



**IBERDROLA
RENEWABLES**

PRESS RELEASE

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IBERDROLA RENEWABLES Announces One of Arizona's First Wind Power Projects

SRP Buys Entire Wind Farm Output

PORTLAND, Ore. - IBERDROLA RENEWABLES today announced it has sold the output of a commercial-scale wind power project that is expected to be the first wind project constructed in Arizona. Salt River Project (SRP) has agreed to purchase the entire output from Phase I of the Dry Lake Wind Project.

The Dry Lake Wind Project will be located approximately 18 miles northwest of Snowflake on a combination of private, state and Bureau of Land Management (BLM) public lands. The project will be just east of Arizona State Highway 377 and Dry Lake, southwest of Holbrook and the I-40 corridor.

"The Dry Lake wind project represents a significant financial investment in Arizona and Navajo County," Governor Janet Napolitano said. "It will help increase our renewable energy supplies without using water or adding carbon to the atmosphere."

Dry Lake's Phase I will include approximately 30 wind turbines and is expected to generate up to 63 megawatts (MW) of electricity, depending on final turbine selection. Typically, a wind farm of this size can provide clean, renewable electricity to more than 15,000 typical homes. The estimated environmental benefits of the project will result in the annual offset of over 185 million pounds of carbon dioxide, which is equivalent to removing 15,000 cars from the road.

"SRP has been committed to pursuing an Arizona-based wind energy project for some time now," said Richard Hayslip, SRP's associate general manager of Sustainability, Risk Management, Environmental Services & Land Management. "Adding wind energy to our resource mix will provide more clean energy for our customers while at the same time helping to increase the overall renewable energy supply in Arizona."

This project will help meet Arizona's growing demand for electricity. Nationwide, customer demand for wind power is surging as utilities and municipalities add clean, renewable and homegrown power to their supplies. Wind power can serve as a hedge against volatile fossil fuel prices and has proven to be a reliable, low-cost source of energy.

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If approved, construction is scheduled to begin in 2009; the nine- to 12-month construction period is expected to create construction and engineering jobs for 100 workers, and approximately five permanent operations and maintenance staff. Project review is continuing, with remaining permitting approvals by the Bureau of Land Management and Arizona State Land Department still pending.

The Dry Lake project will support the local economy with property tax payments expected to be in the millions of dollars over the life of the project. The property taxes will support schools, public health, fire, library, and other necessary services in Navajo County.

“We are very pleased to be proceeding with the Dry Lake Wind Project and greatly appreciate the support Navajo County has shown us over the years of development. We appreciate the timely processing of the project by the BLM and the Arizona State Land Department. Special thanks are due to the members of the Rocking Chair Ranch, as well as their consultant Windfinders, who began development of the site and allowed IBERDROLA RENEWABLES to step in and continue moving the project forward,” said Jesse Gronner, Iberdrola Renewables’ regional director for business development.

IBERDROLA RENEWABLES is currently the world’s leading provider of wind power with more than 8,000 MW of wind power in operation globally now. Between 2008-2012, the company will invest €18.8 billion globally to achieve installed capacity of close to 18,000 MW and production of more than 42,000 GWh. IBERDROLA RENEWABLES will invest \$8 billion in the U.S. between 2008 and 2012 and plans to install 1,000 MW of wind power each year in the US. www.iberdrolarenewables.us

Under SRP’s Sustainable Portfolio goals set by its publicly-elected Board of Directors, SRP must secure sustainable and renewable resources to meet 15 percent of its retail energy needs by 2025. SRP is the third-largest public power utility in the nation, serving more than 935,000 electric customers in the greater Phoenix metropolitan area.

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