

SWDWP PFI Project Welcome!

MVV Industry and Employment Day

Tamar Science Park

19th September 2011

First of all...

What am I doing here?

- ▶ MVV and (most of) its partners may be from Germany...
- ▶ but we will need British suppliers and staff;
- ▶ after all, this project will only be successful by bringing our international experience together with local expertise!



Today, MVV and its partners want to get to know the local supply chain and local job seekers

What this presentation is about

- ▶ 1st part: Introduction and organisational issues
- ▶ 2nd part: Who is MVV?
- ▶ 3rd part: An introduction to the Energy from Waste project including benefits
- ▶ 4th part: Roles and responsibilities of MVV and its partners
- ▶ 5th part: Timetable for the project



Agenda for the day

- ▶ 12 noon: Event opens
- ▶ 12.30 pm: Overview presentation and question and answer session
- ▶ 1.30 pm: Buffet lunch in the reception area
- ▶ 1.30 pm: Start of the Industry and Employment fair in the Baylis Suite
- ▶ 5 pm: Another overview presentation and question and answer session
- ▶ 7 pm: Event closes



Some organisational issues

- ▶ Everyone and every car registered?
- ▶ Information package
- ▶ Do I have to pre-schedule any meetings with MVV or its suppliers?
- ▶ How do I stay in touch with you after the event?

