



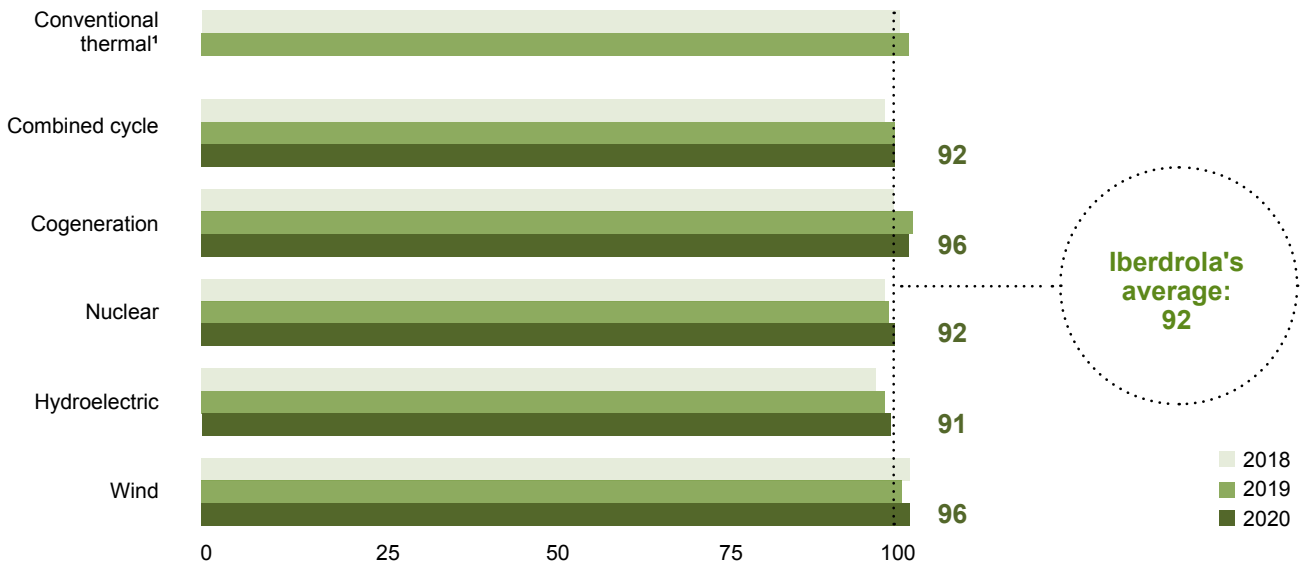
4.2 Manufactured capital

	Management approach	2020 Results	Outlook
Electric power generation and green hydrogen assets	<ul style="list-style-type: none"> Iberdrola's generation assets are made up of more than 350 wind farms, almost 90 hydroelectric power plants (in addition to the mini-hydro plants), 16 photovoltaic plants, 2 battery storage plants, more than 50 thermal power stations using various technologies, mainly low-emission combined cycles, five nuclear plants, and other facilities built and operated following best practices. 	<ul style="list-style-type: none"> The year 2020 ended with additional installed capacity of 3,029 MW, of which 2,881 MW are renewable (2,890 MW of new installed capacity, less 9 MW retired), including the Ceclavin (Spain) and Cuyoaco (Mexico) photovoltaic plants, the La Joya and Tatanka (United States) wind farms, and the completion of the East Anglia ONE (United Kingdom) offshore wind farm. The acquisitions of Aalto Power (France) and Infigen (Australia) also add a further 813 MW of operational capacity. Construction of the 779 MW Topolobampo III combined cycle plant in Mexico has been completed. 	<ul style="list-style-type: none"> Construction of more than 1,800 MW of onshore wind and over 2,800 MWdc of photovoltaic continues. There is also continued development of the 496 MW <i>Brieuc</i> (France), 476 MW <i>Baltic Hub</i> (Germany) and 800 MW <i>Vineyard Wind</i> and 804 MW <i>Park City</i> (United States) offshore wind farms. In Spain, construction is underway on the largest green hydrogen plant in Europe for industrial use, with a 20 MW electrolyser. In Portugal, construction continues on the 1,158 MW Tâmega hydroelectric installation, with 998 MW planned to be placed on line in 2021. In Mexico, construction continues on the 514 MW Tamazunchale II combined cycle plant.
Power transmission and distribution assets	<ul style="list-style-type: none"> Iberdrola's electricity transmission and distribution networks are made up of approximately 1.2 million kilometres of distribution and transmission lines, more than 4,400 substations and over 1.5 million transformers, built and operated to provide a high-quality, reliable service to 31.29 million electricity supply points. Iberdrola also has more than 45,000 kilometres of gas pipelines for the transport and distribution of gas in the United States. Iberdrola is a pioneer in the development of innovative projects to improve the reliability of electric supply. 	<ul style="list-style-type: none"> In Spain, regulatory commitments required the deployment of smart meters for customers of less than 15kW (Type 5) after 2018, and the deployment of these meters for Type 4 customers (15 kW to 50 kW) continued during 2019 and 2020. In addition, a roll-out of Type 3 (between 50 and 450 kW) has been launched and completed. There are currently more than 11.19 million smart meters. There is continued deployment of smart meters in the United Kingdom, with more than 1.7 million installed. In Brazil, Neoenergia placed into service two 500 kV and 525 kV static compensators at Ceará and Santa Catarina during 2020, and construction is advancing on almost 6,000 kilometres of transmission lines and 30 substations in 14 states. 	