



A GE 1.5 sle wind turbine blade (135 feet long) on its way to the nearly-completed Hoosac, Mass., wind power project

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Two New Northeast Wind Projects Nearing Completion

New England is poised to see two new Iberdrola Renewables wind farms up and running by the end of 2012.

Under construction since late 2011, the Groton Wind Farm in New Hampshire, and the Hoosac Wind Farm, located in the towns of Florida and Monroe, Mass., will contribute 76.5 megawatts (MW) of new power onto the grid; enough to power roughly 25,000 homes each year.


The first wind turbines were installed at the wind farms this past July. Groton will feature 24 G87 wind turbines manufactured by Gamesa in Pennsylvania, with a hub height of 78 meters and a total installed capacity of 48 MW.

Meanwhile, Hoosac will host 19 GE 1.5 sle wind turbines with a hub height of 65 meters and a total installed capacity of 28.5 MW.

In addition to a boost of available power, the two locations have supported local businesses along the way and made a significant economic impact in the region. Peak employment at the two projects this past summer reached more than 380 local workers who provided infrastructure support on electrical lines and poles, concrete, hauling and civil construction. Iberdrola Renewables officials say that after erecting the turbines, the testing and commissioning process will take most of the rest of 2012, culminating in commercial operation by the end of the year.

All of the power at the two new facilities is already spoken for and will considerably boost the economic coffers of the local communities. NSTAR, Massachusetts' second-largest utility, signed a power purchase agreement last August for electricity produced at both Groton and Hoosac.

According to Christine Dobbert, town manager of Florida, the agreement for Hoosac is expected to generate between \$250,000 and \$300,000 yearly for the communities' general funds. Florida's annual operating budget totals about \$2 million. Groton Wind will provide significant payments to local landowners, and will provide more than 50 percent of the annual municipal budget of the Town of Groton, in addition to annual tax payments to the State of New Hampshire. The project's estimated economic effect on the region is \$81.5 million over 20 years.

These two projects will join Iberdrola Renewables' first New England project, in Lempster, N.H., which was the first modern utility-scale wind project in the state. 



Strong Cash Flows, Diversification Reduce Eurozone Concerns



In spite of the economic troubles in Europe, Iberdrola continues to maintain solid finances — in part because of investment in the U.S.

Net earnings for Iberdrola S.A., Iberdrola Renewables' parent company, for the first six months of 2012, were 1.8 billion euros (\$2.25 billion at \$1.25/euro) with the U.S. wind business turning in a 74 percent surge in profits. Strong earnings internationally more than offset weak earnings from Spain and the renewables business in particular was a welcome highlight.

A geographically diversified business model, in which more than half of the businesses in the Iberdrola Group are outside the deeply affected eurozone, has helped. The company has continued to diversify and grow its generation fleet around the world to more than 46,000 MW with production of more than 145,000 GWh (145 billion kilowatt-hours, or enough for 14.5 million average U.S. houses) of which more than half was outside Spain. It also reflects a positive contribution from our regulated utilities in the U.S., UK and Brazil.

Iberdrola again strengthened its finances, improving its debt profile to an average life of 6.3 years. The group continued to enjoy access to international credit, with the parent company raising 1 billion euros (\$1.25 billion) in bonds and another 1 billion euros through a syndicated bank credit, in addition to smaller bond issues in the Swiss and German markets. As a result, at the end of the second quarter, Group liquidity stood at €9.5 billion (\$11.9 billion), enough to meet financing needs for the next 24 months. Operating cash flow continued to rise, reaching €3.3 billion (\$4.1 billion).

To keep reducing debt, Iberdrola will sell selected, non-core assets. At the same time, Iberdrola maintained worldwide investments at 1.64 billion euros (\$2.05 billion) during the first half, similar to the same period last year, with the U.S. accounting for 27 percent of the total. 📈

Scholarship Fund Supports Outstanding Students



A lifetime Oregon resident and the former human resources director of Iberdrola Renewables, Linda Wah passed away in 2008 at the age of 49. Now, friends of Linda are honoring her memory with a scholarship fund created in her name.

One of the organizations Linda quietly supported during her lifetime was the "I Have a Dream" Foundation — Oregon, which supports high-aspiring, low-income college students in the state.

This year, 12 college scholarships, totaling \$40,000, were awarded to outstanding local students pursuing professions in nursing, public relations and federal law enforcement. In addition to many individual donations made in Linda's name, Iberdrola Renewables has been a major supporter of the scholarship fund. **(continued, pg. 3)**

Going Bald for a Good Cause: Plant Manager Raises Money for Cancer Research

Of the many possible reasons to shave one's head, such as hot weather or a new look, a fundraiser for kids' cancer research may possibly be the most noble. Together with 15 other members of his community, Terry Stanley, plant manager at the Hardscrabble Wind Power Project in Little Falls, N.Y., recently shaved his head to raise money to cure children's cancers.



Before



After

Stanley participated in this charity event with St. Baldrick's Foundation because of the recent loss of an 18-month-old local girl named Gracie Lawton. She lost her battle with cancer, and the community rallied to the fundraiser in honor of her. Stanley was not alone in his quest to go bald. He was accompanied by eight men, two teenage boys and six courageous women.

"I'm having my head shaved to stand in solidarity with kids fighting cancer, but more importantly, to raise money to find cures," Stanley said. "Because of organizations like St. Baldrick's, more and more of these battles are being won, and these little miracles are getting to grow up. Who knows, maybe it is one of these saved lives that will finally find the cure."

