

Press Release
5th December 2023

Iberdrola and Masdar sign global alliance to co-invest up to €15 billion in offshore wind and green hydrogen projects in Germany, UK and the USA

Today (5th December) at COP28 in Dubai, global green energy giants Iberdrola and Masdar announced a €15 billion strategic partnership agreement to evaluate the joint development of offshore wind and green hydrogen projects in key markets including Germany, UK and the USA.

After the parties' successful co-investment in Baltic Eagle, in Germany, the new milestone of this alliance will be to achieve a further co-investment in relation to the 1,400-megawatt (MW) UK East Anglia 3 offshore wind project. This deal has been under negotiation for the last few months and could be signed by the end of Q1 2024. Masdar's stake in this wind farm could be 49%.

East Anglia 3 is currently in construction, with full commissioning scheduled for Q4 2026. The windfarm secured a 15-year CPI-linked Contract for Difference (CfD) from the UK Government in July 2022. The project will power over 1.3 million British homes and create 2,300 jobs.

Beyond the East Anglia 3 transaction, both companies will work together to jointly invest in future offshore wind and green hydrogen projects in Europe and other markets¹. Work to identify other opportunities is already underway, and it is anticipated that the total value of joint investments in offshore wind and green hydrogen as part of the alliance could reach €15 billion. The plans, announced at the UN's climate change conference COP28 in the UAE, demonstrate both companies' firm commitment to accelerating the global energy transition.

HE Dr Sultan Al Jaber, UAE Minister of Industry and Advanced Technology, Chairman of Masdar and COP28 President, said: "We welcome this partnership which will see global clean energy pioneers, Masdar and Iberdrola, coming together to use their expertise and resources to advance renewables in Europe and around the world. At COP28, we know that the world must triple global renewable energy capacity by 2030 to keep 1.5C within reach. Robust partnerships such as the one between Masdar and Iberdrola today will propel us towards this goal."

Iberdrola's Executive Chairman, Ignacio Galán, said: "Now that 118 governments have already pledged to triple renewable energy capacity by 2030 at COP28, reaching this goal will require immediate action from these governments and the private sector. Following our long-term commitment to renewables, networks, and storage, this innovative alliance with Masdar today shows once again our determination to continue delivering."

"By combining our renewables experience and financial strength with those of Masdar, we can deliver more secure, competitive and clean energy, quicker. We are very pleased to be

expanding our existing alliance with a leading long-term partner like Masdar from Germany, where we are already constructing new offshore wind turbines, to the UK and across the world.”

Masdar’s Chief Executive Officer, Mohamed Jameel Al Ramahi, said: “We are delighted to be working with our strategic partners, Iberdrola, once again as we explore developing one of the UK’s largest offshore wind farms and other prospects in Europe. With an abundance of wind resources, the UK and Europe are prime markets for Masdar. As we target 100GW by 2030, Masdar is focused on developing innovative projects from the very early stages to further strengthen our offshore wind expertise. We have been active in the UK for more than a decade, pioneering landmark projects including the world’s first floating offshore wind farm. At COP28, as the world looks to triple renewable energy capacity to secure a greener future, projects such as the 1,400MW East Anglia 3 offshore wind farm show how we can create jobs, power homes and cut emissions.”

IBERDROLA, A LEADER IN CLEAN ENERGY

Iberdrola is the largest utility in Europe and one of the two largest globally, serving a population of more than 100 million people around the world. The company has €150 billion of total assets, 41 GW of renewables in operation and 1.2 million kilometres of networks globally.

Iberdrola has offshore wind projects worth more than 10 billion euros under construction globally, all fully financed and with supply chain secured, and all being delivered on-schedule.

Turbine installation is already underway at the 800 MW Vineyard Wind 1 project in the US – the first commercial scale offshore windfarm in the country – with first power generation anticipated in the near future.

In July this year, Iberdrola connected the Saint-Brieuc offshore wind farm in France to the electricity grid. It is the first large-scale offshore wind project to be delivered in the Brittany region.

Additionally, the Baltic Eagle wind farm in Germany is also in construction, which will be operational in 2024, with East Anglia 3 in the UK and Windanker in Germany also scheduled to begin production in 2026.

These projects will add to Iberdrola’s current 1,258 MW of operational offshore wind projects, including West of Duddon Sands in the Irish Sea, Wikinger in the German Baltic Sea, and East Anglia ONE in the southern North Sea, in which the company invested close to 4 billion euros.

MASDAR, THE UAE’S CLEAN ENERGY POWERHOUSE

As the UAE’s clean energy champion and one of the world’s fastest growing renewable energy companies, Masdar has been advancing the development and deployment of renewable energy and green hydrogen technologies to address global sustainability challenges. Established in 2006, Masdar has developed and partnered in projects in over 40 countries, helping them to achieve their clean energy objectives and advance sustainable development.

Masdar has been investing in clean energy projects in the UK and Europe since 2013, including making significant investments in the battery energy storage sector – key to overcoming intermittency issues. Last year, Masdar acquired London-based Arlington Energy, the battery energy storage system developer which has taken over 170MW of assets into operations. Off the coast of Scotland, Masdar has developed the world’s first floating offshore wind farm, the 30MW Hywind project. A decade ago, Masdar and its partners launched the 630MW London Array offshore wind farm, the world’s largest at the time. Masdar’s Global Offshore Wind Division is based in London and the company is pursuing a strategy of joining large-scale projects in the early stages to further strengthen its expertise as an offshore wind developer.

Masdar is jointly owned by Abu Dhabi National Oil Company (ADNOC), Mubadala Investment Company (Mubadala), and Abu Dhabi National Energy Company (TAQA), and under this ownership the company is targeting a renewable energy portfolio capacity of at least 100 gigawatts (GW) by 2030 and an annual green hydrogen production capacity of up to 1 million tonnes by the same year.

Ends

ⁱ Future agreements could involve participation from Iberdrola subsidiary companies