

Towards a
SUSTAINABLE
ENERGY
system



*The Energy
Transition Act
will be
fundamental*

ANNUAL REPORT 2023

*EVE backing for
€427 million in
energy efficiency
investments*

*Self-consumption
launched in
Basque industry*

*Ekiola solar
farm goes
on line*

*Basque Country saves
29,000 tonnes of oil
equivalent in 2023*

*Basque Country
hosts
Conference of
Peripheral
Maritime Regions*

*6,400 grant
applications for
renewable installations*

*First floating wind
turbine (2 MW)
installed at BiMEP*



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GOBIERNO VASCO

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DEPARTAMENTO DE DESARROLLO
ECONÓMICO, SOSTENIBILIDAD
Y MEDIO AMBIENTE

ENERGIAREN
EUSKAL ERAKUNDEA
ENTE VASCO
DE LA ENERGÍA





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ANNUAL **REPORT 2023**

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Letter from the CHAIR

Gathering
MOMENTUM



*Shift towards
project-based
management
at EVE*

*27,000 grant
applications handled*

*The energy
transition, a global
challenge*

*EVE involved in almost
all renewable energy
and efficiency
initiatives and projects
in the Basque
Country*

Across the world, the energy transition is now a top social and economic priority for state and regional governments. We are facing one of the greatest global challenges ever and it will take all our shared awareness and commitment to come up with an effective response.

The new energy model needs to be sustained and promoted by regulatory frameworks. It demands technological advances that will maximise the development and use of renewable energies. And it requires the commitment and involvement of all tiers of government, public and private operators in the energy industry and social partners.



ARANTXA TAPIA OTAEGUI
CHAIR OF ENTE VASCO DE LA ENERGÍA



The energy transition is now a top social and economic priority

In this context, over the last year Ente Vasco de la Energía took a lead position in all its areas of competence, acting as a reference point for Basque energy policy.

EVE is helping to build the essential pillars of the Basque energy transition. To this end, it works actively in research and resources; drafting of studies and plans; development of aid programmes for private individuals, households, companies, communities and public authorities; innovation and dissemination of new technologies; promotion of investment (directly and through its affiliates) and education and awareness-raising to cut energy consumption and foster the use of renewables.

Internally, too, there were some major developments during the year. There has been a transformation in the organisation of the agency and the group's other companies, as it transitions towards more project-based management. Fresh steps were taken to further align it with advanced management models, earning it Euskalit certification in this area.

Staff at EVE played a major role in developing the new energy legislation adopted in the Basque Country. The Basque Energy Transition and Climate Change Act will be a crucial instrument in implementing a true energy transition, on which we can build the future of a modern, prosperous, sustainable and environmentally-friendly Basque society, committed to economic development and welfare for all.



FLOATING DEVICE INSTALLED AT BIMEP

And in working towards building the Basque society of the future, EVE takes an active role in projects developed either directly by the agency or in collaboration with other companies and bodies that share our same goals when it comes to energy, economic development and social welfare.

Ente Vasco de la Energía has a direct stake in twenty-five companies generating renewable energy in the Basque Country, as well as others considered to be of strategic importance for guaranteeing a quality energy supply. EVE is active in projects of onshore and offshore wind, solar PV, wave, hydrogen, geothermal, heat-pump, biomass and hydro power, as well as in creating energy communities and cooperatives. In short, it is involved in practically all the initiatives and projects related to energy efficiency and the deployment of renewable energies currently being developed in the Basque Country.

At the same time, EVE also continues to provide specialist advice to government, business and industry, as well as performing extensive work to provide support to households, business and public authorities, through aid programmes for energy efficiency and rational use of energy and the implementation of renewable energies. Notably, EVE has handled over 27,000 applications for its aid programmes, almost half of which were submitted in 2023 and it has the highest rate of application resolution in Spain.

The last year saw another step forward in the satisfactory implementation of the energy strategy we have marked out for the Basque Country and this report offers a detailed breakdown of key aspects of that strategy.

We face major challenges, but with the hard work and dedication of the entire EVE Group, we can be sure that we will address them with the necessary degree of readiness, skill and effort.

NEW EKIOLA MENDIALDEA COOPERATIVE



WORK · REFERENCES

THANK YOU
to
EVERYONE



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Average
staff age:
47.8 years

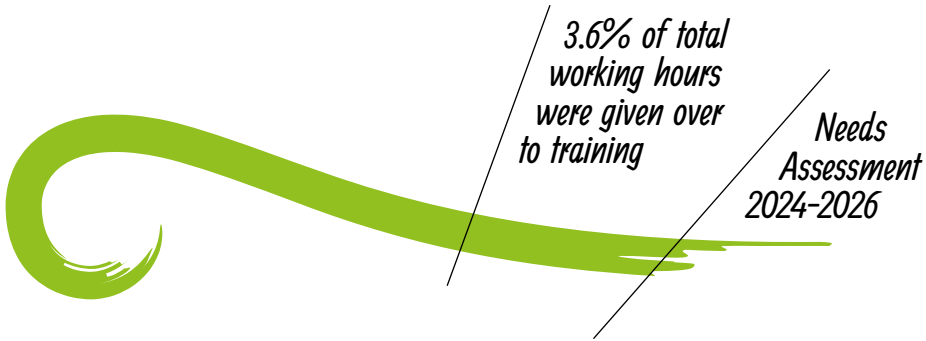
Equality
Plan

PEOPLE

Bikain Certificate and Plan
to Standardise Use of
the Basque
Language

Indeus reaffirms
commitment to
promoting Basque
language in industry

Euskadi launches
Interreg Europe
Sierenergy project to
analyse support for
renewables



Some major challenges were posed in the staff area during 2023. Work in this field centred on adapting and consolidating the new organisational model (which focuses on project-based management), properly implementing all structural hiring processes and executing the Generational Changeover Plan launched at the end of 2022.

With these three issues all arising at the same moment in time, a series of projects were set in motion to lay the foundations for the EVE group's future structure. These will guarantee that professional profiles match organisational needs and ensure effective preservation and transfer of knowledge. These developments include:

- » **Workstation reorganisation and conversion.**
- » Update and improvements to the **Induction Plan.**
- » New **appraisal of current status of EVE's Equality Plan**, focusing on the salary gap and the role of women in project management.
- » **Needs Assessment 2024-2026**, to develop leadership, communication and management skills, etc. among staff in the EVE group.
- » Implementation of a series of measures focused on ensuring **team bonds**, now that remote working has become the norm.

Sixty-six training activities were held during the year, addressing technical and administrative aspects in areas of key importance for EVE's activity. In addition, another 67 language courses were organised. Of these, 33 were in Basque. In all, 3.6% of total working hours were given over to training, with an overall satisfaction rating among participants of 82%, up on the previous year.

EVE GROUP TRAINING SESSION





EUROPE FORUM

One highlight was the development of the **Plan for Standardisation of the Use of the Basque Language**. In 2022, EVE was awarded the silver *Bikain* certificate and in 2023, preparation began of the group's new Basque Language Strategy Plan (2024-2028).

Linked to these projects, implementation of the existing **Equality Plan** continued to be monitored. The improvements of recent years continue apace. No discrimination was detected in the group's selection and hiring processes, remuneration schemes or opportunities for promotion. The EVE group also continues to promote improved mechanisms to ensure work-life balance for staff. These include flexible working hours and a model of remote working, now backed by a new government order (Decree 113/2023, of 18 July 2023).

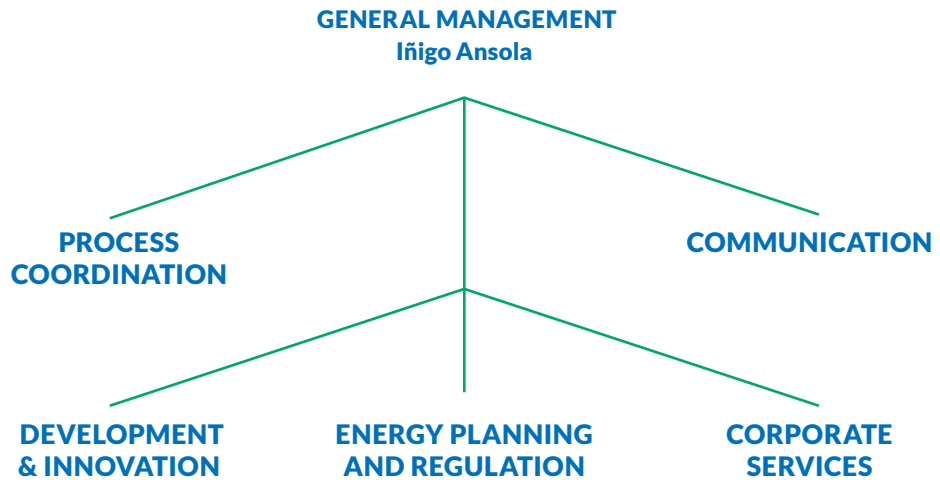
Finally, with respect to the **staff situation of the EVE Group**, an increase in the budget-based workforce was approved in March 2023. The year also saw a significant number of retirements. These developments have significantly altered the make-up of the group's structural workforce.

EVE GROUP WORKFORCE AT 31 DECEMBER 2023

	MANAGEMENT STAFF	TECHNICAL STAFF	ADMINISTRATIVE STAFF AND OPERATORS	TOTAL PERMANENT	TEMPORARY	INTERNSHIPS	TOTAL
Ente Vasco de la Energía	8	43	4	55	7	5	67
Sociedad Hidrocarburos de Euskadi	0	5	1	6	-	-	6
BiMEP	1	3	-	4	-	-	4
TOTAL	9	51	5	65	7	5	77

The average age of the workforce has also changed, now standing at 47 years and 10 months (31 December 2023). The average age for men was 49 years, 10 months and for women 45 years, 2 months. Twenty-one percent of the workforce is now aged over 60 with a further thirteen percent aged between 55 and 59. Average length of service in the group stands at 17 years and 8 months, offering a level of experience and professional qualification that is of key importance to meeting the organisation's objectives.

