



Triton Knoll Offshore Wind Farm Project

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EV161: Innogy Supply chain newsletter 1

BUSINESS NEWS BULLETIN

RWE npower renewables

Hello and welcome!

RWE npower renewables (RWE) is pleased to bring you our latest Business News Bulletin and information from the development and delivery of our activities across Wales.

The renewables sector, reportedly worth over £2.3billion in Wales from onshore wind developments alone, continues to represent a viable long term option for small and medium sized business growth, and RWE remains a core part of that opportunity.

Our top story this quarter highlights that businesses like RWE are clearly delivering on their commitments to support local content as far as possible. A report into Gwynt y Môr's supply chain engagement also indirectly highlights that, for the UK to grab the high value works associated with turbine and component production, it desperately needs to encourage and invest - both politically and financially - in a world class manufacturing capability to meet the industry's needs.

Also, as part of a new feature, we're providing information to help you better understand some of the key issues we expect our supply chain to have considered when looking to pre-qualify with us. Health & Safety is paramount for RWE, therefore, it is appropriate that we begin this series by looking at **Health and Safety Requirements on site**.

If you have any other ideas, or issues that you would like to know more about, email us with your suggestions and we'll look to address these in future news bulletins.

Finally, if you would like to know more about joining our supply chain, see the Health & Safety article later in this bulletin, or contact our procurement team, via email: renewablessuppliers@rwe.com.

LATEST Business News



Caption(LEFT) Gwynt y Môr Project Director, Toby Edmonds congratulates Hazel Phillips from Holyhead based Turbine Transfers on their £10m+ contract award for crew transfer vessels.

Wales & UK secure major share of Gwynt y Môr Offshore Wind Farm contracts

OVER 90 per cent of contracts let at RWE npower renewables' flagship Gwynt y Môr Offshore

Wind Farm have so far been awarded to UK firms. This is worth up to £350million since the project began construction in 2010.

Furthermore, over 2,500 UK based personnel – over 69% of the total workforce – have been employed in on-site jobs at the construction site and ports so far either directly by RWE npower renewables, or via its contractors.

These are the findings of an investigative report, carried out by consultants Regeneris, into the project's procurement and contracts. It looked at RWE's activities, as well as those of eleven companies linked to the project, in order to better understand the employment and supply chain impacts of the awarded contracts.

The study shows how far RWE is going to drive contracts into the local supply chain, and secure local content.

Gwynt y Môr project director Toby Edmonds commented: *"UK supply chain is responding to the opportunities currently being presented by offshore wind, by securing over 90% of the contracts available on this project. At the same time, UK personnel are filling most of the jobs, with nearly 70% helping to create a highly skilled workforce for the industry."*

But he added that the lack of a major component manufacturing facility in the UK remains an important hurdle for the UK supply chain to overcome, if it is to deliver the remaining high-value contracts of foundations, turbines and components supply, from within the domestic market.

"The UK, however, still does not have a major component manufacturing facility. Turbine components make up a huge proportion of the capital spend invested in a wind farm and this significant gap in the market means the UK struggles to attract more than 20% of the total contract value of a project to UK based companies," he said.



Caption (RIGHT) The first turbine is installed at Gwynt y Môr Offshore Wind Farm – over 100 foundations and close to 20 turbines are now in place.

Bangor-based Dawnus secures major hydro contract with RWE

NORTH WALES civils firm Dawnus has been awarded a contract to carry out highly specialist engineering works as part of a RWE's £15million refurbishment of Coedty pipeline, part of our Dolgarrog Hydro Power Station supply pipeline network.

The Coedty project will see the replacement of a 90-year-old pipeline and infrastructure, and will secure future power generation and local jobs at the Conwy Valley hydro station, both for RWE and its Welsh supply-chain.

Appointing Dawnus, RWE Project Manager Oliver Wilson said: *"We're delighted to have been able to identify and award contracts for such intricate and specialist engineering works to a North Wales company. Dawnus is a strong local company that prides itself on its commitment to a local workforce. RWE is committed to ensuring as much local content as possible through the delivery of its projects.*



This is a major project for RWE, and we're pleased that we have been able to redirect over 50 per cent of the associated spend so far back into the local supply chain."

Dawnus joins
Ruthin-based
Jones Bros Civil
Engineering UK
working on the

project, taking the total North Wales contract share of the £15million project to over £7.5million.

Dawnus, employs most of its 150 Bangor-office team from the North Wales area, and plans to use other local Welsh sub-contractors to carry out further specialist works. The company will remain on site until Christmas 2013.

Caption (ABOVE): It's a historic day as Turbine 4 is finally switched off at Dolgarrog ready for replacement (right).

For the full story: <http://www.rwe.com/web/cms/en/86182/rwe-innogy/news-press/press/?pmid=4009458>

RWE's ground-breaking Wales wind farm apprentice scheme to expand

RWE npower renewables is growing its ground-breaking wind farm apprenticeship programme for the second year, with the recruitment of a further six new apprentices.

