



 **OUTLOOK** 2016 / 20  
LONDON / February 24th



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# Renewables Business

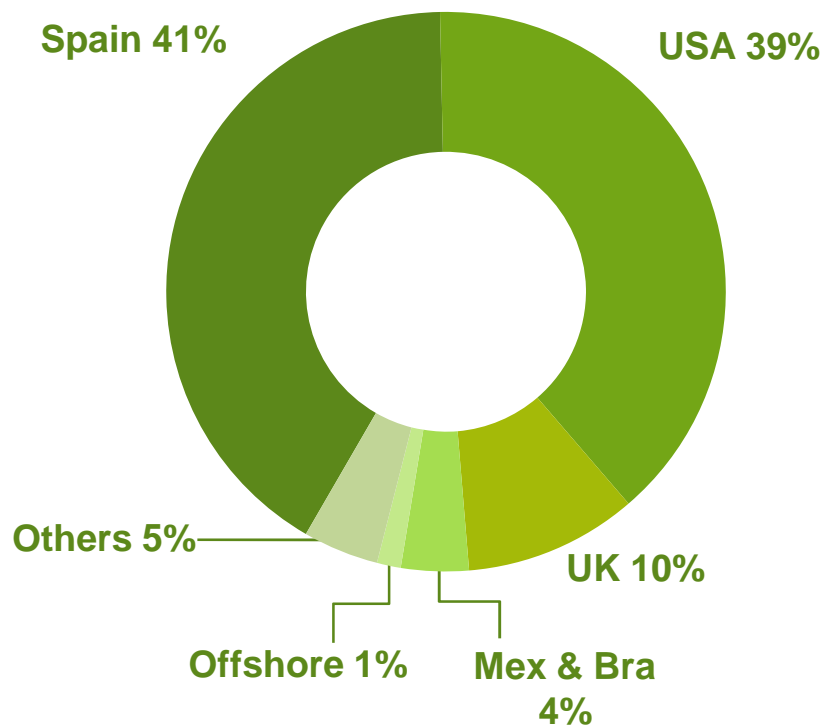
Xabier Viteri

Renewables Business Managing Director,  
Iberdrola Group

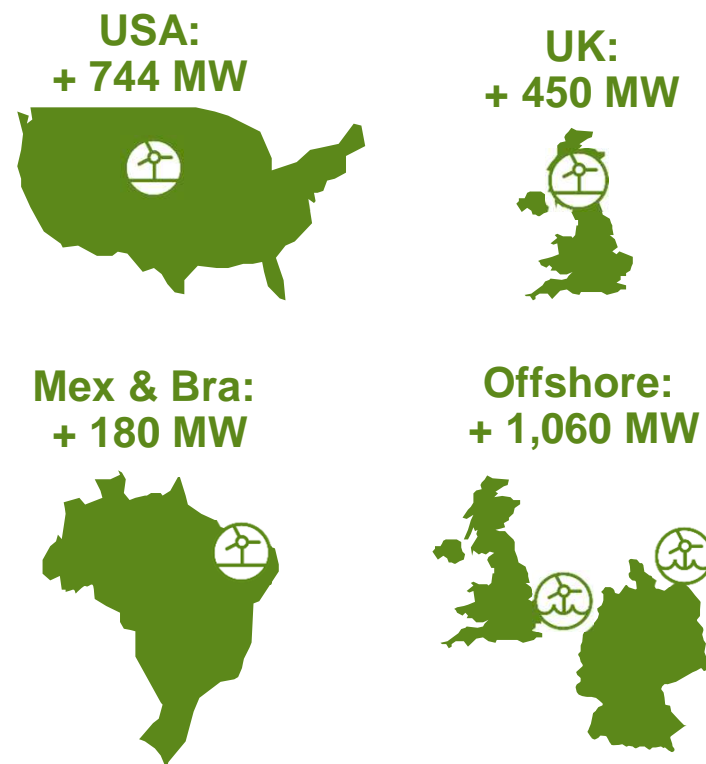


## Iberdrola consolidates leading position in renewables

### 14,200 MW operating



### 2,500 MW under construction





## With a production of 31,500 GWh

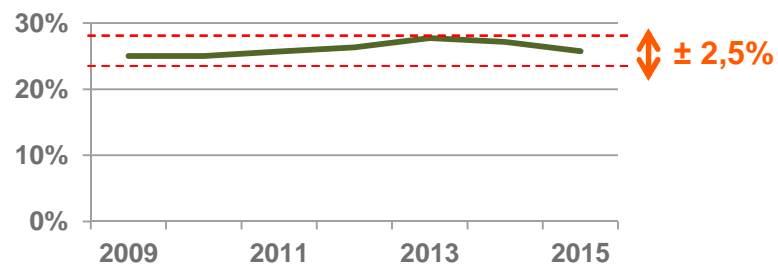
Geographically diversified



Capacity factor stability



New projects with higher capacity factor



WODS  
>40%



El Cabo  
>40%



WIK  
>40%



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# Business drivers



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## Solid business in strategic markets...

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**Growth with  
predictable revenues**

- Concentration in US and UK
- Opportunities in Mex & Bra
- Offshore business

PPA/CfD  
LT auctions  
FiT/CfD



**Control over  
operations**

- O&M cost efficiency
- Maximize production
- Increase ISP<sup>(1)</sup> providers

**(97% availability)  
(60% not OEM)**

<sup>(1)</sup> Independent Service Provider

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## ... with clear opportunities for growth...