Organisation



Board of Directors

CHAIR

Arantxa Tapia Otaegui

DEPUTY CHAIR

Mikel Amundarain Leibar

CEO

Iñigo Ansola Kareaga

SECRETARY

Álvaro Colón Barriocanal

ORDINARY MEMBERS

Estibaliz Hernández Laviña

Zigor Urquiaga Urquiza

Xabier Viteri Solaun

Juan Ignacio López Gandasegui

Iván Martén Uliarte

Covadonga Coca Ramos

Tamara Yagüe Martínez

Iñaki Barredo Ardanza

Management Committee

CEO

Iñigo Ansola Kareaga

SECRETARY-GENERAL

Álvaro Colón Barriocanal

DIRECTOR, PROCESS COORDINATION

Irantzu Allende Fernández de Eribe

DIRECTOR, CORPORATE SERVICES

Iker Alaña Zorrilla

HR & GENERAL SERVICES DIVISION

Carlos Aguirre Arana

ECONOMIC & FINANCIAL DIVISION

Rosa Madina Romero

DIRECTOR, COMMUNICATION

Joseba San Nicolás Egaña

DIRECTOR, DEVELOPMENT & INNOVATION

Enrique Monasterio Beñaran

PROJECT DEVELOPMENT DIVISION

Javier Marqués González

DIRECTOR, ENERGY PLANNING AND REGULATION

José Luis Sáenz de Ormijana Fulgencio

GEOLOGICAL RESOURCES DIVISION

Luis Muñoz Jiménez

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Energy CONTEXT



Global rise in wind and solar PV capacity

Gas consumption falls 24% in 2023

Basque power consumption down 2%

Lowest level of gas use in power generation of recent years

ENERGY

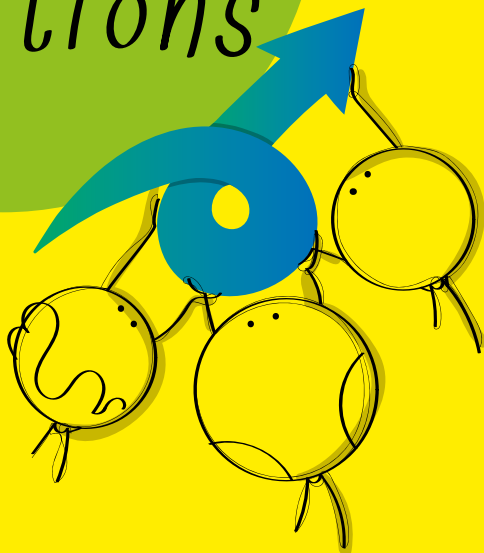
STRATEGIC

GEOPOLITICAL

CHANGING
conditions

Significant fall in energy prices

Mutriku tops 3 GW in accumulated output

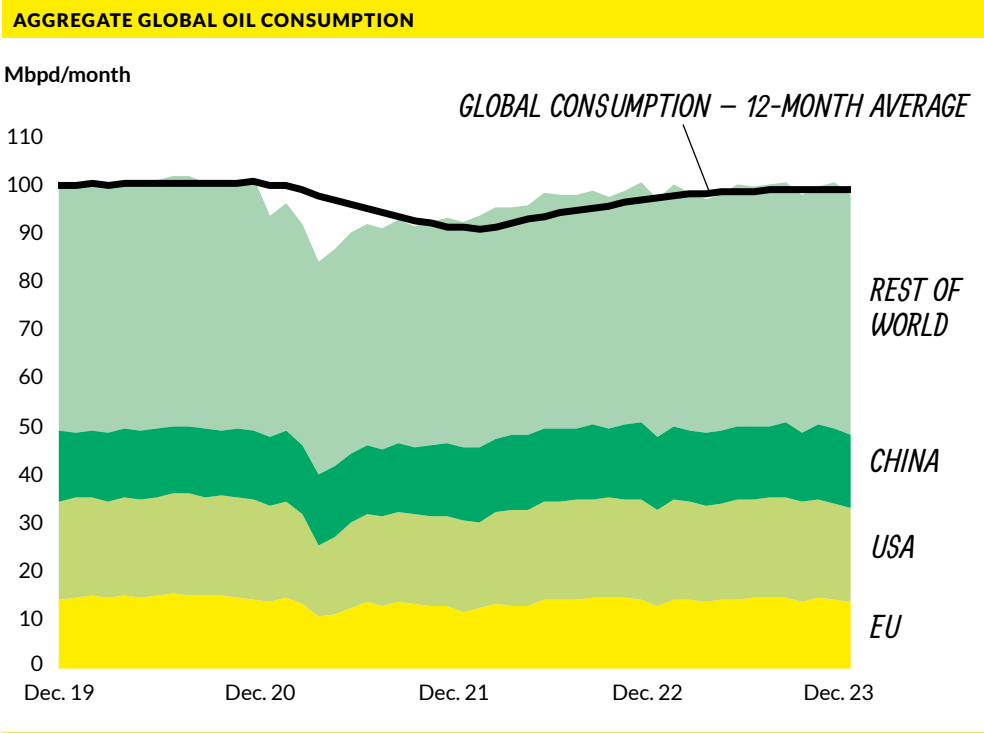




PARQUE SOLAR EKIAN

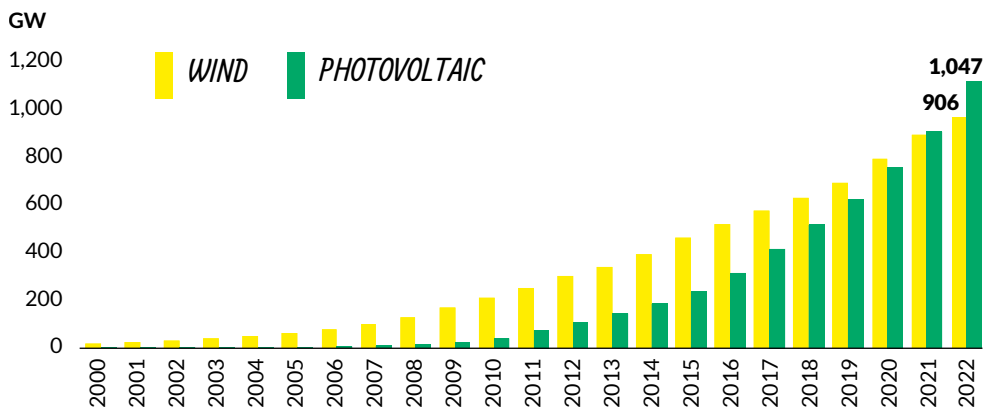
More than 1 TW of Solar PV installed worldwide

Global oil consumption came to 101 million barrels per day (Mbpd) in 2023, 1.9% up on the previous year (99.2 Mbpd). Chinese consumption increased by 5.2% to 15.9 Mbpd, while in the US it was up 0.8% to 20.2 Mbpd. The figure in Europe remained unchanged at 14.3 Mbpd. The average price of Brent crude stood at around \$82, falling during some months below \$70.



According to data from the International Renewable Energy Agency (IRENA) and the Global Wind Energy Council (GWEC), renewables continued to perform well worldwide in 2022, with growth in both wind power and photovoltaics. Cumulative installed wind power capacity increased to 906 GW, 76 GW up on 2021. The year also saw an exponential growth in photovoltaic capacity, with a further 192 GW installed, bringing the accumulated total capacity to 1,047 GW.

GLOBAL INSTALLED WIND AND PHOTOVOLTAIC CAPACITY



Source: International Renewable Energy Agency (IRENA) and Global Wind Energy Council (GWEC).

Energy Consumption in the Basque Country

ELECTRICITY CONSUMPTION

Basque electricity consumption came to 13,700 GWh in 2023, down 2.0% on the previous year, and very close to the figure for 2020, during the Covid-19 crisis. This means that it is now at its lowest level in recent years. The industrial sector continues to be the largest electricity consumer, accounting for 53% of total consumption, followed by the services sector at 23% and the residential sector at 16%.

Overall, industry saw a 2.2% drop in consumption on the previous year, with significant falls amongst large consumers such as glass-making (-10%), machinery & metal processing (-3.6%), paper & cardboard (-13%) and chemicals (-4.2%). However, power consumption rose in other industries, such as iron & steel and foundry (2.2%), automobile and bicycle manufacture (9.7%) and cement, lime and plaster (6.8%).

Consumption in the buildings sector fell by 2.1%, with particularly notable drops in the areas of government and other services (-3%) and trade & services (-3.3%). Consumption in the residential sector fell by 2.1%, resulting in the lowest figures of recent years.



Consumption of automotive fuels in the Basque Country was down 1.8%



Natural gas consumption in 2023 was 24% lower than the previous year

NATURAL GAS DEMAND

Natural gas consumption decreased to 24,718 GWh in 2023, 24% down on the previous year, largely as a result of lower consumption for electricity generation (down 58%), while consumption for conventional uses (industrial, domestic, services and other sectors) remained unchanged.

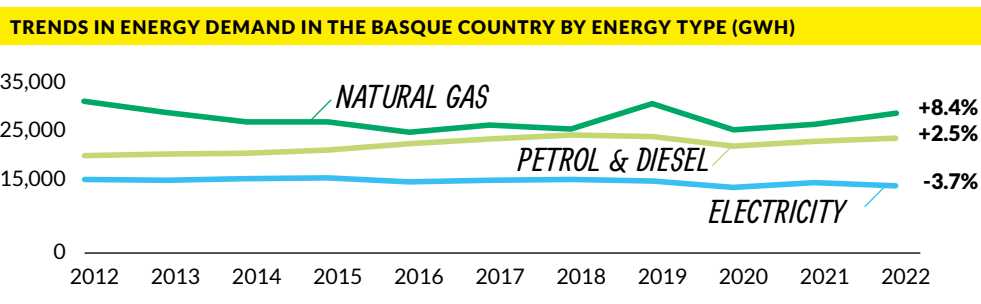
Consumption for use in power plants stood at its lowest rate in recent years. The reason is the lower share of combined cycle plants in the energy mix, due to a higher proportion of renewables.

