pendragon
PUBLIC RELATIONS

Spalding Energy Expansion

A Statement of Community Involvement
prepared on behalf of
InterGen

Pendragon Consultants
March 2009
Updated February 2010

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1. Background

1.1. Pendragon PR

Pendragon PR was appointed by InterGen in April 2008 to handle community consultations in relation to the proposed Spalding Energy Expansion (proposed SEE), an up to 900MW gas-fired power station. The Pendragon team has many years experience of consulting with local communities, usually in connection with large-scale development proposals, and had worked on the original power station proposal during the consenting procedure in 1996-2000.

Over the years, Pendragon has been involved with the Spalding Energy Community Liaison Group (CLG). The CLG has met regularly since the start of construction and Pendragon has provided chairman and secretarial services to the CLG.

1.1.1. Public Consultation

Following adoption of the Planning and Compulsory Purchase Act in 2004, the EC Directive 2003/35/EC that provide guidance on public participation in respect of the drawing up of certain plans and programmes relating to the environment and the Aarhus Convention 2005 relating to access to information and public participation in decision-making, a greater emphasis is placed on the importance of consulting local communities at an early stage in the planning and the EIA process.

In response, South Holland District Council's Local Development Framework, adopted in 2006, encourages developers to engage in pre-application discussions and early community consultations for major planning applications, as a means of increasing public involvement in the decision-making process.

1.1.2. InterGen

As an existing commercial presence in the region, Spalding Energy Company Ltd (SECL) is currently engaged in a variety of community programmes. These include sponsorships and donations, together with active participation in local initiatives ranging from education and careers, to road safety, business development and youth facilities.

Spalding Energy's owner, InterGen, wished to build on this dialogue and ensure that local people should have an opportunity to study its proposals and discuss issues with members of the project team while the development was still in the design process.

A programme of public consultation was therefore implemented several months prior to the anticipated submission to the Department of Energy and Climate Change (DECC) of the Section 36 application for development consent, to provide the community with an understanding of the development, and to provide the developer with an understanding of local opinion.

2. Communications activities

2.1. Measures taken

A range of measures were implemented in order to raise awareness of the proposed development in the communities surrounding the site. In addition, a number of stakeholder parties were identified and, where possible, meetings arranged.

2.1.1. Meetings

Meetings with interested parties included the following:

John Hayes MP
InterGen attended several meetings with the local MP in 2008. These included a tour of the existing site, an invitation to the public exhibitions and a briefing at Westminster. As an important local representative, InterGen is continuing to seek Mr Hayes' feedback on the proposals with further meetings taking place throughout 2009.

South Holland District Council
Meetings have been held with the Chief Executive of South Holland District Council and planning officers. These have focused on general issues relating to the proposed Spalding Energy Expansion as well as specific aspects in greater detail.

Lincolnshire County Council
Several meetings with the Head of Planning have taken place.

Spalding Town Forum
A presentation to members on the proposed Spalding Energy Expansion was followed by a question and answer session.

East Midlands Regional Assembly
Meetings were held with the representatives of the policy unit.

Department of Energy and Climate Change
Several meetings have been held with representatives of the consents team.

Pinchbeck Parish Council
A presentation to members was followed by a discussion session.

British Sugar Sports and Social Club representatives
Dialogue with club representatives was initiated early in the planning process. InterGen owns the land where the club is located and will need to expand onto the site. A small working group, consisting of club members and InterGen personnel, has now been formed in order to consider options for the future.

Spalding Energy Community Liaison Group
The Community Liaison Group (CLG) consists of representatives from various local organisations, including residents and parish councils, as well as Spalding Energy

Company Ltd. The group has been meeting since construction started on the existing power station in 2001. An extraordinary meeting was held, in lieu of the usual annual meeting, to discuss the expansion proposals. It was agreed that the CLG would meet more frequently as the plans progressed, in order to address any issues that may arise.

Welland and the Deepings Internal Drainage Board
Meetings on local issues associated with the proposed expansion.

On-site meetings
A number of local residents visited the site after expressing interest in various aspects of the proposed expansion.

2.1.2. Exhibitions

The key method of consulting the wider residential community about the initial outline expansion proposal was a public exhibition held over three days at the Broad Street Business Centre in Spalding town centre. Local feedback was sought before finalisation of the venues, times and dates. The event ran on:

Thursday, November 20, 2008, 2pm-8pm
Friday, November 21, 2008, 2pm-8pm
Saturday, November 22, 2008, 10am-1pm

The intention with the specified hours was to ensure that a maximum number of residents, particularly those constrained by working hours, had the opportunity to visit one of the exhibitions.

Further exhibitions were organised once the environmental studies had progressed and the planning application was ready for submission. These were scheduled for three days, including a Saturday, in the Broad Street Business Centre, as follows:

Thursday, March 26, 2009, 1pm-7pm
Friday, March 27, 2009, 1pm-7pm
Saturday, March 28, 2009, 9am-12noon

In association with the exhibitions, the following measures were implemented in order to raise awareness and encourage local residents to visit the events:

2.1.3. Newsletters

Pendragon PR wrote and produced two four-page newsletters which were mailed to approximately 3,000 homes and businesses in Spalding prior to both sets of exhibitions. The newsletters were accompanied by an individual letter of invitation which provided the dates and times of the exhibitions.

The first newsletter contained:

Outline of the proposed development
Details about InterGen, owner of the existing plant and developer of the expansion
The UK energy situation
Computer-simulated view of the proposed expansion

Summary of Spalding Energy's community activities

The second newsletter contained:

Feedback from the earlier exhibitions
Outline of action taken on themes raised by exhibition visitors
Further photomontages
Digest of economic benefits associated with existing plant and proposed expansion
Update on the UK energy situation

A copy of each newsletter is contained in Appendix I.

Specific interest groups were also invited to the exhibitions, including the local MPs, MEPs, elected representatives on South Holland District Council, Lincolnshire County Council, Pinchbeck and Weston Parish Councils plus a range of other organisations.

2.1.4. Website

The existing Spalding Energy website, www.spaldingenergy.co.uk, contains a news section on the proposed expansion, which will be updated as the project progresses. It is intended that the Environmental Statement, together with the Non-Technical Summary will be uploaded once the Section 36 application has been submitted to DECC.

2.1.5. Freephone

A freephone line was established and publicised in both newsletters, to provide an immediate verbal response to any inquiries that might arise. More than 50 calls had been recorded by March 2009, with most from potential contractors seeking work on the expansion and people seeking jobs.

2.1.6. Advertisements

Quarter-page advertisements were placed in the local newspapers covering the town, the Lincs Free Press/Spalding Guardian and Spalding Target (the latter has since ceased publication).

A copy of the advertisements can be found in Appendix II.

2.1.7. Press releases

Copies of both newsletters were also sent electronically to local media outlets, along with a press release. The media outlets included the local weekly newspapers, regional evening newspapers, plus county radio and TV stations. Representatives from InterGen and the existing power station ensured they were available for face-to-face interviews with local journalists, and the expansion received widespread coverage. This provided additional publicity for the events on a wider geographical basis.

A copy of the press releases can be found in Appendix III.

2.1.8. Exhibition material

The exhibition material consisted primarily of a range of display boards with information about the project and a selection of views from various locations.

Visitors were invited to complete a questionnaire which aimed to establish general attitudes towards the existing power station, and to InterGen's specific proposals for an expansion.

For the second exhibitions, copies of the Environmental Statement together with the Non-Technical Summary, were available to study.

A copy of the questionnaire can be found in Appendix IV.

2.1.9. Staffing

Both sets of exhibitions were staffed by experienced and highly qualified members of the project team, who, it was anticipated, would be in a position to discuss any issues likely to arise. Team members were:

Neil Anderson, InterGen Project Manager
Andy Taylor, InterGen Director of Public Affairs
Paul Hanson, Spalding Energy Station Manager
Dave Pickering, Spalding Energy Maintenance Manager
Dave Kish, Spalding Energy Operations Manager
Michelle Bedford, Spalding Energy Community Liaison Officer
Keith Dalton, Planning Consultant from Dalton Warner Davis
Jon Bowen, Senior Planner from Dalton Warner Davis
Nathan Swankie, Environ Project Manager
David Knott, Fleishman Hillard Public Affairs
Alex Doyle, Pendragon PR Managing Director
Deborah Ward, Pendragon PR Account Manager

2.1.10 Gas Pipeline

In addition to the public consultation regarding the power station development a number of communications measures were undertaken to inform the public about the proposed route of the gas pipeline. An exhibition was held as follows:

Broad Street Business Centre, Spalding
Thursday 9 July 2009
1pm-7pm

The exhibition staffed by experienced and highly qualified members of the project team, who, it was anticipated, would be in a position to discuss any issues likely to arise. Team members were:

Neil Anderson, InterGen Project Manager
Paul Hanson, Spalding Energy Station Manager
Dave Kish, Spalding Energy Operations Manager

Michelle Bedford, Spalding Energy Community Liaison Officer
Melissa McKerrow, Head of Public Affairs, InterGen
Keith Dalton, Planning Consultant, Dalton Warner Davis
Jodi Mitchell, Senior Consultant, Environ
Willy Everett, Land Agent
Alex Doyle, Pendragon PR Managing Director
Carole Riley, Pendragon PR Account Manager

Meetings were held in advance of the exhibition with local landowners along the proposed pipeline route.

The exhibition was advertised in Spalding Guardian and the Lincolnshire Free Press on 2 and 7 July respectively. Copies of the adverts are attached at Appendix V.

A leaflet was available for visitors and was distributed to local landowners along the pipeline route. A copy of the leaflet is attached at Appendix VI.

A total of 14 visitors attended the exhibition of which the majority were landowners along the proposed pipeline route.

2.1.11 Ongoing consultation

Ongoing communications will continue as the Freephone inquiry line will remain open, and new developments will continue to be posted on the Spalding Energy website. The Community Liaison Group will meet more frequently, while consideration will be given to further newsletters to inform local people about significant developments. Meanwhile, discussions will continue with a range of stakeholders, including those with whom contact has already been made and additional groups or individuals who have an interest in the project.