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... reinforced by the electrification of the economy

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**COP 21: Renewables + efficient Distribution**

**INTEGRATE renewables into the system**  
**COMPETE with other generation sources**

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**Need to set mechanism of long term prices stability**

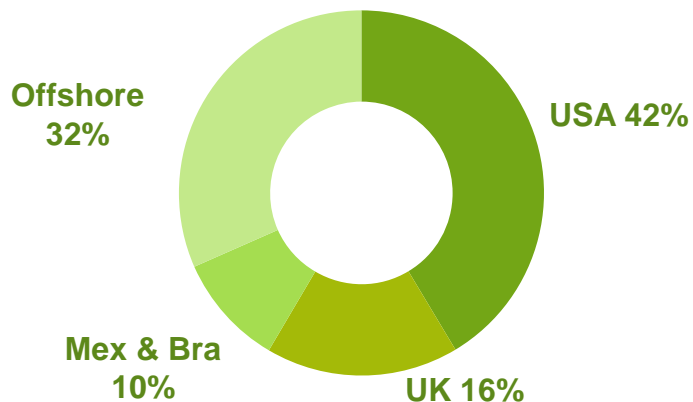
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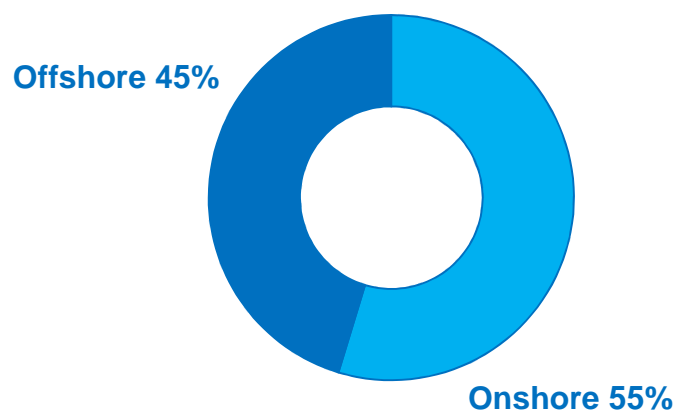


## Relevant growth in 2016 / 20 in core markets

### New capacity: 3,450 MW



### Investment 2016-2020: Eur 7,700 M

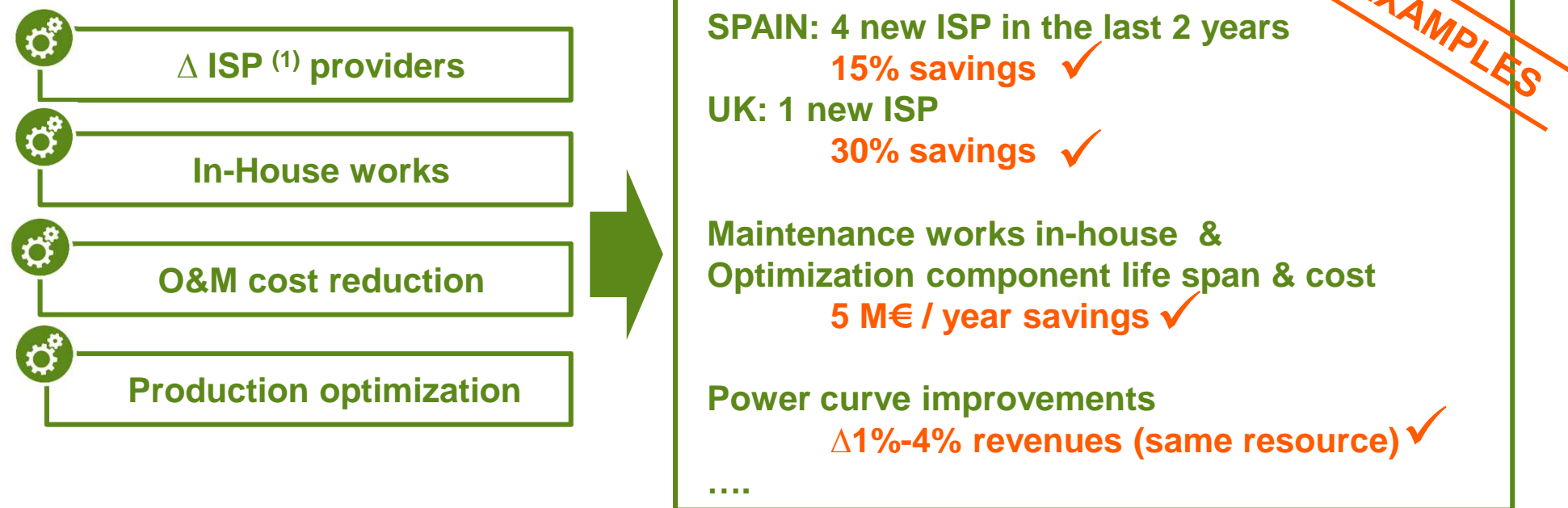


### Plan with limited risk

- 75% projects under construction ✓
- 25% advanced stage development ✓
- 100% predictable revenues ✓
- Attractive rate of return ✓



