

Audio voice-over

## CNBC's complete Interview with Ignacio Galán, Executive Chairman of Iberdrola, on the Saint Briec offshore wind farm inauguration

### CNBC TV anchor

Let's push on to Iberdrola, a story we've been following overnight. It has opened its new 2.4 billion euros offshore wind farm in France. The Spanish renewable energy company says the new plant will be able to provide emission-free energy to 835,000 people in the region.

Charlotte joined us from Brittany with more. Charlotte, I know you've been to Brittany for other purposes, but this one about a large project impacting France.

### CNBC reporter

Yes, when it comes to energy sources, some countries have oil, some would have the sun. And here, well, there's wind. And if we are looking at the geography of France, you'd think that offshore wind farms would be obvious but turns out they haven't developed this very much because they've relied on nuclear for many, many years in France, but they are starting to develop offshore wind energy.

And that's really why we are here, the inauguration of the second offshore wind farm here, that is been developed by Iberdrola from Spain. So, it's the fourth type of project like that for Iberdrola. They have some in the Baltic Sea, in the North Sea, but that's the very first one here in France.

It's been 13 years in the making, three years of construction to build the 62 turbines. That's just 16 kilometers off this coast here in the Bay of Saint Briec. So an interesting project there. 2.4 billion euros it caused the company to develop this. So the working pushing this, of course, renewables taking a bigger and bigger part in the energy mix in many countries, particularly in Europe, to try to cut out the reliance on foreign sources as well for energy.

And now wind actually made 80% of the energy mix in Europe. It's overpassed gas just last year. It was an important milestone there. We'll see more of these wind farms develop, particularly on the coast of France. And this will be the second one. While we talk of taking the new sources, one key question for electricity is actually the grid. And they've been very overstressed and there will be growing needs for this grid to carry energy.

Of course, we are switching to electric cars. They need to be plugged in with switching to AI, where they rely on big data centers that have heavy electricity needs as well. And so Iberdrola is, of course, also a big player when it comes to grid. So when I had a chance to catch up exclusively with the Executive Chairman of the company, Ignacio Galán, I asked him about the question of the grid and importance in the mix there.



### Executive Chairman of Iberdrola, Ignacio Galán

“Everybody knows Iberdrola for being a pioneer and largest investor in renewables. But I think our largest business is grid. We are in this moment in Britain, we are the second or the first largest in grid in the country. And our main investment in Britain is in grid, in networks. We are very large in United States. We have Massachusetts, Connecticut, Maine, and New York State, which I think is 15 million American depending on our grid.

We are the largest in Brazil, with almost 40 million Brazilians depending on ourselves. And we are the largest in the Iberian Peninsula. So our main destination of investment is grid. I agree with you. The grid is crucial. Not only renewable is crucial for decarbonizing.

The grid is crucial for electrification of the economy. Without grid, you cannot already have access to electricity required. That's why countries like Britain and the United States are already pushing us to invest more and more in transmission and more and more in distribution for electric vehicles, for data centers and for connecting north of England or north of Scotland with the center, the south of England, with Wales.

And we are in this process. We have huge investment plan in Britain in the next few years. We are talking about probably 20 to 30 billion pounds for not to 2030. Most of it dedicated to grid investment.

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In your last strategic update, you announced a lot of investment, particularly in the U.S., and that came of the back of the IRA. Of course, there's a very important election coming in just a few weeks.

Is the return of Donald Trump into the White House impacting your potential investment in the U.S. and potential scrapping of part of the IRA?

### Executive Chairman of Iberdrola, Ignacio Galán

Our main investment, our main business in the United States is grid as well. So, 80% of our business is grid-related networks. I think network regulation depends on the state, it does not depend on the federal authorities. I think we have already right cases up to 2028 in most states. I think that will continue the same way.

In terms of renewables, which part of it depends on the state authorities, part of federal authorities. But we've been already with President Trump, with President Biden, with President Obama, and we continue. I think we will, let's say, manage the decision the government will take in any circumstance.

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And that was Ignacio Galan, the Executive Chairman of Iberdrola. You remember the company last year in their strategic update announced 36 billion euros in investment. About a third of this was earmarked for the U.S. alone. They're investing heavily there. They had also opened



the first offshore wind farm there off the shores of Nantucket. 25% of this investment is going to the U.K. because, of course, they own Scottish Power in the U.K. It is a second market there.

They're pushing heavily, again, as you just heard from the Executive Chairman, into grid, into making it more efficient, more modern. And that's part, of course, of their strategy on the side of renewable energy. And again, opening these offshore wind farms. And more and more countries want to have, because there's some cost and there's some issue with the companies building those wind farms, because the cost has been skyrocketing. We said there's still need. And the need for electricity is growing. It's still very much abated from fossil fuels. They said there is still more need. And they're there to take a share of that market there.

We'll bring more of this interview with Ignacio Galan later in the show. So stay tuned for that!