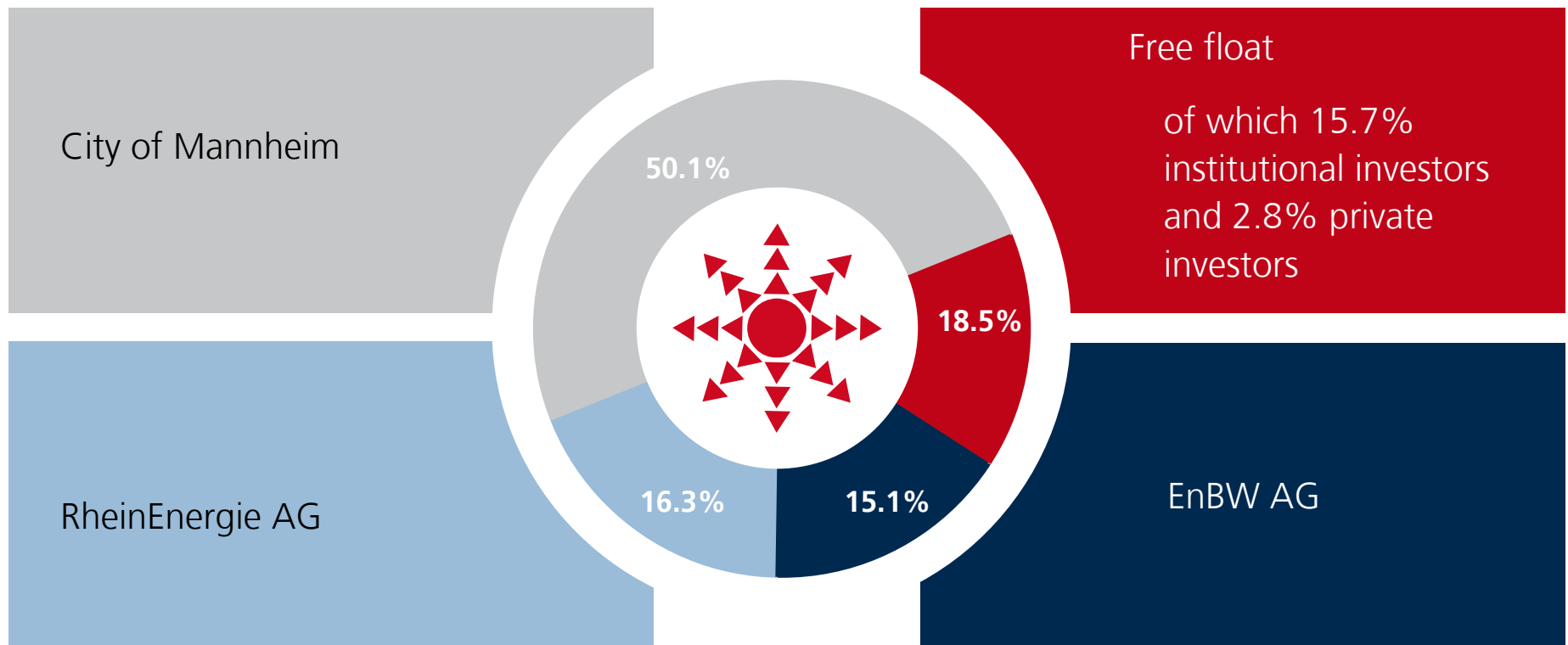


If confused, please ask the people at the registration desk



Introduction to MVV

Shareholder structure of MVV Energie

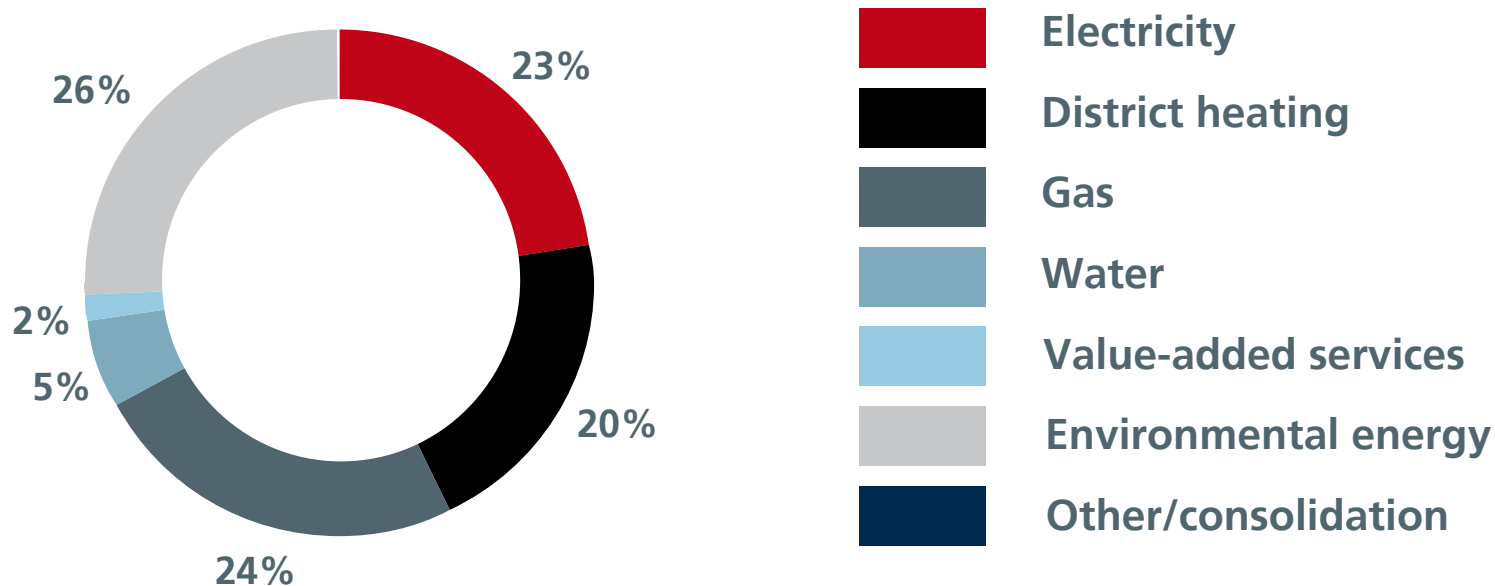


Founded as the utility Company of the City of Mannheim in 1888;

Initial Public Offering of MVV Energie AG in 1999

Adjusted EBIT by segment – well-balanced business portfolio

Adjusted EBIT in 2009/10 financial year



Key figures (2009/10 FY pursuant to IFRS)

