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Uw brief (kenmerk)

Bijlagen
(geen)

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Betreft Update on the sale of TenneT Germany

Dear Mr President,

I am writing, in conjunction with the Minister for Climate and Energy Policy, regarding the most recent estimate of TenneT's equity requirements and to provide the House with an update on the sale of TenneT Germany.

Equity requirements

To safeguard security of supply and facilitate the energy transition, TenneT is investing in the high voltage grid in the Netherlands and Germany. Over the long term, TenneT will earn back its investment by means of regulated prices. In the short term, TenneT will have to pre-finance the investment. These financing needs can be partly met with debt capital, including a loan from the Dutch State. To preserve a solid credit rating, TenneT will also need equity. According to the latest estimates, the equity requirements of TenneT Netherlands up to and including 2030 amount to approximately €13 billion, while the equity requirements of TenneT Germany amount to approximately €18 billion.

Sale of TenneT Germany to the German State

From the Dutch State's perspective, the sale of TenneT Germany in its entirety to the German State offers a permanent solution in respect of TenneT Germany's equity requirements. The budget also includes a recovery of €1.6 billion, which relates to the equity injected into TenneT by the government last year that will be recovered upon the sale of TenneT Germany. Lastly, the proceeds of the sale could be used in part to satisfy the equity requirements of TenneT Netherlands.

Intensive negotiations between TenneT and the Kreditanstalt für Wiederaufbau (KfW) on the sale of TenneT Germany have been going on for over a year. As a shareholder I am closely involved in these negotiations; talks have been held at all political levels on this matter between the Dutch and German States. Unfortunately, no agreement has yet been reached, and the negotiations are taking longer than I had hoped. This is mainly due to budgetary difficulties in Germany. The German state will finalize the discussion concerning the 2025 budget around 1 July 2024. Before that date, agreement must be reached on a convincing price that is in line with the market and compatible with Germany's fiscal rules. However, the risk of failing to reach agreement is an inherent part of any negotiation.

Alternatives

Given TenneT's significant investment agenda, and since the sale of TenneT Germany to the German State has not yet been agreed, both TenneT and I consider it prudent to work simultaneously on the sale negotiations and the development of alternative ways to permanently meet TenneT Germany's equity requirements.

Together with TenneT, I will explore, evaluate and prepare the various options, without taking any irreversible steps. I will investigate, for example, whether, and if so under what conditions, the Dutch State itself can meet TenneT Germany's equity requirements, and TenneT will prepare specific options concerning the (partial) private sale or the initial public offering of TenneT Germany.

The €25 billion bridging loan that has already been provided remains in effect. The manner in which this loan is dealt with will form part of the evaluation of the various alternatives. Should the sale of TenneT Germany in its entirety not take place, a decision will have to be made in regard to (1) finding a solution for how TenneT's short-term financing needs will be met to cover the period until an alternative arrangement is implemented and (2) finding a permanent solution in respect of meeting its equity requirements.

I expect to provide the House with another update on this matter before the summer recess. Naturally I will continue working in the coming period to ensure the successful sale of TenneT Germany to the German State.

Yours sincerely,

Steven van Weyenberg
Minister of Finance of the Netherlands