

**EIB and Elektro Maribor:**

**Support for investments in sustainable development infrastructure**

In the year when Elektro Maribor is celebrating one hundred years since the beginning of the distribution of alternating voltage electricity, a new cooperation agreement was signed with the European Investment Bank for EUR 31 million to finance investments in the electricity distribution network in the area of North-eastern Slovenia. The loan is part of a EUR 81.4 million large investment in the reconstruction and development of the Elektro Maribor’s electricity distribution network over a three-year period.

Current cooperation between the European Investment Bank and Elektro Maribor

Elektro Maribor and the European Investment Bank have been cooperating very successfully since 2015. Also, with the help of EIB funds, Elektro Maribor during that time:

* Increased the level of network robustness by 6.6 percentage points, namely to 71.5 %. The length of the overhead uninsulated network decreased by 930 km, while the length of the underground network and overhead insulated network increased by 1,360 km.
* Increased the network strength, also by building new transformer stations.
* Increased the number of grid-integrated renewable energy sources by 118 %, namely from 1,315 to 2,874. During this time, it performed grid-integration of 23 MW small, predominantly solar power plants.
* Increased the reliability of the high voltage network by investing in significant high-voltage energy facilities.
* Reduced network losses by more than 7%.

In the past five years, the company realised EUR 146 million of investments in assets. The company operated successfully and generated a net profit, which was predominantly earmarked for financing investments in electricity infrastructure. In this way, the company provided about two-thirds of the necessary resources for investments with its own resources. The loan from the European Investment Bank for EUR 34 million significantly contributed to the increase in the volume of investments necessary for a reliable and quality supply of electricity to the population and the economy.

Cooperation with the European Investment Bank represents an additional challenge for the company also due to high expectations regarding business performance. Due to considerable engagement of employees and due to diligent stakeholders, Elektro Maribor operates very successfully and also fully complies with all financial commitments.

Importance of investments in electricity distribution networks

Investments in electricity distribution networks are important because of users, the population, the economy and also local communities. Due to their needs, it is necessary to reinforce strength, robustness and smartness of electricity distribution networks in particular:

* Users are constantly connecting new devices and sources (heat pumps, air conditioners, small power plants, induction hobs and already electric vehicles as well), therefore, the network must be strengthened all the time (only in 2019, the connected load of users’ meter points increased by 25 MW).
* Due to more frequent weather disasters (for example, ice damage in 2014, wind damage in 2018 and 2019, weather front in February 2020), it is necessary to increase the network robustness, especially by cabling low and medium voltage lines.
* Local communities are building business zones that often require installation of new lines and set up of transformer stations to enable economic development and creation of new jobs.
* Due to the increasing number of small power plants (in 2019, their number increased by 42 %) and the need to provide new services, it is necessary to install elements of advanced networks that will allow the adjustment of consumption and production.

Investments in the electricity networks are also important because of the multiplier effects. Most countries place the promotion of investments in electricity at the forefront of post-epidemic exit strategies for at least two reasons:

* They allow the population to have a fair standard of living, allow development of the economy and thus enable job creation.
* As all electric vehicles, heat pumps, air conditioners and small power plants will be connected to electricity distribution networks, the realization of sustainable strategies will also depend on their strength, robustness and advance nature.

Future cooperation between the European Investment Bank and Elektro Maribor

The new cooperation agreement with the European Investment Bank, for EUR 31 million, aims to finance investments in the electricity distribution network in the supply area of Elektro Maribor, a home of almost a quarter of the population of the Republic of Slovenia. With its own funds, the funds of the European Union and also with the help of the European Investment Bank, Elektro Maribor plans in the coming years to:

* Increase the reliability of the entire electricity system by investing in significant low, medium and high voltage facilities.
* Increase the level of network robustness. The length of the overhead uninsulated medium and low voltage network will be reduced by approx. 430 km in the next three years, and the length of the underground network and the overhead insulated medium and low voltage network will be increased by approx. 860 km.
* Increase the network strength, also by building new transformer stations.
* Continue the construction of the advanced metering system. By the end of 2020, at least 90 % of all meter points will be included in the advanced metering system.
* Increase the number of grid-integrated renewable energy sources in accordance with the adopted objectives of supporting distributed electricity generation.
* Further reduce network losses and improve power supply quality factors.

The cooperation between Elektro Maribor and the European Investment Bank will continue to be an important contribution to a sustainable way of life, promoting economic development and energy transition. More robust, strong and advanced electricity distribution networks are an important prerequisite for a successful transition to a low-carbon society. In post-epidemic times investments in electricity distribution network are important stimulator of re-economic development and relevant part of outgoing developmental strategies.