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Asociación Empresarial Eólica

PRESS RELEASE PRESS RELEASE

Spain installed 38 wind power megawatts in 2016

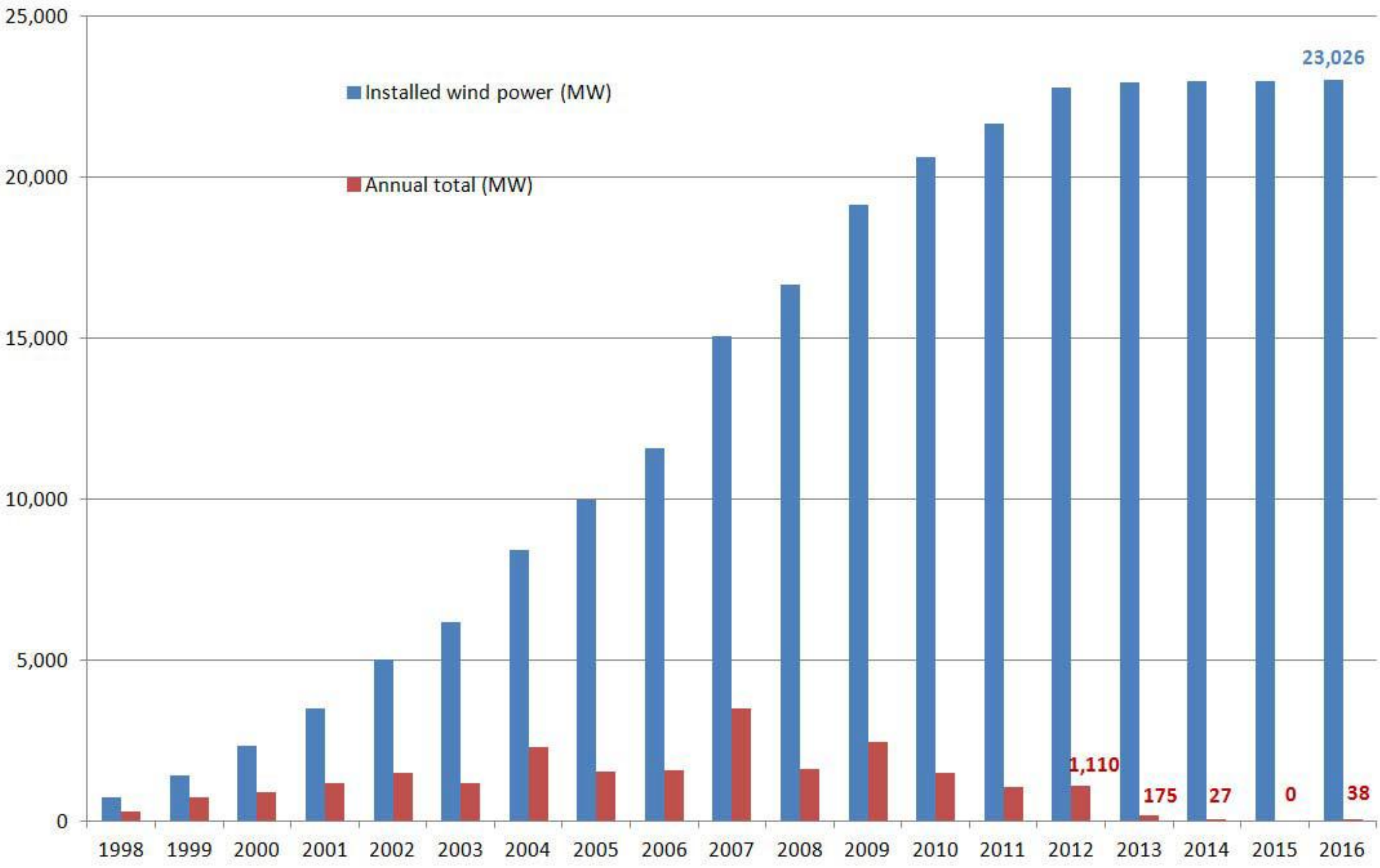
- Wind turbine and component manufacturers have exported almost 100% of what they have produced in Spain
- The scheduled auction will bring back investments to the sector if the design is adequate

Madrid, 2nd February 2017. Wind power increased last year in Spain by 38 MW, bringing the total to 23,026 MW as of 31st December 2016, according to the data collected by the **Spanish Wind Power Association (AEE)** using the official certificate of commissioning as the criterion.