Results of the 2008 public consultation

2.2 Summary

The first public exhibition was held from Thursday, November 20, 2008, until Saturday, November 22, 2008, at the Broad Street Business Centre, Spalding. The location is within easy walking distance of the town centre, with ample parking in the near vicinity and was easily accessible by public transport.

127 people signed the visitor book over the exhibition period, however, a small number did not sign in, either walking past a congested entrance or declining to do so. A total of 90 questionnaires were completed or partially completed, of which two were sent back via the Freepost mailing address. The vast majority were handed back in during the exhibitions.

As a reflection of the views held by the wider population of Spalding and South Holland, the statistical sample is relatively small. However, it is worth noting that national opinion polls typically analyse a sample of 1,000 surveys, drawing conclusions that are generally accepted as applicable to the UK as a whole.

Many of the questions were in the form of simple tick boxes, with space for additional comments if respondents wished to express views at greater length. A final section, Q6, invited respondents to record any additional views in general.

In the results section that follows, the statistics have been compiled into pie charts for easy visual reference, while extracts from visitor's comments on relevant questions are also recorded to demonstrate local feelings about various issues. The comments were selected at random and anonymously, aiming to keep a balance between positive and negative views.

InterGen is encouraged that the majority of questionnaire respondents supported the proposed expansion and that a similar proportion supported the existing power station.

Feedback from 90 questionnaires:

- *58% very positive or positive toward the expansion*
- *24.5% neutral towards the expansion*
- *15.5% negative or very negative towards the expansion*
- *2% no reply*

A number of themes emerged, both from discussions with visitors and from an analysis of the questionnaire responses, which InterGen is now investigating in greater detail. These include:

Potential requirement for land currently occupied by the British Sugar Sports and Social Club
A working group is currently examining future options for the Club.

Overhead line
Issues raised are being addressed in conjunction with National Grid Electrical Transmission, which is responsible for routeing and construction of the line.

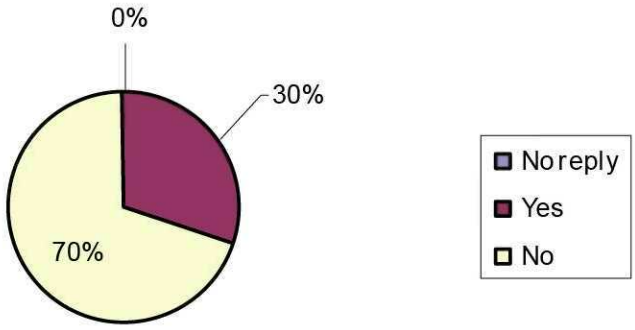
Support for initiatives within the community and local economy
The financial impact on the regional economy has been quantified and included in the Environmental Statement, while further community initiatives are being looked at.

Visual impact
The impact on local viewpoints has been assessed in depth through the Environmental Impact Assessment process and reported on in the Environmental Statement which is available for public study.

Environmental impact
All potential environmental impacts have been assessed in detail through the Environmental Impact Assessment process and reported on in the Environmental Statement which is available for public study.

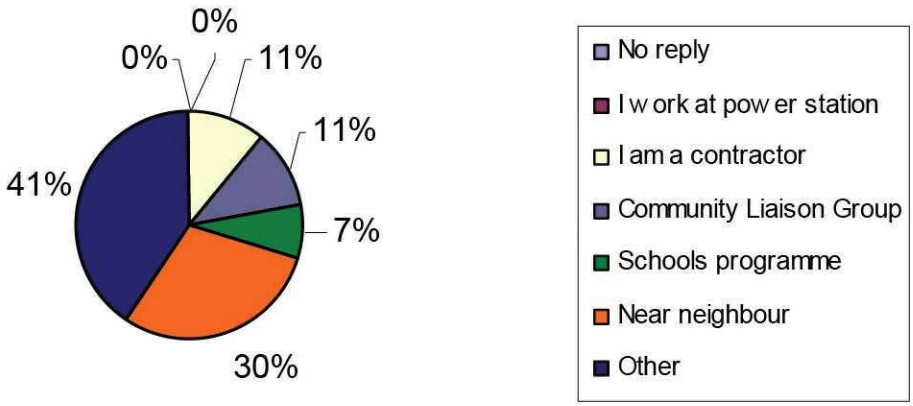
2.3 Analysis of questions

Question 1a
Have you had any dealings/connections with the existing Spalding Energy power station?



A significant minority of visitors had some form of connection with the existing plant, suggesting that its presence in Spalding is well-established.

Question 1b
If yes, please give details



Those who did not fall into any of the above categories were asked to provide details of their connection, which includes the following:

Lincs Fire and Rescue representatives

Former British Sugar factory employee

Job applicant

Visitor to plant via site tour

Involvement with the first power station

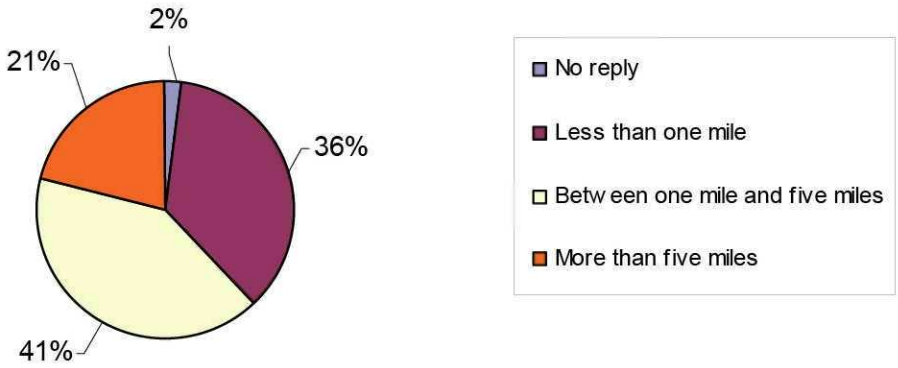
Youth council (community beneficiary)

Local councillor

South Holland District Council officer

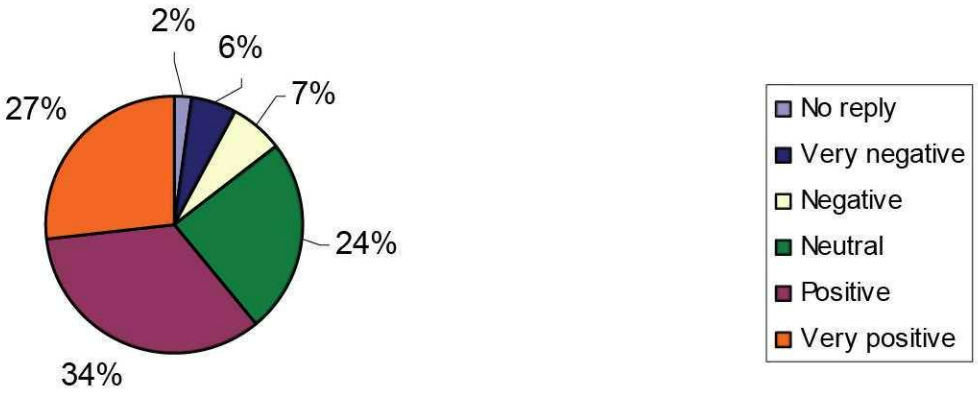
Neighbouring business

Question 1c
How far from Spalding do you live?



The results demonstrate that the vast majority of exhibition visitors, 77%, were local people. This is probably a reflection of InterGen's communications measures which largely targeted residents and organisations, it was felt, were likely to take an interest in the project or feel they would be affected in some way.

Question 2a
What are your views on the existing power station?



The existing power station is viewed in a positive light by 61% of questionnaire respondents, and negatively by just 13%, with 24% taking a neutral view. These figures are encouraging for Spalding Energy Company Ltd, which has been active in the community since operations began, and for the owner InterGen.

Question 2b
Why do you hold this view?

This additional section invited respondents to record further thoughts on their choice. A total of 63 positive comments and 20 negative comments were noted. Out of the total, the following themes emerged:

Positive issues

• Power is needed	16 comments
• Good for jobs	12 comments
• Support for local economy/community	11 comments
• Good site	10 comments
• Clean power/good for environment	10 comments
• Efficient supply	2 comments
• Has to go somewhere	1 comment

Random selection of positive comments:

"Very clean with no noise"

"Don't even hear it working"

"Clean and for future needs"

"It gave work to local people"

"Need electricity"

"Provides employment"

"Good for local business"

"Huge benefit from money spent in the community"

"I like its appearance. It is a Spalding landmark by day and night"

"The plant is clean and quiet"

"Good land use"

"Environmental impact is negligible"

"Much-appreciated community funding"

Negative issues

• Visual impact	8 comments
• Noise issues	3 comments
• No local benefit	2 comments
• Pylons/gas pipeline not wanted	2 comments
• Close to housing	1 comment
• House prices will fall	1 comment
• Should never have been built	1 comment
• Am experiencing regular power cuts	1 comment
• Wrong location	1 comment

Random selection of negative comments

"It is ugly and I would hate it to be bigger"

"Totally wrong location"

"Not clear that Spalding or Pinchbeck benefit from this"

"Eyesore in the landscape"

"As a town, Spalding does not benefit"

"There is always a danger with power stations located near houses"

"I can hear the turbines in the early hours and see the stacks from my house"

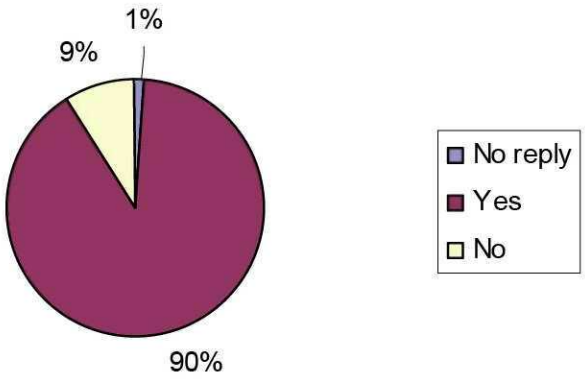
"Lacks a green environment plus emits a low hum"

"Don't like the tall ugly stacks"

"Power lines are so dominating that it spoils the landscape"

Question 3

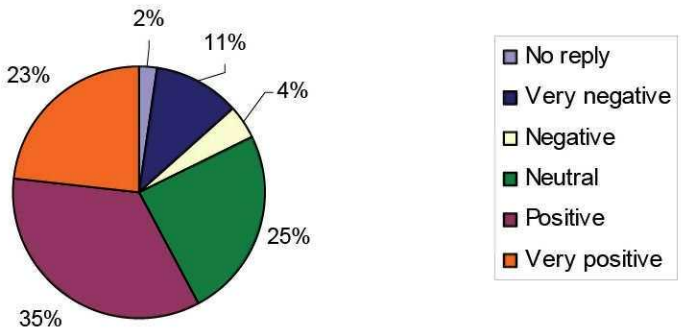
Are you aware that the UK is possibly heading for an energy shortfall?