#### CNBC TV anchor

Everything great and it sounds fantastic. But I've got a problem with your package and your coverage so far. Where's the picture of you on a boat? I know you were on a boat, and I think it's always good sport seeing a CNBC reporter on a boat trying not to be ill. Where is it?

#### CNBC reporter

We have gone on the boat, but turns out the tide, you have the big tides because of the harvest moon. And it was too choppy to get too close to the wind farm. So we went to see some of the other installations of Iberdrola nearby, the port where they built some of those parts of the turbines there, but we couldn't get too close. It was too choppy in the sea.

#### CNBC TV anchor

Well, I look forward to seeing that. And thank you again. Absolutely pivotal interview. And it was great to see Ignacio Galan. So thank you very much indeed for that!

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#### CNBC TV anchor

Iberdrola has opened its new 2.4 million euros offshore wind farm in France. The Spanish Renewable Energy Company says the new plant will be able to provide emission free energy to 835,000 people in the region. Well, let's get out to Charlotte for more.

She is standing by for us and covering the story in Brittany. Charlotte, we have seen you in many places across France over the years from Paris to Provence. This looks just slightly windier, which is a good thing.

#### CNBC reporter

Oh, it's an absolute gorgeous place here in Brittany. And it's interesting looking at France, all the coast and all the seaside it has. But, actually, offshore wind farm is not something they



have developed very much. Of course, France has relied on nuclear for many, many years. For electricity, it's still the case. But they are starting to develop offshore wind farm.

They had a lot of the onshore one. But offshore, this is only the second one. The one that Iberdrola is inaugurating today off the coast of Saint Brieuc here in Brittany. And it's been 13 years in the making, three years of construction. Iberdrola developed entirely the project, 2.4 billion euros there to develop the 62 turbines just off the coast here. And that will provide 10% of the energy electricity needs for the region of Brittany. So very important project. They are going to develop more of them off the coast of France. A lot of them are in the pipeline in the UK as well.

So very interesting to catch up with the executive chairman of Iberdrola, Ignacio Galán, to talk about all this. Of course, we talked as well about the difficulties that some of the turbine manufacturers have been having over the past year or so. And he said, "Look, this wind industry is crucial for Europe's competitiveness".

#### Executive Chairman of Iberdrola, Ignacio Galán

Europe has already and is keeping and leading the wind turbines manufacturing technology. So I think the European Union is trying to do their best for making that this technology that has been developed during the last 20 years, will be not only maintained, will continue already being developed.

I think that is precisely what is the terms which are in this moment in Europe trying to make their best. I think the case of the Draghi report, which was recently published, he's precisely trying the same than opportunities. Which means the energy transition for the European industrial renaissance, which I think is crucial for the future. Britain included when I say Europe, I include Britain in all these things.

#### CNBC reporter

And he talks of the risk of a slow agony for the EU if some measures are not taken to help the competitiveness of Europe. It was quite a bleak scenario that he was painting.

It looks like it's a big political test. And there's a lot of European governments that are caught within the domestic issues here in France, the election in Germany, etcetera. Do you think all these recommendations, there is a risk that they fall into deaf ears, actually?

#### Executive Chairman of Iberdrola, Ignacio Galán

Well, I think the different British governments has been very consistent. I think either the Tories, either the Liberal Party, both have already committed or put targets, each of them, higher in terms of offshore, in terms of decarbonisation, etcetera. In the case of Europe, the Green Deal is there. I think nothing has changed. It has already provided funds for helping the European industries to provide the means and the equipment we require and doing the necessary for developing in the industry in Europe and helping the European investors to make the necessary for investing in precisely those technologies.



So I think no doubt that that is already clear. British and European commitment to continue moving in line of more decarbonisation and more, I insist, industrial renaissance. More opportunity for the industry, the European industry through the investment we are making, and we plan to make in a renewable energy.

#### CNBC reporter

And so that was Ignacio Galán, the Executive Chairman of Iberdrola. Of course, very present in the UK, their own Scottish power there. They operate already a few offshore wind farms in the UK. West of Duddon Sands, one of them East Anglia one that was commissioned in 2020. And just a couple of weeks ago, they actually won auctions to develop East Anglia two and three. And they said they might take part in more of those auctions in the coming years, the ones that have been announced by the Labour government.

They're still pushing very much into this, because they're pushing into grid. We know that the grid is overstressed in the US as well. They're very present and making a lot of investments there, because there are growing needs when it comes to grid and they are very old and stressed, they need renewing. We know we're switching to EVs, electric cars. Well, they need to be plugged in. AI, well, they need big data centers. They need a lot of electricity.

All this is putting a lot of pressure. So Iberdrola is at the forefront of all this. And again, putting a lot of investment into this. So a very interesting conversation there with Ignacio Galán. We will bring more of this interview, from this beautiful part of the world here in Brittany, where they are inaugurating the second offshore wind farm in France.

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#### CNBC TV anchor

It's all very kind of Scarlett O'Hara, this link. It's now out to Charlotte, who's got the wind in her hair in the French. It's like a tourist boat. You're not there to talk about tourism for Brittany. You're here to talk about wind, Charlotte.