## Continuous operating improvements...



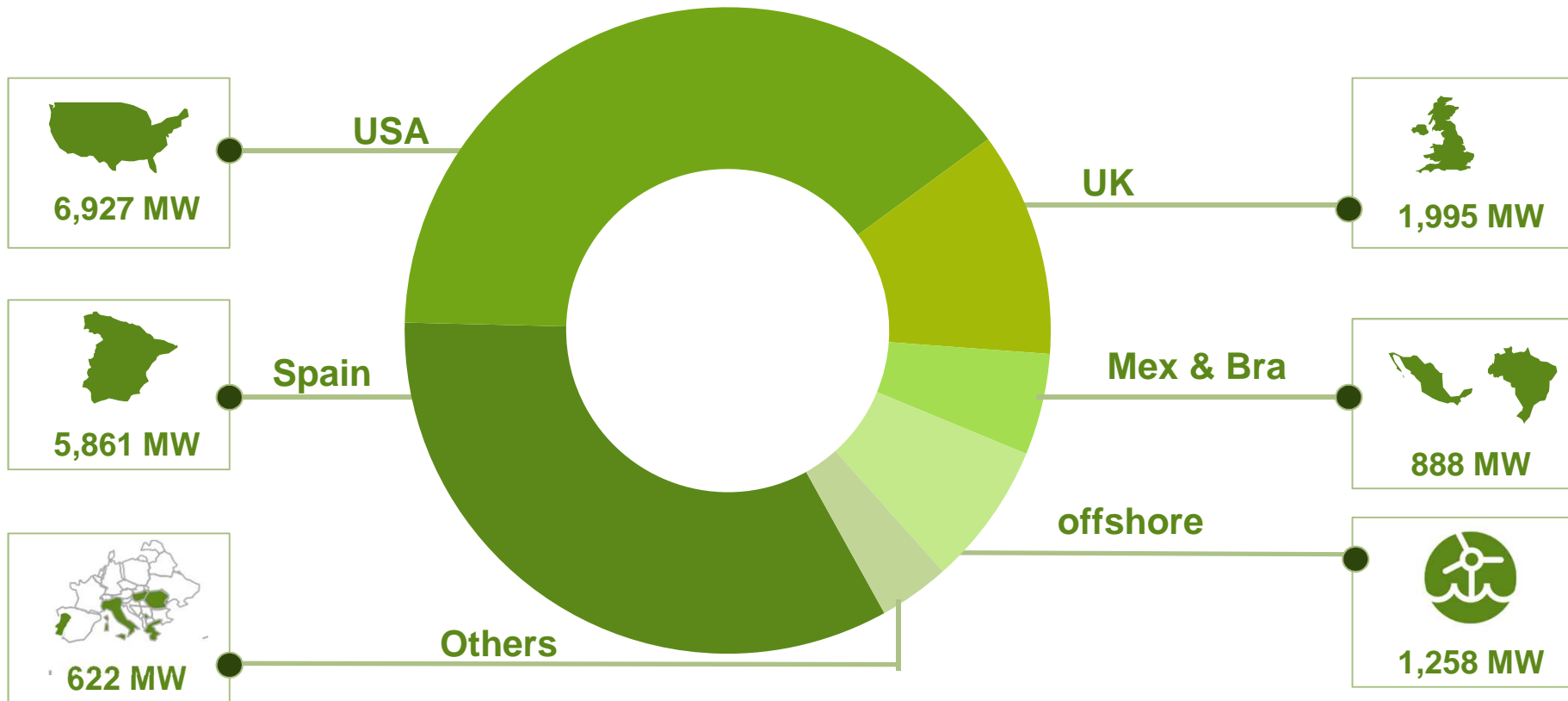
<sup>(1)</sup> Independent Service Provider

... EBITDA grows faster than Gross Margin





... increasing capacity by 24% during 2016 / 20...



... reaching 17,500 MW in 2020



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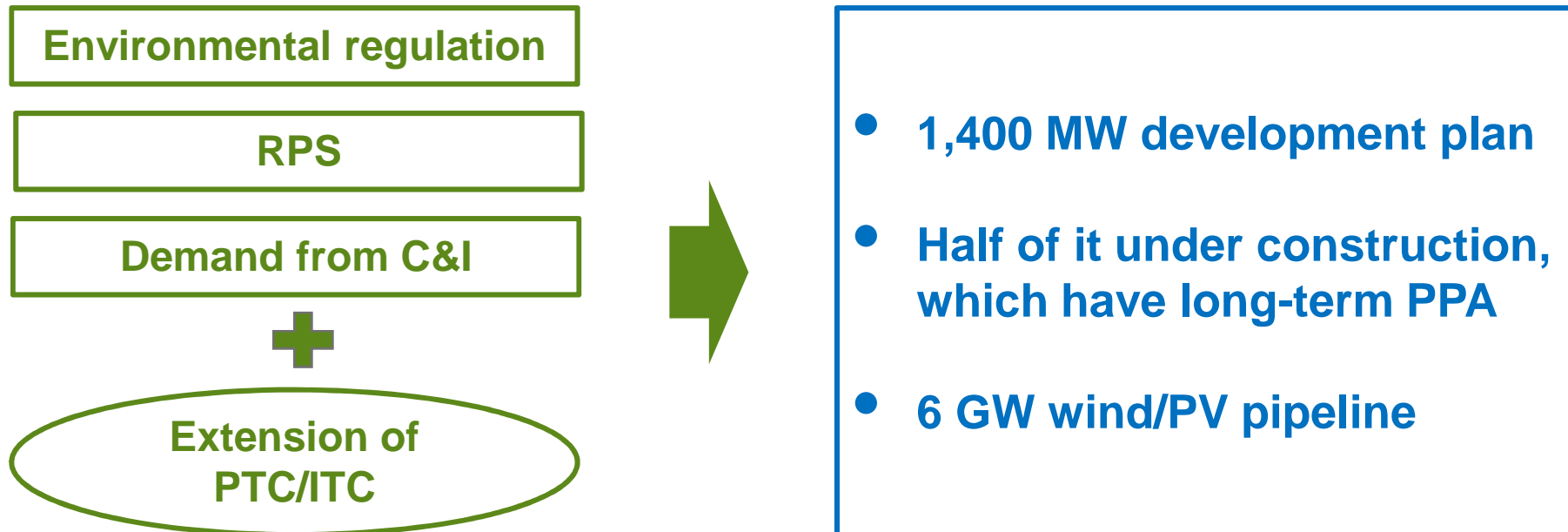
# Business drivers by country



