

SCOTTISH AND SOUTHERN ENERGY PLC CONSENT SECURED FOR EUROPE'S LARGEST ONSHORE WIND FARM

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Scottish and Southern Energy plc ("SSE") has been granted consent by Scottish Ministers to develop in southern Scotland a wind farm with a total capacity of up to 456MW. The wind farm will be built in two phases and, on completion, will be the largest onshore wind farm in Europe.

The wind farm, known as Clyde, is located between Biggar and Moffat. It became part of SSE's development portfolio when it acquired Airtricity earlier this year. Scottish Ministers' decision to award consent follows a Public Inquiry into the development, which was concluded in 2006.

As a result of their decision, SSE now has almost 1,500MW of onshore wind farm capacity in operation, in construction or with consent for development in the UK and Ireland, which compares with 875MW when the agreement to acquire Airtricity was announced in January 2008.

The wind farm will eventually have up to 152 turbines and construction work is expected to begin later in this financial year. First commissioning is scheduled for 2010 and completion of both phases scheduled for 2011. Its development is expected to require the investment of around £600m, which is included within SSE's existing plans to invest £2.5bn in renewable energy in the UK and Ireland over the next five years.

It is estimated that around half of the total investment (around £300m) will be placed with Scottish companies and over 200 full time jobs will be created during the three-year construction period. Discussions have been held with South Lanarkshire

Council and Scottish Enterprise Lanarkshire to maximise local supplier involvement in the construction and ongoing maintenance of the wind farm.

SSE is also committed to a community fund to enable local communities to benefit from the development of the wind farm. Discussions with regard to the provision and management of these funds, which are expected to be around £1m a year and centre on a long-term education and skills programme, are currently taking place with South Lanarkshire Council and other representatives of the local community.

Any proposal to construct, extend or operate an onshore wind farm in Scotland with a generation capacity in excess of 50 Megawatts (MW) requires the consent of Scottish Ministers under Section 36 of the Electricity Act 1989. Consent is generally granted with conditions and in this case they include completing ongoing work with NATS on air traffic control radar-related issues.

Including hydro schemes and offshore wind farm developments, SSE now has around 3,500MW of renewable energy capacity in operation, in construction or with consent for development. In addition to Clyde, SSE (including Airtricity) has submitted to planning authorities applications for consent to develop wind farms in the UK and Ireland with a total capacity of around 600MW.

Ian Marchant, Chief Executive of SSE, said:

"I am very pleased that the Clyde wind farm has received consent. It is another example of the value of the Airtricity portfolio of renewable energy projects which we acquired earlier this year and provides us with another major investment opportunity.

"Projects like Clyde are essential if Scotland and the UK are to have any hope of meeting legally-binding EU targets for renewable energy. Scottish Ministers aim to make Scotland the green energy capital of Europe, and giving the Clyde wind farm consent is evidence of a willingness to take decisions which are consistent with that ambition.

"Clyde is clearly going to be a major project, with significant economic opportunities for the local community. Our priority is to satisfy the conditions relating to the consent, including completing our constructive discussions with NATS. We will also ensure that work at the site is carried out in a professional manner, sensitive to the needs and concerns of the local community."

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