

Categories: General

Date: Mar 31, 2008

Title: SEVERN POWER SIGNS CONTRACTS WITH SIEMENS FOR BUILD AND OPERATION OF

Severn Power Limited has signed contracts with Siemens AG and Siemens for the design, engineering, construction, commissioning, testing and completion, operation and management of the 850MW Severn Power Combined Cycle gas turbine plant at Uskmouth near Newport in South Wales.

For media information/pictures/interview bids:

[Laura Matthews](#), Communications Director, Welsh Power 01633 292 700/07786 326509

[Severn Power Limited](#) has signed contracts with Siemens AG and Siemens for the design, engineering, construction, commissioning, testing and completion, operation and management of the 850MW Severn Power Combined Cycle gas turbine plant at [Uskmouth](#) near Newport in South Wales. This follows the award of planning permission for the project by DBERR (The Department for Business, Enterprise and Regulatory Reform) in August 2007, and the announcement on 4 March 2008 that Welsh Power Group Limited has mandated three banks, Calyon, ING and The Royal Bank of Scotland, to lead arrange and underwrite up to £550m debt financing in support of the development.

Commenting on today's news, **Alex Lambie, Chief Executive of Welsh Power**, owners of Severn Power said: **"We are delighted to have concluded these critical negotiations. We are looking forward to commencing construction, and are confident that Siemens' expertise will bring Severn Power on line on schedule in 2010.**

"There have been concerns raised that the UK will be unable to build new plant, to meet the generation shortfall resulting from older plant retiring, due to the global demand for turbines. The Severn Power project will play an important role in delivering efficient and competitive energy for GB customers in the coming years.

"Severn Power will create more than 650 skilled jobs, provide vital electricity generation for South Wales, and contribute to the Welsh Assembly's aim of energy self-sufficiency for Wales."

Jens-Peter Saul, Managing Director of Siemens Power Generation (UK) said: "We are delighted that Welsh Power has selected Siemens to build and operate this new combined cycle plant on its behalf. This is the ninth turnkey power plant to be built by Siemens in the UK and the first in Wales. We have already had discussions with regional representatives and will be working to ensure that local companies are given every opportunity to participate in the development. The plant will use our most advanced commercially proven technology with full load efficiency of more than 58%, contributing to the supply of clean power for the region."

Site works have already commenced, to prepare the site for building and to create environmental landscaping features that are an integral part of the development. Severn Power is due to start commercial operation in 2010 following a 30 month construction period and four months of commissioning.

ends

Notes to Editors

1. In May 2006, Severn Power submitted proposals under the terms of Sections 14 and 36 of the

Electricity Act 1989 (as amended) to the Department of Trade and Industry, which then conduct a consultation, including the local authority and other interested bodies. Section 36 covers the application for a permit to build a power station, and Section 14 the burning of gas. These proposals include an extensive Environmental Impact Assessment. Copies of the documents are available.

2. Severn Power has consulted extensively with all the interested environmental bodies, and the development has been specifically designed to be as environmentally friendly as possible, and the plans incorporate steps to protect and enhance the local conservation area and minimise emissions by using the very latest clean technology.”

3. The new plant will be built on the site of the former Uskmouth A coal-fired power station, next to the existing Uskmouth Power Plant on the banks of the River Usk. Uskmouth Power (formerly Uskmouth B), will continue to operate alongside to the proposed CCGT power station. There has been power generation on this site for 47 years, and Severn Power will ensure that existing expertise and suppliers locally can continue to service a power station at the site.

4. A gas supply for the new plant will be delivered by extending the local gas distribution network, which is owned by Wales and West Utilities. The pipeline will be connected using the latest below ground horizontal drilling techniques which will mean minimal disruption to the land above it the pipeline route.

5. Severn Power Limited is a wholly owned subsidiary of Welsh Power, a private power company who also own Uskmouth Power (a 360MW coal-fired station). Welsh Power is a private power company, building a multi-asset European energy business through a buy-and-build strategy.