FUEL CONSUMPTION

Consumption of automotive fuels in the Basque Country was down 1.8%, to a rate similar to that of the Covid crisis years of 2020 and 2021.

Consumption of Diesel A decreased by 3.7%, while petrol consumption was up 15.1%. Diesel A accounted for a slightly smaller proportion (87%) of the total fuels used for transport in the Basque Country.

There was a particularly significant rise in the use of aviation kerosene (JET-A). Although definitive year-end data are not yet available, these figures are higher than the pre-COVID figures of 2019.



Source: EVE – Provisional energy figures 2023.

Energy prices fell considerably in 2023, although not to pre-Covid levels.



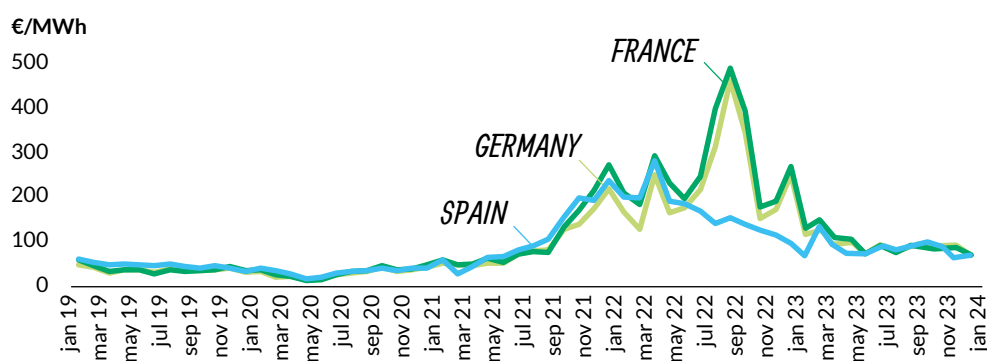


AERIAL VIEW OF EKIAN SOLAR FARM

ELECTRICITY PRICES

In 2023, the average annual spot price of electricity in Spain was €87 per MWh, down 48% on 2022. The trend was similar to that seen in France and Germany, which had annual average prices of €96/MWh and €95/MWh respectively.

AVERAGE MONTHLY ELECTRICITY SPOT PRICES IN EUROPE

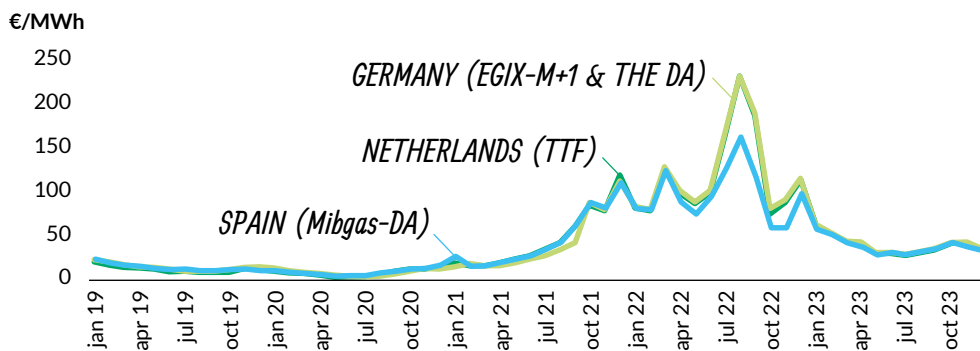


Source: Authors, based on figures from OMIP.

GAS PRICES

During the year, the average annual gas price in Spain came to €39 per MWh, 60% lower than in 2022. The trend was similar in both the Netherlands (TTF), the main European gas market, and in Germany (THE), which saw annual average prices of €40 and €41 per MWh, respectively.

AVERAGE MONTHLY GAS PRICES IN EUROPE



Source: Authors, based on data from Mibgas, THE and Powernext.

NB: For the period from January 19 to September 2021, the German gas price is based on the EGIX M+1 index and from October 2021 to December 2023 on the Trading Hub Europe index (THE DA).



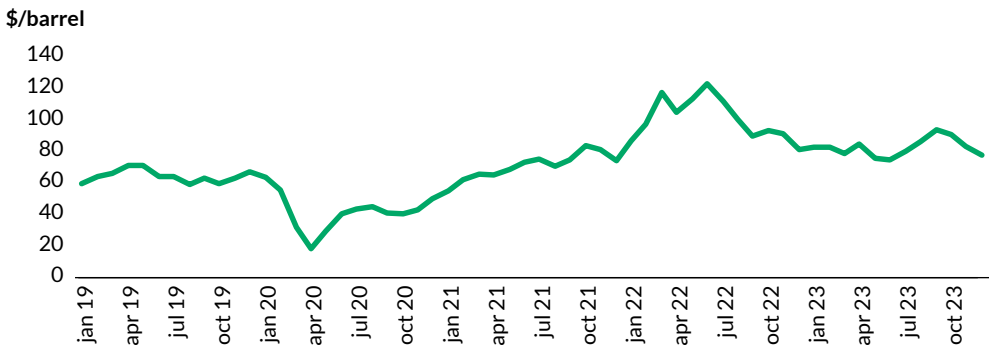
The average price of Brent crude in 2023 was \$82.47 per barrel

The average annual spot price of electricity in Spain was €87 per MWh

CRUDE OIL PRICES

The average price of Brent crude in 2023 was \$82.47 per barrel, 18% down on 2022. The average monthly rate peaked in September at \$93, and during the year there were months in which it fell below \$75.

PRICE OF BRENT CRUDE

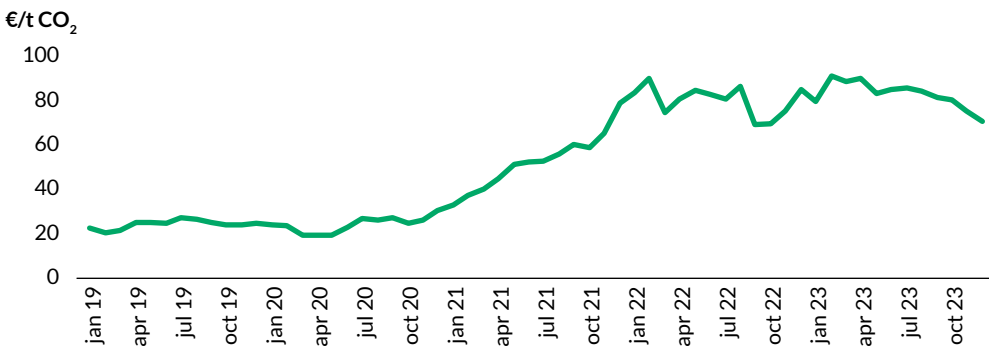


Source: Authors, based on figures from EIA.

