

## PRESS RELEASE

*During his participation at the World Economic Forum's panel debate on 'Strategic Outlook: Energy Systems'*

### **Ignacio Galan urges world leaders in Davos to speed up decarbonisation of the global economy**

- **The Chairman of Iberdrola insists that the process is consistent with profitability, as demonstrated by the company's track record, leaping from the 20th to one of the world's four largest utilities by market capitalization**
- **He reiterates the need to electrify the economy through more renewables, more pumped storage capacity, more and smarter grids and more electric vehicles, in addition to the electricity industry having to invest some \$19 trillion over the next 25 years**
- **In order to meet the rising demand for electricity in a sustainable manner, a stable, long-term regulatory framework is needed together with a deep review of environmental taxation**

The Chairman of Iberdrola participated today in the *Strategic Outlook: Energy Systems* panel debate at the World Economic Forum in Davos.

Galán defended the need to decarbonise the economy in order to fulfill all pledges made by the Paris Agreement which he defined as “a historic milestone requiring changes in production and consumption patterns in all sectors of the economy.”

Ignacio Galán explained that so as to meet the rising demand for electricity in a decarbonised energy model, massive electrification of the economy is essential, through more renewables, more storage capacity, more and smarter networks and more electric vehicles. He reminded attendants that the technology is readily available with rapidly declining



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costs, stating that the electricity industry will have to invest \$19 trillion over the next 25 years.

Galán indicated that climate change should be seen as an opportunity since decarbonisation and profitability are perfectly compatible. Proof of this is the example of Iberdrola which, having invested \$100 billion in renewables, networks and hydro pumped storage technology, has seen its asset base grow five-fold and its earnings and dividends by three times. “We have moved from being the 20th utility by market capitalization to become one of the world’s four largest utilities”, he added.

The Chairman of Iberdrola also highlighted the need for action from all parties involved in the fight against climate change. In addition to governments and the private sector, NGOs, cities and consumers are jumping in to create global partnership for sustainable development as established by the UN Sustainable Development Goal 17 for 2030. “Industry and civil society are always ahead of governments”, he explained.

To appropriately implement this energy transformation across the economy, however, stable and predictable regulatory frameworks must be defined by public authorities together with a reform of environmental taxation based on the ‘polluter pays’ principle and the removal of non-energy costs from electricity tariffs.

In this context, Ignacio Galán revealed that not all countries signatory to the Paris Agreement are implementing policies destined to fulfill their commitments. Despite this situation, very positive steps are being taken by the European Union with the processing of the *Clean Energy for All Europeans* package.