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## Strong potential for growth in US...

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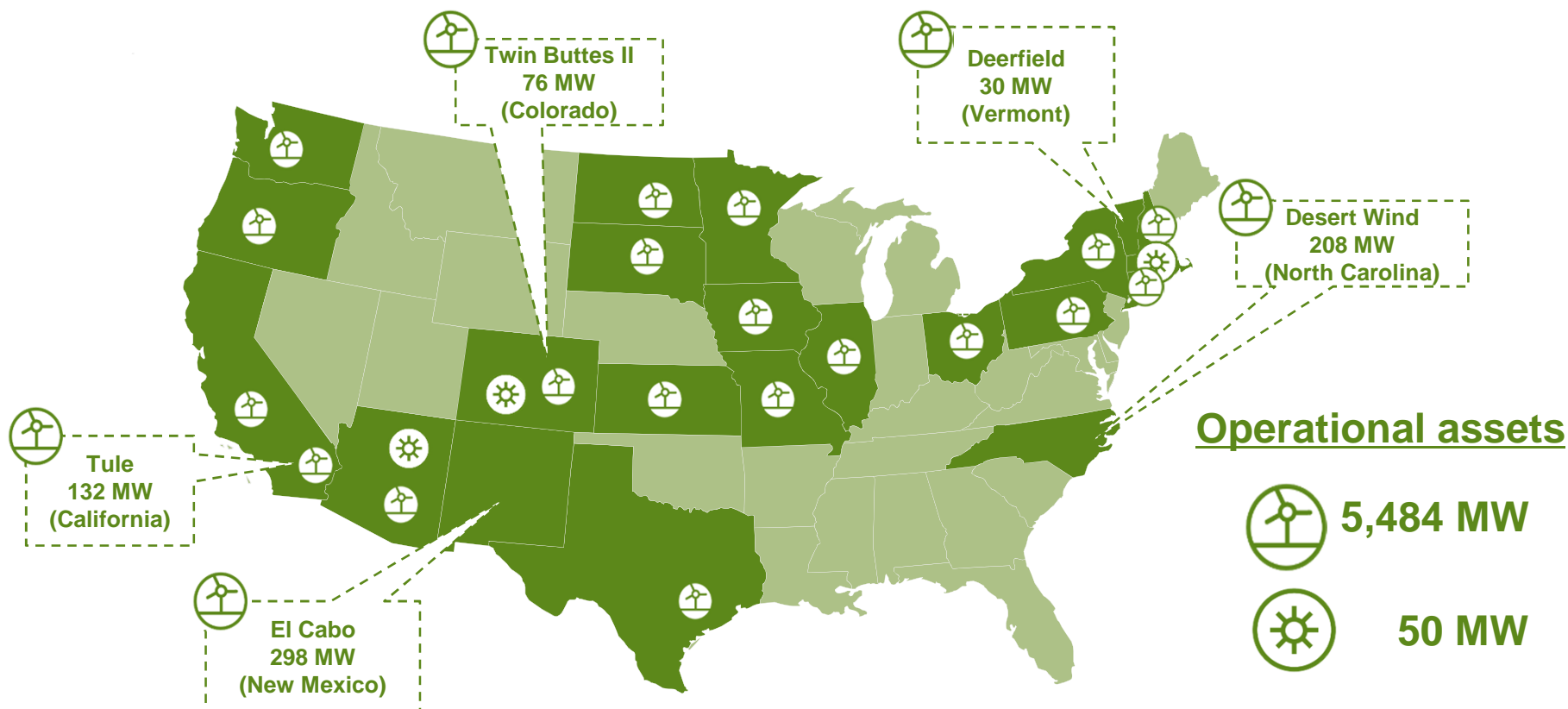
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... underpinned by strong regulatory support

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## 2<sup>nd</sup> largest Owner/Operator of wind energy in US...



... 744 MW under construction that have long-term PPA



## Focus on operating efficiency in Spain

### GOALS:

- Operating improvements; participate in other system services

### REGULATION:

- First auction after 3 years moratorium

### MARKET:

- Possibility of specific opportunities



### Operational assets

 5,508 MW

 50 MW

 303 MW



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## Opportunities in Mexico after new energy reform...

