

## PRESS RELEASE

*Iberdrola advances plan to invest \$30 billion in the US*

### **Iberdrola extends merger agreement with PNM and files notice of appeal with New Mexico Supreme Court**

- **Iberdrola, Avangrid and PNM take action to defend their interests against New Mexico regulator's decision**
- **Iberdrola has been present in the US for 17 years and operates assets worth approximately \$40 billion (around €35.4 billion)**

Avangrid, Iberdrola's subsidiary in the United States, has disclosed to the Securities and Exchange Commission that it has agreed with PNM Resources to extend the longstop date of their merger agreement until 20 April 2023, which may be extended with the consent of both parties under certain circumstances for a further three-month period.

The companies have also filed a notice of appeal before the Supreme Court of New Mexico against the order issued by the New Mexico Public Regulation Commission ("NMPRC") dated 9 December, 2021 rejecting the agreement entered into by Avangrid, PNM, certain of their respective affiliates, and certain intervenors in the approval process with respect to the proposed merger of Avangrid and PNM.

Iberdrola, Avangrid and PNM thus begin to defend their interests, as they consider the decision taken by the NMPRC to be "unfair". In this regard, it should be noted that the transaction, which was amicable and recommended by PNM Resources' board of directors, had the backing of stakeholders and had received the approval of various state and federal agencies during the merger approval process, which lasted more than a year.

During 2021, the merger received approval from the Public Utility Commission of Texas and five federal agencies, namely: Federal Energy Regulatory Commission (FERC), Hart-Scott-Rodino Clearance (HSR), Committee on Foreign Investment in the United States (CFIUS), Federal Communications Commission (FCC) and Nuclear Regulatory Commission (NRC), pending only the NMPRC approval.

The stipulated agreement would have provided more than \$300 million in benefits to New Mexico customers and communities, while implementing safeguards to ensure continued local control of utility operations and reliable service to customers. Additional community supporters voiced their opinions, including the New Mexico Attorney General, the International Brotherhood of Electrical Workers Local 611, environmental advocates and organizations representing tribal interests. In total, 23 of the 24 intervening parties supported or did not oppose the agreement.

The affected companies will have 30 days to file a Statement of Issues outlining the argument for appeal against the NMPRC's decision. There is no statutory time frame for the New Mexico Supreme Court to act on the appeal.

#### **Iberdrola, a leading green energy company in the USA**

The Spanish company, which in 17 years has positioned itself as one of the top 3 renewable energy companies in the United States, continues to see tremendous growth opportunities in



## PRESS RELEASE

the country and is committed to supporting US efforts to expand its renewable energy infrastructure, an essential element of the energy transition.

At the end of December 2021, Iberdrola, through its subsidiary Avangrid, was awarded a PPA for its Commonwealth Wind farm in Massachusetts. The 1,232-megawatt project, New England's largest offshore wind project to date, will create the equivalent of 11,000 full-time jobs over the life of the project and generate enough energy to power 750,000 homes.

At the same time, construction has begun on the first commercial-scale offshore wind farm in the United States (Vineyard Wind One), which will be operational in 2024. The 800 megawatt (MW) project, located about 15 miles south off the coast of Martha's Vineyard, will generate enough power to meet the demand of more than 400,000 homes and will prevent the emission of more than 1.6 million tonnes of carbon dioxide per year, the equivalent of removing 325,000 vehicles from the roads.

Through its subsidiary Avangrid, it also owns the Kitty Hawk development area (2,500 MW) in North Carolina, has already started the BOEM permitting process for the Kitty Hawk North project (800 MW), the first project to be developed off the coast of North Carolina, and manages other wind farms at an earlier stage of development.

Such is its capacity for growth that the company has a \$30 billion investment plan for 2020-2025 in transmission, distribution networks and renewables, through which it will practically double renewable capacity by the end of the period. These investments are aimed at increasing its presence in the offshore wind and solar photovoltaic industries, as well as strengthening its leadership in onshore wind.

### **About Iberdrola**

[Iberdrola](#) is one of the world's biggest energy companies, a leader in renewables, which is spearheading the energy transition to a low carbon economy. The group supplies energy to almost 100 million people in dozens of countries. It carries out renewables, networks and commercial activities in Europe (Spain, the United Kingdom, Portugal, France, Germany, Italy and Greece), the United States, Brazil, Mexico and Australia, and, as growth platforms, it is present in markets such as Japan, Ireland, Sweden and Poland, among others.

With a workforce of more than 37,000 and assets in excess of €122.5 billion, in 2020, it achieved a turnover of €33 billion and a net profit of over €3.6 billion. The company contributes to sustain 400,000 jobs along its supply chain, with annual procurement of €14 billion. A benchmark in the fight against climate change, it has allocated more than €120 billion over the last two decades to building a sustainable energy model, based on sound environmental, social and governance (ESG) principles.