Of this amount, 32 MW (84% of the total) correspond to wind farms in Castilla y León that were already registered in the old Pre-allocation Register that had not been installed before due to problems external to promoters, so they will get the incentives previous to the Energy Reform. The rest are the first megawatts installed in the Canarian area (4.6 MW) and a repowering in Galicia (2.1 MW).

The paralysis in which the market has been plunged since the Energy Reform continues: in the last three years, only 65 MW of wind power have been installed in the country, compared to 2,334 MW in the previous triennium. This has forced manufacturers of wind turbines and components present in Spain to export almost 100% of what has been manufactured in the country in the last three years, which complicates their presence in the country. According to the Energy Planning 2015-2020, the Government considers that Spain needs 8,500 MW of renewable energy to meet the European 2020 targets, of which 6,400 MW (75%) should be wind power.

Annual evolution and total installed wind capacity in Spain (in MW)



Source: AEE

If in Spain there weren´t 23,000 MW of wind power that provide clean and indigenous energy to consumers, in 2016 the price of the electricity market would have been 15.26 euros/MWh higher -28%- according to AEE data. For the year as a whole, wind power generated 47,721 GWh, similar amount to that of 2015. It supplied electricity to 18.4% of Spanish consumers, according to provisional data from the system operator, REE.

The attention is now on the renewable auction of 3,000 MW announced by the Government; if it was well designed, it could end the paralysis of investments since the green moratorium. However, the final design of this auction -which is still in the period of public information- will be key. AEE advocates an auction system that strikes the balance between promoting cheap, indigenous and emission-free energy, with the promotion of the Spanish wind power industry. To do this, it would be necessary to have technology specific auctions, so that the companies have visibility and can make decisions accordingly. A system that guarantees not only compliance with the EU's environmental objectives for 2020 and 2030, but also contributes to the reactivation of the economy of the different regions and creates jobs.

It should also be taken into account that, in order to revive investment in the sector in Spain, it is necessary to solve certain aspects of the Energy Reform -specially in Royal Decree 413/2014- which are an obstacle to the success of the auction due to the uncertainty of the model. The fact that the reasonable profitability of the projects can be modified every six years is one of them. In the case of this auction, the paradox is that the projects must be installed by the end of 2019, when the six-year regulatory period ends, and so the Government can modify the reasonable profitability of the facilities. That is to say, that the projects that go to the auction will do it blindly, ignoring the incentive that they will have, which greatly complicates the access to financing.

It is also necessary to remove the limits of the expected market price path that prevent the profitability guaranteed by the law. In addition, companies should be compensated each year instead of every three years. AEE considers that by 2020 and the following years the market price used to calculate the incentives should be more in line with reality, a view shared by the CNMC (Spanish Commission on Markets and Competition), as it has expressed in separate reports. This would imply using the current OMIP (Power Market Futures Operator) price for the year 2020 of 42.22 euros/MWh, compared to the 52 euros used by the regulator.

Shown below, the different rankings by installed power can be consulted as of December 31st 2016: by regions, by promoters and by manufacturers.

