

AUDIT AND COMPLIANCE COMMITTEE 2008

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1. COMPOSITION

CHAIRMAN

Mr. Álvaro Videgain Muro

MEMBERS

Mr. Javier Sánchez-Ramade Moreno
Mr. José Luis San Pedro Guerenabarrena*

* Member and Secretary

Following the recommendations established in the “Unified Good Governance Code,” which are reflected in the By-Laws and in the Regulations of the Board of Directors of the Company, the Committee is made up exclusively of external directors, none of whom belong to the Executive Committee. The position of Chairman of this Committee is held by an independent director.

Likewise, and with a view to ensuring the better performance of the duties they are called upon to perform, the Regulations of the Board of Directors provide that the Board shall seek to ensure that Committee members, and particularly its Chairman, have the proper expertise and experience in accounting, auditing and risk management.

There were no changes in the composition of the Audit and Compliance Committee during fiscal year 2008.

2. PROFILES OF COMMITTEE MEMBERS

Below are the professional profiles of the members of the Audit and Compliance Committee:

Mr. Álvaro Videgain Muro

Degrees in Economics and Law from Universidad de Deusto.

In 1981 he joined Tubacex, S.A., where he served successively as Export Manager and Assistant General Manager, with responsibility for the Commercial and Marketing Divisions. In 1992 he was appointed Chief Executive Officer of Tubacex, S.A.

He is currently the Chairman & CEO of Tubacex, S.A., a Director of Sener, S.A. and of IMQ, S.A., a member of the Advisory Committee of Mercapital, S.L. as well as of the APD Norte Council and the Deusto Business School Council.

Chairman of the *Círculo de Empresarios Vascos* and Vice Chairman of Innovasque.

2. PROFILES OF COMMITTEE MEMBERS

Mr. Javier Sánchez-Ramade Moreno

Commercial professor of Corporate Administration and Management, Masters Degree in Business Administration (Instituto Internacional de San Telmo), and Masters Degree in Budget Management (Universidad Complutense de Madrid).

He has been involved in business activities since a young age as part of the Sánchez-Ramade Group.

In 1979, he became responsible for the analytic implementation of the various departments of the Group. Later, he was appointed to head the Marketing area of Urende, S.A. until 1990, when he was appointed CEO of Urende, S.A. and the head of various areas of the Sánchez-Ramade Group (Distribution, Automation, Real Estate, Cinematography, Information Technology, Finance, and Assets).

He is currently Chairman of Urende and Vice-Chairman of the Sánchez-Ramade Group, and a member of the Territorial Boards of Banco Español de Crédito, Telefónica Spain, Iberdrola and Corporación Mapfre.

He is a National Director of Compañía Ecoprensa, the publisher of the *El Economista* daily financial newspaper, Chairman of the Infrastructure, Housing and Planning Commission of the Andalusian Council of Chambers of Commerce of Andalusia, a member of the Governing Board of the Andalusian Business Confederation [*Confederación Empresarial Andaluza*] (CEA) and a member of the Governing Board of the Council of Chambers of Commerce of Andalusia.

2. PROFILES OF COMMITTEE MEMBERS

Mr. José Luis San Pedro Guerenabarrena

Industrial engineer, specializing in Energy Techniques from Escuela Técnica Superior de Ingenieros Industriales (ETSII) in Bilbao, and degree in Economics and Business from the Faculty of Sarriko (Bilbao) specializing in financing. Masters Degree in Strategic Planning from the Massachusetts Institute of Technology (MIT).

In 1971 he joined the Planning and Studies division of Iberduero, with responsibility for the demand and production studies section. In 1980 he was appointed Head of the Management Systems Department and in 1982 he became Head of the Studies and Planning Department. Since then he has participated actively in studies on the restructuring of the electricity industry.

In 1984 he was appointed Director of Administration and Finance of Iberdrola, S.A., during which period in office he continued to play an active role in the restructuring of the industry, managing all financial transactions; in 1991 he was appointed Managing Director of Economy and Finance of Iberdrola, S.A. and in 2000 he became General Director of Control, Regulation and Services of Iberdrola, S.A. He is currently the Director of Operations of Iberdrola, S.A.

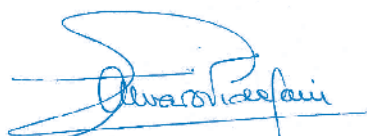
3. STATEMENT OF INDEPENDENCE

Mr. Álvaro Videgain Muro, member of the Board of Directors of IBERDROLA RENOVABLES and Chairman of the Audit and Compliance Committee, in his capacity as external independent director pursuant to Article 31.1 of the By-Laws, hereby states that he satisfies the independence requirements established in Article 10.2 of the Regulations of the Board of Directors of IBERDROLA RENOVABLES. Specifically, he declares that:

- He does not hold, and has not held during the last three years, any position at companies of the IBERDROLA RENOVABLES Group.
- He is not, and has not been during the last five years, an executive director of any of the companies of the IBERDROLA RENOVABLES Group.
- He is not the recipient of any remuneration or compensation paid by the Company or any of the Companies that are members of the IBERDROLA RENOVABLES Group other than such as he may be entitled to collect for serving as director.
- He is not, nor has he been during the past three years, a partner of the external auditor or the person responsible for the audit report of the Company or of any of the companies that are members of the IBERDROLA RENOVABLES Group.
- He is not an executive director or senior manager of any other company of which any executive director or senior manager of IBERDROLA RENOVABLES is an external director.
- He does not have, nor has he had during the last year, a significant business relationship with the Company or with any other company belonging to the IBERDROLA RENOVABLES Group, whether in his own name or as significant shareholder, director or senior manager of an entity that has or has had such a relationship.
- He is not a significant shareholder, executive director or senior manager of any entity that receives, or has received during the last three years, significant gifts from the Company or the IBERDROLA RENOVABLES Group.
- He is not, and has not been the spouse of or person linked by a like relationship of affection to, or relative up to the second degree of, an executive Director or senior manager of the Company.
- There is no other kind of direct or indirect relationship with the Company, or any circumstance that might condition the free exercise of his independence as a director.

In addition, in his capacity as external independent director, he undertakes to act in good faith and with such diligence as is expected of a faithful representative of all the shareholders of IBERDROLA RENOVABLES, and to perform the duties imposed upon a director by Law, the By-Laws and the Regulations of the Board of Directors of IBERDROLA RENOVABLES in furtherance of the corporate interests.

Valencia, January 26, 2009



Mr. Álvaro Videgain Muro
Chairman of the Audit
and Compliance Committee
of IBERDROLA RENOVABLES

4. HIGHLIGHTS: 2007- 2008

Indicators	2008	2007
Number of meetings	10	4
Number of reports submitted to the Board of Directors	21	9
Number of appearances by the Senior Management of the Company before the Audit and Compliance Committee	19	4
Number of recommendations put forward	8	0