self-consumption and promotes the development of renewables and electric transport and the deregulation of electrical charging. The so-called “green cent” on gas has been removed and the tax on power production temporarily suspended.

Finally, as part of legislation designed to meet European targets and commitments, the main features of the Climate Change and Energy Transition bill were announced. However, publication of the Integrated Energy and Climate Plan (PNIEC) to 2030 was postponed until early 2019.

The Basque Country has also taken steps towards a competitive low-carbon economy and sustainable development. Progress has been made towards approval of the Basque Energy Sustainability Act. A policy of environmental legislation is also being processed, based on three draft bills affecting the area of energy (Preservation of Natural Heritage, Environmental Administration, and Climate Change). Work also continues on initial approval of the document setting out new land use planning directives.

The legislation acknowledges the right to shared self-consumption and promotes the development of renewables and electric transport and the deregulation of electrical charging



TECHNOLOGY WATCH

A technological surveillance and competitive intelligence system was introduced during the year, integrating the process into the management system to identify opportunities and challenges. A systematic, organised, selective and ongoing process was developed to identify and collate key strategic information, which can then be analysed to turn it into knowledge. Ultimately, the aim is to identify relevant projects and identify possible partners and networks for developing them. In 2018, the organisation had seven surveillance units, involving 40% of the workforce.

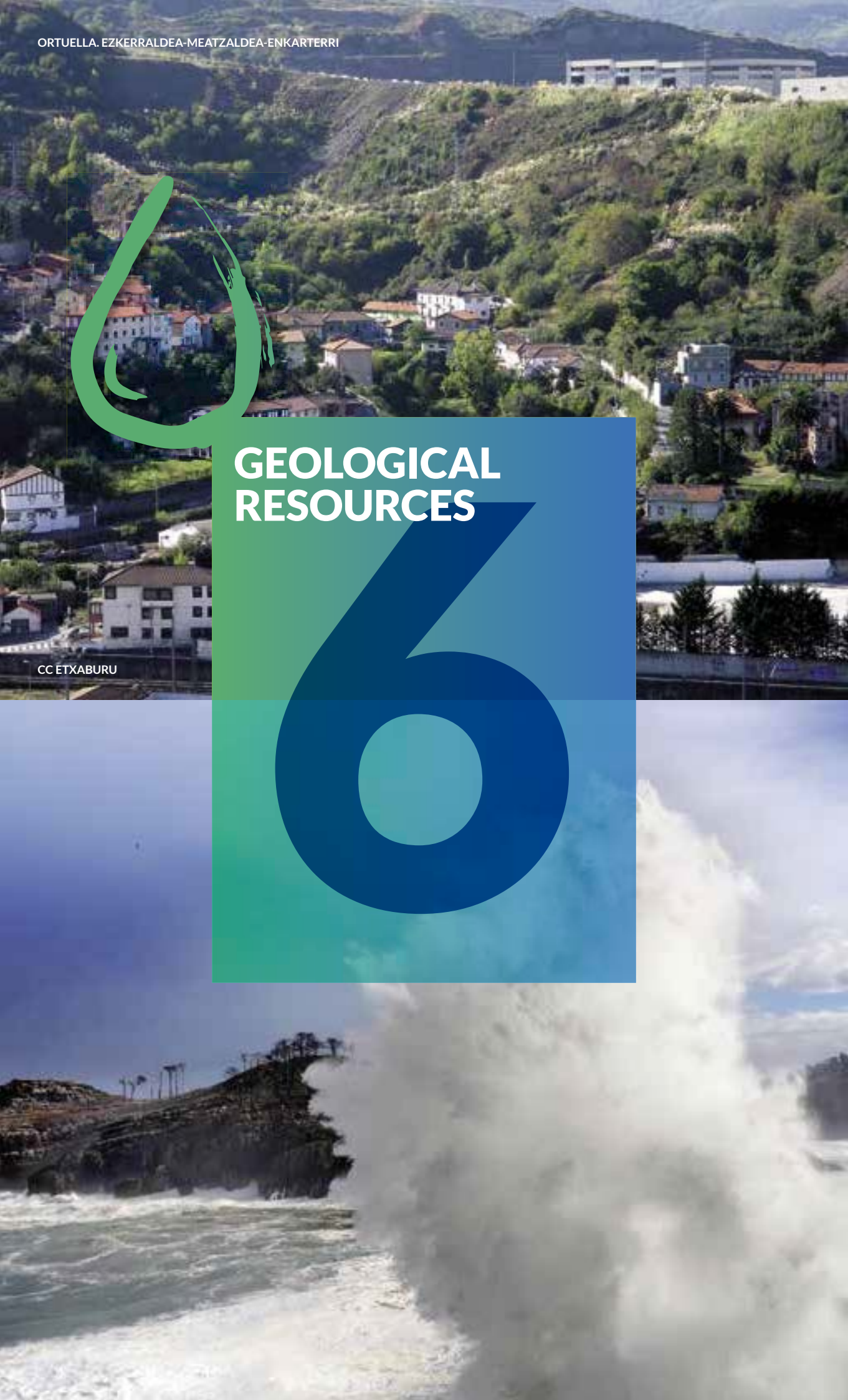
Ultimately, the aim is to identify relevant projects and identify possible partners and networks for developing them



