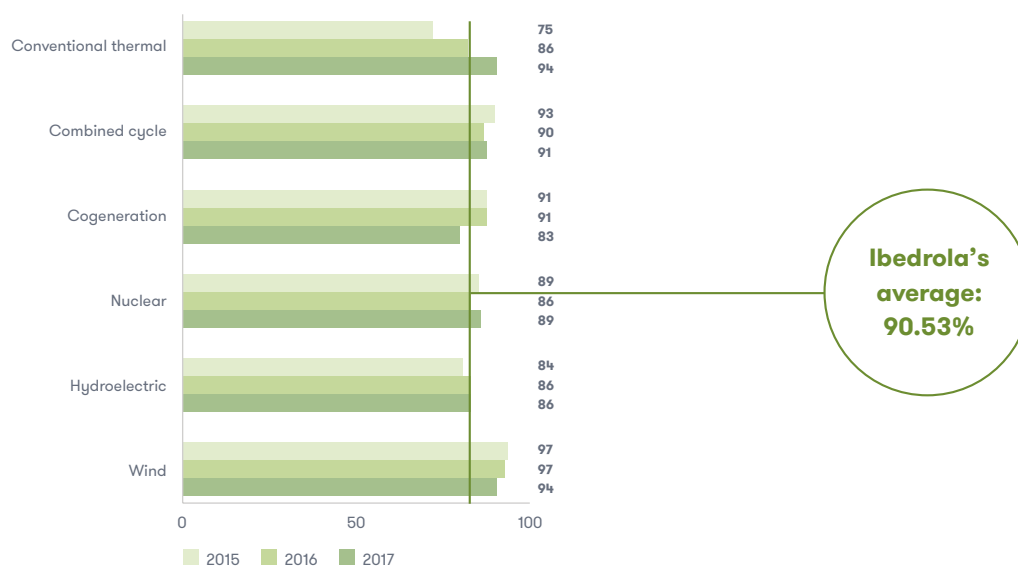


4.2 Manufactured Capital

| | Size | Principal activities 2017 | Outlook |
|---|--|--|---|
| Electric power generation assets | <ul style="list-style-type: none"> Iberdrola's generation assets comprise nearly 300 windfarms, almost 90 hydroelectric power plants (in addition to the mini-hydro plants), 7 solar farms, 37 thermal power stations using various technologies, 5 of which are nuclear, and other facilities built and operated according to the best available practices. | <ul style="list-style-type: none"> ISO 9000 certification has been renewed for the operation of windfarms in Spain and the United Kingdom. The Topolobampo III plant, a 779 MW combined cycle plant, has been awarded. The year ended with additional installed capacity of 1,398 MW, of which 1,164 MW are renewable, including the 350 MW Wikinger offshore wind farm. | <ul style="list-style-type: none"> Construction continues on 1,485 MW of onshore wind, 237 MW of photovoltaic and 714 MW of offshore wind within the East Anglia One project. The project for an additional 496 MW of offshore wind at St. Brieuc (France) has commenced. In Mexico, construction continues on almost 3,600 MW in combined cycles. In Portugal, there is continued construction of the Tâmega hydroelectric complex, with 1,158 MW. In Brazil, work continues on the construction of the hydroelectric plants. |
| Power transmission and distribution assets | <ul style="list-style-type: none"> Iberdrola's electricity transmission and distribution networks comprise over 1 million km of distribution lines, more than 4,000 substations and 1.5 million transformers, built and operated to supply a high-quality, reliable service to 30.3 million supply points. Iberdrola also has more than 40,000 kilometres of gas pipelines for the transport and distribution of gas in the United States. | <ul style="list-style-type: none"> In Spain, more than 10.3 million smart meters have been installed (97.6%) and 73,800 transformer centres have been digitised (88%). The <i>Western Link</i> project entered into operation in monopole configuration in the United Kingdom. There is continued deployment of smart meters in the United Kingdom, increasing the rate ahead of the goals established by the British regulator Ofgem. In Brazil, the ANEEL auctions have awarded the construction of close to 1,650 kilometres of transmission lines, 2 new substations and 11 expansions, with an investment of R\$ 2,800 million. | <ul style="list-style-type: none"> The projects awarded in the auctions in Brazil will be placed into service between 2020 and 2022. In 2018 it is expected that there will be deployment of 1.8 million smart meters in New York and automation of the network, putting Avangrid at the forefront of the REV initiative. Progress with the digitisation of the network to lead the transformation towards a Distribution System Operator. |
| Other assets | <ul style="list-style-type: none"> Iberdrola manages approximately 1,600,000 m² of offices and work centres throughout the world, with a total of 816 properties, of which 266 are located in Spain, 106 in the United Kingdom, 173 in the United States, 251 in Brazil and 20 in the rest of the world. These properties, which follow the same corporate criteria in the interior spaces, are designed, built and operated in accordance with the strictest sustainability and efficiency standards. | <ul style="list-style-type: none"> Consolidation of the Iberdrola Campus as a centre for Iberdrola's training and events. It has the space and means necessary to hold training at different levels and to host conventions, seminars, workshops and working meetings for the entire Iberdrola group. Commencement of construction on phase II of the Iberdrola Campus. Culmination of the transfer of all Scottish Power employees to the new corporate headquarters in Glasgow, from where almost 1,700 employees have been doing their work this year. Inauguration of the new corporate headquarters of Avangrid at 180 Marsh Hill Road, Orange, CT. | <ul style="list-style-type: none"> The merger of Neoenergia is planned for completion during 2018, and which is expected to lead to significant improvements in real estate management operations. Avangrid plans to increase consolidation of the real estate portfolio of offices in the various states in which it does business. Hand-in-hand with the Wholesale and Retail Business, and motivated by the expansion of Retail, we expect to open new offices in Paris, Rome and Milan in 2018. At Iberdrola, we are committed to the modernisation of work spaces, for which reason we will continue to develop new spaces for collaboration within the corporate buildings. |

Offer a secure supply of energy that is competitive in price and quality

Average availability factor of Iberdrola's generation facilities



Quality of electricity supply

| Average power outage duration | | 2016 | 2017 |
|-------------------------------|-------------|-------|-------|
| Spain (*) | TIEPI (min) | 54.0 | 52.7 |
| United Kingdom | CML (min) | 33.8 | 31.0 |
| United States | CAIDI (h) | 1.84 | 1.91 |
| Brazil | DEC (h) | 17.14 | 15.96 |

| Power outage frequency | | 2016 | 2017 |
|------------------------|-----------------|------|------|
| Spain | NIEPI (number) | 1.04 | 1.14 |
| United Kingdom | CI (ratio) | 42.7 | 36.0 |
| United States | SAIFI (index) | 1.15 | 1.15 |
| Brazil | FEC (frequency) | 7.44 | 7.15 |

TIEPI: Installed Capacity Equivalent Interrupt Time.
 CML: Customer Minutes Lost Per Connected Customer.
 CAIDI: Customer Average Interruption Duration Index.
 DEC: Equivalent Duration of Interruption by Consumer Unit.
 NIEPI: Installed Capacity Equivalent Interrupt Number.
 CI: Customer Interruptions Per 100 Connected Customers.
 SAIFI: System Average Interruptions Frequency Index.
 FEC: Equivalent Frequency of Interruption by Consumer Unit.
 (*) Excludes 18.8 min due to persistent strong rains suffered in Spain in the month of January, deemed to be force majeure.

Property, plant and equipment (€M)