Installed capacity by regions in 2016

REGION	Installed power in 2016 (MW)	Accumulated capacity by the end of 2016 (MW)	Market share (%)	Total wind farms
Castilla y León	31.50	5,593	24.19%	243
Castilla-La Mancha	0.00	3,807	16.56%	139
Andalucía	0.00	3,338	14.52%	153
Galicia	2.10	3,330	14.48%	161
Aragón	0.00	1,893	8.24%	87
Cataluña	0.00	1,269	5.52%	47
Comunidad Valenciana	0.00	1,189	5.17%	38
Navarra	0.00	1,004	4.37%	49
Asturias	0.00	518	2.26%	21
La Rioja	0.00	447	1.94%	14
Murcia	0.00	262	1.14%	14
Canarias	4.60	182	0.77%	57
País Vasco	0.00	153	0.67%	7
Cantabria	0.00	38	0.17%	4
Baleares	0.00	4	0.02%	46
TOTAL	**38.20**	**23,026**	**100.00%**	**1,080**

Source: AEE

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Distribution of installed wind capacity by developers

DEVELOPER	Installed wind power in 2016 (MW)	Accumulated capacity by the end of 2016 (MW)	Market share (%)
IBERDROLA	0.00	5,576.93	24.21%
ACCIONA ENERGÍA	0.00	4,267.82	18.53%
EDPR	0.00	2,255.79	9.79%
ENEL GREEN POWER ESPAÑA	0.00	1,491.55	6.48%
GAS NATURAL FENOSA RENOVABLES	2.10	1,215.51	5.28%
EOLIA RENOVABLES	0.00	529.74	2.30%
SAETA YIELD	0.00	512.56	2.23%
VAPAT	0.00	471.25	2.05%
RWE	0.00	442.71	1.92%
OLIVENTO	0.00	420.79	1.83%
ENERFÍN	0.00	390.13	1.69%
VIESGO	0.00	380.61	1.65%
BORA WIND ENERGY MANAGEMENT	0.00	329.99	1.43%
MEDWIND (*)	0.00	246.75	1.07%
RENOVALIA RESERVE	0.00	243.96	1.06%
MOLINOS DEL EBRO	0.00	234.25	1.02%
GAMESA ENERGÍA	0.00	219.45	0.95%
IBEREÓLICA	0.00	194.30	0.84%
EÓLICA DE NAVARRA	0.00	134.38	0.58%
ALDESA ENERGÍAS RENOVABLES	0.00	164.05	0.71%
ELECDEY	0.00	140.10	0.61%
FERSA	0.00	128.10	0.56%
OTHERS	36.10	3,035.49	13.18%
TOTAL	**38.20**	**23,026**	**100.00%**

Source: AEE

AEE takes the final operational act as the reference to calculate the installed capacity which, in some occasions, does not match up with the data published by developers.

The total figure by developers is linked to the attributed power according to their shareholding percentage in wind farms.

(*) Renomar has a total of 493.5 MW. Acciona owns 50% of this company, so the table only reflects the 50% owned by Medwind.

Distribution of accumulated wind capacity by manufacturers

MANUFACTURER	Installed wind power in 2016 (MW)	Accumulated capacity by the end of 2016 (MW)	Market share (%)
GAMESA	0.00	12,008.09	52.14%
VESTAS	29.10	4,120.09	17.89%
GE	0.00	3,152.23	13.69%
NORDEX ACCIONA	0.00	1,913.81	8.31%
SIEMENS	0.00	772.30	3.35%
ENERCON	4.60	531.15	2.31%
SUZLON	0.00	218.00	0.95%
DESA	0.00	100.80	0.44%
M-TORRES	0.00	46.80	0.20%
LAGERWEY	0.00	37.50	0.16%
KENETECH	0.00	36.90	0.16%
SINOVEL	0.00	36.00	0.16%
REPOWER	0.00	25.00	0.11%
EOZEN	0.00	4.50	0.02%
NORVENTO	0.00	0.40	0.00%
ELECTRIA WIND	0.00	0.15	0.00%
WINDECO	0.00	0.05	0.00%
OTHERS	4.50	22.43	0.10%
TOTAL	**38.20**	**23,026**	**100.00%**

Source: AEE

The **Spanish Wind Energy Association (AEE)** is the voice of the wind sector in Spain and defends its interests. With nearly 200 associated companies, it represents more than 90% of the sector in the country, which includes developers, wind turbine and component manufacturers, national and regional associations, industry organizations, consultants, lawyers and financial institutions and insurers, among others.

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