GEOLOGICAL RESOURCES



CC ÉTXABURU



The main mission of the Area of Geological Resources is to identify mineral and oil & gas resources in the Basque Country.

The Geological Resources Area is structured into two separate but complementary lines: oil & gas exploration and production, performed through the Sociedad de Hidrocarburos de Euskadi, S.A. (SHESA), and geological/mining investigation, through the Department of Geological and Mining Resources.



OIL AND GAS EXPLORATION AND PRODUCTION

It is clear that the future of global energy lies in renewables. Nonetheless, it is predicted that the transition process from the former energy model—based largely on fossil fuels and nuclear energy—to full integration of renewables will take decades. During this time, natural gas will be the most important backup source, since it is the cleanest of all fossil fuels, with low emission rates of carbon, NOx and volatile organic compounds.

One of the central pillars of the Basque Energy Strategy to 2030 is to harness local energy sources. This covers both renewables and the resources being investigated by Sociedad de Hidrocarburos de Euskadi (SHESA) which will ensure supply and reduce the (economic and environmental) costs of importation. Oil and gas prospecting in the Basque Country therefore focuses first and foremost on natural gas.

During 2018, Sociedad de Hidrocarburos de Euskadi (SHESA) continued to have holdings in investigation projects in the Basque-Cantabrian basin. It also worked to extend its data on the area. Particularly significant was the increased output from the Viura reservoir. At the end of the year an Environmental Impact Study was submitted to the Ministry for the Ecological Transition for the *Armentia-2 conventional hydrocarbon exploratory well*, with answers to submissions received and additional information arising out of the public information process.

One of the central pillars of the Basque Energy Strategy to 2030 is to harness local energy sources

Participation in Exploration Permits

SHESA currently has different holdings in the following exploration permits and/or operating concessions:

ANGOSTO-1

The permit is jointly owned by Sociedad de Hidrocarburos de Euskadi, Petrichor Euskadi Coöperatief UA, (Sucursal en España) and Cambria Europe, Inc. (Sucursal en España). In July 2016, following the Basque Government's announcement of its decision not to use hydraulic fracturing, an application was submitted to the Ministry of Industry, Energy and Tourism (MINETUR) for expiry of the period of the permit, which is still awaiting resolution.

FULMAR

Following the environmental authorisation process begun in 2009, in October 2014 a favourable Environmental Impact Statement was obtained for drilling two exploratory wells (Fulmar-1 and Pelicano-1). However, due to the fall in market prices and an increase in drilling costs for offshore wells, the partners (RIPSA and SHESA) decided to waive their rights to the permits. An application was submitted to the Ministry for Industry, Commerce and Tourism

in October 2015, requesting expiry of the permit, which is still awaiting resolution.

