



Santiago Martínez Garrido
Secretario del Consejo de Administración

Valencia, April 26, 2010

To the National Securities Market Commission

Re: Resolutions adopted by the Board of Directors regarding the composition of the Board of Directors and its Committees and the call for the General Shareholders' Meeting

Dear Sirs,

We hereby notify you that, on the date hereof, the Board of Directors of IBERDROLA RENOVABLES, S.A. (the “**Company**”) has unanimously adopted, among others that are not inconsistent therewith, the following resolutions:

- I.** To designate, upon the proposal of the Nominating and Compensation Committee, Mr. Juan Manuel González Serna and Mr. Gustavo Buesa Ibáñez as Directors to fill by interim appointment the current vacancies. The new Directors fall under the category of “external independent Directors”.
- II.** To appoint Mr. Juan Manuel González Serna as Chairman of the Nominating and Compensation Committee and as member of the Executive Committee of the Company, and appoint the Director Mr. Manuel Moreu Munaiz as member of the Related- Party Transactions Committee.
- III.** To appoint the Director Mr. Javier Sánchez-Ramade Moreno as Vice-Chairman of the Board of Directors of the Company.

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- IV.** To call for the General Shareholders' Meeting to be held on June 9, 2010 or June 10, 2010 on first and second call, respectively, with the following agenda:

ITEMS RELATING TO THE ANNUAL FINANCIAL STATEMENTS, THE MANAGEMENT OF THE COMPANY AND THE RE-ELECTION OF THE COMPANY'S AUDITOR:

One.- Approval of the individual annual financial statements of IBERDROLA RENOVABLES, S.A. (balance sheet, profit and loss statement, statement of changes in shareholders' equity, statement of cash flows, and notes) and of the consolidated financial statements of IBERDROLA RENOVABLES, S.A. and its subsidiaries (balance sheet, profit and loss statement, statement of changes in shareholders' equity, statement of cash flows, and notes) for the fiscal year ended on December 31, 2009.

Two.- Approval of the individual management report of IBERDROLA RENOVABLES, S.A. and of the consolidated management report of IBERDROLA RENOVABLES, S.A. and its subsidiaries for the fiscal year ended on December 31, 2009.

Three.- Approval of the management and actions of the Board of Directors during the fiscal year ended on December 31, 2009.

Four.- Re-election of the auditor of the Company and of its Consolidated Group for fiscal year 2010.

ITEM RELATING TO SHAREHOLDER COMPENSATION:

Five.- Approval of the proposal for the allocation of profits/losses and the distribution of dividends for the fiscal year ended on December 31, 2009.

ITEMS RELATING TO THE COMPOSITION OF THE BOARD OF DIRECTORS AND TO THE AUTHORIZATIONS AND THE EXPRESS DELEGATION OF POWERS REQUESTED FOR THE BOARD:

Six.- Ratification of the appointment of Directors:

6.a) Ratification of the interim appointment as Director of Mr. Emilio Ontiveros Baeza to fill a vacancy made after the holding of the last General Shareholders' Meeting, as external independent Director.

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6.b) Ratification of the interim appointment as Director of Mr. Manuel Amigo Mateos to fill a vacancy made after the holding of the last General Shareholders' Meeting, as external independent Director.

6.c) Ratification of the interim appointment as Director of Mr. Juan Manuel González Serna to fill a vacancy made after the holding of the last General Shareholders' Meeting, as external independent Director.

6.d) Ratification of the interim appointment as Director of Mr. Gustavo Buesa Ibáñez to fill a vacancy made after the holding of the last General Shareholders' Meeting, as external independent Director.

Seven.- Authorization to the Board of Directors, with the express power of delegation, for the derivative acquisition of the Company's own shares by the Company itself and/or by its subsidiaries, upon the terms provided by applicable law, for which purpose the authorization granted by the shareholders at the General Shareholders' Meeting of June 10, 2009 is hereby deprived of effect to the extent of the unused amount.