The response to this question demonstrates that there is a very high level of awareness about the energy issues facing the UK, with 90% of respondents acknowledging the situation. The InterGen newsletter contained a very brief item on the issue, however, energy has become prominent in the national news headlines in recent years as a consequence of climate change, new Government policies, oil and gas price volatility and the re-emergence of nuclear as a likely option for the future. The impact of price rises on household utility bills ensures that the issue has a resonance for much of the UK's population.

Question 4a

How do you feel about the proposed expansion of Spalding Energy power station?



The statistical response to this question is broadly similar to the Question 2a response, in that a good majority, 58%, were positive about the prospect of an expanded power station, with 25% neutral and only 15% negative.

Question 4b
Why do you hold this view?

This section allowed respondents to record their views on the proposed expansion and the vast majority took the opportunity to do so, with 61 positive views recorded and 24 negative views. Out of the total, the following themes emerged:

Positive issues

- Power is needed — 19 comments
- Provides jobs — 16 comments
- Supports local economy/community — 13 comments
- Good site — 6 comments
- Efficient — 3 comments
- Existing plant acceptable so no problem — 2 comments
- May reduce gas/energy costs — 1 comment
- Diversifies energy supply — 1 comment

Random selection of positive comments

"Good for the area"

"Need electricity"

"Will benefit the local community"

"Very good for town"

"Someone needs to take action now, not the day after the nuclear power stations close"

"Any extra work is a bonus"

"Essential to meet UK power demand"

"Aesthetically, there should be little alteration to the overall skyline"

"Need to meet the energy shortfall with a range of sources"

"Local communities do benefit from these power stations financially"

"Development of old sugar factory wasteland"

Negative issues

- Visual concerns — 5 comments
- Loss of social club — 4 comments
- Noise issues — 3 comments
- Proximity to houses — 2 comments
- Emission concern — 2 comments
- No local benefit — 2 comments
- Continuity of supply issues — 2 comment
- House price devaluation — 1 comment
- Higher gas prices — 1 comment

- Pylons/gas pipeline 1 comment
- One station is enough 1 comment

Random selection of negative comments

"Gas supply globally is not as reliable as uranium"

"It will take away the social club"

"Dominates the landscape"

"It will double the industrial appearance of Spalding from the bypass"

"Chimney emissions are of concern"

"House prices will fall"

"No local benefit"

"Do not want more pylons and gas pipelines"

"Moving closer to housing estates"

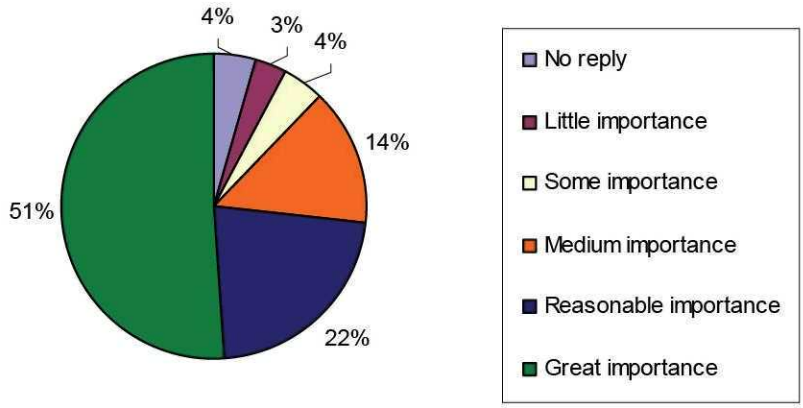
"Carbon emissions doubled and twice the noise from the turbines"

Question 5

How much importance do you attach to the following aspects of the proposed expansion?

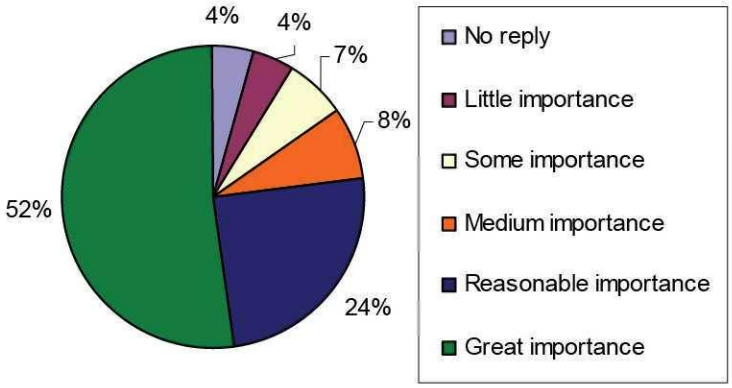
Respondents were asked to rate a series of statements associated with the expansion in order of importance, ranging from 1 (little importance) to 5 (great importance).

a) Helping to secure UK energy supplies



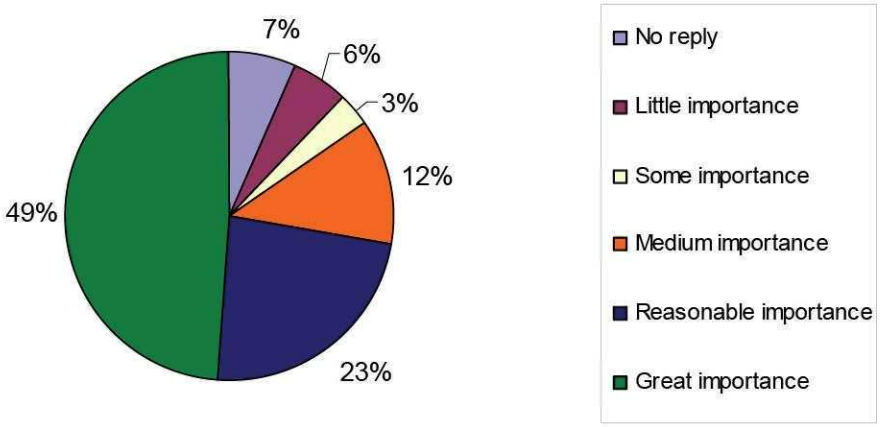
It would appear that members of the public have acknowledged the significance of recent political events across the globe, where fuel supplies have appeared vulnerable or where it has become clear that the security of the UK's supplies needs to be strengthened, either to avert the imminent shortfall or increase diversity of supply.

b) Generating electricity more cleanly and efficiently than coal



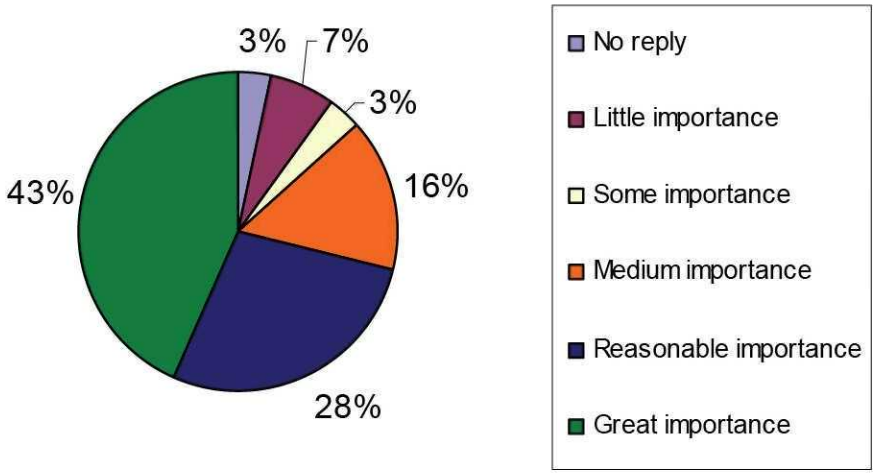
As with the question below, it is clear that the general public has absorbed the environmental messages about climate change, with more than three-quarters or 76% believing in the importance of generating electricity using clean, efficient methods.

c) Reducing carbon dioxide emissions



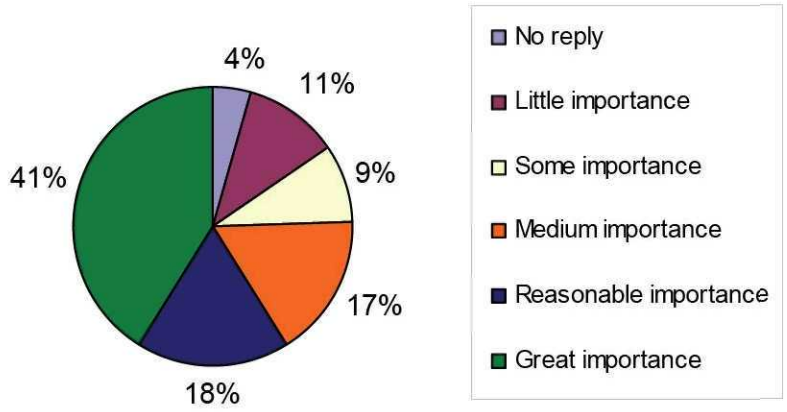
Again, key environmental messages clearly carry weight with members of the public, more than 70% of whom attach significant importance to efforts to reduce carbon dioxide emissions.