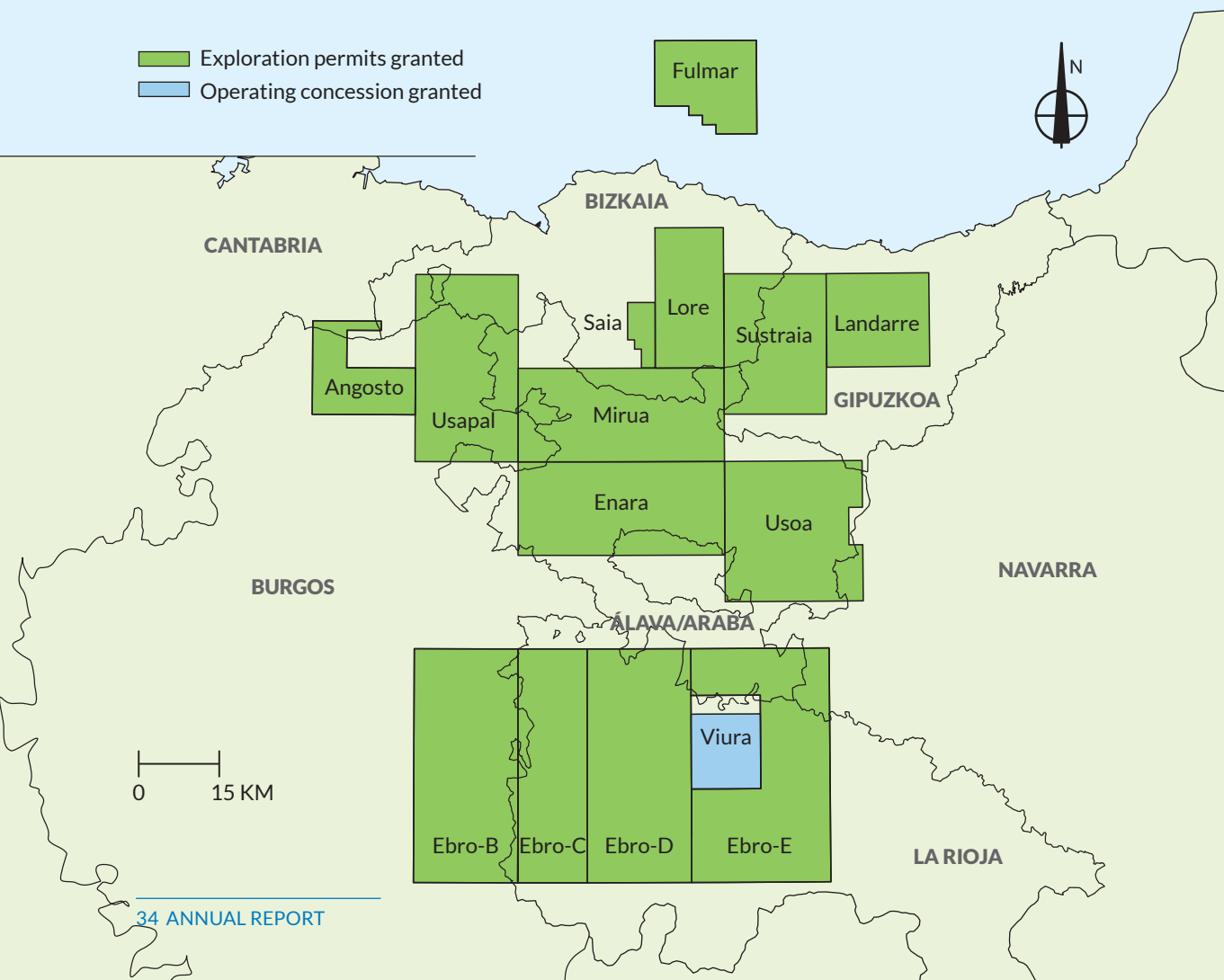
VIURA OPERATING CONCESSION, DERIVED FROM THE CAMEROS-2 AND EBRO-A EXPLORATION PERMIT

Given the positive results of drilling and testing at the Viura-1 well between 2009 and 2010, additional work was carried out (3D seismic imaging, Viura-3 well, short production tests, etc.) and in 2014 a gas treatment plant was built with auxiliary gas pipelines to enable a long-term production test. The plant was commissioned, and a production test begun in the first quarter of 2015, with the first gas being sold to the network (continuously from 2 March 2015).