Together, their goal was to raise \$2,000 for the St. Baldrick's Foundation, a volunteer organization that funds the most promising research to find cures for childhood cancers. With Iberdrola Renewables' matching donation, more than \$5,200 was raised.

"I was honored to be the first 'shavee' alongside Geoff Lawton, little Gracie's dad," Stanley said. "The donations from Iberdrola Renewables and the community will give hope to infants, children, teens and young adults fighting childhood cancers. When I asked for support from others, what I'm really asking for is support for these kids." 🌱

Our Support for Community Programs

Terry Stanley's inspiring example is just one of many worthy community sponsorships that Iberdrola Renewables supported this season. All of the sponsorships were requested by communities located near power projects in our nationwide fleet. Selected summer sponsorship included:

- Fourth of July holiday celebrations in Rufus, Ore., and Wasco, Ore., near the Klondike Wind Power Projects
- Community programming at the Mule Barn Theatre Guild in Tarkio, Mo., near the Farmers City Wind Power Project
- 4-H sales in Somerset and Fayette Counties, Penn., near the Casselman and South Chestnut Wind Power Projects
- Van Wert Area Convention and Visitors Bureau, Ohio, Rib Fest near the Blue Creek Wind Farm
- Taylor, Ariz., rodeo near the Dry Lake Wind Power Project and July 4th activities near the Copper Crossing Solar Project

If you would like to request a sponsorship in a community near an Iberdrola Renewables project, please visit <http://www.iberdrolarenewables.us/ehs-community.html>. 🌱

(Scholarship Fund...continued)

The foundation helps students achieve success in school and in college by pairing them up with mentors on a long-term basis and creating a "culture of college" that encourages students to further their education. This is a vision that resonated with Linda, whose father immigrated to America from China, and she was proud of her Chinese-American heritage. In the words of Linda's brother, Robert Wah: "This is what Linda really wanted — to encourage people to succeed."

Individuals within the company and those who knew Linda have donated to her Scholar's Fund at various levels. For example, a generous \$4,000 donation provides one year of tuition at a public college or university. Even a \$250 donation pays for several college textbooks for a student. Annually, the Linda's Scholarship Fund awards grants to students who are seeking four-year and two-year degrees at regional institutions.

In addition to the scholarship, Linda's memory lives on at Portland's Lan Su Chinese Garden, which is an exact replica of a classical Chinese scholar's garden and a landmark in the downtown area.



Photo: Linda Wah's family and "I Have a Dream" scholarship recipients supported by Iberdrola Renewables and the Linda Wah Memorial Scholarship Fund: Adrianna Serrato, Raul Rocha-Soto, Linda's brother Robert Wah, Linda's mother Muriel Wah, Lilia Miguel and Jesus Valdez (left to right). The group is pictured with the memorial window dedicated to Linda Wah at the Lan Su Garden in Portland, Oregon. 🌱

Direct Power Purchases Help Healthcare Systems

If you could lock in your energy costs for decades and know exactly how much you would pay for power, would you? More institutions are taking this approach and buying electricity directly from Iberdrola Renewables in an attempt to stabilize utility expenses and support local alternative energy sources.

"We've seen some great direct-buy success stories from organizations that want stable prices for electricity over the course of 10 or 20 years," said George Drosdowich, director, Deregulated Markets, Iberdrola Renewables. "They lock in prices mainly for four reasons: they don't want to be subject to price fluctuations in the market, they want to minimize the risk of carbon regulation, they want to contribute to the energy independence of the United States and they want to do their part to help with climate change."

Recent examples of this arrangement include several healthcare organizations along the East Coast that have entered into agreements to buy power from Iberdrola Renewables' Locust Ridge II facility in Pennsylvania.

Since January 2010, as much as 40 percent of Christiana Care Health System's electricity has come from wind turbines in eastern Pennsylvania. The system, which serves Delaware and neighboring areas in Maryland, Pennsylvania and New Jersey, signed a nine-year agreement with Iberdrola Renewables to purchase 40 million kilowatt-hours of electricity annually.* (continued, pg. 4)



The Locust Ridge Wind Project
Photo: Don Giles and The State Museum of PA

(Direct Power Purchases...continued)

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Iberdrola Renewables launched a new Twitter account this spring where you can find news and information from the company on wind power trends, activities and new facilities. Follow @IberdrolaRen on Twitter for more details.

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According to Bob Mulrooney, Christiana Care has the certainty of knowing the price it pays for electricity will remain unchanged during the nine-year contract. The wind, the fuel for a wind power project, is inexhaustible and free. The cost of the power is fixed and not affected by fossil fuel price volatility, assuring Christiana Care a steady supply of wind generated electricity.

"You're harnessing the power of wind to produce electricity," says Mulrooney. "From an environmental standpoint, it's a clean and renewable source. As a health care provider, it's a natural fit for us."

Prominent health care institutions in the Philadelphia area are also purchasing their power directly from what is currently Pennsylvania's largest wind power project. Thomas Jefferson University, Thomas Jefferson University Hospitals, Inc., Main Line Health System, Frankford Hospitals, Magee Rehabilitation and the Albert Einstein Healthcare Network are acquiring approximately 35 percent of their aggregate electricity consumption from wind power.*

"This purchase makes sense from an environmental perspective, but it also helps our bottom line," said Robert L. Barchi, M.D. Ph.D, president, Thomas Jefferson University. "We have addressed the anticipated price volatility of a major budget item by fixing our costs for 10 years, and supported a project that brings jobs and additional revenue to communities right here in Pennsylvania."

*Not all of the kWh purchased are renewable. The health care organizations are not purchasing the renewable energy credits to match their corresponding purchases of electricity from Locust Ridge II.



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