

Press release

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Groupe E applies for permit to build power plant in Cornaux

Groupe E this morning officially applied to municipal authorities for a building permit in regard to the Cornaux power plant, in the canton of Neuchatel (NE). This power station, which will be fired by natural gas, will produce both electricity and heat. The selected site is even now equipped with all the required infrastructure. The project dovetails with the Swiss Confederation's energy strategy for 2050, which makes plans for the construction of a gas-fired combined-cycle power plant in Switzerland by 2020. The Cornaux power plant will be run by Groupe E and its future business partners, most notably Romande Energie and BKW SA.

Groupe E, the leading generator and distributor of electricity in French-speaking Switzerland, has today submitted an official application to build the Cornaux power plant. This application marks the conclusion of five years of planning. The project also ties in with the policy of the Swiss Federal Council for the construction of a gas-fired combined-cycle power plant in Switzerland by 2020 in connection with its energy strategy looking ahead to 2050. This will help offset the generation shortfall relating to the planned shift away from nuclear power and compensate for the intermittency of new renewable energy sources. The Cornaux power plant complements the corporate strategy of Groupe E aiming at increased energy efficiency and development of new renewable sources.

The power plant will furthermore ensure greater security of supply for Western Switzerland, where largescale production units and the extra-high-voltage transmission grid are falling short.

Producing both power and heat

With an optimal output of 420 MW, the power plant will be fired by natural gas and produce between 2 and 2.5 terawatt hours (TWh) of power annually, equivalent to the consumption needs of 500,000 people. It will also supply between 50 and 100 MW of heat, which will be relayed along a vast district heating network serving several localities situated in the Entre-deux-Lacs area and on the northern shore of Lake Neuchatel. Industrial facilities in the area will benefit from a supply of steam.

Complying with environmental standards

Groupe E began advanced planning for a new power plant in Cornaux back in 2007. Over the past five years, scientists from institutions such as the EPFL have carried out environmental impact studies, demonstrating that the future power plant will respect legal rules governing air purity and be inaudible to those living in neighbouring villages. These reports have been submitted to municipal and cantonal authorities in connection with the building permit application. In addition, the 700,000 tonnes of CO_2 that the power plant will produce approximately each year will be fully offset.

Cornaux, an ideal existing site

Situated in an area restricted to industry, the site in Cornaux that is due to host the future power plant is located in close proximity to the existing gas power plant, which was built in the 1960s. All infrastructure required for this type of production unit to function is readily available, namely a natural gas pipeline, high-voltage lines, backup fuel tanks and an electricity substation.





Numerous benefits for the region

Construction of this power plant will, in many respects, have a positive economic and financial fallout on the canton of Neuchatel. Approximately one-third of the CHF 450 million to be invested in the project will benefit regional companies winning calls for tenders. Operation of the power plant is likely to generate several hundred million francs of tax income for the canton of Neuchatel and the Cornaux municipality, which will host the headquarters of the future power plant's operator. Construction of the plant, which is expected to take approximately 30 months, will provide work for up to 600 people, and operations will necessitate the creation of approximately 30 job positions. Through the Cornaux power plant, the canton of Neuchatel, which at the moment produces only 20% of the power that it uses, will become a mainstay in Switzerland's power generation industry.

Four future operating partners

A public limited company headquartered in Cornaux will be set up. It will bring together Groupe E along with Romande Energie and BKW SA, which each intend to acquire some 20% of the equity capital. Talks are also underway with Viteos, which supplies power to the cities and towns of Neuchatel, Le Locle and La Chaux-de-Fonds (all in the canton of Neuchatel). At the earliest, the site could start operations in 2018, depending on how framework conditions evolve and on the country's power supply needs.

Granges-Paccot, 21 May 2012

Photomontages of the future power plant can be downloaded from www.groupe-e.ch/news

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Groupe E at a glance

Groupe E is the leading distributor of power in French-speaking Switzerland. It employs some 1,200 people and is training more than 140 apprentices. Groupe E supplies power to 460,000 residents, distributes 3 TWh per year and directly generates an annual 1.5 TWh in electricity through its own facilities consisting of 11 hydroelectric units, 8 dams and 3 thermal power plants.

More information can be found by visiting <u>www.groupe-e.ch</u>