Sales*: Euro 3,359 million
Adjusted EBIT: Euro 239 million
Employees: 6,068

* excluding electricity and natural gas taxes

MVV Umwelt is a 100% subsidiary of MVV Energie AG and is responsible for the energy production from waste & waste wood

Energy from Waste Plants



Biomass Power Plants



- ▶ MVV ranks among the market leaders in the German market, No. 3 in the market with an incineration capacity of 1.6 million pa (non-recyclable waste and biomass)
- ▶ Delivery of CHP in Mannheim and Offenbach



- ▶ MVV treats the residual waste of approximately 4 million residents in 19 communities



Introduction to the Energy from Waste project

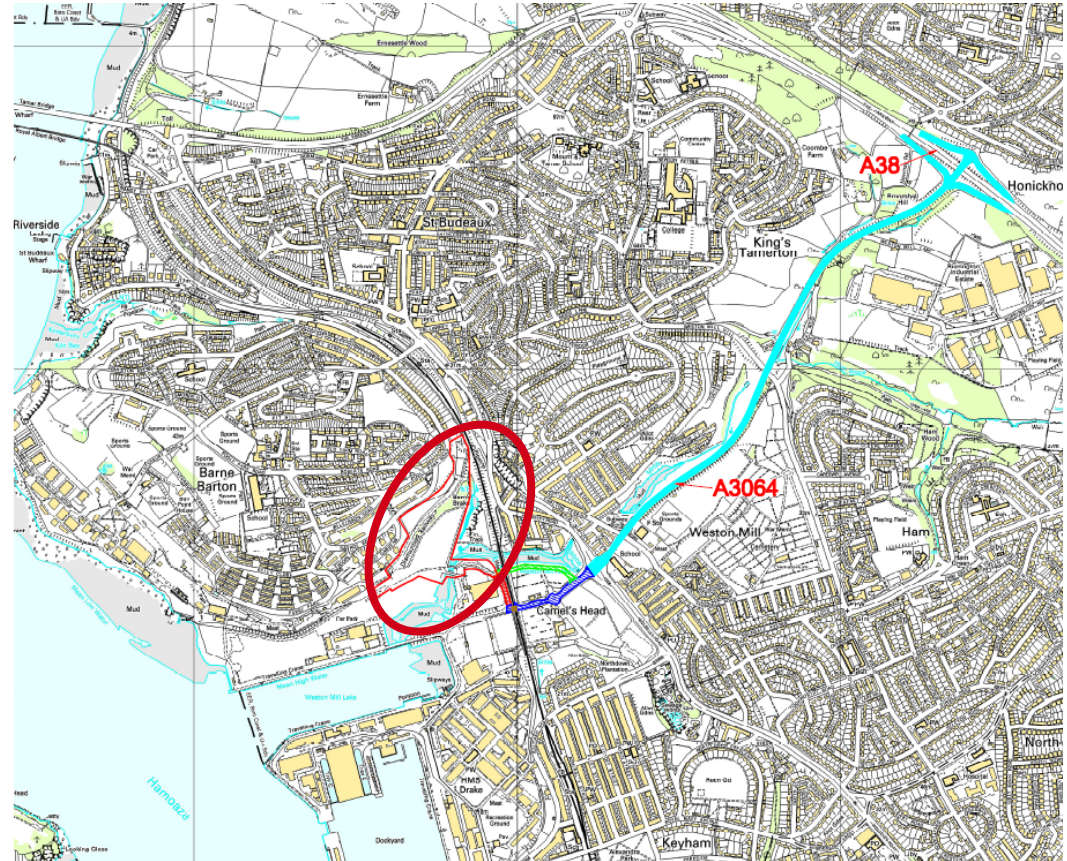
The SWDWP project: How it started

- ▶ April 2008: West Devon, South Hams , Teignbridge (part), Plymouth and Torbay form the South West Devon Waste Partnership
- ▶ Common goal to secure a long-term solution for waste that cannot be re-used or recycled
- ▶ BDFO contract
- ▶ Solution is procured under the Private Finance Initiative
- ▶ 2009: 8 companies bid for the contract
- ▶ End of 2010: Defra confirms PFI credits for SWDWP
- ▶ 2011: MVV is selected as Preferred Bidder and signs a contract with SWDWP for an EfW plant with a capacity of 245,000 tpa
- ▶ Contract time 25 years