During 2018, the following tasks (among others) were carried out:

- Completion of re-entry into the Viura-1 well to make a sidetrack (V-1 ST-3), in order to gain more information on the gas-bearing formation and increase output from the

31/12/2018



reservoir.

- Intervention in the V-1 ST-3 sidetrack to improve output (500,000 Nm³/day over the year).
- Production from the Viura field, with a total of 83.3 million Nm³ of gas extracted in 2018.

With the “Viura” operating concession now awarded, we are continuing the administrative process of ending the former Cameros-2 and Ebro-A exploration permits.

EBRO B, C, D AND E

The “Ebro-B”, “Ebro-C”, “Ebro-D” and “Ebro-E” hydrocarbon exploration permits are joint-owned by Sociedad de Hidrocarburos de Euskadi, Unión Fenosa Gas E&P and Oil&Gas Skills. In 2017 an application was made to the Ministry of Energy to renounce continued research in these permits. This application is currently pending resolution.

ENARA, MIRUA, USAPAL AND USOA PERMITS (GRAN ENARA PROJECT)

These permits are joint-owned by Sociedad de Hidrocarburos de Euskadi, Petrichor Euskadi Coöperatief UA, (Sucursal en España) and Cambria Europe, Inc. (Sucursal en España).

Initially, it was decided to use hydraulic fracturing as the best technique for assessing and stimulating the site, which is linked to the Valmaseda formation. At the proposal of the Basque Parliament, in July 2016 the Basque Government announced its decision not to allow use of the technique, and it was therefore decided to assess the deposit using conventional advanced techniques. In 2016, we applied for authorisation to drill the Armentia-2 conventional exploratory well. This application is currently under environmental assessment.

In 2018, we completed the public information process of and submitted an updated environmental impact study including a report containing answers to submissions. In order to avoid expiry of the permits, in October 2016 we requested suspension of the term of the permits, awarded under Order ETU/486/2017, of 30 May 2017, and published in the Official State Gazette No. 129 on 31 May 2017.

SAIA

Sociedad de Hidrocarburos de Euskadi is the sole owner of this permit, awarded in December 2012. An order of the Regional Minister for Economic Development and Infrastructures, published in the Official Gazette of the Basque Country (BOPV) No. 199 of 16 October 2018, authorised partial renunciation of the Saia permits, which were reduced from an initial land area of 49,752 hectares to 5,721.48. We also requested a three-year extension, which

was awarded by an order of the Regional Minister for Economic Development and Infrastructures, published in the Official Gazette of the Basque Country (BOPV) No. 22 of 31 January 2019. Work continues to assess the prospective potential of the permits.

LORE, LANDARRE AND SUSTRAIA

The Sustrai, Landarre and Lore permits are joint-owned by Sociedad de Hidrocarburos de Euskadi and Petrichor Euskadi Coöperatief UA (Sucursal en España). They were awarded by Decree 142/2018 of 9 October, published in the Official Gazette of the Basque Country (BOPV) No. 199 of 16 October 2018. They are currently in their first year. Together with the award of these three permits, authorisation was received to discontinue the Lurra permit, as requested due to the low level of conventional prospecting interest of the area.



Environmental aspects

During 2018, the following fieldwork was carried out:

- Production operation from the Viura field, with the natural gas piped into the gas network and marketed.
- Completion of re-entry in the Viura-1 well (Viura-1ST3) as part of the programme for development of the Viura reservoir and subsequent intervention to improve output.
- Surface geochemical work at the Saia permit.

