

NEWS RELEASE

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RWE and E.ON form joint venture to build UK nuclear power stations

RWE AG and E.ON AG have today (JAN 14) announced the creation of a joint venture to develop new nuclear power stations in the UK.

The 50:50 joint venture between E.ON UK and RWE npower will have a long-term focus on seeking to secure sites being sold by the NDA (Nuclear Decommissioning Authority) and taking them through the consents process to building and operating new nuclear power stations. The joint venture will aim to develop at least 6GW of capacity in the UK.

The move creates a strong partnership which benefits from the backing of two companies with extensive experience of operating nuclear power stations and the resources and skills to deliver new nuclear plants.

Developing new nuclear power stations requires a substantial investment, and RWE and E.ON will together contribute the financial stability and balance sheet strength required to support a programme of this scale.

The companies have stakes in 20 nuclear power stations around the world. In addition, E.ON and RWE already jointly own three nuclear reactors in Germany.

Andrew Duff, Chief Executive of RWE npower, said: "New nuclear build is a key part of RWE npower's commitment to meet the UK's energy needs and to reduce carbon dioxide intensity. E.ON is the ideal partner for UK development given that our businesses have complementary strengths and capabilities, and a successful track record in nuclear power.

"The UK power industry needs significant investment to replace aging coal and nuclear plant and to drive the change to a lower carbon economy. This joint venture will deliver an early, substantial and vital contribution from nuclear power. At the same time, large infrastructure projects can bring major benefits to the UK economy through jobs, direct investment and supply chain opportunities."

Dr Paul Golby, Chief Executive of E.ON UK, said: "The UK has to replace a third of its generating capacity in the next 15 years in a way that ensures security of supply, reduces carbon emissions and keeps energy as affordable as possible.

"The only way we can achieve this is to have a diverse energy mix, and new nuclear power, alongside cleaner fossil fuels, renewables and energy efficiency, will be vital going forward."

Dr Jürgen Grossmann, CEO of RWE AG, said: "Nuclear energy is a growing part of the global energy supply for the foreseeable future. It forms a key part of RWE's strategy to deliver growth and to reduce CO₂.

"In the UK, the decision to develop new nuclear power stations is a strong commitment to secure a low carbon energy and affordable energy mix for Great Britain. This creates attractive business opportunities for RWE.

"Our partnership with E.ON will provide a successful platform in the UK. For nuclear energy, operational excellence and high safety standards are of the utmost importance. The know-how and skills of RWE acquired over decades can contribute considerably to ensure the highest international standards are realised for the British new-build programme."

Dr Wulf Bernotat, CEO of E.ON AG, said: "We welcome and support the UK's decision to expand its power generation by introducing a new generation of nuclear power stations. Nuclear power as a carbon dioxide free energy resource is one of the most efficient ways to produce energy while protecting the climate from CO2.

"In times of high energy prices, nuclear power has an important part to play in providing a reliable and low carbon source of electricity. We are pleased to be working with RWE, who we see as a skilled, experienced and reliable partner to develop new nuclear power in the UK."

The joint venture retains an open position on the reactor technology for individual sites it acquires and will make a selection based on a thorough assessment of the technical and commercial merits.

RWE npower is planning investments totalling approximately £1bn per year for the next 10 years in the UK. The company is developing a £1bn modern gas-fired power station at Pembroke which would generate enough power for over three million homes and contribute around £10m per year to the local economy. Last month npower renewables was granted consent to construct its 750MW Gwynt-y-mor offshore wind farm off the North Wales coast, which will be one of the largest offshore wind farms in the world. The project will boost renewable energy provided by a 90MW offshore wind farm at Rhyl Flats, North Wales, which is currently under construction by the company.

NOTES TO EDITORS:

E.ON UK is one of the UK's leading power and gas companies – generating and distributing electricity, and retailing power and gas. The company is currently building the £500m 1,275MW gas-fired CHP power station in Kent and the 180MW Robin Rigg offshore wind farm in the Solway Firth. It has permission to build a 1,200MW gas-fired power station at Drakelow in Derbyshire and has applied to build a 1,600MW cleaner coal-fired power station at Kingsnorth in Kent. E.ON is also currently building a gas storage facility at Holford in Cheshire. The company is a joint venture partner in the London Array, the world's largest offshore wind farm. Its green development portfolio could, if built, power a million homes and displace the emission of two million tonnes of CO2 a year.

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power stations - generating over 10.3 GW of electricity. We serve around 6.8 million customer accounts and produce more than 10% of the electricity used in England and Wales.