

# **Iberdrola Renewables, Inc.**

## **Code of Conduct**

### **Governing Buying And Selling Of Natural Gas and Electricity And Reporting Data From Gas And Electricity Transactions To Index Developers**

Iberdrola Renewables voluntarily reports natural gas and electricity transaction data to index developers. As part of its commitment to transparent price reporting, Iberdrola Renewables is committed to conducting all trading and price reporting in keeping with the Federal Energy Regulatory Commission's regulations 18 C.F.R. § 284.403 (Natural Gas), and 18 C.F.R. § 35.37 (Electricity), and the "Policy Statement On Natural Gas And Electric Price Indices," issued on July 24, 2003, Docket No. PL03-3-000. In furtherance of this objective, Iberdrola Renewables hereby adopts the following Code of Conduct, to be made available to all employees and to the public on its website.

#### **All employees engaged in buying and selling natural gas and electricity:**

- Shall conduct business in accordance with all applicable laws, regulations, tariffs and rules;
- Shall comply with all applicable Standards of Conduct, Codes of Conduct and Market Behavior Rules as issued and promulgated by governing regulatory authorities;
- Shall comply with Iberdrola Renewables Energy Management and Risk Management Procedures and applicable Iberdrola Renewables Risk Management Policies;
- Shall conduct business in good faith and with a commitment to honest dealing, and shall not engage in energy transactions that have no legitimate business purpose, are intended to artificially boost revenues or volumes or to manipulate market prices, market conditions, or applicable market rules;
- Shall not engage in fraudulent, deceptive or manipulative business acts or practices in violation of the FERC's or the CFTC's anti-manipulation rules or any other applicable laws, regulations, tariffs and rules;
- Shall not collude with other market participants to affect price or supply or unlawfully restrain competition;
- Shall not collude with other market participants to violate any applicable laws, regulations, tariffs, rules, Standards of Conduct, Codes of Conduct or Market Behavior Rules; and
- Shall submit transaction data in a timely and accurate manner consistent with applicable accounting principles and other applicable requirements.

**All reporting of transaction information to index developers shall be conducted in accordance with the following principles:**

- Those employees responsible for reporting trade data to index developers will be entirely independent from and not responsible to those responsible for or engaged in trading activities. Trading activity and reporting activity will each be done by independent departments.
- Employees responsible for reporting trade data will verify the accuracy and completeness of all data prior to submission by performing a high level examination of each report that will be submitted to the Index Developer. In this high level review, employees responsible for reporting trade data will check for obvious errors or omissions in the reports, *i.e.* missing data; text in numerical fields; numbers in text fields; and, to the extent users may be familiar with the original data in the automated reports, glaring inconsistencies between the report and the original information.
- Subject to appropriate confidentiality agreements with price index developers, employees responsible for transaction data reporting will separately report each bilateral, arm's length transaction with non-affiliated companies in the physical (cash) markets at all trading locations. For each transaction, the following information shall be provided, along with appropriate additional information as requested or required by price index developers: (a) price; (b) volume; (c) buy/sell indicator; (d) delivery/receipt location; (e) transaction date, and where possible, time; (f) term (next day or next month); and (g) physical/financial indicator. To the extent that Iberdrola Renewables reports financial hedges, financial transactions, or swaps or exchanges of gas or electricity, the submission of such trade data to the index developers shall be identified as "financial" data.
- Errors in reported data shall be corrected as soon as practicable with the relevant index developer, and employees shall fully cooperate with the error resolution processes adopted by index developers, including adhering to the process and timeline for submitting corrections and for responding to inquiries. Like the original data submission, these functions shall be carried out by personnel independent from and not responsible for trading.
- All relevant data relating to reported trades shall be retained for a minimum of five years. An independent auditor (who may be internal as long as independence from trading and reporting departments is maintained, and who follows generally accepted auditing standards) shall be engaged at least once annually to review the implementation of and adherence to the data gathering and submission process adopted by the company herein. Upon request, the results of the audit shall be made available to any index developer to which trade data is submitted by the company, and such index developers shall be permitted to recommend changes to improve the accuracy and timeliness of reporting.
- Iberdrola Renewables shall notify the Federal Energy Regulatory Commission within 15 days of any change in its price reporting status.