Eight.- Authorization to the Board of Directors, with the express power of delegation, to create and fund associations and foundations, pursuant to applicable legal provisions, for which purpose the authorization granted by the shareholders at the General Shareholders' Meeting of June 10, 2009 is hereby deprived of effect to the extent of the unused amount.

ITEMS RELATING TO AMENDMENTS OF THE BY-LAWS AND REGULATIONS:

Nine.- Amendment of Articles 9, 43 and 53 of the By-Laws.

Ten.- Amendment of the Regulations for the General Shareholders' Meeting and approval, if applicable, of a newly-restated text of the Regulations for the General Shareholders' Meeting.

ITEM RELATING TO GENERAL MATTERS:

Eleven.- Delegation of powers to formalize and execute all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations are made.

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INFORMATION TO THE SHAREHOLDERS:

The shareholders at the General Meeting will be informed of: (1) the amendments to the Regulations of the Board of Directors approved, if any, since the date of the last General Shareholders' Meeting and until the date of the General Shareholders' Meeting; (2) the amendments to the Corporate Policies and the rules and procedures adopted within the Company's Corporate Governance System; and (3) the report explaining the aspects of the equity structure and the governance and control system of the Company set forth in Section 116 bis of the Securities Market Law.

Notice of the call to General Shareholders' Meeting will be published in the coming days in the terms set forth by Law and Iberdrola Renovables' Corporate Governance System.

Attached hereto is a copy the report explaining the aspects of the equity structure and the governance and control system of the Company set forth in Section 116 bis of the Securities Market Law. The foregoing report, together with the rest of the documentation relating to the General Shareholders' Meeting, will be available to shareholders on the Company's corporate website (www.iberdrolarenovables.es) as from the date of publication of the notice of the call, without prejudice to the shareholders' right to examine at the Company's registered office the documents that must be made available to them from the publication of the call for the General Shareholders' Meeting or to request that such documents be delivered or sent to them immediately and without charge.

Yours faithfully,

Secretary of the Board of Directors

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**REPORT ON THE EQUITY STRUCTURE AND THE GOVERNANCE AND
CONTROL SYSTEM OF IBERDROLA RENOVABLES, S.A.**

(ARTICLE 116 BIS OF LAW 24/1988, OF 28 JULY, ON THE SECURITIES MARKET)

**REPORT ON THE EQUITY STRUCTURE AND THE GOVERNANCE AND CONTROL SYSTEM OF
IBERDROLA RENOVABLES, S.A. COMPRISED IN ARTICLE 116 BIS OF LAW 24/1988, OF 28 JULY,
ON THE SECURITIES MARKET**

Pursuant to the provisions of Section 116 bis of Law 24/1988, of 28 July, on the Securities Market, the Board of Directors of IBERDROLA RENOVABLES, S.A. (hereinafter, "IBERDROLA RENOVABLES" or the "Company") resolved, at its meeting held on February 23, 2010, to approve this report detailing, pursuant to the above mentioned Section 116 bis, the issues also included in the management reports of the individual and consolidated annual accounts of the Company and its subsidiaries for the year 2009.

- a) Equity structure, including securities that are not traded on a regulated market in the European Community, specifying, if applicable, the different types of shares and, for each class of shares, the rights and obligations conferred thereto and the percentage of share capital that they represent.**

The share capital of IBERDROLA RENOVABLES amounts to two billion one hundred and twelve million thirty-two thousand four hundred and fifty (2,112,032,450) euros, consisting of four billion two hundred and twenty- four million sixty-four thousand nine hundred (4,224,064,900) common shares, having a par value of fifty (0.50) euro cents each, numbered in sequence from one (1) to four billion two hundred and twenty- four million sixty-four thousand nine hundred (4,224,064,900), both such numbers inclusive, consisting of a single class and series fully subscribed and paid. The shares are represented by book entries. Ownership of a share confers on the legitimate owner the status of shareholder and the rights established by Law and by the By-Laws of the Company.