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**Target of 35% clean energy by 2024**

**Creation of Clean Energy Certificates mechanism (CEL)**

**Long term contracts under auctions provide stability**

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**... with wide experience and a powerful pipeline of 2 GW of wind/PV**

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## Selective growth in Brazil...

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### Stability in revenues

- Auctions model already consolidated
- 6 projects (174 MW) awarded to FEB under construction

### Challenges

- Transmission network required for renewables growth
- Integration mechanism

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... with a pipeline of 1 GW wind/PV

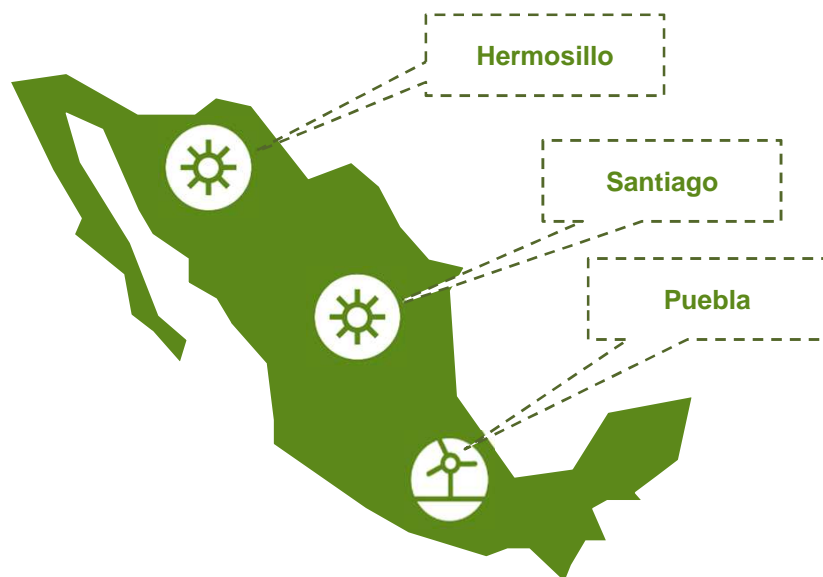
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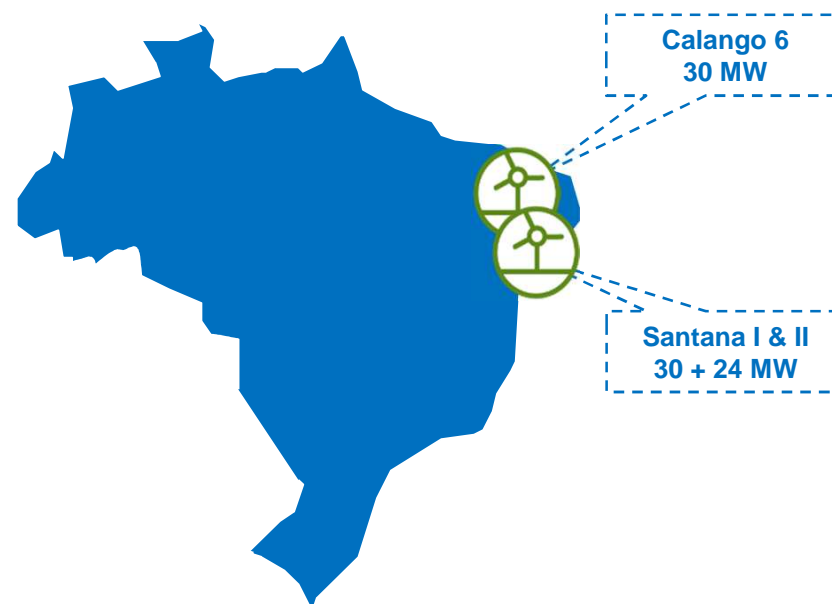


## Opportunities in Mexico and Brazil

### New opportunities



### Projects awarded



### MEXICO: Operational assets



### BRAZIL: Operational assets







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## Capacity increase of 40% in the UK...

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### 450 MW under construction