d) Located on industrial development land



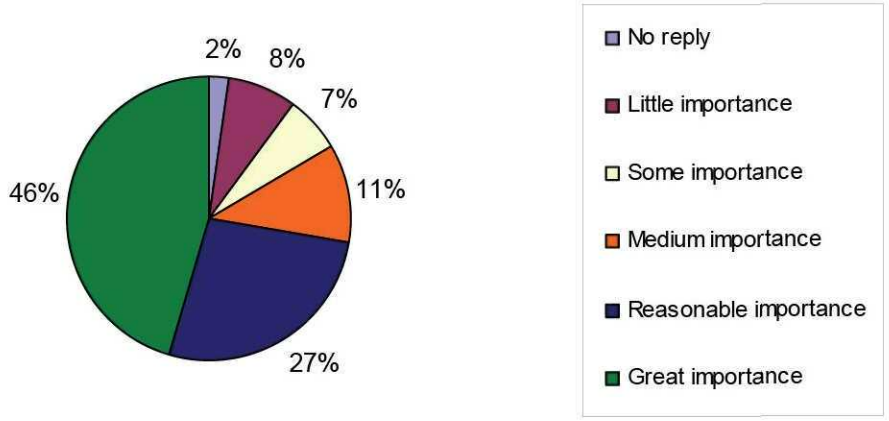
A total of 70% of respondents rated the industrial location of the proposed expansion as relatively important.

e) Potential creation of around 600 construction jobs



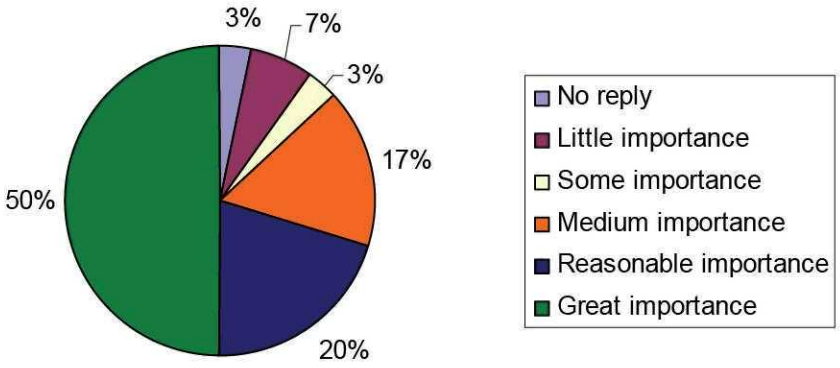
The creation of jobs was a factor for the majority of respondents, with almost 60% agreeing that the issue was very important.

f) Up to 20 permanent skilled jobs created



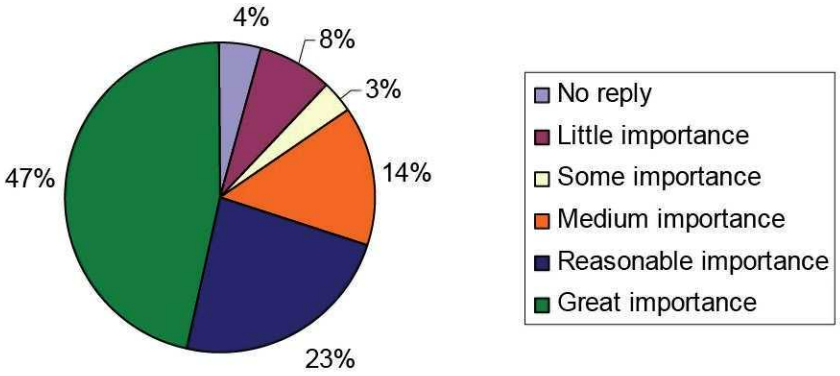
Again, the issue of employment was important to respondents, with 72% underlining the significance of permanent skilled jobs to the local economy, a fraction more than the numbers who considered construction jobs to be very important.

g) Construction and operations/supplies work for local businesses



Respondents also considered the creation of contract work for local businesses to be important, with 79% rating the issue highly.

h) Further support for community initiatives



Again, the local benefits, in terms of community activities, are viewed as very important by local people, with 70% giving this aspect a high rating.

Question 6
Please feel free to add any further comments

This section was intended to provide space for respondents to raise an issue not hitherto covered, or to write on any other issue of choice. The results are unsuitable for transfer into a pie chart, but can be broadly summarised. Out of the additional 33 comments, 14 were positive and 12 were negative about the project, while the remainder were largely isolated comments that were difficult to categorise and have been considered as neutral. Most issues had previously been covered by respondents' earlier answers. Themes to emerge were as follows:

Positive issues

- Project welcomed 9 comments
- Good exhibition 3 comments
- Local benefits 1 comment
- Interest in jobs 1 comment

Random selection of positive comments

"Redundant land needs to be put to positive use"
"Well presented and informative exhibition – thank you"
"Hope it goes ahead"
"Impressed with commitment as demonstrated by key staff presence"
"A step in the right direction"

Negative issues

- No more pylons 3 comments
- More landscaping needed 2 comments
- Visual impact 1 comment
- Social club 1 comment
- Do not want it 1 comment
- No local jobs 1 comment
- Not enough jobs 1 comment
- Light pollution 1 comment
- Financial cost too high 1 comment

Random selection of negative comments

"What is the point of spending so much money?"
"Efforts sould be made to enforce natural screening of the site"
"Would you consider reducing the light pollution?"
"Please don't make it even bigger"
"Social club is very important to members but also to local people"

Neutral issues

- Funding/support request 3 comments
- Wildlife safeguarding 1 comment
- Use residual heat 1 comment
- Interest in power station tour 1 comment
- Acceptable if no impact on property 1 comment

Random selection of neutral comments

"Fund available to support local groups – sports, environment, etc"
"Would welcome s106 contribution to better cycling provision"
"Can't help wondering if the residual heat in the condenser stacks could be put to good use"
"Landscaping - could more be done to the existing project?"
"As long as the wildlife are not destroyed"

APPENDIX I: Newsletters

Newsletter from November 2008

SPALDING ENERGY

NEWSLETTER

INTERGEN

NOVEMBER/DECEMBER 2008

Spalding Energy expansion plans

The owner of Spalding Energy is proposing an expansion of the current plant, with a £500 million investment to generate much-needed power for the country.

Within the next four years, it is expected that consumer demand for electricity will begin to outstrip supply. To help meet this urgent need for more electricity, InterGen is proposing an expansion of its existing Spalding Energy plant.

"There is an urgent need to generate more electricity as older power stations are being closed down and demand continues to grow. We have been operating successfully here in Spalding for more than four years and we have the ideal location for an expansion. There is industrial land available and much of the infrastructure is already in place. We are delighted to make this investment proposal and look forward to forging an even stronger relationship with the local community," Station Manager Paul Hanson said.

Clean-burning natural gas will be the fuel for the new expanded 900 MW plant and modern equipment and technology will be employed to control emissions. It will, like the existing plant, be designed to be very quiet and employ the very latest sound-proofing technology.

Spalding Energy is already one of the newest, most efficient power stations in the UK and this expansion will make the entire development one of the most efficient and environmentally advanced power stations in the world.

The expansion will effectively double the size of the existing West Marsh Road plant, together generating enough electricity for approximately two million homes. It will occupy 20 acres of land that is designated for industrial development.

In addition to providing much-needed power for the UK, the expansion will bring several local benefits:

- During the two-year construction period, approximately 600 construction jobs will be created.
- Up to 20 permanent skilled jobs will be created during the operational phase.
- A variety of local supplier and service businesses will be utilised in support of construction and operations.
- Local economic development initiatives and local community projects will enjoy additional support.



"There is an urgent need to generate more electricity as older plants are being closed down"

Station Manager Paul Hanson





PLANNING AND DESIGN PHASE

Currently, the expanded plant is still in its early planning and design phase. The planning application for the expansion will be submitted soon to the Government's newly formed Department of Energy and Climate Change (DECC), that will consult with South Holland District Council, Lincolnshire County Council, members of the public and a range of other organisations before reaching a decision.

A key part of the application will be the comprehensive Environmental Statement, running to several volumes and covering all aspects of the development in depth. Once completed, this will be available for the public to study at South Holland District Council's planning department.

Additional project elements will likely include a new overhead transmission line and gas pipeline. National Grid, which operates the UK's network, will be responsible for deciding the final route for the transmission line. A separate planning application will be submitted for the gas pipeline.

INSIDE:



Energy for the future: a look at the proposed expansion **p2**



The UK energy scene and InterGen in the UK **p3**



Spalding Energy and the community **p4**

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk**

Energy for the future

A look at the proposed expansion



■ Current view of Spalding Energy Power Station



■ Illustrative view of expanded Spalding Energy Power Station

EXPANSION FACTS

Project summary

The proposed new 900 MW plant, which will occupy 20 acres of land that is designated for industrial development, will effectively double the size of the existing plant, together generating enough electricity for approximately two million households.

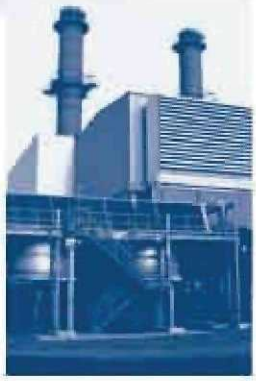
Environment

Clean-burning natural gas will be the fuel for the new plant and modern equipment and technology will be employed to control emissions, which will largely consist of water vapour and small levels of other gases. The station will produce 50% less carbon dioxide than a conventional coal station with around 75% less oxides of nitrogen and virtually no sulphur dioxide. Furthermore, gas-fired power stations do not emit odours from their processes and all aspects of the environmental performance will be monitored by the authorities. The expansion, like the existing plant, will be designed to be very quiet and employ the very latest sound-proofing technology.

Grid connection

The electricity distribution company, National Grid, has indicated that a new overhead transmission line, with additional pylons, will be required. This will connect to the national transmission line north east of the site, and a separate application will be submitted for this part of the scheme.





Appearance

The technology aspects of the expansion will be very similar to those of the existing plant. All major generating equipment will be located inside an acoustic turbine hall, the cooling arrangement will be similar, and there will be two stacks. The building will be around the same height, but in a slightly different layout to reflect the shape of the available site. Further photomontages will be available as plans progress to give an indication of the appearance from various viewpoints.

Next steps

Once local consultations have taken place, Spalding Energy will submit a planning application to the Department of Energy and Climate Change (DECC). This will be accompanied by a comprehensive Environmental Statement on all aspects of the development. DECC will then consult with South Holland District Council, Lincolnshire County Council, members of the public and a range of other organisations before reaching a decision. For more information, the Spalding Energy website and a freephone number, shown below, are available to interested parties.