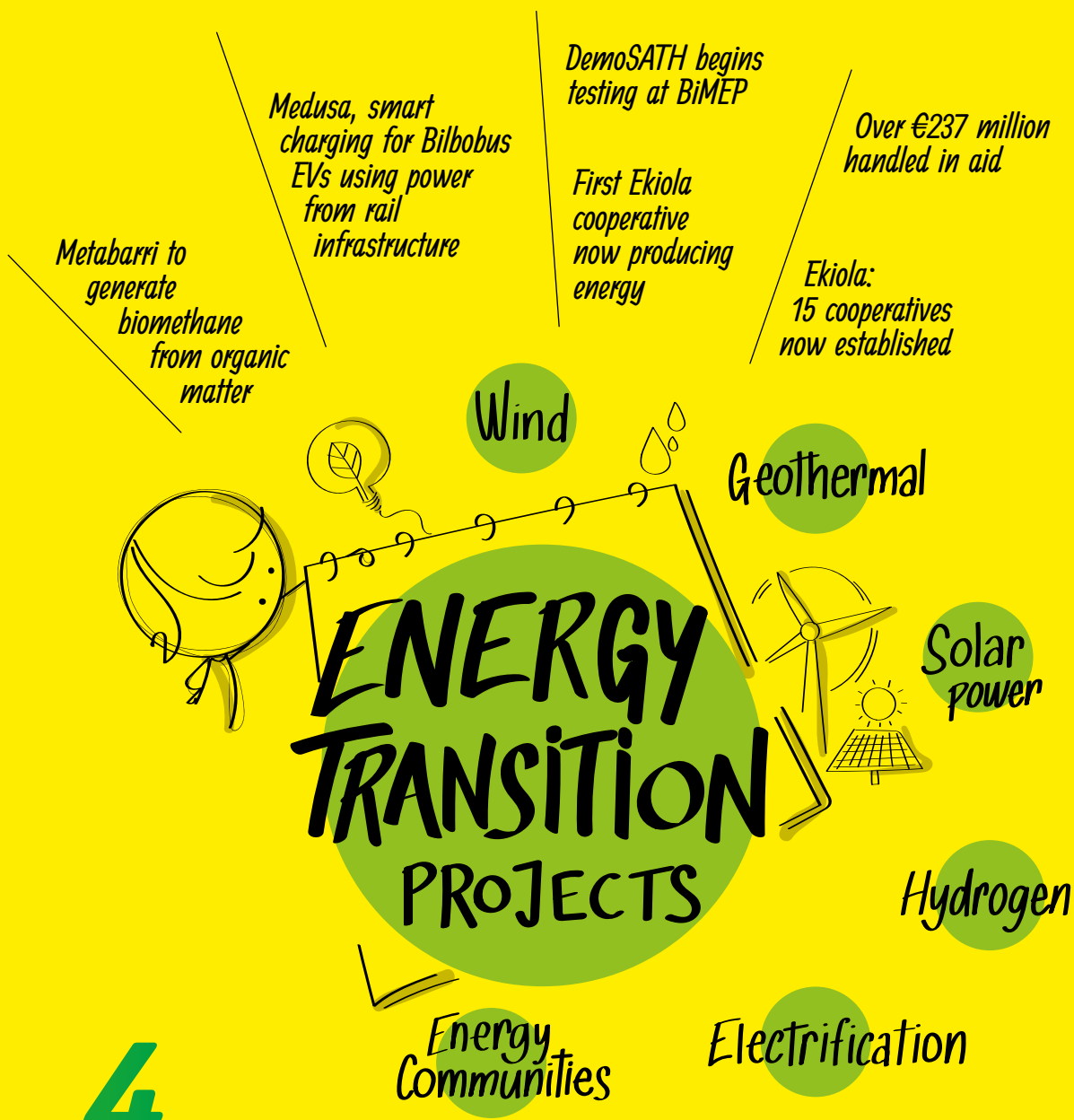
EMISSION ALLOWANCE PRICES

During the year, the average annual price of emission allowances stood at €82.5 per tonne of CO₂, 2.5% up on 2022. The highest average monthly price came in February, when it reached €92 per tonne of CO₂. In the last few months of the year the trend was below €75.

PRICE OF EMISSION ALLOWANCES



Source: Authors, based on figures from SendeCO2.



4

DEVELOPMENT

and

INNOVATION

*Eleven stations
in the Basque
Country now
provide compressed
natural gas with seven
supplying liquefied
natural gas*

Energy Efficiency and Sustainability

ALTERNATIVE FUELS AND SUSTAINABILITY

EVE worked actively with agents from the sector to promote natural gas as an alternative fuel for road transport in general and heavy goods vehicles in particular, offering aid programmes to increase availability at fuel stations. Several new gas supply points were opened and eleven stations in the Basque Country now provide compressed natural gas (two more than in 2022) with seven supplying liquefied natural gas (one up on 2022).

HYDROGEN

Development continued on projects related to the Basque Hydrogen Corridor (BH2C). In addition, a number of new initiatives were launched, all led by Basque companies. In the area of infrastructures, the region's first electrolyzer for sustainable hydrogen production was opened and the first hydrogen distribution pipeline was built. In hydrogen use, the world's first hydrogen-burning ladle preheater was installed, a long-distance hydrogen-driven coach was presented and the first tests were carried out on a hydrogen-driven train.

In the field of cross-border collaboration, 2023 saw the conclusion of the two-year Basque presidency of the Working Community of the Pyrenees (CTP) and, therefore, of its role in coordinating the hydrogen task force. The task force has managed to have the PHYRENE project included in the Interreg POCTEFA programme. Ente Vasco de la Energía and agencies from the other six territories in the CTP are participating in this project.

ELECTRIC MOBILITY

During 2023, EVE promoted electrification of public and private vehicle fleets and installation of new charging infrastructure to ensure greater coverage for electric vehicles in the Basque Country. EVE worked with key players in the sector to renew its emphasis on training and information in this new technology.





**PRESENTATION OF
THE DEMOSATH
DEVICE**



Renewable Energy and Use of Resources

BIOMASS

Heat network project in the Coronación district (Vitoria-Gasteiz)

Throughout the year, new buildings continued to be added to the existing heat network. By the end of 2023, around 450 residential and one services client had been connected.

Biomethane Projects

- A public bidding process selected PreZero to build and operate Metabarri SA's new plant, as well as the company that will provide the engineering services. The plant will be located in the Artigas Ecopark in Alonsotegui. At full production, it will have an estimated output of 40 GWh, generated from organic matter collected in brown bins across Bizkaia.
- Development of a biomethane plant in Gipuzkoa using farm waste (agrarian and livestock). Work and studies to select the site of the plant began in 2023.

WIND ENERGY

Aixeindar

Administrative processing for wind farms at Azaceta (40 MW) and Labraza (40 MW) continued and both projects received a positive environmental declaration and administrative authorisation. The same process was launched in the Laminoria project for a mixed wind and solar facility, with a total capacity of close to 80 MW.

BiMEP project

In summer 2023, the DemoSATH floating offshore wind project, developed by the Basque engineering company Saitec, with a 2 MW wind turbine, came into operation.

DEMOSATH DEVICE AT BI MEP





SOLAR FARM IN ARABA

GEOTHERMAL

ATELIER Project (AmSTERdam BiLbao citizen drivEn smaRt cities)

Work on the project began on the southern tip of Zorrozaurre Island, as part of urban development of the area. Work also continued in homes in the north of the island.

Hydrothermal and geothermal studies

EVE participated in the development of a number of geo-exchange installations in buildings owned by different public authorities in the Basque Country.



MARINE ENERGY

Mutriku Project

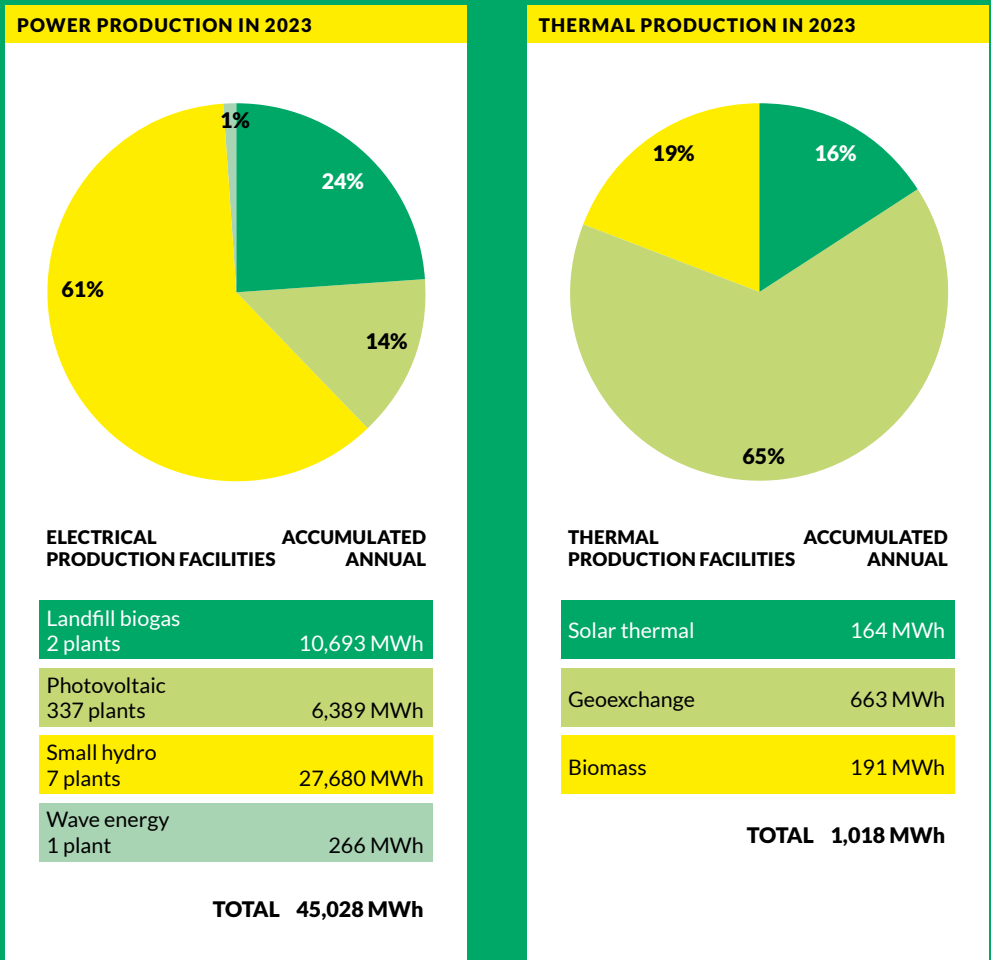
- As of 2023, the wave energy plant has produced over 3 GWh.
- Turbowave Project. A bid for tenders was issued via the Innovative Public Procurement (IPP) procedure for design and development of two new oscillating water column turbines for the plant, following which the concept development phase was launched, with five companies involved.

EuropeWave Project

Pre-commercial Public Procurement (PPP) of wave energy harnessing devices. Phase II (design and modelling of prototypes) was completed in the summer of 2023 with five firms taking part. In September 2023, scaled-up development of 3 wave energy harvesting devices began. Two of the prototypes will be tested at BiMEP’s test site.

USE OF RESOURCES

Ente Vasco de la Energía has over 300 renewable power and heat plants in operation. In 2023, they generated a total of 45,028 MWh of electricity and 1,018 MWh in heat energy.



Distributed Generation and Demand Management

GENERAL CONTEXT

There was a major growth in self-consumption. In this area, the industrial sector was particularly important, with its higher-powered facilities, as compared to the residential sector which has a large number of low-powered installations.

KEY PHOTOVOLTAIC PROJECTS

EKIAN

During the year, the 24 MW PV project in Ribera Baja (Álava/Araba) —first opened in 2020— is now in regular and sustained operation, generating 29.6 GWh of power in 2023. Ente Vasco de la Energía owns 4.167% of the business, equivalent to 1 MW of the plant's total output.

EKIENEA

Public-private partnership for construction and operation of a solar photovoltaic facility in Armiñón (Álava/Araba) with a maximum capacity of 125 MWp, requiring investment of close to €90 million.

During 2023, a range of engineering work was carried out and applications were submitted for the necessary permits, which are not yet fully completed.