Termination of current RO system

- ✓ Take advantage of grace period

### Solid opportunities of growth

CfD auction process

- ✓ Competitive pipeline of 1 GW

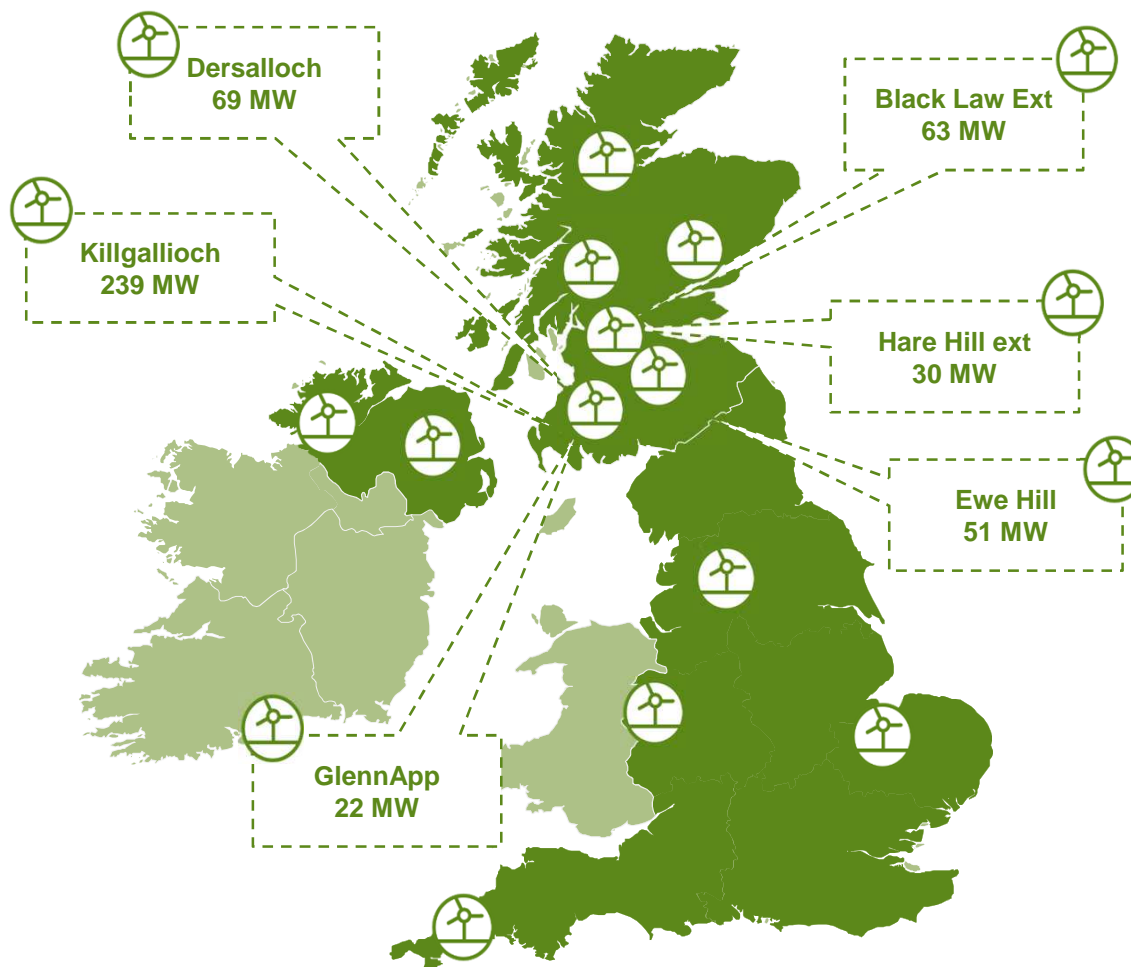
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... with guaranteed long term revenues

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## Projects under construction in the UK



### Operational assets

 **1,420 MW**



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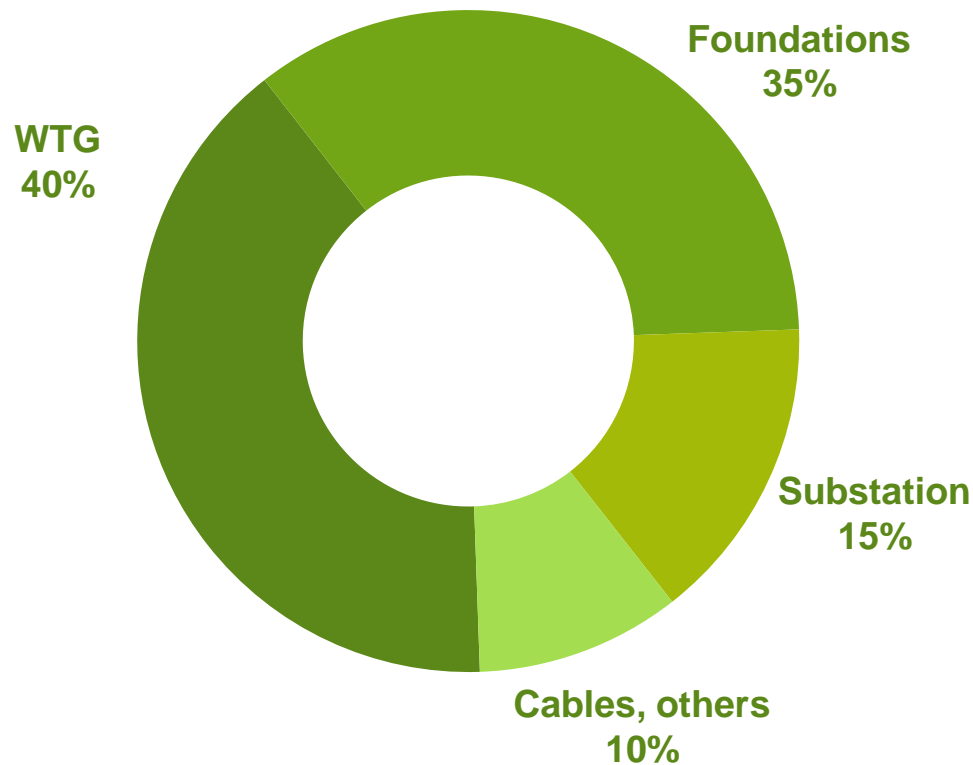
# Offshore