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk** **2**

UK ENERGY SCENE



Energy

The UK's electricity supplies have dwindled in recent years as certain coal-fired plants have closed due to age and poor environmental performance. By about 2012-2015, it is estimated that there will be insufficient electricity generated to meet our needs, let alone provide adequate back-up capacity to meet sudden surges in demand. It is therefore a matter of urgent priority that this shortfall is addressed.





Gas and climate change

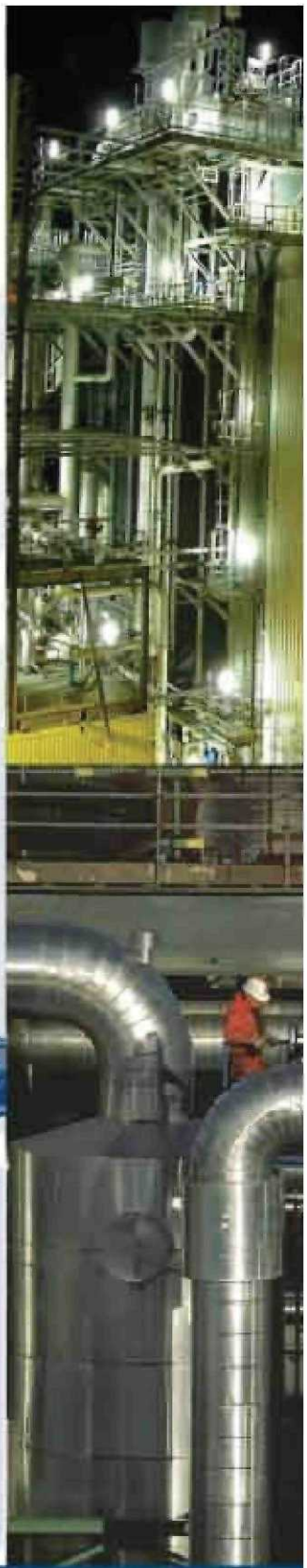
The Government believes that renewable sources (wind, solar, tidal, wave, biofuels, etc) could provide up to 20% of our electricity needs by 2020. But this still leaves 80% to be sourced from more conventional fuels such as coal and gas. Gas is the cleanest way to generate electricity from fossil fuels – it is much cleaner and more efficient than coal, with 50% fewer carbon dioxide emissions and 50% more efficient than coal.

Carbon capture

Carbon is emitted when any fuel is burned, with the largest sources being cars, lorries and fossil-fuelled power stations. Many measures are aiming to control emissions and increase efficiency, but it is impossible to eliminate emissions for the foreseeable future. Carbon capture and storage (CCS) technology is in the early stages of development, but would allow carbon dioxide to be separated, liquified and stored. Methods of CCS are now in the process of being researched and tested by a number of energy companies worldwide.

The EU and UK Government, meanwhile, are currently considering regulations that could require carbon-emitting producers to incorporate the technology if it proves to be feasible and economically viable. It is envisaged that depleted oil and gas fields could be used offshore, while underground storage options, possibly geological formations or man-made structures, may be used onshore. InterGen will ensure that its expansion plans are able to comply with any Government regulations on CCS.





Key independent power player in the UK

InterGen is the UK's largest independent gas-fired power producer, with three plants that provide 6% of the country's average demand. Its gas-fired power plants are among the cleanest and most technologically advanced in the world. Its other power stations are in Rugeley, Cheshire, and Coryton, Essex.

Both are similar in output to Spalding, and were constructed in the 1990s. InterGen, formed in the US 12 years ago, is a global power generation company with 12 operating power plants representing 5,803 MW of capacity. The company has projects operating or in active development in the UK, the Philippines, Mexico, Australia, the Netherlands and Singapore. Since its formation, InterGen has developed more than 16,000 MW of generation capacity in 10 countries across 6 continents.

INTERGEN

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk** 3

Spalding Energy and the community

A boost to the local economy and an investment in the community

If consent is granted, Spalding Energy will hope to play an even more active role in the community, becoming involved in a wider range of activities and providing additional funds for economic benefits.

In terms of financial value alone, the power station has contributed significantly to the local economy since operations started in 2004 through business rates. This covers community activities, donations and sponsorships, spending with local suppliers, spending by contractors and contributions to economic development initiatives.

The expansion will include the following local benefits:

- Up to 600 construction jobs over a two-year period
- Contracts for local businesses, both during construction and operations
- Up to 20 permanent skilled jobs
- Local economic development initiatives and community projects will enjoy additional support.

The Spalding Energy team enjoys being a part of various local activities and initiatives ...

Support for the neighbourhood



■ Michelle and technician Trevor with Lincolnshire's road safety vehicle

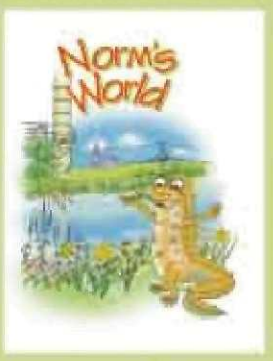
Spalding Energy supports a range of initiatives, aiming to make a positive contribution to the local community and build a dialogue with our neighbours.

Spalding Energy's partnerships span a range of activities, including education, the local economy, environmental issues, sport, tourism and road safety. Community Liaison Officer Michelle Redford said: "We're here for the long term and are keen to ensure Spalding continues to thrive as a great place to live and work."

Community liaison meetings

Spalding Energy's operational team keeps in touch through its Community Liaison Group, which was formed before the existing power station was built as a means to address any issues that might affect local people. The group met frequently during the construction, forming a sub-committee to decide on a colour scheme, and continues to meet seven years later. Membership consists of residents, county councillors, district councillors, parish councillors, other organisations and representatives from the operational team. For more details, call Freephone line 0800 1695290.

Encouraging tomorrow's bright sparks



Youngsters at primary schools around Spalding have been enjoying a fun introduction to electricity thanks to Spalding Energy's educational workshops. The workshops were launched in 2004, with 16 schools now involved in a range of hands-on activities designed around the national curriculum.

Education co-ordinator David Evans said: "The workshops give children an opportunity to make electrical circuits, build mini-generators and discover how electricity works - and they love it." The workshops are accompanied by a colourful literature pack, Norm's World, specially written and produced for the Spalding programme and providing fun facts about electricity, science, technology and the environment.



Apprentice programme

The UK power industry is facing a growing skills shortage. In a recent survey, the Institution of Engineering and Technology found that businesses are turning to countries such as India, China and South Africa to plug the gaps.

Spalding Energy's apprenticeship programme, one of the plant's many sustainable development initiatives, offers a rare opportunity for technical training and experience in the power industry.

Apprentice Tom Keyworth (above) said: "I'm constantly learning from the people around me, finding out what I am good at and getting the chance to improve my skills. You can only learn so much in a training centre, so the work experience here is invaluable for me."

Tom and other apprentices divide their time between Spalding and a training facility in Nottinghamshire.

"We are confident Tom will receive training of the highest calibre and we remain committed to programmes and partnerships like this one to tackle the skills shortage in our industry," said Station Manager Paul Hanson. Recruitment for the programme will begin again in spring 2009.

... and hopes to play a greater role in the years ahead

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk** 4

Newsletter from March 2009

SPALDING ENERGY

NEWSLETTER

INTERGEN

ISSUE 2

Residents are welcomed to exhibitions

Members of the Spalding Energy Expansion project team were delighted to welcome local residents to the public exhibitions at the end of last year.

Held in the newly refurbished Broad Street Business Centre, approximately 150 visitors called in on 20, 21 and 22 November to find out more about the £500 million investment proposed for the West Marsh Road site.

Visitors had the opportunity to talk to various specialists about aspects of the proposal and view computer-generated images showing how the completed expansion might look.

Station Manager Paul Hanson said: "It was good to meet so many residents on a face-to-face basis, and we were extremely pleased with the responses to the questionnaire.

"For the most part, the people we spoke with and heard from were aware of the looming shortfall in the UK's energy supplies and were supportive of our expansion plans."

A number of themes emerged from discussions with visitors and an analysis of the questionnaire responses.



■ Visitor Martin Deacon (left) talks to Project Manager Neil Anderson (centre) and Station Manager Paul Hanson

These include:

- Specific benefits for the local economy
- Additional support for initiatives within the community
- Visual impact of the expansion
- Environmental impact of the expansion
- Future of the British Sugar Sports and Social Club

InterGen is taking each of these themes raised by local residents and considering them as part of the Spalding Energy Expansion process.



■ Computer-generated images of the expansion with the existing plant in the foreground, from the A16 bridge over the Welland (above) and from the A16 (below)



INSIDE:



UK energy scene **p2**



Power behind the pedals **p3**



Continuing the dialogue **p4**

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk**

Spalding Energy benefits support the local economy

Spalding Energy has made significant contributions to the local economy during its four years of operation.

Local businesses provide the plant with numerous services, including routine contract work and certain repairs and maintenance.

This spending has been worth approximately £7 million since operations started more than four years ago, equivalent to around £1.75 million a year.

Almost one third of the plant's regular contractors are from Spalding, while the remainder are from the Lincolnshire or Peterborough areas.

Supplies and associated maintenance contracts will continue for the expected 35-year lifespan of the existing plant.

As is the case with the existing plant, the proposed Spalding Energy Expansion will bring economic benefits to Spalding and the wider area.

Based on similar developments elsewhere, it is estimated that the economic benefits arising from Spalding Energy expansion operations will be approximately 75% of those associated with the existing plant (due to economies of scale).

Combined over the 35-year lifetime of the expanded facility, these could reach a total of £107 million.

In addition to operational benefits, economic benefits will accrue from the expected 30-month construction period of the expansion. This proposed £500 million investment will generate:

- Up to 600 construction jobs. An estimated one third of the peak construction workforce are likely to be local, based on a 35-mile travel-to-work radius.
- Local contract opportunities during the construction phase.
- Spending with local businesses including hotels, restaurants and shops.