The Apprentice Scheme is the first of its kind in Wales, and was launched in 2012 with the full support of the First Minister Carwyn Jones.

The scheme represents a significant commitment from the company to create new, skilled jobs which can be delivered in rural areas and as a direct result of the construction and operation of its wind farm fleet.

The first six apprentices, recruited in 2012, have now completed their first year of



training with Llandrillo College, in North Wales – RWE's partner in the training scheme. Four further apprentices were taken on by South Wales engineering outfit ISOfab, in preparation for working on Vattenfall's Pen y Cymoedd wind farm in South Wales. The apprentices are being trained at Neath College, which is also delivering the RWE wind farm apprentice scheme, and are about to transfer to Llandrillo College for their second year's learning, where a dedicated wind farm training centre has been established.

Caption(ABOVE)Apprentice Chris Newen, at work in the North Wales training centre at Coleg Menai, Llandrillo.

Find out more: <http://www.rwe.com/web/cms/en/86182/rwe-innogy/news-press/press/?pmid=4008712>

Brechfa Forest sites look to Grid connection

Crucial consultation on the route of a new grid connection for sites around Brechfa Forest, including two being developed by RWE, is underway through Western Power Distribution (WPD).

Conclusion of this consultation is important to setting the pace of development of our Brechfa Forest West Wind Farm - the first onshore project in the UK to be approved by the new Planning Inspectorate process for determining Nationally Significant Infrastructure Projects, such as wind farms.

The first consultation on the potential route will begin at the end of June and will involve local authorities and community councils.

Following this, in 2014, consultations will be held with local communities, landowners and the wider public about where an overhead power line might be placed within the route corridor.

WPD is aiming to complete the connection between the proposed wind farms and the electricity network in 2016.

For information on the consultation, use the link: <http://www.westernpower.co.uk/About-us/Our-Business/Our-network/Current-WPD-network-planning-consultations/Brechfa-Forest-Connection.aspx>

Stonemason Gary restores Dolgarrog walls

Caption (BELOW) Stonemason Gary Fenner hard at work in North Wales, after winning a local contract in support of the Coedty Pipeline replacement works.

Conwy Valley Stonemason Gary Fenner, is putting his skills to good use as part of the Coedty Pipeline replacement programme, under contract to RWE's main civils contractor for the work, Jones Bros of Ruthin.

Gary, who lives within walking distance of the Coedty dam near Dolgarrog, has been hard at work since February rebuilding the protective stone walls that line a steep two-mile access road leading up the hillside close to the pipeline.

The improvements also included the creation of new passing points, achieved by removing the existing walls, and building new stretches of wall.

He said: "It's a tough job, you wouldn't want to be out here unless you love doing it – which fortunately I do!"

Gary has been plying his trade for more than 25 years, and is one of the local tradesmen subcontracted by Jones Bros for the project, which is scheduled to be completed in Spring 2014.

For the full story, visit the Jones Bros of Ruthin Ltd website, at:

<http://www.jones-bros.com/stonemason-gary-gets-to-work-restoring-dolgarrog-walls.html>



RWE declares interest in Welsh communities

RWE has taken an industry lead by being one of the first to sign an industry Declaration, to deliver long term and meaningful economic benefits into Welsh communities that host wind farms.

The Declaration aims to ensure the industry as a whole uses the same levels of best practice in the delivery of economic and community benefits on behalf of communities across Wales.

Across the industry, community and economic benefits have grown both in scope and amount, and represent secure long-term investments for communities of increasingly significant value. Since 2006, RWE alone invested almost £1.7m locally through its existing community benefit schemes, linked to operating wind farms in Wales. With consents for its pipeline of developing projects though, that figure could increase by almost £1.4m more per year!

Wales communities potentially stand to gain millions of pounds per year as a direct result of the consenting, construction and operation of wind farms over 20 to 25 year terms. The spin-offs being that community priorities can be planned for and delivered longer term, with monies supporting both capital and revenue investments.

Additionally, this gives local supply chains an additional opportunity to bid for and support construction projects as well as getting involved in training and skills development, locally.

The wind industry, through industry body RenewableUK Cymru, has been working closely with the Welsh Government to develop the Declaration and the proposals within it.

Taff Ely Wind Farm gets go ahead for repowering

RWE npower renewables has been granted planning approval for the first ever repowering of a wind farm in its UK portfolio. Taff Ely Wind Farm is one of the oldest in our Wales portfolio and has been operating successfully for 20 years.

Repowering is the process by which the turbines at an operating wind farm are replaced with modern, more efficient turbines.



At Taff Ely, the wind farm's existing 20 turbines and associated infrastructure, will be dismantled, removed from the site and where possible recycled or re-used. Seven new, larger turbines and associated infrastructure, including cabling, tracks, access roads and a substation, will be built in place of the original.

