Iberdrola and Sempra Infrastructure sign agreement to develop hydrogen and green ammonia projects in the United States

- It provides a framework for companies to identify, evaluate and develop large-scale hydrogen and green ammonia projects with renewable energy.

- The initial regions of interest are the Gulf Coast and the West Coast of the United States.

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Iberdrola and Sempra Infrastructure have signed an agreement for the joint development of hydrogen and green ammonia projects in the United States powered by renewable sources.

The agreement provides a framework for companies to identify, evaluate and potentially develop large-scale green hydrogen projects to help meet the energy and decarbonisation needs of US and international customers.

The United States faces unprecedented challenges and opportunities to develop competitive solutions to meet its growing energy needs, while aspiring towards a cleaner and more sustainable energy future. With this agreement, Iberdrola, through its subsidiary Avangrid, and Sempra Infrastructure intend to innovate and develop hydrogen and green ammonia projects, which are crucial to decarbonising industry and will help the country achieve its ambitious clean energy goals.

Clean hydrogen and ammonia can be effective decarbonisation solutions for various sectors of the US and global markets. Significant infrastructure will be needed to realise the potential of hydrogen and Sempra Infrastructure's platform is well positioned to support the deployment of these new energy solutions.

Iberdrola's deep experience in renewable energy development as the third largest renewables operator in the United States complements Sempra Infrastructure's complex project development and commercial expertise in clean energy, power grids, LNG and net-zero solutions.

Sempra Infrastructure is currently developing multiple world-class energy transition projects in North America, as well as new opportunities in renewable energy and carbon capture and other ways to produce clean hydrogen and ammonia from available resources in different regions.

The agreement is non-binding and the development of these joint projects is subject to a number of risks, including reaching definitive agreements, obtaining all necessary permits and making a final investment decision with respect to each project.

A success story in the United States

Iberdrola's presence in the United States is a success. In less than two decades, the company has become one of the largest groups in the North American electricity sector, listed on the US stock exchange since 2015.

The subsidiary, which aims to be a leader in sustainable energy in the United States, is present in 24 states, has more than 8,500 MW of renewable energy installed (mainly wind and photovoltaic) and more than 170,000 kilometres of power lines through eight distributors in New York, Connecticut, Maine and Massachusetts.

In addition, the Spanish company has a portfolio of high-quality renewable projects in the United States of more than 25,000 MW, which represent a stable platform for continued growth over the next few years as the country meets its decarbonisation targets.

The company currently employs more than 7,350 people directly and contributes indirectly to the creation of some 70,000 jobs, with a contribution of more than 10 billion euros to the country's GDP.

Just a few weeks ago, Iberdrola announced that it will accelerate its growth in the United States with investments amounting to 15 billion euros over the period 2022-2025, mainly focused on the network business.

Green hydrogen, a reality for Iberdrola

As it did with renewables 20 years ago, the company has once again pioneered the new technological challenge of producing and supplying green hydrogen. Green hydrogen is one of the most efficient solutions to help the most polluting industrial sectors, where electrification is not possible, to transform their processes and become more sustainable.

In its commitment to leading the energy transition, Iberdrola is spearheading the development of green hydrogen, supporting the hard-to-electrify industry to reduce its polluting emissions.

Among the projects promoted by the company, of note is the installation in Puertollano (Ciudad Real) of the largest green hydrogen plant for industrial use in Europe, capable of producing 3,000 tonnes of emission-free H2 per year, thanks to the use of renewable sources.