## Offshore distinctive features and challenges

### CAPEX breakdown



**Higher CF and more stable**

**Very high CAPEX**

**BOP significance**

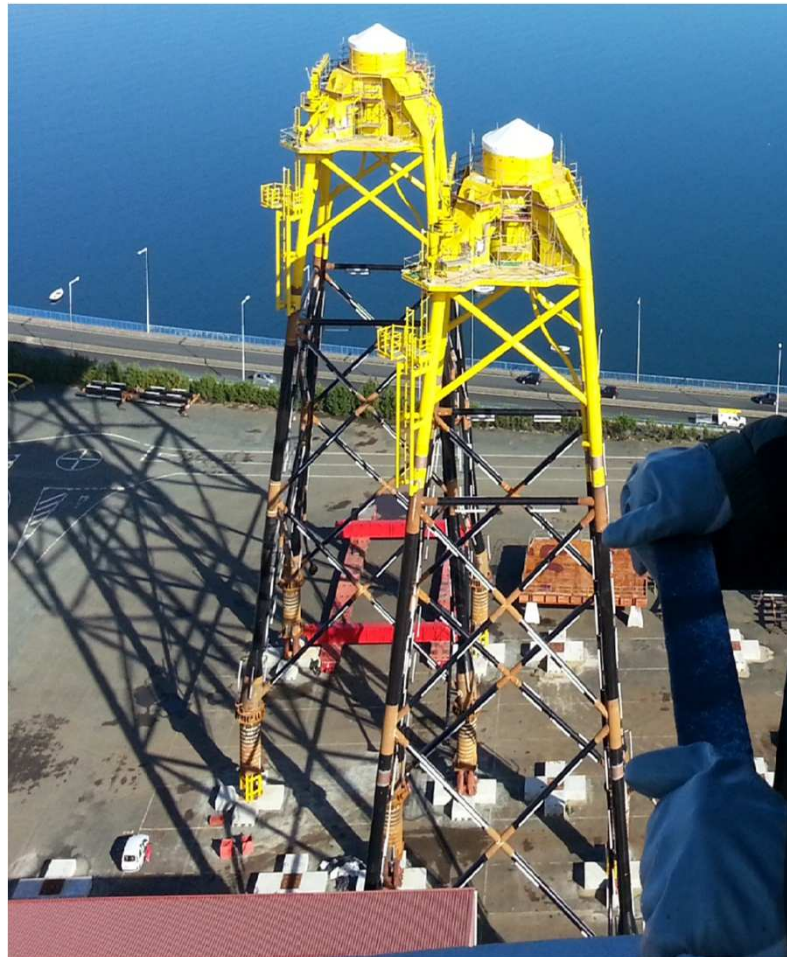
**Logistics / engineering complexity**

**O&M in marine environment**





## Evolution and competitiveness improvements

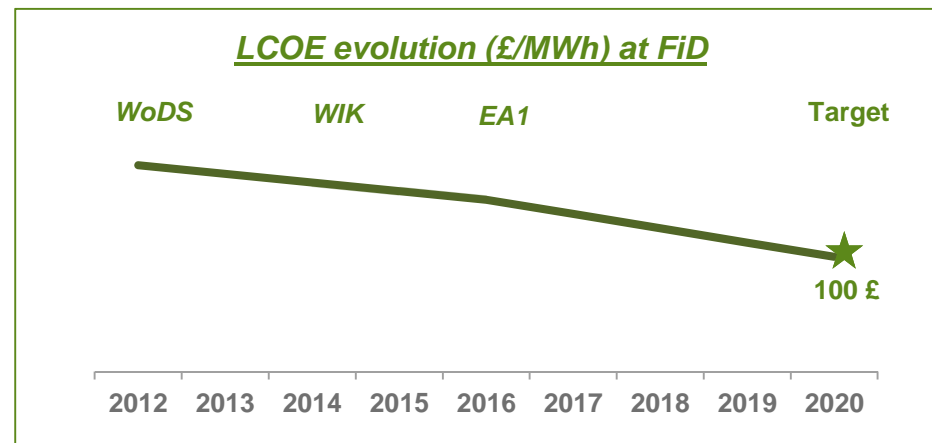


Larger and more efficient turbines

Optimization of BOP

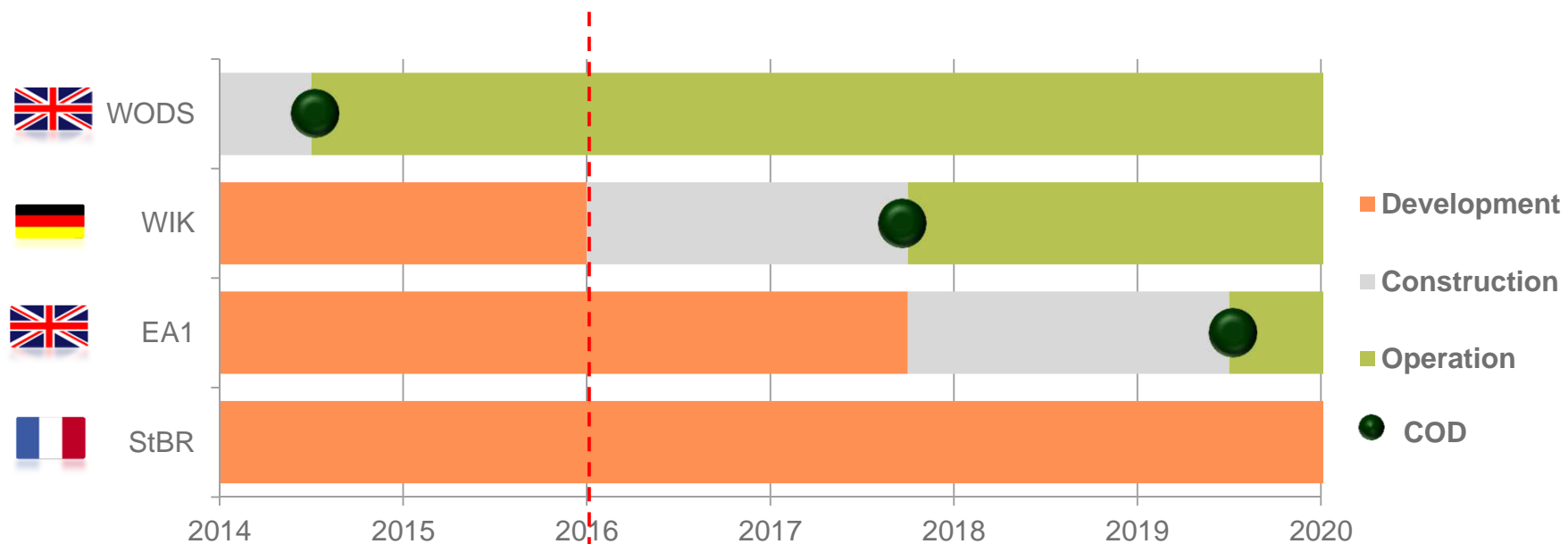
Supply chain development

More efficient O&M strategies





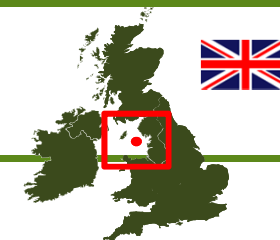
## Clear and defined growth strategy for offshore...



... with regulatory stability and guaranteed prices



## West of Duddon Sands (WoDS)



<b>WTG</b>	108 x Siemens SWT-129-3.6
<b>Capacity / IBE%</b>	389 MW / 195 MW
<b>P70 NCF/Actual</b>	42% / 44%
<b>Capex (100%)</b>	1,250 M£
<b>Status</b>	In operation
<b>COD</b>	Q4 2014
<b>Remuneration</b>	2xROC (90£/MWh) for 20 years + wholesale

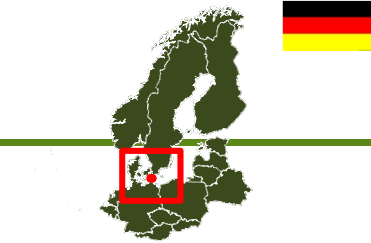