EKIOLA

Ekiola is a public-private company owned by the Ente Vasco de la Energía (25%) and KREAN (75%). It was set up to promote cooperative citizen energy communities, generating photovoltaic energy for co-op members.

By the end of the year, 15 cooperatives had been set up, and are now at different planning stages:

- Azpeitia Ekindar, S. Coop.
- Leintz Bailarako Ekiola, S. Coop.
- Zumaia Egutera, S. Coop.
- Elgoibar eta Mendaroko Ekiola, S. Coop.
- Urretxuko Ekiola, S. Coop.
- Donostiako Ekiola, S. Coop.
- Lea Artibaiko Ekiola, S. Coop.
- Usansolo eta Galdakoko Ekiola, S. Coop.
- Arabako Mendialdeko Ekiola, S. Coop.
- Arabako Lautadako Ekiola, S. Coop.
- Gorbeialdeko Ekiola, S. Coop.
- Aiarako Ekiola, S. Coop.
- Arabako Errioxako Ekiola, S. Coop.
- Añanako Ekiola, S. Coop.
- Gasteizko Landako Ekiola, S. Coop.

During the year, the first Ekiola in the Basque Country —Arabako Mendialdeko Ekiola, S. Coop.— was opened. Work at Azpeitia Ekindar, S. Coop. and Leintz Bailarako Ekiola, S. Coop. also concluded and the permits required for commissioning are being finalised. Work also began on Arabako Lautadako Ekiola, S. Coop.



EKIAN, SOLAR FARM IN PRODUCTION

OFFICIAL OPENING OF EKIOLA MAEZTU



A 900 kW self-consumption photovoltaic solar power plant went into operation on the roof of the exhibition centre

BEC SOLAR

During the year, public company BEC Solar AIE was relaunched as BEC Solar S.L. Medio Propio.

In April 2023, a 900 kW self-consumption photovoltaic solar power plant went into operation on the roof of the exhibition centre. In August 2023, a bid for tenders was published for a turnkey execution project to expand the current PV plant on the roof of Hall 6 of the BEC, adding a further 450 kW. The facility is scheduled to be commissioned in the spring of 2024.

AGRIVOLTAICA

Development of two pilot projects for agricultural facilities in Rioja Alavesa, including drafting of technical projects and associated legal documentation.

SELF-CONSUMPTION PROJECTS

Analysis for adaptation of photovoltaic facilities owned by EVE and other agents, with a view to enabling self-consumption.

MEDUSA, ALTERNATIVAS DE SUMINISTRO ELÉCTRICO, S.L.

Medusa proposes to offer smart charging services for urban electric bus fleets, using power from large electricity consumers that have surpluses at certain times of day. These include rail facilities, which need to contract high levels of capacity 24 hours a day but do not require continuous operation.

During 2023, an integrated project was completed for a smart charging service connected to Metro Bilbao which will power eight Bilbobus electric buses. Meetings were also held with other bus operators and railway managers to develop smart charging projects in other cities.

An integrated project was completed for a smart charging service connected to Metro Bilbao which will power eight Bilbobus electric buses



PRESENTATION OF THE MEDUSA PROJECT



Energy Sustainability in Government

EVE provides support to Basque public administrations to help them implement the energy transition within their area of responsibility. Activities include: technical support to answer queries in different areas of energy sustainability, training for technicians and public officials, collaboration in financing, technical support in renewable energy investment projects, provision of information (data, maps, procedures), as well as energy audits and studies.

Inter-institutional collaboration was strengthened through regional meetings, working with Udalsarea (the network of municipal authorities), and promoting the European framework developed by the Covenant of Mayors.

Within the framework of the Basque Energy Sustainability Act (Law 4/2019), EVE acts as technical secretary to the Basque government’s sustainability committee, promoting the 2030 Sustainability Action Plan and providing criteria and support to different government departments.

Aid Programmes

Five aid schemes were launched in 2023:

- » **Three schemes for aid in energy efficiency targeted at specific sectors.** One to encourage modernisation of road freight transport fleets, one aimed at the distribution sector and another offering aid for comprehensive energy audits in SMEs.
- » **Two renewable energy support schemes.** Investment in demonstration and validation of emerging marine renewable energy technologies, and a programme of support for feasibility studies on possible use of renewable energies in residential boiler rooms.

In addition, several schemes launched in previous years continued to operate during 2022. These included the aid programme for energy efficiency in the industrial sector, launched in 2019; the schemes for transformation of passenger and goods transport fleets, renewable heat energy, energy efficiency in tourism companies (PREET), hydrogen in industry and buildings, energy efficiency in industrial and tertiary SMEs, integrated energy demand management systems (SIGED), actions in efficient mobility and renewal of cooling equipment in the hotel and catering industry, all launched in 2022; and Self-Consumption, MOVES III, PREE5000, studies in the Basque local administration and GAUZATU energy (energy efficiency and use of renewable energies in the local public administration), as well as the evidence phase of the PREE programme, all dating from 2021.

In all, EVE handled a total budget of €237.7 million.

RESULTS FOR 2023 IN THE AREA OF ENERGY EFFICIENCY AND RATIONAL USE OF ENERGY

SECTOR	SAVINGS (TOE _{EUE} /YEAR)	APPLICATIONS (NUM.)	INVESTMENT (EURO)	AID (EURO)
Industry	17,354	115	19,779,454	5,958,182
Residential	316	73	12,619,313	2,501,043
Services	884	21	223,080	45,367
Government	12	4	242,034	147,106
Transport	1,345	4,463	427,219,510	25,487,697

toe: tonnes of oil equivalent

LAYING OF FIRST STONE AT HAIZEA FACILITIES, BILBAO





SEMINAR ON HYDROGEN

ENERAGEN AWARDS CEREMONY



More than 6,400 applications for aid in the area of renewable energy were received

Nearly 6,00 applications were received, with total savings from all projects supported in efficiency-oriented programmes in excess of 19,910 toe/year.

RESULTS FOR 2023 IN THE FIELD OF RENEWABLE ENERGIES				
SECTOR	PRODUCTION (TOE _{EUE} /YEAR)	APPLICATIONS (NUM.)	INVESTMENT (EURO)	AID (EURO)
Industry	772	141	7,207,638	3,265,767
Residential	2,642	2,612	23,628,185	12,681,248
Services	3,416	179	19,116,087	7,217,984
Government	378	169	2,113,094	2,180,029

toe: tonnes of oil equivalent

More than 6,400 applications for aid in the area of renewable energy were received. Together, subsidised projects account for 51.4 MW of new renewable energy, contributing to conventional energy savings of 7,200 toe.

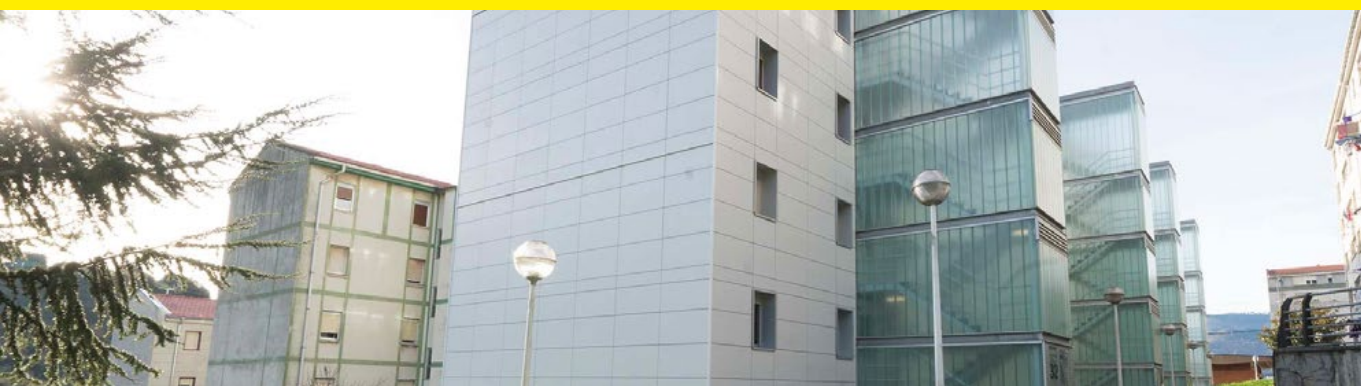


International

During 2023, two new proposals were submitted to the INTERREG-POCTEFA and LIFE programmes. One of these was approved and will start on 1 January 2024. The second is currently under evaluation.