The installed capacity of the wind farm is expected to increase from the current 9MW, up to 17.5MW, while

the turbine numbers will be reduced from 20 to just seven.

RWE npower renewables will engage closely with the local supply chain as the project develops towards construction, to ensure a good proportion of local content is included in the build of the wind farm.

The repowering project still has well over another year before beginning to look at options to move into construction, but will aim to engage with prospective local suppliers, as soon as a construction timetable is known. The first crucial steps for the supply chain is to register their interest with RWE npower renewables, by completing and submitting a pre-qualification form. If you have already pre-qualified, you can contact the procurement team and advise them of your interest in this project.

Caption (ABOVE) Operations engineer Simon Ling, above, shows local school children the Taff Ely Wind Farm, in support of Global Wind Day on 15 June, 2013.

For the full story, visit: <http://www.rwe.com/web/cms/en/86182/rwe-innogy/news-press/press/?pmid=4009187>

Wind Farm developers fight for Mid Wales renewables business opportunities

RWE, together with four wind farm developers and a distribution network operator, are taking part in a public inquiry, following Powys County Council's decision to object to a number of large wind farm developments in the area, which could be worth millions of pounds to local business and community investments.

Carnedd Wen Wind Farm and Habitat Restoration Project is RWE's largest onshore wind farm proposal in Wales, with significant potential for the Welsh supply chain, habitat and local community investment.

A socio-economic study into the potential impact of RWE npower renewables' Carnedd Wen Wind Farm and Habitat Restoration Project found that during construction, the project could be worth up to £76m to the supply chain in Wales, while an economic investment package could also be worth at least £12.5million to the local community, over the project lifetime, depending on how the investment is targeted.

The project would require the removal of approximately 1200 hectares of commercial forestry. In total it will take 7 years to remove the majority of the forest and to install the necessary infrastructure for this 50 turbine (up to 150MW) wind farm.

Mid Wales is a crucial area for RWE; it has already established its Wind Farm Service Centre at Llanidloes from where it employs over 30 people at its purpose built facility. These offices maintain wind farms in Wales, the Midlands and South West of England, and support a local supply chain of over 50 mid Wales companies.

All five wind farms involved in the conjoined Public Inquiry were submitted to the Department of Energy and Climate Change under Section 36 of the Electricity Act 1989. Powys County Council is required to make a recommendation to DECC in its role as consultee, and objected to all the wind farms involved. A Public Inquiry is now underway and likely to last for over a year before a decision is able to be made. In the case of Carnedd Wen, this would mean the project will have been in the planning process for at least six years before determination.

Contracting opportunities can be realised and construction can begin once a decision is made.

IN FOCUS: Health & Safety Requirements on Site

PRE-QUALIFICATION

When completing pre-qualification documents, prospective tier 1 contractors must provide details of their Health and Safety policies and procedures, accreditation and their accident record over the last 3 years. The aim of this is to ensure that we are contracting with responsible firms who will carry out the job without compromising safety.

Our collection of submitted pre-qualification documents is reviewed prior to tendering for a new project to identify the tier 1 contractors best suited to the works and site. At this time we will be taking contractors' Health and Safety standards strongly into account.



Construction & Contracts

When beginning a large construction project we tend to procure directly the services of a tier 1 civils contractor and a tier 1 electrical contractor. Sometimes we will directly procure the services of a contractor to carry out enabling works for us as well. We do not procure the services of specialised subcontractors directly, though we are able to include details of nearby subcontractors who have registered with us within the ITT (Invitation To Tender) – creating opportunities for both groups.

Included within our ITTs for construction works is a document detailing the 'Health and Safety Requirements for Contractors on RWE npower Locations'. It is vital that this booklet is properly understood, as it is the responsibility of the tier 1 contractor to ensure that health and safety is managed according to the standards set out. This responsibility applies both to works subcontracted under the tier 1 contractor's remit as well as those carried out by the tier 1 contractor directly.

Health and Safety is always a priority on site, regardless of which works are being carried out. By ensuring standards remain high RWE npower renewables can contribute to creating a safe and effective working environment and improve the project outcome for all involved.

Additionally, in the contract specification, RWE npower renewables will have provided appropriate Health and Safety information to the Contractor with regard to the contract work to mitigate risk.

Typically this information could include details of:

- The environment within which the work will be carried out
- Existing drawings and design information
- Hazardous substances present
- Arrangements for site access
- Temporary accommodation and lay-down and storage areas
- Potential overlaps with RWE npower renewables, and other contractor activities, specific site rules to be observed
- Arrangements for liaison with RWE npower renewables during the execution of the contract.



For further details of our pre-qualification process or to request a Supplier Registration Form please email Matt Mears from our Procurement team at matthew.mears@rwe.com or renewablessuppliers@rwe.com

We hope you found this e-newsletter useful. If you have ideas for what would make it more useful in the future, please let us know. Email: renewablessuppliers@rwe.com