



PRESS RELEASE
Friday 9 May 2014

Uskmouth power station closure

SSE has today (Friday) taken the difficult decision to close its 240MW Uskmouth power station in Newport. The announcement follows intense efforts over recent months to conclude the sale of Uskmouth Power Company to a suitable purchaser.

SSE confirmed in March 2014 that it was in detailed negotiations with prospective purchasers for Uskmouth. It has now become clear that the group would not be able to provide a secure, sustainable future for the plant and its employees. Unfortunately the only remaining option for SSE is closure of the station.

Paul Smith, SSE's Managing Director of Generation said:

"Uskmouth's future operational regime had been an area of uncertainty for SSE over the past twelve months as the asset neared the end of its working life and the ongoing financial position of the station continued to be challenging. We reluctantly confirmed in November that remaining TEC capacity would be released to the National Grid by 31 March 2014 and that Uskmouth would cease to generate on that date – this has now happened. SSE had hoped to sell the asset on to a third party by the end of the financial year with a view to that company continuing operation of the plant in a long term, sustainable way. Unfortunately this hasn't been possible, principally because the only realistic prospective purchaser was not able to provide a robust business plan to reassure us the plant and employees would be supported.

"SSE is extremely disappointed to close Uskmouth and I would like to extend my sincere appreciation to everyone in the workforce for the contribution they have made over the past five years to the safe and efficient running of the power station."

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The closure will affect 83 jobs at the site and options for redeployment within SSE are currently being explored with affected employees. Enhanced voluntary severance terms of release will also be made available. SSE's HR team is working closely with staff on site to provide full support at this challenging time.

-ENDS-

Notes to editors:

Background:

- Built around 50 years ago, Uskmouth is the UK's oldest and least efficient coal fired power station. The plant was opted in to the Limited Life Derogation (LLD) option under the Industrial Emissions Directive (IED). This means that it would be limited to 17,500 hours of generation between now and 2023 or close in 2023 at the latest even if all hours have not been used.
- Unit 13 (120MW) ceased operation in April 2013. Following this change, until 31 March 2014, Uskmouth had a generation capacity of 240MW through its two remaining units.

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*calls to this number costs 2p per minute plus your phone company's access charge