

Iberdrola Renovables Eyes Up to \$500 Million in US Government Grants

Spanish clean energy firm Iberdrola Renovables has said that it is hoping to secure between \$400 million and \$500 million in US government aid over the coming months in order to develop new wind projects in the US.

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The US Department of the Treasury has announced an estimated minimum of \$3 billion for the development of renewable energy projects in the US.

Iberdrola Renovables plans to start up and bring on stream around 850MW of wind energy installations in 2009 for commercial purposes, which could be eligible for \$400 million and \$500 million in Treasury aid over the coming months.

The company has said that this grant program stems from the economic stimulus bill ushered in by the Obama Administration and, according to a Treasury announcement, will entail direct payments in lieu of tax credits in support of an estimated 5,000 bio-mass, solar, wind and other types of renewable energy facilities.

Iberdrola Renovables holds that the ITC (Investment Tax Credit) program offers the best possible alternative to the Production Tax Credit (PTC) scheme offering direct funding for 30% of such investments (covering approximately 95% of the cost of the wind farm) and payment is made in cash 60 days from the date on which the farm enters into commercial operation. The Treasury has announced that the period for applications from interested companies will open on August 1, 2009.