

# Iberdrola places USD 525 million in 10-year green bonds in the US with strong investor demand

- *Through NYSEG, Avangrid's subsidiary operating in the regulated grid business*
- *Calls exceeded USD 2 billion, bringing the cost of funding down to 5.332%*

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New successful financing operation by Iberdrola. The electricity company, through its US regulated electricity grid business New York State Electric & Gas Company (NYSEG), a subsidiary of Avangrid, successfully placed a 10-year green bond issue in the US for USD 525 million (EUR 490 million). Demand exceeded 2 billion euros, and this enabled the spread over the benchmark interest rate to be cut to 135 basis points. This translated into a transaction cost of 5.332%.

The ability of the company chaired by Ignacio Galán to access financing markets has been reaffirmed with an operation in the American market in the middle of August, which has aroused the interest of large investors, with more than 60 American accounts participating. This is further proof of its ability to attract investors in different markets.

Europe's largest electricity company by stock market value has taken advantage this time of the fall in long-term interest rates in the United States. Investor confidence in Iberdrola is at an all-time high and the issue had the added incentive of being green, which attracts a growing number of investors. Iberdrola thus paid a minimal new issue premium. The funds, which will be used to boost the network business in the United States, have just been disbursed.

The banks involved in the transaction were BNP Paribas, MUFG, Wells Fargo, Santander, SMBC, Intesa and Commerzbank.

This operation joins the one by Iberdrola on 1 August with ICO, Sabadell and HSBC, which signed a [EUR 500 million](#) syndicated green loan [with Cesce coverage](#). This loan, which has a repayment term of 15 years, helps strengthen the diversification of Iberdrola's sources of financing.

The NYSEG is Iberdrola's fourth public transaction so far this year, following the [EUR 700 million](#) hybrid bond (subordinated debt) issued in January, the CHF 335 million placement in the Swiss market at the end of June and the [EUR 750 million senior](#) bond issued in July.

## [International confidence](#)

Market confidence in Iberdrola is steady. Last month, it placed a [senior bond for 750 million euros](#) with strong demand, and a few weeks earlier it diversified its financing with a green bond placement for 335 million [Swiss francs](#).

In addition, in March it signed a EUR 700 million green loan with the [European Investment Bank](#) for the expansion of electricity grids in Spain and in January Iberdrola and the [World Bank](#) extended their alliance with a EUR 300 million green loan for renewable projects in emerging countries.

That same month, it [issued 700 million in hybrid bonds](#), keeping the company's hybrid volume stable at 8.25 billion euros. The funds obtained were used to refinance the renewable assets that had been financed with the hybrid bond issued in 2018, which was replaced with this transaction.

At the end of December 2023, the company signed its [largest credit line in history for 5.3 billion euros](#) with 33 international banks. The cost of this operation was at the most competitive levels for Iberdrola, with prices similar to those of 2019, and the operation was oversubscribed by more than 40%, demonstrating the strong commitment of the banks to Europe's leading utility by capitalisation.

### [Global leader in sustainable and green finance](#)

Iberdrola has established itself as a global benchmark in [sustainable financing](#), as the first private group in the world to issue green bonds, after becoming in 2014 the first Spanish company to do so. The group currently has around 23,000 million euros of green bonds outstanding.

In the banking market, in 2016, the company also signed the first green loan for an energy company, for 500 million euros. That transaction was followed by various loans and credit lines linked to sustainability criteria.

This financial strategy complements and strengthens the historic investment plan launched by the company in March 2024, in which it announced the investment of 41 billion euros between 2024 and 2026. The plan aims to drive the economy's electrification, with a strong boost to electricity grids and renewables.