

INDEPENDENT AUDITOR'S REPORT

Ernst & Young, S.L. was appointed auditor of IBERDROLA RENOVABLES, S.A. and of IBERDROLA RENOVABLES, S.A. and its Consolidated Group pursuant to resolutions adopted at the General Shareholders' Meeting held on June 26, 2008, following a proposal of the Audit and Compliance Committee of the Board of Directors of IBERDROLA RENOVABLES, S.A. dated May 20, 2008.

The criteria for appointing and hiring the auditor, as well as the supervisory powers of the Audit and Compliance Committee, are contained in the "Annual Corporate Governance Report of IBERDROLA RENOVABLES, S.A." for fiscal year 2008.



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AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Translation of a report and consolidated annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 46)

To the Shareholders of Iberdrola Renovables, S.A.

We have audited the consolidated annual accounts of IBERDROLA RENOVABLES, S.A. and its subsidiaries (the IBERDROLA RENOVABLES Group), which comprise the consolidated balance sheet at December 31, 2008, the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated cash flow statement and the notes thereto for the year then ended, the preparation of which is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the annual accounts, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.

In accordance with mercantile law, for comparative purposes the Parent Company's directors have included for each of the captions included in the consolidated balance sheet, the consolidated income statement, the consolidated statement of recognized income and expense, the consolidated cash flow statement and the notes thereto, in addition to the figures of 2008, those of 2007. Our opinion refers only to the consolidated annual accounts for 2008. On March 12, 2008 we issued our audit report on the 2007 consolidated annual accounts, in which we expressed an unqualified opinion.

In our opinion, the accompanying 2008 consolidated annual accounts give a true and fair view, in all material respects of the equity and financial position of IBERDROLA RENOVABLES, S.A. and its subsidiaries at December 31, 2008 and the consolidated results of its operations, the changes in consolidated equity contained in the consolidated statement of recognized income and expense and the consolidated cash flow for the year then ended and contain the required information necessary for their adequate interpretation and comprehension, in conformity with the international financial reporting standards adopted by the European Union which are consistent with those applied to the figures and information corresponding to the 2007 consolidated financial statements.

The accompanying consolidated management report for the year ended December 31, 2008 contains such explanations as the Parent Company's directors consider appropriate concerning the situation of IBERDROLA RENOVABLES, S.A. and its subsidiaries, the evolution of their business and other matters, and is not an integral part of the consolidated annual accounts. We have checked that the accounting information included in the consolidated management report mentioned above agrees with the consolidated annual accounts for the year ended December 31, 2008. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the parent company and the companies comprising its Group.

INSTITUTO DE
CENSORES JURADOS
DE CUENTAS DE ESPAÑA

Miembro ejerciente:
ERNST & YOUNG, S.L.

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ERNST & YOUNG, S.L.
(Registered in ROAC under N° S0530)

Francisco Rahola Carral

February 25, 2009

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