None of these works had any environmental impact.

GEOLOGICAL AND MINING RESEARCH

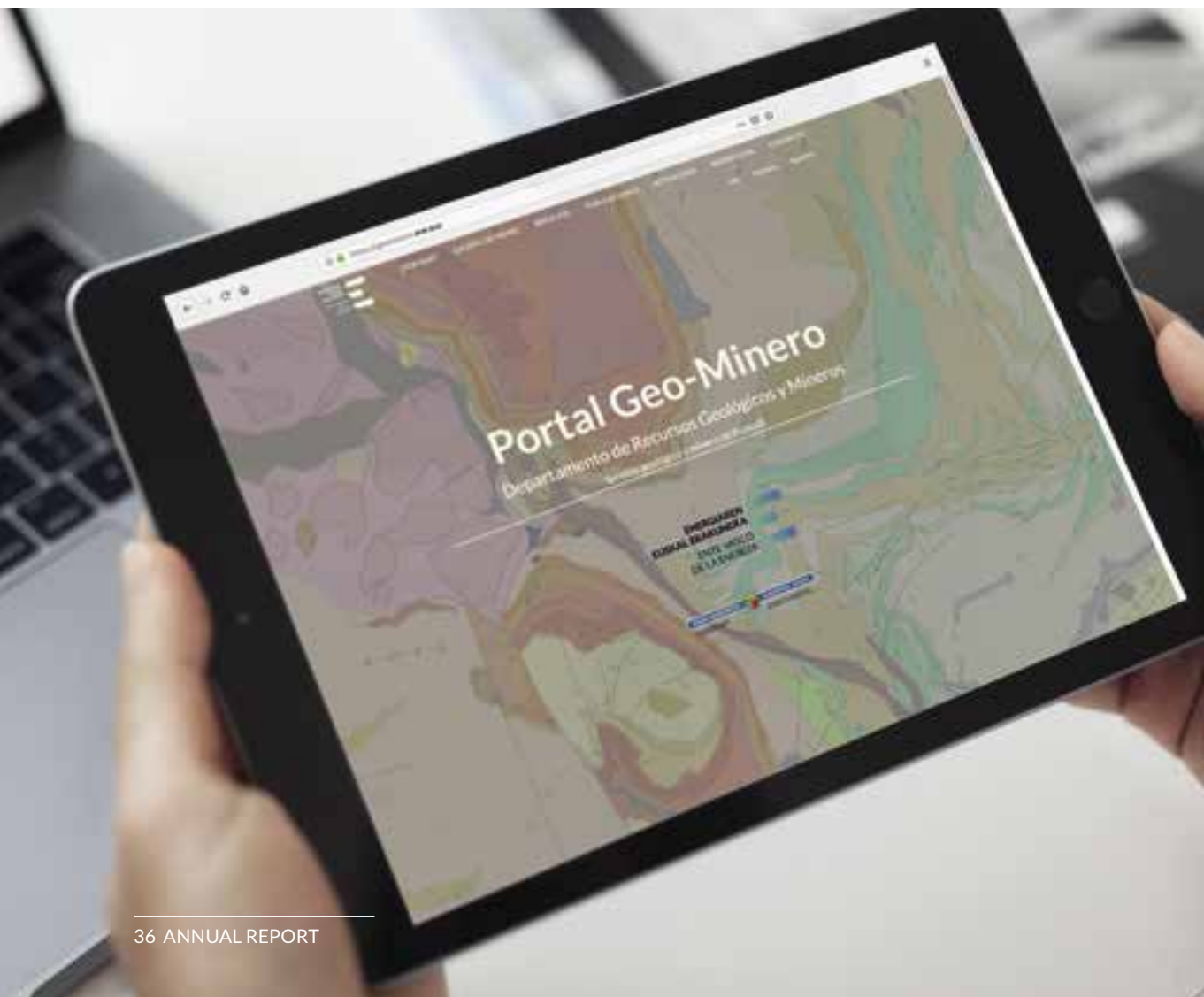
DEPARTMENT OF GEOLOGICAL & MINING RESOURCES

The principal objectives of the Department of Geological & Mining Resources are:

- To offer documentary geological and mining infrastructure and keep it updated as the geological and mining service of the Basque Country.
- To identify geological and mining resources of interest, such as industrial rocks and minerals, metal ore, geothermal resources and possible underground geological storage sites.
- To provide technical assistance to the Basque Government's Department of Economic Development and Infrastructures on monitoring of abandoned mine works.