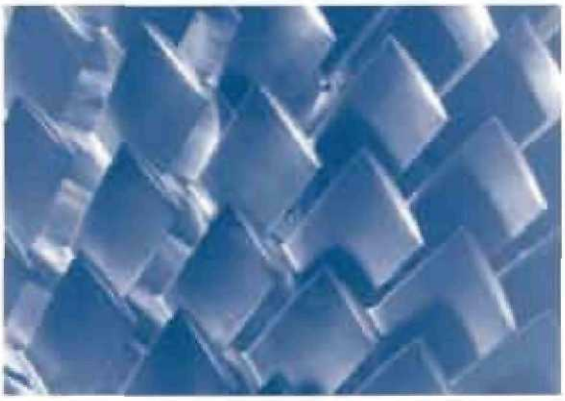
UK ENERGY SCENE

Energy gap

The UK faces an energy supply gap from 2015, meaning that an estimated 20GW of new electricity generation will need to be built to ensure that the lights stay on.

Along with new renewable generation, the UK needs to ensure that conventional fossil-fuelled plants are built so that the electricity system can continue to be operated in a flexible way, and respond effectively to changes in demand. Currently, gas is the cleanest way to generate from fossil fuels with 50% fewer carbon dioxide emissions than coal.

The expansion's proximity to existing transmission lines means that electricity can quickly and cost-effectively be delivered to the transmission system.





Climate change

InterGen recognises that the UK faces a huge challenge in the next decade to ensure that climate change targets are met.

The UK Government, along with other EU member states, has pledged that by 2020, 20% of our electricity will come from renewable sources (wind, solar, tidal, wave, biofuels etc). InterGen and Spalding Energy fully support the Government's targets.

Carbon Capture

Carbon Capture and Storage (CCS) aims to allow carbon dioxide emissions to be separated, liquified and permanently stored. It is anticipated that CCS will reduce the amount of carbon dioxide emitted into the atmosphere by approximately 90%. CCS is still in the early stages of research and development for power plants such as the Spalding Energy Expansion. In December the EU voted unanimously in favour of the CCS Directive that requires new fossil-fuelled plants to be built ready for CCS.

The UK aims to host one CCS demonstration project, which is likely to be coal-fuelled and several electricity companies are bidding to take part. InterGen continues to monitor the progression of CCS and will ensure that the proposed expansion complies with the requirement that new plants be built ready for CCS.



For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk** 2

Spalding Energy takes safety to the next level with new Safety@Heart programme

Spalding Energy has had an impeccable safety record since starting commercial operations in 2004. We believe firmly, however, that we can't rest on our laurels when it comes to health and safety.

So, on 16 February, all of InterGen's European sites – including Spalding – entered a new "human factor" phase of its already established and robust health and safety programme.

Called Safety@Heart, the new programme relies on each and every person to make a small – but real – difference to how they behave by doing each and every task safely.

Ian Jennings, InterGen's European Health, Safety and Environment Manager has been co-ordinating the revitalisation. During the February kick-off, he commented: "Individuals in 'world class' organisations do things safely because safety is in their hearts as a value and they want to be safe rather have to be safe.

"With this idea in mind, Safety@Heart was created and we believe the programme will make InterGen an industry leader in Health and Safety Management."

The programme's title was developed by the Spalding team and adopted by InterGen for Europe. With Safety@Heart, Spalding Energy now has values that strengthen its safety culture, with everyone having the same vision and the same sense of direct responsibility for their own safety and their colleagues' safety.

Spalding Energy and the community

Apprenticeship awards

In our last newsletter, we introduced you to Tom Keyworth (right), Spalding Energy's Electrical, Control and Instrumentation Apprentice.



Tom is a key member of the Spalding Energy team and has done a great job of taking advantage of the opportunities and training provided to him during his apprenticeship. Tom has done such a great job, in fact, that he was part of the team that was recently recognised as Team of the Year 2008 by EON. This industry award honours apprentices and their colleagues for exemplary teamwork, which is all the more gratifying when you consider that teamwork is one of InterGen's core values.

The award further emphasises the success of Spalding Energy's Apprenticeship programme, which offers young people from the area a rare opportunity for technical training and experience in the power industry.

Recruitment for the programme will begin again in spring 2009 when Spalding Energy looks forward to adding another apprentice to the team.

Power behind the pedals

Three staff members from the existing Spalding Power Station are gearing up for a coast-to-coast bike ride in August to aid the Garth and Priory Schools, two Special Educational Needs Schools in the area.

Jez Keyworth, Tom Keyworth and Chris Murphy are currently in training for the 220-mile ride from St Bees Head, Cumbria, to Robin Hood's Bay in Yorkshire.

The team aims to raise more than £10,000 from corporate and individual sponsorships to help provide much-needed equipment for the two schools.

The route will take the trio – who call themselves the Base Loaders – across rough off-road terrain as well as roads, largely following the well-known long-distance coast-to-coast footpath. Jez Keyworth said: "It will be gruelling but we are already training hard and are determined to do all we can to raise funds for the schools."

Staff members from Spalding Energy have volunteered to assist the trio along the way with refreshments and encouragement. They will also be supported by Terry Wright Cycles of Market Deeping, which has agreed to provide spares, tools and additional equipment.

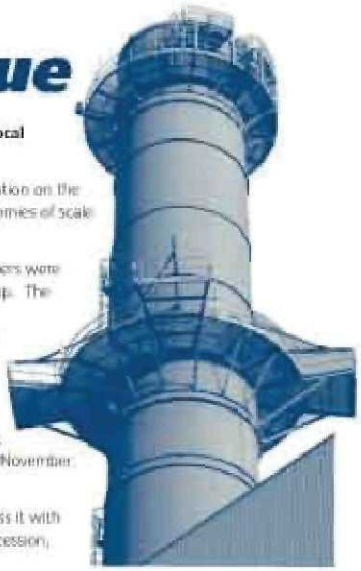
If you would like to make a donation or help in any way, further details can be found on their website at www.baseloaders.co.uk.



■ From the left: Tom, Jez and Chris

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk** 3

Continuing the dialogue



InterGen and Spalding Energy have continued to hold discussions on the expansion proposal with local groups and individuals, as well as featuring regularly in the media.

One of the groups visited was the Spalding Town Forum, where Station Manager Paul Hanson gave a presentation on the proposal explaining that up to 20 new jobs would be created in addition to the 40 at the existing plant. Economies of scale meant that a doubling of numbers would not be necessary.

Mr Hanson also clarified the composition of the yellow plume that is occasionally seen from the stacks. Members were advised that the yellow plume only becomes visible when the equipment is being operated during plant start-up. The plume is made up of oxides of nitrogen (the same as a home central-heating boiler flue gas) which, in these concentrations, are harmless. It is anticipated there will be no visible yellow plume from the expansion due to technological advances. All emissions from the power station are monitored on a continuous basis and reported to the Environment Agency and thus far no limits have been exceeded.

A further presentation by Project Manager Neil Anderson was made to Pinchbeck Parish Council, with liaison set to continue later in the year. Meanwhile, local and regional media have been kept updated on the project, with Mr Hanson giving an interview from the existing station to BBC Look North reporter Jake Zuckerman last November. The Spalding Guardian and Lincs Free Press have also featured the expansion on a regular basis.

Mr Hanson said: "We are delighted that the media has taken an interest in this proposal, allowing us to discuss it with the widest audience possible. Overall, we believe that the good economic news is reassuring in the current recession, and that people recognise the importance of new electricity generation."

As the proposed expansion progresses, project update events and public exhibitions will continue to be hosted. Another series of exhibitions is planned, so keep an eye out for announcements in the media. For those who wish to learn more about Spalding Energy's operations, a plant tour programme launched last year will be continued during the spring and summer months of this year. These hour-long tours will be free of charge and open to any interested individuals or groups. Further information can be obtained from Community Liaison Officer Michelle Bedford, by emailing spaldingenergy@intergen.com or ringing 01775 717500.

Discussions with Sports and Social Club

If the expansion proposals move forward, the land occupied by the British Sugar Sports and Social Club will be needed. InterGen purchased the land where the Club is located during the development of its existing gas-fired power station, Spalding Energy, in the late 1990s.

The Club has since leased the West Marsh Road land from the company. Representatives from InterGen and the Club have formed a working party to discuss options, recognising that any proposals will need to be commercially viable and sustainable in the long term.

Next steps

Environmental statement

A team of specialist consultants is currently undertaking a comprehensive environmental study of the proposed expansion. This study will be reported in an Environmental Statement (ES), that will accompany the planning application for the expansion.

Expansion application

The application for the proposed Spalding Energy Expansion is expected to be submitted to the Government's Department of Energy and Climate Change (DECC) at the end of March 2009. DECC will consult with South Holland District Council, Lincolnshire County Council, members of the public and a range of other organisations before reaching a decision. Its consultation process is likely to last a number of months.

Once the application is submitted, the ES and a much briefer Non-Technical Summary will be available to study at South Holland District Council's planning department. An electronic version of the Non-Technical Summary will be posted on the website www.spaldingenergy.co.uk.

Overhead line options

The electricity transmission company National Grid has indicated that a new overhead line and additional pylons will be needed if the expansion proceeds. This will connect to the existing national transmission line north east of the site.

The route options are the responsibility of National Grid who will hold public consultations at the appropriate time, where residents will be able to express their views. A separate application will then be submitted by National Grid to DECC, who will make a decision after consulting a range of organisations in a process that is similar to the application for the expansion.



■ **Proposed site layout for the expansion**

Other permits

InterGen will also apply for permission for a new underground gas pipeline from South Holland District Council and an environmental licence from the Environment Agency, which will assess the proposals' environmental impact. Again, these will be subject to comprehensive environmental studies and a consultation process.

For further information, please call Freephone line **0800 1695290** or visit **www.spaldingenergy.co.uk** 4

APPENDIX II: Advertisements

Newspaper advert from November 2008



Newspaper advert from March 2009



APPENDIX III: Press releases

PRESS RELEASE

November 7 2008

INTERGEN

SPALDING ENERGY LOOKS TO EXPAND

InterGen, the owner of Spalding Energy, is proposing a £500 million expansion of the existing gas-fired power station on West Marsh Road, Spalding.

This proposed project will bring a range of benefits including:

- Approximately 600 construction jobs during the construction period.
- Up to 20 permanent skilled jobs once the expansion is operational.
- Contracts for local supplier and service businesses during construction and operations.
- Support for local economic development and community initiatives.