**Operating results above estimates**





# WIKINGER



<b>WTG</b>	<b>70 x Areva 5MW</b>
<b>Capacity</b>	<b>350 MW</b>
<b>P70 NCF</b>	<b>42%</b>
<b>Capex (100%)</b>	<b>1,350 M€</b>
<b>Status</b>	<b>Under construction</b>
<b>COD</b>	<b>Q4 2017</b>
<b>Remuneration</b>	<b>Compress tariff (190 €/MWh) for 12 years</b>



## Construction started

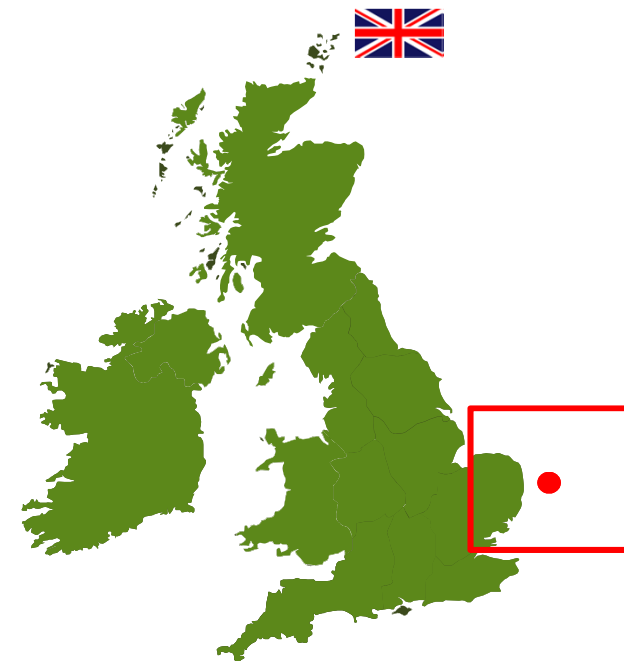






# EAST ANGLIA ONE

<b>WTG</b>	102 x Siemens 7MW
<b>Capacity</b>	714 MW
<b>P70 NCF</b>	42%
<b>Capex (100%)</b>	2,550 M£
<b>Status</b>	Starting construction
<b>COD</b>	Q4 2019
<b>Remuneration</b>	120£ / MWh for 15 years



**Awarded CfD auction + Significant Financial commitment**



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# Conclusions



**Track Record**



**Cash Flow ✓**  
**Operating efficiency ✓**

**Growth Cycle**



**3,450 MW (75% under construction) ✓**  
**Eur 7,700 M investment ✓**  
**Guaranteed prices ✓**



**EBITDA Certainty**

**High Visibility for 2016 / 2020 period**



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