- b) Any restriction on the transferability of shares**

There are no statutory restrictions on the transfer of the shares comprising the share capital.

- c) Direct or indirect significant interests in the share capital**

Pursuant to the information held by the Company, the only significant shareholder at the present time is IBERDROLA, S.A., which owns 80% of the share capital of IBERDROLA RENOVABLES.

- d) Any restrictions on voting rights**

Each share carries a right to one vote, with no limit on the maximum number of votes which may be cast by each shareholder or by companies belonging to the same group.

e) Shareholder pacts.

IBERDROLA RENOVABLES is not aware of any shareholder pacts among its shareholders.

f) Procedures governing the appointment and replacement of Directors and the amendment of the Company's by-laws.

Appointment and Replacement of Board Members

Articles 30, 31 and 32 of the By-Laws and articles 11, 12, 13, 14, 15 and 16 of the Regulations of the Board of Directors set forth the procedures for appointment, re-election, resignation and withdrawal of the members of the Board of Directors of IBERDROLA RENOVABLES; these articles can be summarised as follows:

Capacities. Appointment of board members is the responsibility of the General Shareholders' Meeting, in accordance with the provisions contained in the Spanish Corporation Law and the By-Laws.

Proposals for appointments and reappointments of board members made by the Board of Directors which are submitted to the General Shareholders' Meeting for consideration and decisions relating to appointments made by the Board of Directors, pursuant to the powers to co-opt which are legally ascribed to it, must be proceeded by a proposal from the Nominating and Compensation Committee in the case of independent directors, and by a report from the Committee in the case of other directors, which must register the new board member in one of the categories established in the Regulations of the Board of Directors.

Incompatibility. The following may not be appointed as board members:

- (i) Domestic or foreign companies competing with the Company, or the directors or managers thereof, or such persons, if any, as are proposed by them in their capacity as shareholders. In no event shall companies belonging to the Iberdrola Group be deemed to be competitor companies.
- (ii) Any person who acts as a director for more than four (4) companies which are listed on domestic or foreign stock markets.
- (iii) Any persons who in the two years prior to the appointment have held senior positions in the public administration which are incompatible with simultaneously performing the role of a director of a listed company, in accordance with state and autonomous community legislation, or who have held positions of responsibility in regulatory bodies

with responsibility for the energy sector, security markets or any other sector in which the company is involved.

- (iv) Any person whose appointment would be incompatible with, or prohibited by, any legal dispositions of a general nature, including those who have, in any manner, interests opposed to those of the Company.

Directors' qualifications. The Board of Directors, and the Nominating and Compensation Committee within its areas of competence, shall ensure that the candidates proposed to the General Meeting for appointment to the Board of Directors, and the appointments that the Board of Directors makes directly to cover vacant posts exercising its powers to co-opt, are respectable and qualified persons widely recognized for their expertise, competence and experience, with particular attention being paid to the selection of independent directors.

For such purposes, in the case of a director that is a legal entity, the individual representing it in the performance of the duties inherent in the position of director shall be subject to the requirements of respectability, qualification, expertise, competence and experience mentioned in this article and shall be personally bound by the duties of a director set forth in these Regulations.

Length of appointment. Directors are appointed for a period of five years, providing that the General Meeting does not vote to remove them and that they do not leave the post; directors may be re-elected on one or more occasions for periods of five years. Vacant seats on the board which arise may be filled by the Board of Directors, on an interim basis exercising their powers to co-opt from among shareholders, in accordance with the Law, until the next General Shareholders' Meeting, which shall confirm the appointment or elect another person to fill the vacant seat replacing the co-opted director, or removing the vacant seat.

Reappointment. Proposals for reappointment of board members which the Board of Directors decides to submit to the General Meeting must be subject to a formal presentation process, part of which must be a proposal issued by the Nominating and Compensation Committee in the case of independent directors, or a report issued by said Committee for other directors, evaluating the quality of work performed and the dedication to the position during the period of their appointment.