InterGen is committed to engaging with the local communities about this proposed expansion and will be hosting three public exhibitions for local residents at **Broad Street Business Centre, 10 Broad Street, Spalding PE11 1TB** (the former Spalding Further Education Centre), as follows:

- **Thursday, November 20, 2pm-8pm**
- **Friday, November 21, 2pm-8pm**
- **Saturday, November 22, 10am-1pm**

The exhibitions will feature project information and computer-generated images showing what the proposed expansion may look like from various viewpoints and representatives from the project team will also be available to address questions on a one-to-one basis. Written invitations are being sent to more than 3,000 homes immediately surrounding the site and adverts are being placed in local newspapers.

Paul Hanson, Station Manager, Spalding Energy commented: "We are very pleased to be able to announce this expansion proposal that will create new, skilled local jobs and support the Spalding economy. We are especially proud that Spalding will be able to play a key part in providing vital energy supplies for the UK."

Notes for Editors
InterGen has developed one third of the UK's new generating capacity installed in the last ten years (an investment of approximately US$2.8 billion) and owns and operates three stations in the UK: Spalding in Lincolnshire, Coryton in Essex and Rocksavage in Cheshire. These stations together provide enough power for over three million households.

Gas is the cleanest way to generate electricity from fossil fuels, and InterGen's gas-fired power plants are among the cleanest and most technologically advanced in the world.

It is estimated that there will be an inadequate supply of electricity in the UK from 2012, when older coal-fired and nuclear plants are expected to start closing. This proposed expansion will help to address this shortfall and contribute towards ensuring the UK has sufficient energy to meet demand in future years.

For More Information:
Andy Taylor
UK Public Affairs Director
+44 131 6247 500

PRESS RELEASE

March 17 2009

Spalding Energy to host further exhibitions to discuss proposed expansion

InterGen, the owner of Spalding Energy, has organised a further round of public exhibitions as it prepares to submit its final application for the plant's £500 million expansion to the Department of Energy and Climate Change (DECC).

A series of initial exhibitions were held last November (2008) to inform local residents of the proposal. The upcoming exhibitions will provide an update on the latest developments. Details are as follows:

Broad Street Business Centre, 10 Broad Street, Spalding

Thursday, March 26, 1pm-7pm

Friday, March 27, 1pm-7pm

Saturday, March 28, 9am-12noon

Written invitations are being sent to more than 3,000 homes immediately surrounding the site and adverts placed in local newspapers.

A comprehensive Environmental Statement (ES), which is now complete, will be submitted with the expansion application and will be available for study at the exhibitions. This document covers all aspects of the project in detail, including visual impact, emissions, traffic, noise, flora and fauna, geology, hydrogeology and socio-economics. Also, computer-generated images showing what the plant will look like from various viewpoints will be on hand, and representatives from the project team will be present to discuss any questions on a one-to-one basis.

InterGen estimates that the existing plant has spent approximately £7 million in the region since operations started more than four years ago, equivalent to around £1.7 million a year. This includes the value of repair, maintenance and supply contracts, as well as community initiatives. The expansion will bring similar economic benefits to the Spalding area, both during the two-year construction period and the operational life of the plant. Combined over the expected 35-year lifetime of the expanded facility, these are likely to reach a total of £107 million. Other benefits will include up to 600 construction jobs during construction and as many as 20 permanent skilled jobs.

The expansion will effectively double the output of the existing plant, generating enough power to supply the needs of approximately two million homes. The site, just south of the existing plant on West Marsh Road, is designated for industrial development.

Footnote

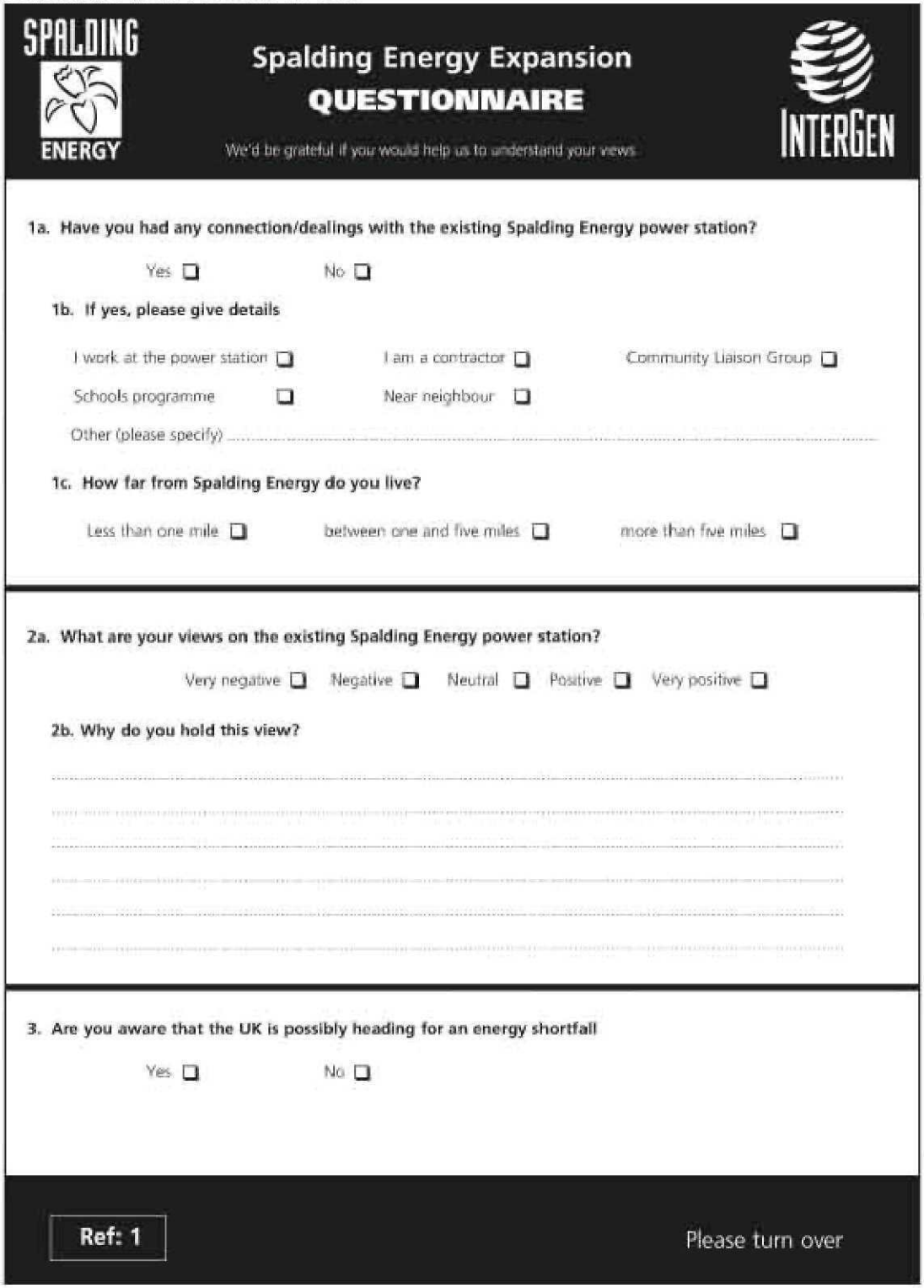
InterGen is the UK's largest independent gas-fired power producer, with three plants that provide 6% of the country's average demand. The company's gas-fired power plants are among the cleanest and most technologically advanced in the world. InterGen's other UK power stations are in Runcorn, Cheshire and Coryton, Essex, and both are similar in output to Spalding.

InterGen is a global power generation firm with twelve power plants representing 6,252MW of production capacity. InterGen's plants are located in the UK, the Netherlands, Mexico, the Philippines and Australia.

Further information
Alex Doyle or Deborah Ward, Pendragon PR, 0161 288 2888

APPENDIX IV: Questionnaire

Questionnaire from November 2008



SPALDING ENERGY

Spalding Energy Expansion
QUESTIONNAIRE

We'd be grateful if you would help us to understand your views

INTERGEN

1a. Have you had any connection/dealings with the existing Spalding Energy power station?

Yes ☐ No ☐

1b. If yes, please give details

I work at the power station ☐ I am a contractor ☐ Community Liaison Group ☐

Schools programme ☐ Near neighbour ☐

Other (please specify) .....

1c. How far from Spalding Energy do you live?

Less than one mile ☐ between one and five miles ☐ more than five miles ☐

2a. What are your views on the existing Spalding Energy power station?

Very negative ☐ Negative ☐ Neutral ☐ Positive ☐ Very positive ☐

2b. Why do you hold this view?

.....

.....

.....

.....

.....

.....

3. Are you aware that the UK is possibly heading for an energy shortfall

Yes ☐ No ☐

Ref: 1

Please turn over

APPENDIX V: Gas Pipeline Adverts

Spalding Guardian



765433
Photo: SG270609-131TW

To order this photograph call 01775 765433.
Photo: SG270609-115TW

SPALDING ENERGY

INTERGEN

Spalding Energy Expansion Gas Pipeline

Public Exhibition

InterGen, the owner of Spalding Energy, submitted a planning application to the Department of Energy and Climate Change for an expansion to its existing gas-fired power station on West Marsh Road, Spalding on 31 March, 2009.

Shortly, a separate planning application will be submitted to South Holland District Council for a new gas pipeline to connect the planned expansion plant to the National Grid gas pipeline at Wragg Marsh.

