SPANISH FIRM TO SELL ‘CLEAN’ ELECTRICITY TO CALIFORNIA

Union Fenosa, Spain’s third-biggest electricity company, has announced a substantial investment in a wind farm in Mexico, near the US border, with a view to supply power to California. The company said that California is an ideal market for this clean energy, since the law stipulates that by 2010, 20% of the power consumed by the state must be environmentally friendly.

The investment for “La Rumorosa” (“The whisperer”) wind farm in the state of Baja California amounts to €600 million (US$806 million). It will produce 500 MW, that could reach 1,100 MW in 2010, depending on agreements entered with US companies.
Union Fenosa has acquired 50% of the capital of Mexican company Zemer Energía to develop and operate this wind farm in partnership. Union Fenosa planned total investment in renewables in Mexico is projected at around 1.2 bln eur to 2011, with a targeted generating capacity of up to 1300 megawatts. Another wind energy park will be built by Union Fenosa in Oaxaca, to produce 250 megawatts.

California’s efforts to try and combat global warming by capping greenhouse gas emissions have been in the spotlight since Gov. Arnold Schwarzenegger and the state’s legislative Democrats reached the deal to cut emissions in August 2006.

Schwarzenegger made California the first U.S. state to limit greenhouse gases, and has signed agreements with other state and foreign governments in a bid to address global warming.

Union Fenosa intends to capitalize on California’s requirement for “green” energy by exploiting Mexico’s 2,700 hours per year of useful sunlight.