IN 2023, EVE PARTICIPATED IN THE FOLLOWING EUROPEAN PROJECTS					
PROGRAMME	PROJECT	AREA	SHORT DESCRIPTION	EU GRANT	END
H2020	HIROSS4all	EE in building	Programme for support in building refurbishment.	€170,000	Jan-23
H2020	ATELIER	Renewable Energy	Support for the Zorrozaurre demonstration project (Bilbao).	€316,000	Oct-24
LIFE	URBANKLIMA 2050	Renewable Energy	Support for implementation of the Basque Strategy on Climate Change 2050.	€1,095,000	Dec-25
H2020	EUROPEWAVE	Renewable Energy	Pre-commercial public procurement of marine energy technologies.	€6,800,000	Apr-26
HORIZON EUROPE	CETP	Renewable Energy	Partnership to co-finance RE support programmes at a European level. EVE participates with the marine energy aid programme.	€2,100,000	Dec-28
INTERREG EUROPE	SireENERGY	Studies	Detecting improvements in the 3E2030 strategy in relation to the implementation and acceptance of renewable energy projects in rural areas.	€148,000	Feb-27
LIFE	BIRTUOSS	EE in building	Scaling up of the OPENGELA model of one-stop shops to promote home energy renovation in the Basque Country.	€97,000	Aug-26

OPENGELA OTXARKOAGA, BILBAO



5

Energy

PLANNING and REGULATION



Energy statistics
available in PowerBI
format on the EVE
website

2030 Euskadi
Energy Strategy
on target

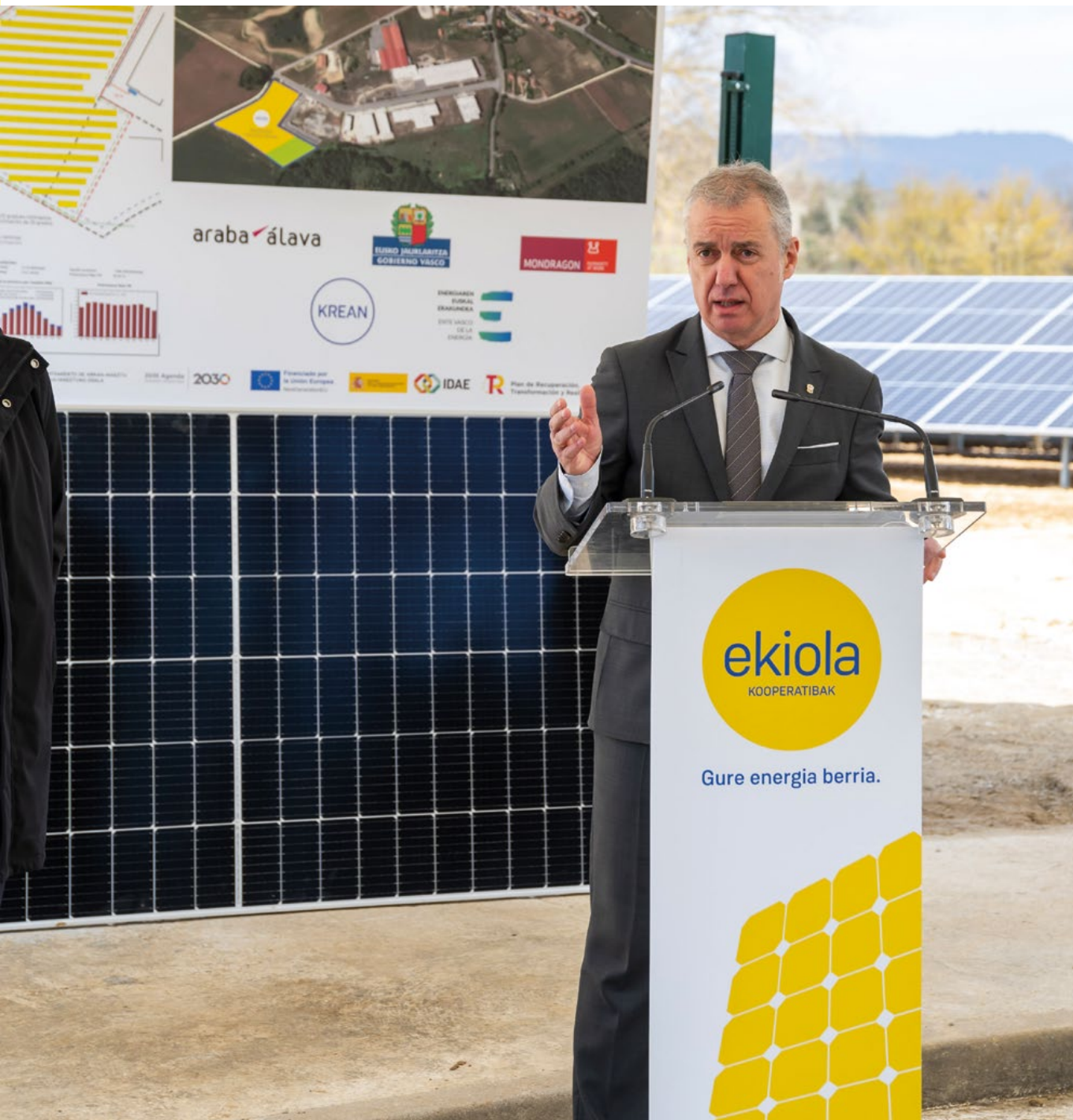
Support for energy
audits in SMEs in
industry and service
sectors

Energy Transition
and Climate
Change Act

Studies and Information

During 2023, a number of analyses were carried out to assess energy efficiency potential in industry, hydrogen-use scenarios and comparisons of energy indicators in the Basque Country and elsewhere in Europe. Other studies included an analysis of European energy balances, comparisons of energy prices, energy certification for buildings and several regulatory analyses.

Among its periodic studies, EVE continued to manage energy statistics, available on its website in PowerBI format, as well as updating historical series and drawing up annual energy balances for the Basque Country. It also published monthly reports on the energy situation in the Basque Country.



Energy Transition and Climate Change Plan 2021–2024

By the end of 2022, the current plan had been in force for a year and a half. During this time, an average of nearly half (48%) of the targeted progress had been achieved across the 15 initiatives set out in the plan. It is therefore expected to reach near-100% achievement by 2024.

To date, 61% of the estimated budget has been spent.

Basque Energy Strategy 2030

An evaluation report was published, monitoring actions carried out during the 2016-2022 period of the Basque Country Energy Strategy 2030, approved by the Basque government in 2016. Progress was close to target in the area of energy efficiency and renewable energy use.





FOURTH SPERTUS MEETING

EVE also analysed all energy-related proposals and regulations approved by the Spanish government to contain energy prices

Major progress was made in developing and processing the Energy Transition and Climate Change Law

Energy Regulation

In the area of regulation, some of the most important work was carried out in collaboration with the Hitzartuz programme promoted by the Department of Equality, Justice and Social Policies to assist families and people in situations of extreme vulnerability. The aim was to provide urgent coverage for the basic needs of individuals and families with limited resources and to help families who have been left out of the system pay their electricity, water and gas bills.

During the year, parliament also passed Act 6/2023, regulating the communication of information by reference retailers to the General Administration of the Autonomous Community of the Basque Country for the management and payment of the social thermal bonus in the region.

Throughout 2023, major progress was made in developing and processing the Energy Transition and Climate Change Law, which went through its final stages in the Basque Parliament at the end of the year.

EVE also analysed all energy-related proposals and regulations approved by the Spanish government to contain energy prices and provide support to the most affected sectors and groups. These include lower electricity taxes, fuel rebates, a 'social shield' to protect the most vulnerable groups, and a mechanism for adjusting the price of electricity on the wholesale market.

Several European regulations were also analysed during the year, including a series of crisis plans, emergency regulations and new temporary frameworks for state aid to deal with the energy impacts of the war in Ukraine. Regulations were also published to speed up installation of renewable generation, develop the entire hydrogen value chain, and pass the Renewable Energy Network III Directive and a new Energy Efficiency Directive. An implementation schedule was drawn up for the Carbon Border Adjustment Mechanism (CBAM), and the first regulations were established. Work continued on reform of the internal electricity market and on a bill for net zero emissions in industry, among other developments.

6

GEOLOGICAL

Resources

*Bilbao and Amsterdam
sign agreement to
boost European
Renewable Hydrogen
Corridor*

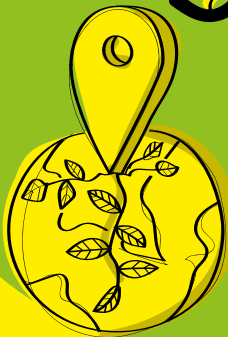
*LIDAR methodology
for 1:25,000 scale
geological mapping*

*Monitoring of
the fifteen
stations in the
EUSKALSIS
network*

*Geophysical
studies for
geological
hydrogen storage*

*NEXT funds
for mining
restoration*

GeoSustainability



*Local resources
Storage
Seismology*





MALAESPERA MINE

Geological and Mining Research

The main actions carried out in this area over the year were as follows:

- » Technical support to Micronizados Naturales S.A., which produces mineral loads of calcium carbonate, and Sociedad de Hidrocarburos de Euskadi, S.A. (SHESA), in regional geology, surface and subsurface geology.
- » Technical assistance to the Basque Government's Department of Economic Development, Sustainability and the Environment. Key actions during 2023 included:
 - Review and identification of the status of active concessions, with proposed solutions.
 - Planning, coordination and follow-up work continued, in collaboration with the Basque Vice-Ministry of Environmental Sustainability, using NEXTFunds for mining restoration. The projects on which we are working are:
 - : Pool at Troya mine (Mutiloa, Gipuzkoa).
 - : Environs of the Kaolin-Eder mine (Altzo, Gipuzkoa).
 - : Malaespera Mine (Bilbao, Bizkaia).
 - : San José de Legorreta Mine tailings tank (Itsasondo, Gipuzkoa).
- » Improvements in operation of the Basque Geological and Mining Portal.



In the area of geological information and infrastructure:

- » Mapping and digitisation
 - Publication of twelve quadrants of the 1:25,000 geological map using LIDAR.
 - Digitisation of two detailed geological cartography maps and correction of ten others previously digitised.
- » Subsoil survey
 - Monitoring and maintenance of the fifteen posts in the EUSKALSIS permanent network for measuring, monitoring and interpreting seismic activity in the Basque Country.
- » Mining research
 - Appraisal of analytical results from the second multi-element rock geochemistry campaign (650 samples). Proposal for statistical analysis of Campaigns 1 and 2 to be carried out in 2024.
- » Geodiversity
 - Completion of a geological and mining heritage map for the municipalities of Zerain, Mutiloa, Gabiria, Ormaiztegi and Legazpia.
 - Collaboration with the University of the Basque Country on a research project on ornamental rocks ('Euskal harriak. Patrimonio geológico y cultural').

*Digitisation of
two detailed
geological
cartography maps*

Energy transition projects:

- » Geological hydrogen storage
 - Geophysical studies (microgravimetry and magnetometry) in areas of Alava and Bizkaia.
- » Geological CO₂ storage
 - Progress continued on selecting the geological structures and formations best suited for this purpose. EVE participated in the working group of the CO₂ Technology Platform (PTECO2).

