

Friday 25<sup>th</sup> September 2009

## RWE npower renewables signs Biomass plant deal

A new state-of-the-art biomass facility has moved a step closer to reality with the signing of a multi-million pound deal. RWE npower renewables concluded a contract with papermaker Tullis Russell to supply its paper mill at Markinch, Fife with heat and electricity from a new biomass-fuelled co-generation plant. The plant will have an installed capacity of 50 megawatts (MW) and will replace the existing coal-fired power plant at Tullis Russell.

Paul Cowling, Managing Director of RWE npower renewables said: "Our parent company RWE Innogy will invest around £200 million in the biomass facility and we are also delighted to secure an additional £8.1 million support from the Scottish Government for the project. The plant will reduce annual carbon emissions by 250,000 tonnes and generate 6% of Scotland's renewable generation targets." Paul added: "This investment is a major commitment by RWE and is in line with RWE strategy and Government policy to reduce CO2 emissions in the UK electricity sector. This type of investment would not have been possible without the support from the Government's Renewables Obligation support mechanism."

The biomass project at Tullis Russell has been managed by npower Cogen's development team working closely with colleagues from across the RWE Group. Around 400,000 tonnes of virgin and used wood from a wide range of sources will be used to power the plant with contracts being put in place with local and national companies for the supply of biomass.

Chris Parr, CEO of Tullis Russell Group commented: "This innovative project will help to secure over 500 jobs at Tullis Russell, create over 50 permanent jobs in the operation of the power plant and a new biomass fuel processing facility as well as 400 hundred jobs during the construction phase. It underlines both our strategic intent and our commitment to our local community. The plant will reduce our carbon footprint by 72% thereby significantly enhancing our credentials as an environmental leader in the production of boards within our chosen market sectors of cards, covers and premium packaging. The removal of 250,000 tonnes of fossil fuel CO2 per annum from our local environment will make an enormous contribution to our relentless efforts to minimise the environmental impact of our operation on the local community."

First Minister Alex Salmond said: " This biomass facility will deliver significant economic and environmental benefits for Scotland - I am pleased this project is taking another positive step forward.

An **RWE** Innogy company

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"The Scottish Government is supporting RWE npower renewables and Tullis Russell in their work to develop this multi million pound plant at Markinch with a £8.1m RSA grant. This new biomass plant complements the Scottish Government's work to create a greener Scotland and will contribute to our work to cut carbon emissions and increase the use of renewable energy."

Construction work will begin immediately and the power plant is scheduled to enter operation during 2012. In addition to this project, RWE npower renewables is developing plans for a similar biomass plant in Lincolnshire, with an installed capacity of 73 MW.

Across Europe, RWE Innogy is aiming to build biomass plants with a total installed capacity of around 390 MW by 2013.

## **ENDS**

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### **Editor's notes**

1. RWE npower renewables is the UK subsidiary of RWE Innogy and is one of the UK's leading renewable energy developers and operators.

2. RWE Innogy pools the renewable energy expertise and generating plant of the RWE Group. The company plans, builds and operates renewable power generation facilities, and aims to vigorously grow its renewable energy capacity in the UK and Continental Europe.

3. RWE npower renewables is a sister company to RWE npower, a leading integrated UK energy company with around 6.8 million customer accounts. RWE npower also owns and operates a flexible portfolio of conventional

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power stations as well as a portfolio of cogeneration plant producing more than 10% of the electricity used in England and Wales.

4. RWE npower Cogen has over 15 years experience in delivering CHP projects. Having built, owned and operated 16 plants in the UK and Republic of Ireland, providing more than 2000MW of heat and power capacity, we have a wealth of experience in plant operations and management of CHP plants.

5. Tullis Russell Papermakers is a leading independent, employee owned paper making company. Founded in 1809, it has built an outstanding reputation for producing high quality paper and boards for use in the graphical, cards, covers and premium packaging markets. [www.trg.co.uk](http://www.trg.co.uk)

For further information about RWE npower renewables and RWE Innogy visit [www.npower-renewables.com](http://www.npower-renewables.com) and [www.rweinnogy.com](http://www.rweinnogy.com) For further information about RWE npower visit [www.rwenpower.com](http://www.rwenpower.com)