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MEXICAN FEDERAL ELECTRICITY COMMISSION (CFE) AND IBERDROLA SIGN AGREEMENT FOR COLLABORATION IN ENERGY SECTOR

- The agreement was ratified by the Chairman of IBERDROLA, Ignacio Galán, and the Managing Director of CFE, Enrique Ochoa Reza
- The agreement will enable the exchange of information on implementing new technologies and managerial experiences
- Developing this agreement will require investments to the value of US\$ 5 bn by IBERDROLA between 2014 and 2018

The Mexican Federal Electricity Commission (CFE) and IBERDROLA have entered into a collaboration agreement for the completion of joint projects and the exchange of ideas and experiences in the energy sector.

The agreement focusing on the areas of electricity generation, energy transmission and distribution and natural gas storage was ratified by the Chairman of IBERDROLA, Ignacio Galán, and the Managing Director of the Mexican CFE, Enrique Ochoa Reza.

One of the highlights in the agreement is the exchange of information on implementing new technologies and managerial experiences between the two companies.

It also contemplates the completion of joint investment projects, where deemed convenient, at renewable and conventional generation facilities, transmission networks and others linked to the electricity and gas industry.

This agreement strengthens IBERDROLA's commitment to Mexico, where it has an operating capacity of over 5.200 megawatts (MW) in the form of combined cycle gas-fired power plants and wind farms.

IBERDROLA has been operating in Mexico since 1998 and plans to boost its presence in the Mexican energy market by investing some US\$ 5 bn between 2014 and 2018. In fact, the company's initiatives already underway represent investments to the value of US\$1.5 bn.

IBERDROLA has various generation projects in Mexico, including the new Baja California III combined cycle power plant and the extension to the Monterrey facility, which is also a combined cycle plant.

IBERDROLA's willingness to invest in Mexico is based on the good prospects being generated by the Energy Reform being implemented by President Enrique Peña Nieto's government.

This reform will require the investment in Mexico of some US\$ 25.5 bn in the area of electricity generation alone by the year 2020.