CALCITE FROM THE PANDOS MINE



Oil and Gas Exploration and Production (SHESA)

With the entry into force of the Basque Climate Change and Energy Transition Act (Law 7/2021, of 20 May 2021), Sociedad de Hidrocarburos de Euskadi's main focus was on the Viura operating concession. Its activity in the exploration permits in which it has an interest is now limited to keeping the licences operative and maintaining the company's ownership rights and obligations.

In 2023, the Viura field produced 21 million Nm³ of gas



PARTICIPATION IN EXPLORATION CONCESSIONS AND PERMITS

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

Angosto-1

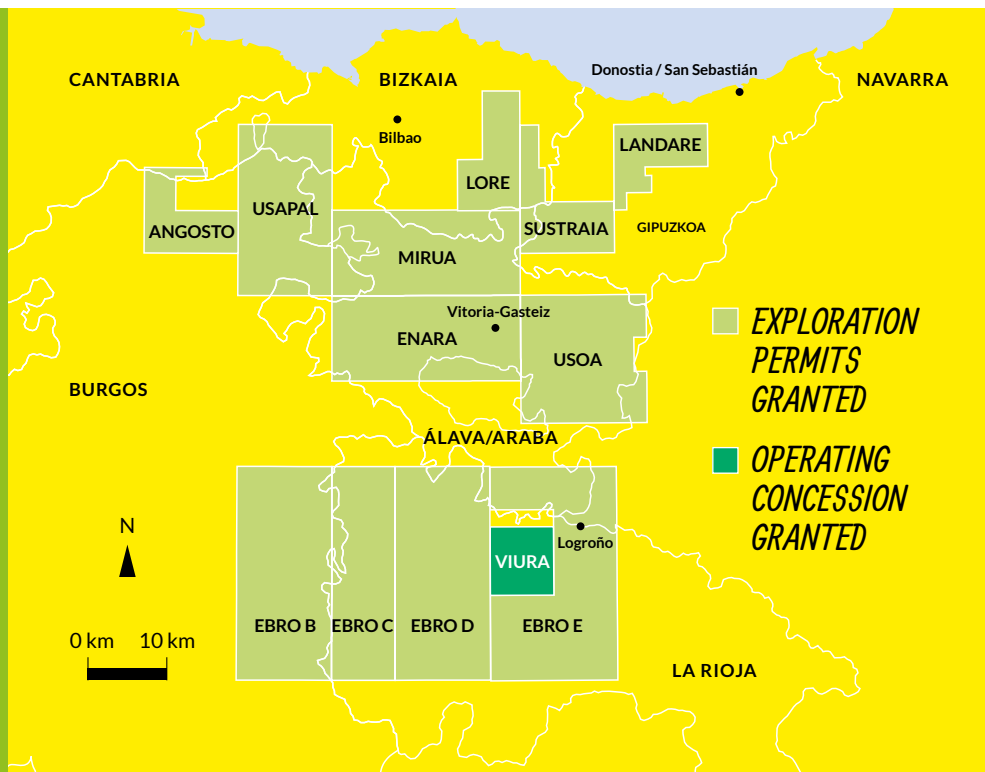
The permit is joint-owned by Sociedad de Hidrocarburos de Euskadi, Petrichor Euskadi Coöperatief UA, (Sucursal en España) and Cambria Europe, Inc. (Sucursal en España). In July 2016, an application was submitted to the Ministry of Industry, Energy and Tourism (MINETUR) for cancellation, given that the permit has now expired. A final ruling is still pending.

Viura Operating Concession

This administrative concession was not affected by the Climate Change and Energy Transition Act.

The Viura Operating Concession was granted on 25 July 2017, allowing commercial operation of the natural gas field discovered in 2010 in Sotés (La Rioja), in which SHESA has a 37.6901% holding.

In 2023, the Viura field produced 21 million Nm³ of gas. Accumulated output from the field to 31 December 2023 came to approximately 460 million Nm³.





VIURA OPERATING CONCESSION

Natural gas production currently comes from a single well.

The Viura project has provided a local supply of natural gas, with a lower carbon footprint than imported gas, resulting in the avoidance of 214,492 tonnes of CO₂ since production started.

Cameros-2 and Ebro A, B, C, D and E

The 'Cameros-2', 'Ebro-A', 'Ebro-B', 'Ebro-C', 'Ebro-D' and 'Ebro-E' hydrocarbon exploration permits are joint-owned by Sociedad de Hidrocarburos de Euskadi, Heyco Energy Iberia, S.L. and Oil&Gas Skills, S.A. In 2017 an application was made to the Ministry of Industry, Energy and Tourism (MINETUR) to renounce continued research in these permits. This application is currently pending resolution.

Enara, Mirua, Usapal and Usoa (Gran Enara project)

These investigation licences are joint-owned by Sociedad de Hidrocarburos de Euskadi (44%), Petrichor Euskadi Coöperatief UA (33%) and Cambria Europe Inc. (20%).

This project was affected by the Climate Change and Energy Transition Act. Since the new legislation came into force on 21 May 2021, no new operating concessions have been granted. Consequently, the investigation licences are now essentially worthless, since it is no longer possible to exploit any hydrocarbon deposits that might be discovered.

Lore, Landarre and Sustraia

The Sustraia, Landarre and Lore licenses, jointly owned by Sociedad de Hidrocarburos de Euskadi and Petrichor Euskadi Coöperatief UA (Sucursal en España), were awarded in October 2018. The project, of which SHESA is the operator, has also been affected by the Climate Change and Energy Transition Act.

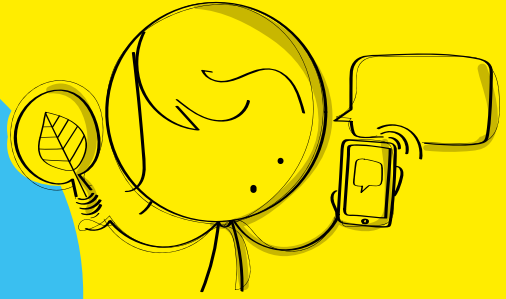
ENVIRONMENTAL ASPECTS

The following fieldwork was carried out during the year:

- Production and maintenance operations at the Viura field, with natural gas piped into the gas network and marketed.

None of these operations had any environmental impact.

SAVE ENERGY & spread the news



5 March, International Energy Efficiency Day

Radio slot with everyday energy-saving tips

Creation of European hydrogen corridors

Open Days at BIMEP

COP28, a global commitment to addressing the climate crisis and energy transition and a key objective

7

COMMUNICATION

EnerAgen General Assembly held in the Basque Country

Thousands of self-consumption installations now operating in Basque Country

500+ media and communication interactions

Throughout 2023, Ente Vasco de la Energía continued to perform extensive communication work, targeting some of the main audiences in Basque society. Highlights of the year included the final removal of the last of the restrictions imposed during the Covid-19 pandemic, but also new geopolitical challenges, posed by armed conflict in Ukraine and Palestine. Basque energy policy was bolstered by the agreement reached at the COP28 conference in Dubai, with a global commitment to address the climate crisis meaning that all countries will inescapably have to move towards an energy transition.

It was also a major year for renewables in the Basque Country. The number of applications received by the Basque Government to launch new photovoltaic and wind projects grew exponentially, and there are now thousands of small self-consumption facilities operating in the region. In the area of communication, EVE continues to focus on raising awareness of energy saving and the use of renewables, given that we must all learn to accept the need for renewable energy infrastructures in our immediate surroundings.

TEK AZITAIN EIBAR



Some of the communications department's most important activities included:

- » Dissemination of projects and activities in the print and broadcast media via press releases, interviews and direct contacts, as well as posting on social media. In all, the department instigated over 500 media and communication interactions during the year, in the form of either press releases (36), posts and publications on social media or direct contact with the media workers. In the area of information, key actions included:
 - Management of aid programmes for self-consumption, electric mobility, small renewable facilities, etc.
 - Commissioning of the first Ekiola citizens cooperative in the mountains of Alava, the first of its kind in the Basque Country, and the creation of other new Ekiola cooperatives throughout the region.
 - Large-scale renewable projects such as the wind farms planned by Sociedad Aixear, expansion of BEC Solar, authorisation for Indarberri photovoltaic farms, photovoltaic production for industry by Eguzkind, and the creation of innovative solutions for powering electric bus fleets in Bilbao.
 - Advances in the area of hydrogen with the creation of European production and supply corridors.

- » Campaigns to promote energy efficiency, renewables and clean transport and to publicise aid schemes and the Basque Green Deal strategy in the press and broadcast media.
 - Sponsorship of the morning weather report on various radio stations, offering handy everyday tips on rational energy use. The campaign was run in two phases, from January to July and from September to December.
 - International Energy Efficiency Day (5 March). Campaign in broadcast, print and digital media.

International Energy Efficiency Day (5 March). Campaign in broadcast, print and digital media.

Sponsorship on various radio stations, offering handy everyday tips on rational energy use

TOUR DE FRANCE OPENING STAGE (BILBAO)



EVE STAND AT BIOTERRA





BiMEP OPEN-DOORS DAY

WORLD MARITIME WEEK

- Home energy saving. Commercial targeting the general public, broadcast over a 5-week period to raise awareness on how everyone can make a personal contribution to energy saving.

Commercial: youtu.be/NJO74r9k7oI?si=w8I5W3FGq4BH6JQQ

- » Active presence at the Bioterra and World Maritime Week trade fairs in Ficoba and BEC respectively. Bilbao also hosted the EnerAgen General Assembly in June and the Conference of Peripheral Maritime Regions. We organised an open day in Armintza with BiMEP.
- » Live seminars and online webinars. Four sessions, covering topics such as energy communities, energy saving in industry and marine renewable energies.

