Main projects under way

Investment in profitable long-term growth projects is one of the strategic pillars of Iberdrola’s Prospects for 2018-2022. Of the €32 billion of investments envisaged for this period, 75% relate to projects that are assured or highly probable, including:

• Offshore wind power: In the United Kingdom, construction work continues on the East Anglia One project, which will be the world’s biggest offshore wind farm when it comes into operation in 2020. This facility, situated in the North Sea, will have an installed capacity of 746 MW and will supply clean energy to approximately 600,000 households. In France, the company is building the Saint-Brieuc offshore wind farm: the first large-scale offshore wind farm in the region of Brittany. With an investment of 2.5 billion euros, it is estimated that, when it begins operating in 2021, it will cover the energy demand of 850,000 people thanks to a total installed capacity of 496 megawatts (MW).

• Onshore wind power: In Brazil, Iberdrola, through its Neoenergia subsidiary, will add 472 MW of new capacity to the Paraíba onshore wind farm by 2022/2023, which will become the group’s largest wind farm in Latin America with a total of 565 MW.

• Hydroelectric power: The company continues to develop the Tâmega complex in northern Portugal, the biggest hydroelectric project undertaken in the country in recent years in which it will invest more than €1.5 billion.

• Photovoltaic energy: The Santiago and Hermosillo photovoltaic power plants will be commissioned in 2018, situated in the Mexican states of San Luis Potosí and Sonora respectively. With 170-MW capacity, Santiago will be the largest facility of its kind built by Iberdrola and it will be capable of supplying nearly 140,000 homes. The Hermosillo plant, in turn, will have a capacity of 100 MW.

• Grids: During 2018, Iberdrola will complete the Western Link project, the undersea electricity interconnection between Scotland, England and Wales. With capital expenditure of €1.2 billion and measuring 850 kilometres in length – the longest in the world – the project will bring renewable energy from Scotland to homes and businesses in England and Wales and will increase the interconnection capacity by more than 2,200 MW, enough to meet the demand for power from more than four million households each year.

In addition, at the close of the first half of the year, Iberdrola has already surpassed the figure of 10.7 million digital meters installed in Spain and has adopted around 7,000 transformer centres, to which it has incorporated remote management, supervision and automation capabilities. The company has also installed one million smart meters in the United States, more than 220,000 in Spain and has adapted around 74,000 transformer centres, to which it has incorporated remote management, supervision and automation capabilities. The Wikinger project, located off the north-east coast of the German island of Rügen, meets this criterion: the facility has a capacity of 350 megawatts (MW) enabling it to provide renewable energy to 350,000 homes, whose consumption is equal to more than 20% of the power used by the state of Mecklenburg-West Pomerania, where the farm is located.

An emblematic project for Iberdrola

The Wikinger offshore wind farm, located off the north-east coast of the German island of Rügen, meets the main goals of Iberdrola’s strategy:

• International leadership in the development of renewable energies.
• Commitment to reducing emissions to combat climate change: Wikinger will avoid some 600,000 tonnes of atmospheric CO2 emissions each year.
• Technological innovation at the service of a sustainable energy model.
• International growth in strategic geographical areas.
• Opening new businesses and markets to its vendors.
• Considerable stimulation effect: 2,000 construction jobs were created in the port of Mukran and in the factories where all its components were built, both in Germany and in Spain.

Commitment to offshore wind power

Offshore wind power is key to Iberdrola’s growth and is the sector in which the company is investing most heavily, mainly in the United Kingdom, Germany and France.

In addition to Wikinger, the Group already operates the West of Duddon Sands (WoDS) wind farm in the Irish Sea, which came online in 2016. WoDS has a generating capacity of 389 MW and is capable of generating enough electricity to supply approximately 300,000 British homes.

Iberdrola is also developing the East Anglia One offshore wind farm in British waters in the North Sea, which will have a capacity of 746 MW and is located in an area where the company has three other new projects under development that will add up to a joint capacity of 1,800 MW.

In addition to this, in April 2018, Iberdrola won a contract that will involve the construction of two new offshore wind farms in German Baltic waters, with a combined capacity of 486 MW, namely Baltic Eagle and Wikinger Süd.

Iberdrola, “the utility of the future”
Iberdrola: an international energy leader

Iberdrola is one of the leading global energy groups, a world leader in wind power production and one of the world’s biggest electricity utilities by market capitalisation. The group is present in numerous countries and supplies power to around 100 million people, mainly in Spain, the United Kingdom (ScottishPower), the United States (Avangrid), Brazil (Neoenergia) and Mexico.

With over one hundred years of experience in producing energy in the countries in which it operates, Iberdrola is an international benchmark for its leading position in advocating a sustainable energy model to combat climate change and to decarbonise the economy.

Commitment to clean energy

At the end of the first half of 2018, Iberdrola had an installed capacity of 48,671 MW worldwide, of which nearly 29,500 MW are renewable, and 67% of its total capacity is emission-free, making the company’s generation portfolio one of the cleanest in the energy sector. Thanks to its commitment to clean energy and the fight against climate change, its CO2 emission intensity is now 38% lower than that of its competitors in Europe.

Commitment to regions: Iberdrola’s social dividend

Iberdrola is committed to the economic and social development of all the regions in which it is present and its activity is an engine for growth, job creation and wealth creation in all its operating regions. Furthermore, as part of its commitment to society, the company’s social dividend - Iberdrola undertakes numerous programmes in areas such as training, cooperation, art and culture and biodiversity conservation.

Iberdrola incorporated the United Nations Sustainable Development Goals (SDG) into its business strategy in September 2015. In line with its activity, the company focuses its efforts on SDGs where its contribution is most relevant: affordable and non-polluting energy (SDG 7) and climate action (SDG 13).

The utility of the future

Iberdrola’s current position is the result of a profound transformation that began in 2001, thanks to a business vision that was capable of anticipating the sector trends: the unstoppable and irreversible process of the growth in its main geographical and business areas, allowing it to continue to respond to the challenges of the energy transition towards a decarbonised model. The fundamental pillars of the group’s development are based on profitable growth, operational excellence, innovation and new advances in the processes of digitalisation, with the customer at the centre of its strategy and all its actions at all times.

The investments planned for the period 2018-2022 amount to 32 billion euros and will lay the foundations for the company’s sustainable growth over the next decade. More than 90% of the total will be directed towards regulated activities or long-term contracts, in line with the group’s strategy of focusing on businesses with stable and predictable returns. Thus, 15.5 billion euros will be allocated to Grids, 11.5 billion to Sustainable Energy, 2.8 billion to Generation and Customers and 1.4 billion to Contracted Generation.

Iberdrola forecasts that Ebitda will be between 11.5-12 billion euros at the end of the period and net profit will reach 3.5-3.7 billion euros, maintaining the company’s financial soundness.

Prospects 2018-2022: paving the way to growth in the next ten years