In order to update local residents on the gas pipeline proposals, an exhibition will be held as follows:

Broad Street Business Centre
10 Broad Street, Spalding, PE11 1TB
(the former Further Education Centre)
Thursday, July 9, 1pm-7pm

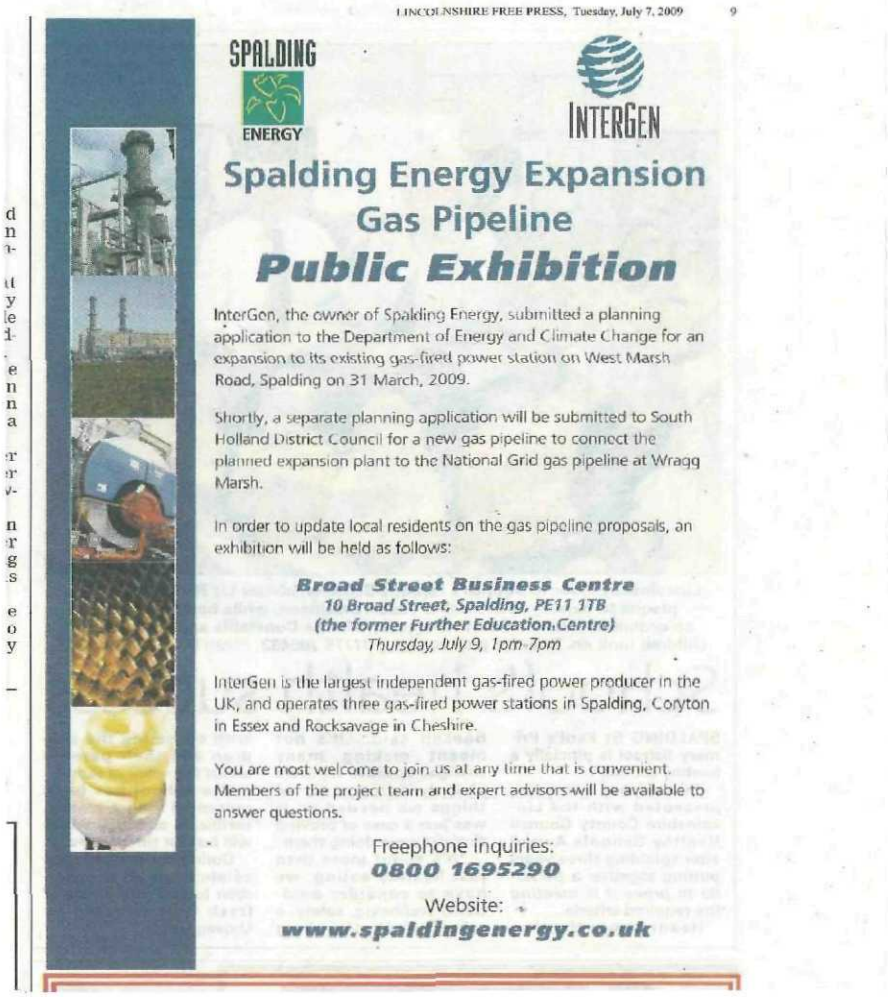
InterGen is the largest independent gas-fired power producer in the UK, and operates three gas-fired power stations in Spalding, Coryton in Essex and Rocksavage in Cheshire.

You are most welcome to join us at any time that is convenient. Members of the project team and expert advisors will be available to answer questions.

Freephone inquiries:
0800 1695290

Website:
www.spaldingenergy.co.uk

Lincs Free Press



LINCOLNSHIRE FREE PRESS, Tuesday, July 7, 2009 9

SPALDING ENERGY

INTERGEN

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APPENDIX VI: Gas Pipeline Leaflet

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Our Commitments

The proposed pipeline will be constructed and operated by Spalding Energy Expansion Ltd (SEEL), which is wholly owned by InterGen, the UK's largest independent gas-fired power producer. InterGen owns and operates three plants that provide 6% of the country's peak electricity demand. We pride ourselves on operating responsibly and being good neighbours in all that we do.

Our Commitment to Landowners and Occupiers

SEEL will negotiate with each landowner appropriate rights to construct, inspect and maintain the proposed pipeline. The agreements will include detailed procedures for the construction and operation of the pipeline and the reinstatement of agricultural land. SEEL is committed to ensuring that we:

- Take all reasonable precautions to avoid obstruction to, or interference with, the users of the land;
- Take all reasonable precautions to prevent or minimise damage;
- Make good all direct loss or damage in an agreed manner, or failing this, pay reasonable compensation; and
- Return the land, as far as reasonably practicable, to its original condition.

Our Commitment to Safety

SEEL is committed to maintaining high standards of safety and we conduct our operations in a way that protects the public at all times. We will meet, and where appropriate, exceed the requirements of health and safety legislation, policies and other commitments to which we subscribe. Measures will be taken to ensure the gas pipeline and MOF extension are installed and operated in an appropriate and safe manner.

Our Commitment to the Environment

SEEL is committed to the protection of the environment and will employ appropriate measures to reduce our environmental impact. The majority of the proposed pipeline route crosses high quality arable farmland. An extensive agricultural drainage system controls water levels in the district. SEEL will work with the relevant statutory authorities and other stakeholders to ensure we take all reasonable steps to protect this important environment.

For further information

Spalding Energy Expansion Ltd
Freepost (MR8689)
Manchester
M3 9JP

By Phone: **0888 169 5298**
By e-mail: **spaldingenergy@intergen.com**
Website: **www.spaldingenergy.co.uk**

SPALDING ENERGY

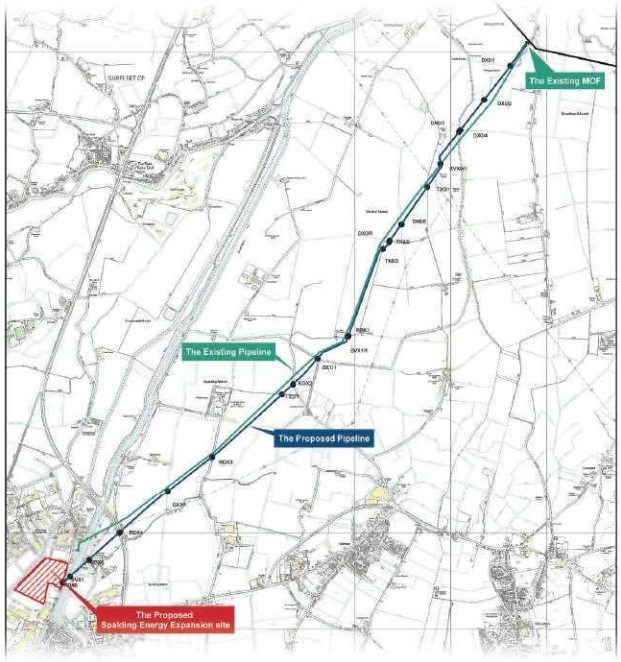
INTERGEN

SPALDING ENERGY

INTERGEN

Spalding Energy *Expansion*

Proposed Gas Supply Pipeline



July 2009

Introduction

InterGen is proposing to expand its existing power plant in Spalding, Lincolnshire by constructing an adjacent 900 MW Combined Cycle Gas Turbine power station, to be known as the Spalding Energy Expansion (SEE).

In order to provide a gas supply to the proposed SEE, it is necessary to construct a new gas pipeline, approximately 8km in length. It is not possible to use the existing Spalding Energy Plant pipeline because it has insufficient capacity to supply both the existing plant and the proposed SEE.

The proposed pipeline will be installed from an extension of the existing Minimum Offtake Facility (MOF) at Wragg Marsh to the proposed SEE. The proposed route broadly parallels the existing Spalding Energy Plant pipeline. The pipeline will be constructed from welded steel pipe and will be buried at least 1.1m below the surface for its entire length and will have a diameter of up to around 457mm (18 inches). The proposed pipeline will not be visible following construction.

Project Overview

Programme

A planning application for the proposed pipeline and MOF extension is targetted for submission to South Holland District Council in August 2009. Subject to obtaining the necessary consents, pipeline construction is planned during the spring and summer months of 2012. Reinstatement of the land will be carried out as soon as possible on completion of construction. It is anticipated that the pipeline will be completed, tested, commissioned and ready to be brought into operation for late 2012/early 2013.

Pipeline Construction

The proposed pipeline will be built using standard gas pipeline construction techniques. Construction will take place within a temporary fenced area known as the 'working width', which will be approximately 27m wide, although it may be wider at road and watercourse crossings. The main construction activities will include topsoil stripping, pipe stringing (the process of laying out the pipe end to end) and welding, trench excavation, pipe laying (positioning of the welded pipe into the trench), back filling the trench, pressure testing the new pipe and, finally, reinstatement of the land.

The proposed route crosses a number of roads and watercourses, including the A16 and the River Welland. The proposed pipeline will be installed beneath major road and watercourse crossings using non-open cut construction techniques, such as Horizontal Directional Drilling. The use of non-open cut techniques will minimise impacts on the environment and disturbance to traffic, the river bed and flood defences.

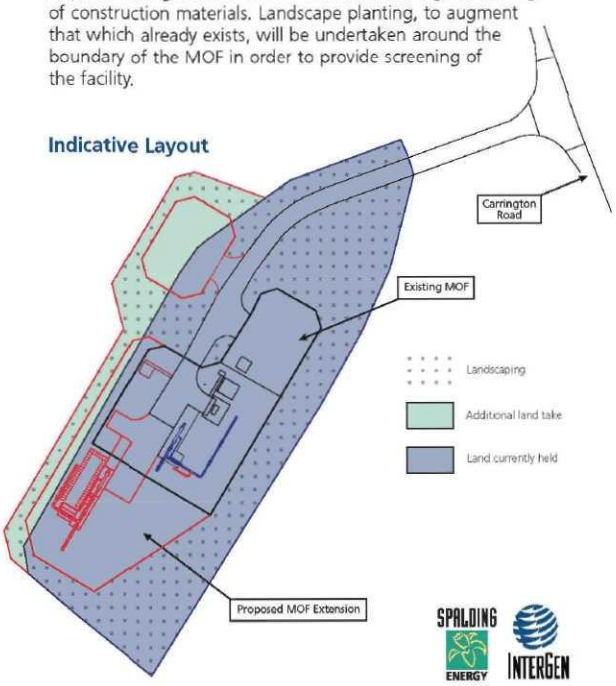
Following the completion of construction works, disturbed land will be fully reinstated. High quality arable land, such as that along the majority of the proposed route, is expected to be returned to normal use by the following crop growing season.



Minimum Offtake Facility

An extension of the existing MOF at Wragg Marsh will be required in order to provide a connection to the adjacent National Grid pipeline so that the proposed SEE can receive gas. The extension will be approximately 750m² and is designed to minimise landtake. Additional area will be required during construction of the extension e.g. for storing of construction materials. Landscape planting, to augment that which already exists, will be undertaken around the boundary of the MOF in order to provide screening of the facility.

Indicative Layout





pendragon

PUBLIC RELATIONS