

Joint Press Release

E.ON banks on the secure radio network of the energy transition

- E.ON and 450connect sign framework agreement for nationwide use of 450 MHz technology
- Framework agreement includes the procurement of radio services with a total contract value of around half a billion euros until 2040
- 450 MHz network is protected against power failures and natural disasters
- By 2040, more than one million smart meters and every digital local network station will be connected to the 450 MHz network

Power grids are part of the indispensable critical infrastructure. They must be protected in the best possible way and have to function especially when natural disasters or other crisis events pose particular challenges for the public. In order to ensure that electricity supplies can be restored in the shortest possible time even in situations like these, E.ON has decided to use the highly secure 450-megahertz (MHz) radio network. In the future, this network will connect and control local grid stations and smart meters in homes even when conventional communication systems are down after a power cut. In this way, important components of the critical infrastructure remain connected, even during catastrophic events.

E.ON is the first company to sign a framework agreement on the nationwide use of radio services with 450connect, the operator of the 450 MHz radio network. The agreement covers the procurement of radio services with a total contract value of around half a billion euros until 2040. Under the terms of the agreement, E.ON's network companies will be able to use the radio services for crisis communication as well as day-to-day operations starting in 2023. This will make key parts of the critical infrastructure independent of public fixed or mobile networks, which may not be available after a power failure or in other crisis situations. E.ON aims to read more than one million smart meters using 450 MHz technology by 2040. In addition, the company plans to connect some 28,000 digital local network stations via the 450 MHz frequency band by the end of 2026. The benefits of the technology are not limited to crisis situations: as a flexible communication channel, the 450 MHz band can also be used during regular grid operation and will thus make an important contribution to the digitalization of the German energy landscape.

Frederik Giessing, Managing Director of 450connect, said: "We are delighted to have signed this framework agreement with E.ON as the largest distribution grid operator in Germany. Ensuring a highly available and secure 450 MHz radio network for operators of critical infrastructures is a joint task. Since 2016, 450connect had been laying the groundwork for this in cooperation with regional

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energy suppliers. The new framework agreement with E.ON as a customer marks an important milestone in the nationwide expansion and provision of fail-safe radio services, which will be completed by 2025."

Thomas König, E.ON Management Board member responsible for energy networks, emphasized the importance of the critical network infrastructure: "As the largest distribution system operator, we have a special responsibility for security of supply in Germany. With the envisaged use of 450 MHz frequency band throughout Germany, we are creating the conditions for even more resilient crisis communication and the continued digitalization of the electricity grids. And this is where regulation has an important part to play, because in order to promote the consistent use of 450 MHz technology throughout the energy sector, distribution network operators have to have their costs recognized without much delay by the regulator."

As the current regulatory framework is based solely on historical costs, the energy companies can only recoup their operating expenses for the use of the 450 MHz network in the next but one regulatory period, starting in 2029. However, since operating expenses will start to be incurred from 2023, the delay created may inhibit the rollout of 450 MHz technology across the industry.

Background information:

In 2020, the Federal Network Agency once again put the rights to use the 450 MHz frequency band out to tender from 2021. 450connect as a joint venture of the energy and water industries was awarded the contract and in July 2021 the nationwide frequency was assigned up until 2040.

Only about 1,600 radio sites will be required for a nationwide rollout of the 450 MHz network. The sites used will be mostly existing sites. E.ON will contribute about 300 of the total 1,600 radio sites.

The advantages of the 450MHz radio network lie in its dual use of capacities. During regular system operation, this includes the monitoring and control of millions of distributed critical infrastructure installations to facilitate the energy transition and the decarbonization of the transport sector. In a crisis situation, the focus is on crisis communication and the control of what are the critical facilities in a given crisis scenario. As the radio network is backed up by an emergency power supply, it remains available nationwide for at least 72 hours, allowing all operators of critical infrastructure to exchange information in order to restore the supply to customers as quickly as possible. 450connect makes its platform available to all critical infrastructure operators on a non-discriminatory basis.

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About E.ON:

E.ON is a privately owned international energy company headquartered in Essen, Germany, focusing on the business areas of energy networks and customer solutions. As one of Europe's largest energy companies, E.ON is taking a leading role in shaping a green, digital and decentralized energy world. To this end, around 72,000 employees develop and sell products and solutions for private, commercial and industrial customers. E.ON has more than 51 million customers buying electricity, gas, digital products and solutions for electromobility, energy efficiency and climate protection. For more information, go to www.eon.com.

About 450connect:

450connect GmbH builds and operates the fail-safe and nationwide platform for the digitalization of critical infrastructures in Germany. The Cologne-based company is thus creating playing a key role for the decarbonization and resilience of our national economy. This role is based on the 450 MHz radio frequencies assigned to 450connect until the end of 2040. 450connect is backed by more than 70 energy supply companies, including Alliander, E.ON, a consortium of regional energy suppliers and the Utilities Alliance 450, which includes numerous municipal utilities, energy and water suppliers as well as the EnBW subsidiary Netze BW. Even before the 450 MHz frequencies were assigned in 2021, 450connect already started in 2016 to set up 450 MHz radio networks together with regional energy suppliers on the basis of the spectrum allocated until the end of 2020, which will now become part of the nationwide 450 MHz radio network. For more information, go to www.450connect.de