Replacement. Directors' appointments shall end at the expiry of the period for which they are appointed and when shareholders at the General Shareholders' Meeting so decide in exercise of their powers under the law. Directors must submit their resignation to the Board of Directors in the following circumstances:

- (i) When, due to supervening circumstances, they become incompatible with the position or their appointment becomes prohibited by general dispositions, the By-Laws or by the Regulations of the Board of Directors (refer to the "Incompatibility" section above).
- (ii) When, as a result of actions attributable to the director in the performance of this role, serious damage occurs to the assets of the company, or should said person lose the commercial and professional respect required to be one of the Company's directors.
- (iii) When they are seriously reprimanded by the Board of Directors because they have breached their duties as directors, and such reprimand is approved by a two-thirds majority of the directors at the proposal from the Audit and Compliance Committee.
- (iv) When their continuance in office on the Board may, due to their lack of competence or for any other reason, jeopardize, directly or indirectly or through Persons Related to them, the loyal and diligent performance of their duties in furtherance of the corporate interests.
- (v) When the reasons why the director was appointed cease to exist and, in any case, when a proprietary director transfers his shareholding in the Company or when the shareholder which proposed his appointment to the Company sells its entire shareholding interest.
- (vi) When an independent director becomes affected, at any time following his appointment as such, by any of the prohibitions to hold office provided for in section 10.2 of the Regulations of the Board of Directors.
- (vii) When the link between a proprietary director and the shareholder which proposed their appointment ceases.

In any of these instances, the Board of Directors shall request the director to resign from his position and, if applicable, shall propose his removal from office to the shareholders at the General Shareholders' Meeting. By way of exception, the resignation provisions set forth in letters (v) and (vi) above shall not apply when the Board of Directors believes that there are reasons which justify the director's continuance in office, without prejudice to the effect that the new supervening circumstances may have on his classification.

In the event that an individual representing a Company which holds a position as a director should be affected by any of the grounds for resignation described herein, said individual shall be barred from acting as such perspective.

The Board of Directors may only propose that an independent director be removed before the period established in the By-Laws has expired in the event that the Board considers that there is just cause, determined by the Board of Directors following a report from the Nominating and Compensation Committee. Particularly, it shall be understood as just cause to propose removal, if the director breaches the duties inherent in his position or, in the case of independent directors if it becomes comprised in any of the prohibitions described section 10.2 of the Regulations of the Board of Directors.

The removal of a Director may also be proposed as a result of a tender offer, merger or other such corporate transaction which would result in a significant change in the company's capital structure.

Changes to the By-Laws

The procedures for modifying the By-Laws of the Company are, in general, those contained in Article 144 of the Spanish Corporation Law, which requires approval by a quorum of the General Shareholders' Meeting with the majorities established in article 103 of said Law.

g) The powers of Board Directors and, specifically, those regarding the possibility of issuing and repurchasing shares.

Pursuant to the provisions of Article 40 of the By-Laws and Article 18 of the Regulations of the Board of Directors, the Chairman of the Board of Directors shall be considered the Chairman of the Company and of all the management decision –making bodies to which the Chairman belongs, and will represent them on a permanent basis.

In addition, pursuant to article 37 of the By-Laws and article 23 of the Regulation of the Board of Directors, the Board of Directors will operate permanently through an Executive Committee empowered with all legal and statutory powers which may be devolved to it.

Furthermore, in accordance with article 41 of the By-Laws and article 20 of the Regulations of the Board of Directors, the Board of Directors has nominated a Chief Executive Officer with all the powers of the Board of Directors, with the exception of those which as a result of legal requirements or the provisions of the By-Laws cannot be delegated.