The area's principal actions in 2018 included:

- Technical support to Micronizados Naturales S.A., which manufactures mineral loads of calcium carbonate.
- Technical support to Sociedad de Hidrocarburos de Euskadi, in work related to regional, surface and subsoil geology.
- Technical assistance to the Department of Economic Development and Infrastructures in risk assessment of abandoned mining structures. Work in 2018 included managing and monitoring the pond at the Troya Mine (Gabiria-Mutiloa) and technical assistance in the work of solving the problems arising from collapses at the Kaolin-Eder Mine (Altzo).
- "Geo-mining portal of the Basque Country", a website containing maps and documents of geological and mining interest.





- In the area of geological information and infrastructure:

Cartography

- Publication of the first six 1:25,000 geological maps using LIDAR (*).
- Completion of the first phase (50% of the total) of the geological and cartographic interpretation of the coastal area of the Basque Country (*).
- 3D-modelling of the Basque-Cantabrian Basin (**).

This follows the signing of collaboration agreements with the University of the Basque Country and the Spanish Geological and Mining Institute (**).

Survey of the subsoil

- Installation of the first three stations in a permanent network for measuring, inspecting and monitoring seismic activity in the area of the Basque Country (EUSKALSIS).
- Contracting of a study on natural radioactivity and litho-geochemical sampling of the rock formations of the Basque Country (815 sampling points).

Installation of the first three stations in a permanent network for measuring, inspecting and monitoring seismic activity in the area of the Basque Country

Mining investigation

- Compilation, summary and conclusions of the mining investigation performed by Ente Vasco de la Energía throughout its history.
- Three mining investigation surveys.



COMMUNICATION

7



COMMUNICATION FOR THE ENERGY TRANSITION

During the year, EVE's communications have largely centred on the Basque energy transition, a gradual transformation of the energy system that will change both the sources—with renewable energy playing a central role—and the way we consume, produce and manage energy.

There is nothing particularly new about this transition—which first began over three decades ago at a time when the Basque Country had an obsolete and inefficient oil- and coal-based energy system—or about the increasing awareness that all agents in Basque society need to participate actively in changing the model. Nonetheless, it is still important to keep hammering the message home. The mission of EVE's communications area is to make public opinion more aware of the real energy situation and work towards ensuring guaranteeing a viable energy future for posterity.

In this multi-faceted task, one important element has involved the actions undertaken with local municipal authorities, who have led the way in developing sustainable energy projects. The **Energiaren Bidea** label, created to bring increased visibility to the Basque energy transition, has helped valorise numerous projects and facilities in different administrative regions of the three provinces.

The Energiaren Bidea label has helped valorise numerous projects and facilities in different administrative regions of the three provinces

ISPASTER. BUSTURIALDEA-LEA ARTIBAI





We have also analysed the energy transition in other countries in Europe. The result was an exhibition on the German energy policy

We have also analysed the energy transition in other countries in Europe. The result was an exhibition on the German energy policy, the **Energiewende**, at Bizkaia Aretoa in the University of the Basque Country and a conference with participation by the German embassy, as well as two technical symposia held in Donostia / San Sebastian and Bilbao, also in collaboration with the German embassy. There are some important distinctions between the Basque and German energy models (for example, whereas the Basque energy system no longer uses any coal, in Germany coal consumption has actually increased). However, even these differences enable important conclusions to be drawn that cast a light on the progress made both in that country and here. During 2019 we will continue to present other transition models, thus helping to widen our understanding of the European energy situation.