TV ADVERTISEMENT PROMOTING HOME ENERGY SAVING



8

***ECONOMIC
& Financial
2023***

*Extension
of EV grant
application
period*

**STRATEGIC
PUBLIC
INVESTMENT**

*Support for
renewable thermal
energy from
production sectors
increased to €16 million*

*Call for proposals
for developing air
turbines for the wave
energy plant in
Mutriku*

*450 homes in
Coronación
(Vitoria-Gasteiz)
connected to heat
network*

EVE recorded a net profit for the year of

Turnover (from sale of electricity generated at EVE-owned renewable energy plants) totalled

Dividends from affiliates, the main source of income, came to

€32.1M

€1.5M

€39.7M

Grants awarded under the energy efficiency and renewable energy subsidy schemes came to

representing a reduction of

Financial investments amounted to

€48.8M

€32M

€11.3M

on the previous year.



Key Figures

Ente Vasco de la Energía

€ x 000

ITEM	2019	2020	2021	2022	2023
Income for the year	50,898	14,879	78,712	134,551	89,184
Investments for the year	853	1,543	3,200	3,531	11,699
Equity	205,310	162,485	163,919	198,111	239,637
Total assets	218,960	196,413	292,046	391,986	439,137
Profit/loss before tax	26,005	-16,820	1,434	34,192	32,125
Profit/loss after tax	26,005	-16,820	1,434	34,192	32,125



Income Statement

Ente Vasco de la Energía

All figures in euros

For years ending 31 December 2023 and 2022.

OPERATIONS CONTINUED	2023	2022
Net turnover	1,494,326	2,390,579
Other operating income	45,276,922	82,393,711
Personnel expenses	-5,424,612	-5,081,014
Other running costs	-51,192,493	-92,307,582
Depreciation in fixed assets	-455,067	-724,986
Allocation of grants of fixed assets	7,201	7,201
Impairment loss and losses/gains from disposals	-57	24,431
Other profit/loss	6,155	1,024
OPERATING PROFIT	-10,287,625	-13,296,639
Financial Income	39,919,308	49,766,914
Exchange rate differences	-105	-635
Impairment loss and losses/gains from disposals	2,493,696	-2,277,146
FINANCIAL PROFIT/LOSS	42,412,899	47,489,133
PROFIT/LOSS BEFORE TAX	32,125,274	34,192,494
Tax on profits	0	0
PROFITS FOR THE YEAR	32,125,274	34,192,494

Balance Sheet

Ente Vasco de la Energía

All figures in euros

For years ending 31 December 2023 and 2022.

ASSETS	2023	2022
NON-CURRENT ASSETS	84,986,827	82,956,101
Intangible fixed assets	607,019	498,516
Tangible assets	404,052	410,466
Investment in real estate	7,196,605	7,369,429
Long-term investments in group companies and associates	73,505,909	71,462,213
Long-term financial investments	3,273,242	3,215,477
CURRENT ASSETS	354,150,382	309,030,232
Trade debtors and other accounts receivable	1,300,820	1,620,472
Short-term investments in group companies and associates	350,574,196	305,061,419
Short-term financial investments	13,032	6,672
Short-term accruals	103,980	
Cash on hand and other equivalent liquid assets	2,158,354	2,341,669
TOTAL ASSETS	439,137,209	391,986,333
EQUITY AND LIABILITIES	2023	2022
NET WORTH	239,837,746	198,317,943
EQUITY	239,636,616	198,111,342
Corporate assets	100,253,985	90,853,985
Income carried forward	107,257,357	73,064,863
Profits for the Year	32,125,274	34,192,494
GRANTS, DONATIONS AND INHERITANCE RECEIVED	201,130	206,601
NON-CURRENT LIABILITIES	18,208,717	4,380,454
Long-term debts	18,145,141	4,315,148
Liabilities from deferred tax	63,576	65,306
CURRENT LIABILITIES	181,090,746	189,287,936
Short-term provisions	83,543,114	127,217,845
Short-term debts	79,170,943	53,258,227
Trade and other payables	18,376,689	8,811,864
TOTAL EQUITY AND LIABILITIES	439,137,209	391,986,333

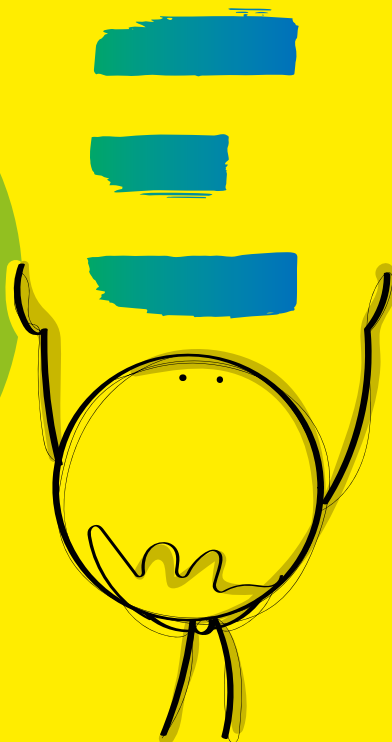
*EVE and Sidenor
join forces to
promote
renewables in
Basque industry*

*EVE's positive
impact on
decarbonisation*

*GHG emissions
avoided:
25,608.49 tCO₂e*

*Excellence in
environmental
management*

*Positive
IMPACT*



9

CARBON
FOOTPRINT
and Avoided
Emissions



Ente Vasco de la Energía is committed to excellence in environmental management. During 2023, EVE drew up a greenhouse gas inventory and calculated the organisation's carbon footprint.

There is an increasing awareness of the need to act globally to combat climate change and the first step for any organisation is to identify its carbon footprint.

The study was performed to ISO 14064-1:2018 requirements. The process also involved calculating EVE's contribution to decarbonisation, by estimating emissions avoided through a range of decisions, activities and projects.

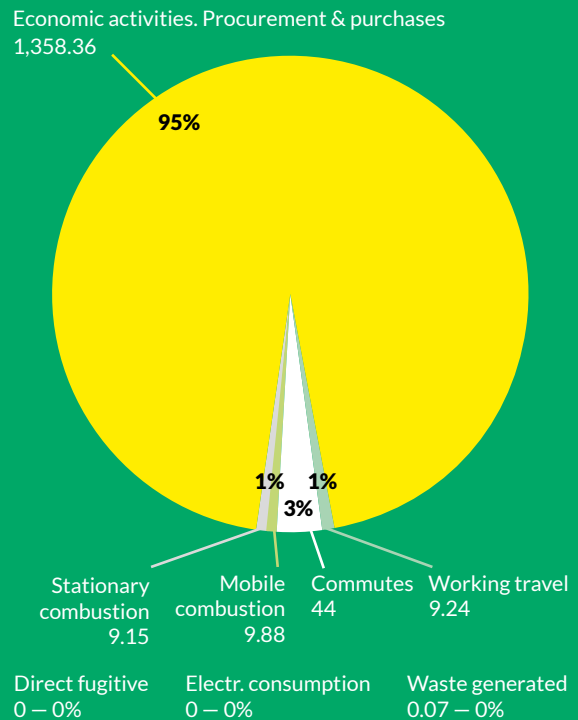
Calculation of Carbon Footprint

The GHG inventory looked at all 2022 emissions from facilities over which the organisation had operational control, including affiliates, projects and other properties 100% owned by EVE.

Emission sources were defined in accordance with ISO 14064-1:2018, Appendix B.

EVE's carbon footprint for 2022 was calculated at **1,430.7 tCO₂e**.

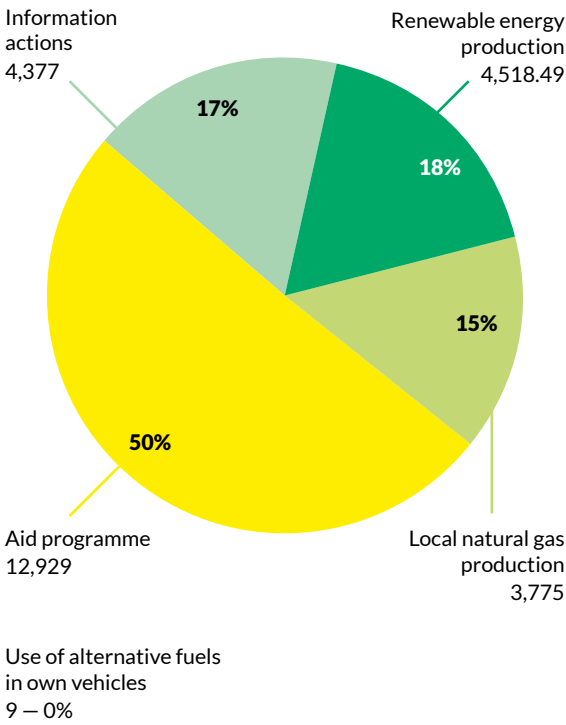
CARBON FOOTPRINT. EVE 2022. tCO₂e and %



Calculation of Emissions Avoided

EVE's GHG emission avoidance for 2022 was calculated based on its participation and holdings in different facilities and projects, giving a result of **25,608.49 tCO₂e**.

EMISSIONS AVOIDED. EVE 2022. tCO₂e and %



The findings show that EVE's activities had a significant decarbonising impact, thus contributing to the fight against climate change.

ELGEA WIND FARM





EUSKO JAURLARITZA
GOBIERNO VASCO

EKONOMIAREN GARAPEN,
JASANGORRIETASUN
ETA INGURUMEN SAILA
DEPARTAMENTO DE DESARROLLO
ECONÓMICO, SOSTENIBILIDAD
Y MEDIO AMBIENTE

ENERGIAREN
EUSKAL ERAKUNDEA
ENTE VASCO
DE LA ENERGÍA