On the other hand, the Board of Directors has the following powers which have not been exercised, or which have been exercised only in part and are therefore in full force and effect:

a) Authorized capital

On 5 November 2007, the then sole shareholder, IBERDROLA, S.A., resolved to delegate to the Board of Directors, in accordance with Article 153.1 b) of the Spanish Corporations Law, powers to increase share capital, with the further power to exclude preferential subscription rights. The maximum nominal amount of the powers delegated is Euro 844,812,980 which represent half of the share capital at the time the powers were delegated and the increase may take place in one or several stages at any time within a period of five years from the date that the powers were delegated to it.

The Board of Directors is entitled to delegate, within the same terms and conditions, to any of its members all and any of the faculties granted to increase the share capital.

The Board of Directors has not used any of such delegated powers to date.

b) Shares of the Company's own stock

The General Shareholders' Meeting held on June 10, 2009, authorized the Board of Directors, with express faculty of substitution, to acquire, for an eighteen-month period, treasury shares on the secondary market, whether directly by the Company, or indirectly through its subsidiaries, by purchase, swaps or any other form permitted by Law, up to the legally permitted maximum. Such acquisitions may not be made at a price higher than the market price or lower than the nominal value of the share.

- h) Significant agreements concluded by the company that will come into force, be amended or expire in the event of a change of control of the company following a takeover bid, and their effects, except where disclosure would severely prejudice the Company's interests. This exception shall not apply when the company is legally bound to publish this information.**

The Company has entered into the following major agreements, which could be affected by a change of control:

1. Adhesion of **IBERDROLA RENOVABLES** to the framework contract to regulate the Access to personal data on behalf third parties, within the scope of services rendered by **IBERDROLA, S.A.**, on May 14, 2007
2. An **option contract** signed by **SOCIETA ENERGIE RINNOVABILI S.p.A.** (a subsidiary of the Company) and **API HOLDING S.p.A.**, on **October 23, 2007.**
3. A **contract** for the provision of corporate communication, human resources, safety and hygiene, information technology, fleet and property management, insurance, credit risk, tax, regulatory, financial and cash flow services signed by a subsidiary of IBERDROLA, S.A., **SCOTTISHPOWER UK plc**, and **SCOTTISHPOWER RENEWABLE ENERGY Limited**, on **November 2, 2007.**
4. **Reciprocal current account contracts** (Euro, US dollars and UK pounds) signed by the Company and its subsidiaries with **IBERDROLA, S.A.** on **November 2, 2007.**
5. A **framework contract** signed on **November 5, 2007** which regulates the relationships between **IBERDROLA S.A.**, **IBERDROLA RENOVABLES** and the companies in their groups, defining the scope of action for each, regulating the mechanisms required to prevent and resolve any conflicts of interest which might arise, and to carry out all linked operations.
6. A **loan contract** signed by **SCOTTISHPOWER RENEWABLE ENERGY HOLDINGS LIMITED** and **IBERDROLA, S.A.** (the party making the loan) on **November 5, 2007.**

7. **A framework management contract** signed with **IBERDROLA INGENIERÍA** and **CONSTRUCCIÓN, S.A.** on **November 5, 2007**.
8. **A licence contract for the granting of use and management of brands and domain names** signed with **IBERDROLA, S.A.** on **November 20, 2007**.
9. **Agreement for the provision of financial services and cash-flow** subscribed with **IBERDROLA, S.A.** on **November 20, 2007**.
10. **A long-term finance contract** (seven years) signed with **IBERDROLA, S.A.**, on **November 20, 2007**.
11. An **indemnity contract** signed by **IBERDROLA, S.A.**, the Company and **SCOTTISHPOWER LIMITED** on **November 20, 2007**.
12. An energy sale contract signed, on one side by **SCOTTISHPOWER RENEWABLE ENERGY LIMITED** and members of its Group and the **IBERDROLA RENEWABLES ENERGY LIMITED GROUP** and, on the other side, by **SCOTTISHPOWER ENERGY RETAIL LIMITED**, owners of wind parks in UK, on **November 20, 2007**.
13. Electricity supply contracts in the United Kingdom.
14. A **Guarantee & Support** contract subscribed among **IBERDROLA, S.A.** and **SCOTTISHPOWER HOLDINGS INC.**, on **April 3, 2008**.
15. A **Corporate Services framework Contract** subscribed among **IBERDROLA, S.A.** and **IBERDROLA RENOVABLES** on **June 27, 2008**.
16. **Loan agreement** (in the sum of 1,000 million euros) between **IBERDROLA, S.A.** and **IBERDROLA RENOVABLES**, dated **April 2009**.
17. **Framework Agreement for the management of the energy and the acquisition of environmental products** between **IBERDROLA RENOVABLES** and **IBERDROLA GENERACIÓN, S.A.U.**, dated **21 July 2009**.
18. **Zone Development Agreement (ZDA) for off-shore projects** in the United Kingdom between Crown Estate Commissioners and East Anglia Offshore Wind Limited (in which **IBERDROLA RENOVABLES** has an indirect 50% participation), dated 21 December 2009; indirectly, the East Anglia Offshore Wind Limited Zone Shareholder Agreement (ZSA), subscribed by Scottish Power Renewables (UK) Limited, Vattenfall Wind Power Ltd., and East Anglia Offshore Wind Limited, dated **21 December 2009**.

