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ENERGY THROUGH
PROGRESS”**Maarten Blacquière** CFO and **Peter Vermaat** CEO

Quite a great deal happened in the energy sector in 2018 both locally and nationally. Sustainable solutions were explored and discussed in more detail, and implemented in numerous places. Our employees contributed to realising the climate goals of society as a whole, and particularly to those of our customers. That gives us energy.

Working safely towards a reliable and affordable energy supply for society is our most important task. Power outages have a direct impact on our customers and can even cause large-scale disruptions in public life. Successfully maintaining the high level of reliability of our grid is something we can be proud of. On the other hand, the grid capacity in the Netherlands was not designed for the rapid growth of solar parks. Enexis is therefore advocating new legal frameworks to accelerate the energy transition and investigate which technical solutions are possible.

An area within our organisation where there is room for improvement is in our quality of service. Perhaps our goal to improve customer service in 2018 was too ambitious, given that we also dedicated a great deal of focus to the energy transition. We are aware that customer expectations are high and they hold Enexis responsible when things are not right the first time, or take too long. And rightly so. However, rapid large-scale growth in sustainable energy generation and shortages of technical personnel on the labour market are putting service under pressure. The growth of solar parks is so great that there is insufficient grid capacity in several areas to allow new connections. Changes in regulations are necessary to enable more effective use of the power grid, thereby avoiding expensive grid modifications.

Customers need to be aware that their connections may be delayed, and Enexis needs to prepare them for this. In the past year, we noticed that customers are more understanding if we contact them in person. Together with our contractors, we will continue this initiative into the future. We will also make it easier for customers to arrange things with Enexis. With a growing work package and to maintain excellent grid management, our emphasis will centre around customer-driven work and improvement projects on behalf of our customers.

SAFETY AS OUR HIGHEST VALUE

Our top priority is always safety. Ensuring everyone makes it home safely is the most important value for our employees, contractors and for the areas where we work. We believe that every accident is one too many. Unfortunately, in 2018, several incidents occurred involving our employees and contractors. In November, a passer-by was also injured due to a fire in one of our substations. This raises a number of questions for us as an organisation. The fact that we pay a great deal of attention to safety instructions and training is apparently not sufficient, so we will work on improving in these areas. In 2019 our aim will continue to be zero accidents because, when it comes to safety, we have to aim for perfection. Together, the Executive Board and management team need to show more leadership in order to set a good example and equip managers better. The dialogue with our employees is also essential to this. We are striving towards continuous improvement in how we organise our work, so that every employee can work safely and return home safely at the end of every day.

SMART ENERGY CHOICES

In addition to ensuring safe and reliable power distribution today, we spent a great deal of time in 2018 looking into the future of energy management. Enexis reinforced its infrastructure in various places in order to prepare for a rapid increase in sustainably generated energy and a higher demand for power. However, making investment decisions is not an easy task. As a grid operator, we have to keep our solutions flexible, and control costs to ensure energy supply remains affordable for all of our customers. Nevertheless, we have to be realistic: the transition to a carbon-neutral energy supply poses a financial cost on society.

At the national level in 2018, Enexis shared its expertise within the Climate Roundtables to help make smart energy choices in line with the Dutch Agreement on Energy for Sustainable Growth, and for the benefit of the whole of society. For instance, we emphasised that there are other alternatives for reducing CO₂ than through all-electric solutions and the installation of heating networks. In particular, the potential of sustainable gasses, such as hydrogen gas and green gas, often received insufficient attention in the public debate. Alternative options for a feasible and affordable energy transition are now more acknowledged than before. During the discussions about the new Climate Accord, Enexis also pressed for more energy savings in housing and other buildings. In fact, this is the most obvious solution for reducing CO₂ emissions. Facilitating an affordable energy supply is one of the ways that we, as a grid operator, contribute to long-term value creation and value sharing.



The future sustainable energy supply will greatly depend on the decisions made at the local level. Provinces and municipalities play a managing role in this process and are looking to collaborate with companies, housing corporations, societal organisations and citizens. Enexis is ready to help these partners with their energy plans. In 2019, we will also do our utmost to support regional governments in defining their Regional Energy Strategies. Our role is to participate in the processes and be proactive regarding the content of the strategies. It helps that our employees are involved from the start, that they are familiar with the regions, and can work together to define the best solutions for each area.

FOUR PRIORITIES IN 2019

Together with our stakeholders, Enexis will continue to work towards solutions for improving the sustainability of the energy supply. With a view to the two strategic pillars of 'excellent grid management' and 'accelerating the energy transition', we have defined four priorities for 2019: working safely, customer-driven working, improvement projects on behalf of our customers and accelerating the energy transition. Recruiting, training and retaining technical personnel are all essential to this, given that the transition to a sustainable energy supply and a growing economy presents a major challenge in light of the shortage of technical personnel. To achieve our goals, we are therefore focusing on developing the energy and expertise of our employees.

Peter Vermaat, CEO

Maarten Blacquière, CFO