



IBERDROLA
PRESS RELEASE

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bp, Iberdrola and Enagás plan to develop the largest green hydrogen project in the region of Valencia

- The project would be located in the bp refinery in Castellón, where a 20-megawatt (MW) electrolyser will be built, powered by renewable energy produced, among other sources, by a 40 MW photovoltaic plant
- In later stages, the electrolysis capacity could be ramped up to 115 MW, becoming the largest green hydrogen project in the refining sector in Spain
- This project would reduce the refinery's emissions by up to 24,000 tonnes of CO₂ per year, contributing to the decarbonisation of the region's industrial corridor

bp, Iberdrola and Enagás have reached an agreement to study the feasibility of building, at bp's plant in Castellón, the first phase of the largest green hydrogen production facility in the region of Valencia.

The purpose of this agreement is to evaluate the installation of a 20 megawatt (MW) electrolyser for the production of green hydrogen on land owned by bp in the El Serrallo industrial estate. The electrolyser would run on renewable energy produced by a 40 MW photovoltaic plant, among other sources.

The bp refinery in Castellón is the largest producer and consumer of hydrogen in the Valencian Community. This new project would replace the grey hydrogen that the refinery uses in its biofuel production process. The use of green hydrogen would reduce CO₂ emissions by up to 24,000 tonnes per year, contributing to the plant's decarbonisation.

The project will also explore additional value-added uses for the green hydrogen produced at the plant, such as supplying the heavy transport sector and contributing to the decarbonisation of other energy-intensive industries in the area.

A project of the future

The 20-megawatt (MW) electrolyser could start operating in 2023, with an investment of approximately €90 million. In further stages, the electrolysis capacity could be increased to 115 MW, becoming the largest green hydrogen project in the refining sector in Spain and the most ambitious in the Valencian Community.

In addition to the electrolyser, the project could incentivise an estimated additional investment of around €70 million in new renewable energy facilities and contribute significantly to the economic and industrial recovery of the area, resulting in the creation of high quality, value-added jobs.

bp, Iberdrola and Enagás: firm commitment to decarbonization

Through this collaboration, bp, Iberdrola and Enagás would advance their respective decarbonisation strategies for the industrial and transport sectors in the Valencian Community, a region in which all three companies are deeply rooted.



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Carlos Barrasa, Chairman of bp Spain, said: "With this project, bp reinforces its commitment to hydrogen as a fuel of the future, as it will play a fundamental role in the decarbonisation of the energy, industry and transport, especially those that are difficult or expensive to electrify. This is therefore a further step in bp's strategy to transform itself into an integrated energy company, as well as in bp Spain's ambition to lead the country's energy transition, so that it can become a European centre for the production and distribution of energy with a low carbon footprint".

Ángeles Santamaría, CEO of Iberdrola España explained that "with the opportunity to lead this technology, we will contribute to making climate neutrality a reality, by acting in sectors that are difficult to decarbonize while boosting a clean industry with enormous potential for job creation. This is an alliance of companies willing to tackle the transformation of their production processes with Iberdrola, which has capacity to produce and supply green energy, and the participation of the supply chain and the incentives of European funds. Together, we will contribute to advancing the technological maturity of green hydrogen, turning it into a competitive solution for the medium-term decarbonisation of industry and heavy transport".

Fot Enagás' CEO, Marcelino Oreja, "this initiative fits perfectly with the projects promoted by Enagás based on the following criteria: that they contribute to decarbonisation and a fair and inclusive transition; that they are drivers throughout their value chain; that they help the development of Spanish industry; and that they generate sustainable employment. Collaboration between companies, administrations and institutions is essential for these projects to become a reality, and this is a clear example of joint co-operation".

The initiative, which has the support of important local, regional, national and international public and private institutions, is aligned with the Green Hydrogen Strategy of the Valencian Community, as well as with the Hydrogen Roadmap of Spain's Ministry for Ecological Transition and the Demographic Challenge. It is also part of the call for European Next Generation Funds and a clear proof of the commitment of its partners to advance in the decarbonisation of the economy.

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. 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. With emissions of 98CO₂/kWh, already two-thirds below the European average, Iberdrola's strategy of investing in clean energy and grids will turn it into a "carbon neutral" company in Europe by 2030.

The company has submitted 150 initiatives to the Next Generation EU programme, which would mobilise investments of €21 billion and involve more than 350 small and medium-sized enterprises in Spain. Of these projects, a total of 53 are related to green hydrogen, with planned investments of €2.5 billion to achieve an annual production of 60,000 tn/year.

All these projects would generate 45,000 jobs/year, generate economic growth of more than 1.5% of GDP, improve competitiveness and the balance of payments - between €500 million and €1 billion per year - and contribute to the demographic challenge, as they include more than €7 billion euros in rural areas.

Iberdrola is already developing several green hydrogen projects in Spain and the United Kingdom, which will enable the decarbonisation of industry and heavy transport. These include the largest green hydrogen plant in Europe to produce fertilisers for Fertiberia, expected to be commissioned in Puertollano this year.



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