#### CNBC reporter

There's a lot of wind. And look, looking at energy sources, some countries have petrol, some have sun, and some have wind. And here we are in Brittany, where there's a lot of it, a lot of wind. And it's actually the inauguration, by Iberdrola, the Spanish company, of course, the world's largest renewable company, inaugurating the very first offshore wind farm here in the country.

It's interesting because France, despite having all this cost and all this wind, they haven't developed offshore wind farm very much. This is only the second one in the country, the first one opened just a couple of years ago. We know that France has relied on nuclear very much when it comes to electricity. But now it wants to diversify, of course, it wants to meet its net zero targets.



And so it is developing offshore wind farm here. So here we're in Brittany, 62 turbines here that will be inaugurated today on the grid. 2.4 billion euros investment by Iberdrola to create this wind farm that will make 10% of the electricity need of this region of Brittany.

So very interesting project there. And so that was the opportunity for us to catch up with Ignacio Galán, the Executive Chairman of Iberdrola.

We talked, of course, about offshore wind farm. We know they have several ones in the UK, which is also a very big market for them. The second biggest one, they have ScottishPower in the UK as well. But we also talk about the grid, the stress on the grid where they are very active.

And we talk about the probes. We talk about the EU probes into Chinese turbine manufacturers about solar panels from China. And I asked Ignacio Galán whether he felt that these kinds of probes were useful or detrimental to the energy transition.

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### CNBC reporter

So that was Ignacio Galán, the Executive Chairman there talking about the wind farms in the U.S., as well as the potentially part of Donald Trump coming back into the White House. And you know, Iberdrola operates, actually, one of the offshore wind farms in the U.S., but there was an incident over the summer. One of the turbines broke and some debris washed onto the shore. And that kind of reignited the controversy about wind farms and offshore wind farms, whether they were worth doing the investment. Donald Trump jumped in saying that on day one he was elected, he would freeze all the projects. But look, Ignacio Galán said he's not worried.

There is still need for more electricity and more clean electricity. And say overall, over the years, we see that there is just a progress towards this and that they're well placed to deliver that. And looking back in Europe, here again, wind produced more electricity last year than gas. And that was a big milestone there. Nuclear is still the main source of electricity in Europe. But wind is now second.

And they said this is only going to grow. And there's many, many offshore wind farms that are in the pipeline. That have been built around the U.K. Just a couple of weeks ago, Iberdrola won an auction to build one in the U.K. So they said they're very well positioned for the transition.

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### CNBC TV anchor

Let's look at other corporate stories this morning. Iberdrola has opened its new 2.4 billion euros offshore wind farm in France. The Spanish renewable energy company says the new plant will be able to provide emission free energy to 835,000 people in the region.

And Charlotte is being monitoring this story. She actually went all the way to Brittany. Charlotte, just explain to us really how important this announcement from Iberdrola is.





### CNBC reporter

Well, look, when it comes to energy sources, some countries have petrol, some have sun. And some countries, as you can tell here, have wind. And, you know, when you look at the geography of France, there's a lot of cost there. And you think it would be an obvious candidate for offshore wind farm. But they haven't developed them very much, as we know France has relied on nuclear mainly to produce its electricity. It has a lot of onshore wind farm, but they only started developing the offshore ones.

And this one with Iberdrola is only the second one that is being inaugurated here in the country. It's been 13 years in the making, three years of building work, the 62 turbines just off the coast here, 16 kilometers here that will produce about 10% of all the electricity needs of the region of Brittany. So very important one.

And we know that there's many more that are being in development in France, but also in the UK Iberdrola themselves won an auction just a couple of weeks ago to develop more offshore wind farms in the UK, which is the second biggest market where they have Scottish power in particular. So very interesting to talk about all these, cause winds is being more and more important inside of the energy mix of Europe. And just last year, wind was more important than gas in terms of source to produce electricity.

That was a big milestone. And they want to increase that of course to make, to reach the net carbon zero target there in Europe.

And while Iberdrola is very much focused on this. They also work a lot on the grid. And that is a key question here because we rely more and more on electricity. We have more and more electric cars that have to be plugged in. AI that has this big data center, that needs a lot of electricity and the grids are overstressed whether it's the US or in the UK. So Iberdrola is a big player in there. So, when we had the chance to catch up exclusively with the Executive Chairman of Iberdrola Ignacio Galán I asked him about the grid business in particular.

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That was Ignacio Galán, the Executive Chairman of Iberdrola, speaking to me exclusively from here in Brittany, where they are inaugurating the second offshore wind farm in France. They wanted to be a blueprint of the *savoir-faire* of Iberdrola. Also, the creation of jobs that he created here, almost 2,000 jobs, a plant in Le Havre, to make the blades of those turbines. All of these, they say, can prove how much of a future industry, this can be a kickstart, this industry, particularly in France and in Europe. Sylvia.