<ul style="list-style-type: none"> In Brazil, Neoenergia was awarded a project in ANEEL's December 2020 auction for the construction of over 1,000 kilometres of transmission lines, with a planned regulatory investment of 2 billion reais. In the United States there is continued progress on the New England Clean Energy Connect (NECEC) project, which involves the construction of a 233 kilometre HVDC transmission line between Canada and New England, with an investment of \$950 million, and which is expected to be placed into operation during the second half of 2023. Construction on the project had already commenced as at the date of publication of this report. Progress continues on the digitalisation of the network in order to lead the transformation toward a Distribution System Operator. Following the acquisition of PNM in the United States and CEB in Brazil in 2020, the integration of which is expected in 2021, the number of customers will increase by 1.9 million (0.8 million in the US and 1.1 million in Brazil).
Other assets	<ul style="list-style-type: none"> Iberdrola manages approximately 1,323,000 m² of offices and work centres throughout the world, with a total of 843 properties, as well as a fleet of more than 10,000 vehicles. The properties, which all follow the same corporate standards for interior space, are designed, built and operated in accordance with the strictest sustainability and efficiency standards, as is the fleet, which is gradually transforming into an electric and emissions-free fleet in all markets. 	<ul style="list-style-type: none"> The modernisation of spaces and the update of assets at the new operational centres continues (Valladolid, Salamanca, Bilbao, Madrid, etc.). A project has been launched for the maintenance of Iberdrola's villages and rural residential assets in Spain. Real estate consolidation continues along the east coast of the United States, with real estate activities in the states of New York, Massachusetts, Maine and Connecticut to improve the efficiency and modernisation of the asset portfolio. Work has begun on the process of internalising the main functions of the Networks Business in Brazil. Iberdrola is expanding its presence in the rest of the world, with expansion to France, Germany, Sweden, Australia and Japan. 	<ul style="list-style-type: none"> During 2021 projects involving the new operational centres will be completed and the rural residential project will continue in Spain. Avangrid will continue with the consolidation of its real estate portfolio of offices in the various states in which it operates. Neoenergia expects to complete the internalisation of the Networks Business, opening numerous workplaces in the areas in which it operates. The new corporate headquarters in Mexico City for approximately 500 employees is due to be occupied. Iberdrola remains committed to the modernisation of its workplaces and will continue to develop new collaboration spaces in its corporate buildings, in a permanent process of efficiency and continuous improvement. The vehicle fleet will continue to be converted into an electric fleet.



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

Average availability factor of Iberdrola's generation facilities (%)



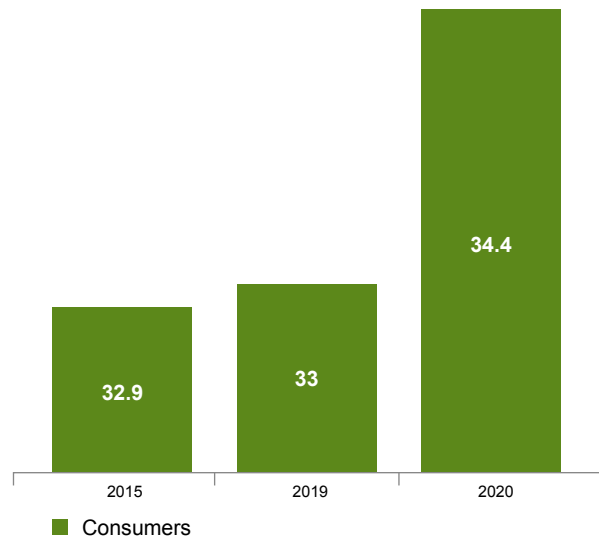
(1) No availability factor is provided for the conventional thermal plants due to the cessation of activity at the coal plants in Spain in 2020.

Quality of electricity supply

Average power outage duration		2020	2019
Spain	TIEPI (min)	48	48
United Kingdom	CML (min)	32	35
United States	CAIDI (h)	2	2
Brazil	DEC (h)	11	11

Power outage frequency		2020	2019
United States	NIEPI (number)	0.99	0.94
United Kingdom	CI (ratio)	36.59	43.66
United States	SAIFI (index)	1.37	1.17
Brazil	FEC (frequency)	5.13	5.47

Consumers (millions)



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.