Over the year, a number of other forums, targeting professional groups and stakeholders, were organised to publicise a range of different technical themes :

- Third Municipal Meeting: “Covenant of Mayors” and “Advancing towards the Covenant”. 22 May 2018, Euskalduna Conference Centre, Bilbao.
- Energy Self-Consumption and the Role of Photovoltaic Energy. 5 July 2018, Juan José Azurmendi Lecture Hall, Vitoria-Gasteiz.

EVE also took part in a range of exhibition/dissemination activities designed to promote energy efficiency, renewables and the use of local resources:

- **Berdeago Energy**, 2-4 February, Landako Gunea, Durango. With 47 stands, the exhibition attracted over 7,600 visitors.
- **Bioterra**, 1-3 June, FICOBA Exhibition Centre. The fair, which features eco-products, renewable energy and responsible consumption, attracted 170 exhibitors and over 12,000 visitors.

In the area of audio-visual communication and advertising, EVE continued to air its traditional morning list of energy saving tips on Radio Euskadi. This year, for the first time, it also had a prime-time slot on the Basque energy industry on ETB 1 and ETB 2 television, within the Eguraldia space. EVE also maintained its presence in the local press. Highlights of the year included the campaign to mark World Energy Efficiency day on 5 March and completion of the campaign celebrating EVE's 35th anniversary.

Over 40 press releases and notes were sent out to the media.



The corporate website—an essential tool of communication—has been restructured to adapt the visual content to the last mobile technology. In addition, the informational content has been reorganised to reflect the fact that this is a public-sector information platform targeting all areas of Basque society. In the area of social media, EVE has increased its presence on Twitter.



PEOPLE

8



PEOPLE, EVE'S SECURE ASSET IN THE PROCESS OF ENERGY TRANSITION PROCESS AND GENERATIONAL HANDOVER

EVE's principal asset are its employees. It is fortunate to have highly committed human resources, who identify with the mission, vision and values on which its project is founded. This is all the more important given the major organisational and generational changes it faces as a significant section of the workforce now approaches retirement age.

Human values underpin all of EVE's actions. These values, which guide the organisation in its everyday challenges and tasks, are:

- **Commitment**
- **Proactivity / Leadership**
- **Trust / Credibility**
- **Proximity / Approachability**
- **Teamwork**
- **Innovation / Creativity**

The EVE group bases its work on the knowledge and experience of its human resources. After 36 years in operation, the average age of the workforce at the organisation now stands at 49. Nearly 82% of staff have university qualifications. The average employee has been working at the organisation for 19 years. This high degree of experience and professional qualification is key to meeting the organisation's objectives. However, 38% of staff are now aged over 55, and EVE is experiencing a significant generational shift.

By gender breakdown, 55% of staff are male and 45% female. When the agency first began operations in the 1980s, its staff was predominantly male, but in recent years the shift towards gender balance has intensified. As a result, while two thirds of staff aged 45 and over are men, amongst the under-45s, the situation is reversed (two thirds female to one third male).

Within the group's knowledge-management model, training is seen as a key element for adapting the skills and competences of the people working in the group and fostering their professional development. During the year, 109 training activities were organised. Of these 73 centred on upskilling and 36 on languages—essentially Basque and English. In all, 6,714 training hours were given, of which 4,494 were in working hours. This represents a training-to-work-time ratio of 4.4%. Adding the time spent out of working hours, total dedication to staff training in the EVE group came to 6.6%. In a survey of satisfaction, staff gave training activities a score of 8.6 out of 10.

The EVE Group is making continued progress in its Plan for Standardisation of Use of the Basque Language, which is being developed in four main areas: corporate image and communication, external relations, internal relations, and language management.

In 2018 a corporate agreement was signed for the period 2018-2020. Among other aspects, it includes significant advances towards promoting improved work/life balance.