In general terms, a change of control would entail the termination of the agreements. However, the following exceptions ought to be considered:

- With regard to the agreement for the sale and purchase of energy in the United Kingdom (contract no. 11), its enforceability could remain provided that the new parent company provides sufficient guaranties.
- With regard to the option agreement with Api Holding, S.p.A. (agreement no. 2), a change of control at the Company would entitle Api Holding, S.p.A. to acquire the shares that IBERDROLA RENOVABLES Group holds in Societa Energie Rinnovabili S.p.A. (as well as in any subsidiaries of Societa Energie Rinnovabili S.p.A.).

- With regard to the agreement for the exclusive development for off-shore projects in the United Kingdom, and indirectly the East Anglia Offshore Wind Limited Zone Shareholder Agreement subscribed by Scottish Power Renewables (UK) Limited, Vattenfall Wind Power Ltd., and East Anglia Offshore Wind Limited (contract no. 18), any change of control resulting from a third party acquiring over 50% of the corporate capital of IBERDROLA RENOVABLES (except if the said acquisition were to arise by way of the purchase or subscription of shares on the Stock Market) would have to be notified to the Crown Estate, which may require IBERDROLA RENOVABLES to transfer its participation in the ZDA to a suitable third party. Should this not be done within 60 business days, the Crown Estate could dissolve the ZDA. Meanwhile, the ZSA imposes a generic duty on the parties not to breach the ZDA.

On the other hand, IBERDROLA RENOVABLES and its subsidiaries have subscribed loans and other agreements with financial institutions which are susceptible to early redemption or requirements for additional guarantees in the event of a change of control resulting from a tender offer; the total value of these is around 292 million Euro.

I) Agreements between the company and its corporate officers and management or employees that provide for compensation in the event of resignation or unfair dismissal or if the employment relationship should be terminated because of a tender offer.

Senior managers and Executive Director: The contracts of six senior managers of IBERDROLA RENOVABLES, including the executive director, contain specific indemnification provisions. The purpose of such indemnification provisions is to attain a suitable and sufficient degree of loyalty from the senior-level executives whose services are required for the management of the Company and thus avoid a loss of experience and knowledge that might jeopardize the achievement of the strategic objectives. The compensation amount is set in accordance with the senior manager's length of service or responsibilities at the Company, vary from two (2) to a maximum of five (5) annual payments.

Employees: Contracts with employees tied to IBERDROLA RENOVABLES by an ordinary employment relationship do not contain any specific compensation clauses relating to termination of the employment relationship; in the event of such termination, the provisions of general employment legislation are applicable. However, there are four ordinary employment agreements of members of the manager team that contain specific clauses of indemnification. The compensation amount is set in accordance with the employee's length of service or responsibilities at the Company, vary from two (2) to a maximum of five (5) annual payments.

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