EVE GROUP STAFF

	Management staff	Technical staff	Administrative staff and operators	TOTAL
EVE	9	45	8	62
Sociedad Hidrocarburos de Euskadi	1	6	1	8
BiMEP	1	1	-	2
TOTAL	11	52	9	72



**KEY ECONOMIC
ASPECTS**



KEY ECONOMIC ASPECTS OF 2018

- Ente Vasco de la Energía reported total profit after tax of €22.3 million.
- Turnover from production at EVE-owned renewable energy plants came to 2.3 million euro.
- The largest source of income was dividends from affiliates, which brought in €31.5 million.

KEY FIGURES - EVE. € x 000

ITEM	2014	2015	2016	2017	2018
Income for the year	52,442	30,296	23,522	25,839	36,103
Investments for the year	1,601	38,368	4,723	6,991	1,733
Equity	167,951	160,631	147,316	156,981	179,305
Total assets	189,169	174,833	157,218	167,865	187,805
Profit/loss after tax	6,874	21,480	16,685	9,665	22,324

INCOME STATEMENT. ENTE VASCO DE LA ENERGÍA

FOR YEARS ENDING 31 DECEMBER 2018 AND 2017 (ALL FIGURES IN EUROS)

OPERATIONS CONTINUED	2018	2017
Net turnover	2,336,963	2,689,029
Other operating income	2,255,717	3,701,593
Personnel expenses	(4,137,411)	(4,317,182)
Other running costs	(6,644,371)	(9,633,610)
Depreciation in fixed assets	(2,071,009)	(2,227,594)
Allocation of grants of fixed assets	305,100	46,995
Provisions surplus	0	20,565
Impairment loss and losses/gains from disposals	(827,232)	(8,907)
Other profit/loss	0	2,470
OPERATING PROFIT	(8,782,243)	(9,726,641)
Financial Income	31,510,376	19,448,812
Impairment loss and losses/gains from disposals	(404,427)	(4,825,153)
FINANCIAL PROFIT/LOSS	31,105,949	14,623,659
PROFIT/LOSS BEFORE TAX	22,323,706	4,897,018
Tax on profits		4,767,676
PROFITS FOR THE YEAR	22,323,706	9,664,694

BALANCE SHEET. ENTE VASCO DE LA ENERGÍA

FOR YEARS ENDING 31 DECEMBER 2018 AND 2017 (ALL FIGURES IN EUROS)

AASSETS	2018	2017
NON-CURRENT ASSETS	94,101,446	96,632,212
Intangible fixed assets	1,887,560	2,454,550
Tangible assets	5,014,432	6,950,957
Investment in real estate	8,060,725	8,233,549
Long-term investments in group companies and associates	76,145,237	75,976,926
Long-term financial investments	2,993,492	3,016,230
CURRENT ASSETS	93,703,426	71,232,296
Trade debtors and other accounts receivable	464,720	1,492,278
Short-term investments in group companies and associates	5,393,912	4,013,520
Short-term financial investments	960,897	21,132
Cash on hand and other equivalent liquid assets	86,883,897	65,705,366
TOTAL ASSETS	187,804,872	167,864,508
EQUITY AND LIABILITIES	2018	2017
NET WORTH	179,608,286	157,488,254
EQUITY	179,304,789	156,981,083
Corporate assets	90,853,985	90,853,985
Income carried forward	66,127,098	56,462,404
Profits for the Year	22,323,706	9,664,694
GRANTS, DONATIONS AND INHERITANCE RECEIVED	303,497	507,171
NON-CURRENT LIABILITIES	424,063	615,795
Long-term provisions	0	0
Long-term debts	328,222	418,528
Liabilities from deferred tax	95,841	197,267
CURRENT LIABILITIES	7,772,523	9,760,459
Short-term provisions	2,101,456	3,140,448
Short-term debts	118,853	446,119
Debts with companies in the group and associates	0	438,532
Trade and other payables	5,552,214	5,735,360
TOTAL EQUITY AND LIABILITIES	187,804,872	167,864,508