Location

- ▶ North Yard of Devonport Naval Base
- ▶ Located in industrial urban context
- ▶ Immediate delivery of combined heat and power
- ▶ Close to major road network
- ▶ Fits with local planning policies



Site scores highly compared to other potential local sites

The site



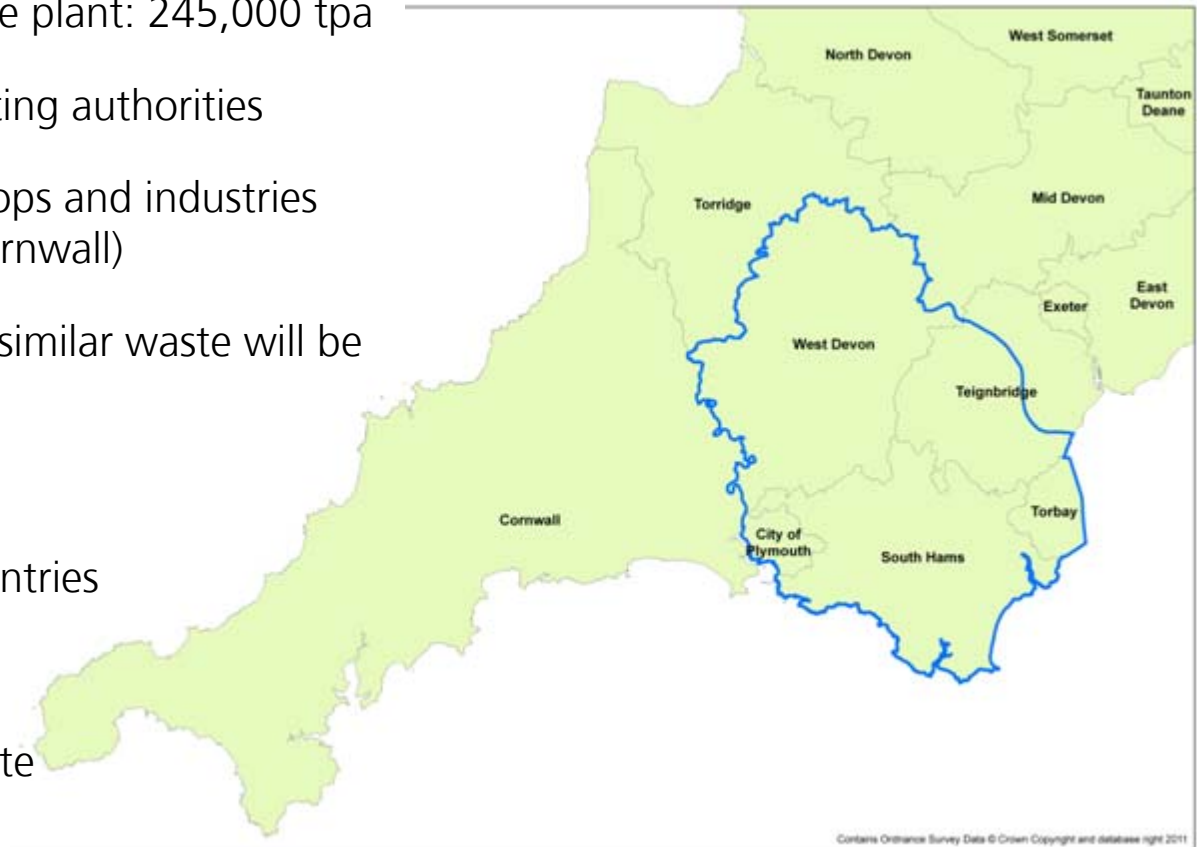
Main access
road

Construction lay
down area

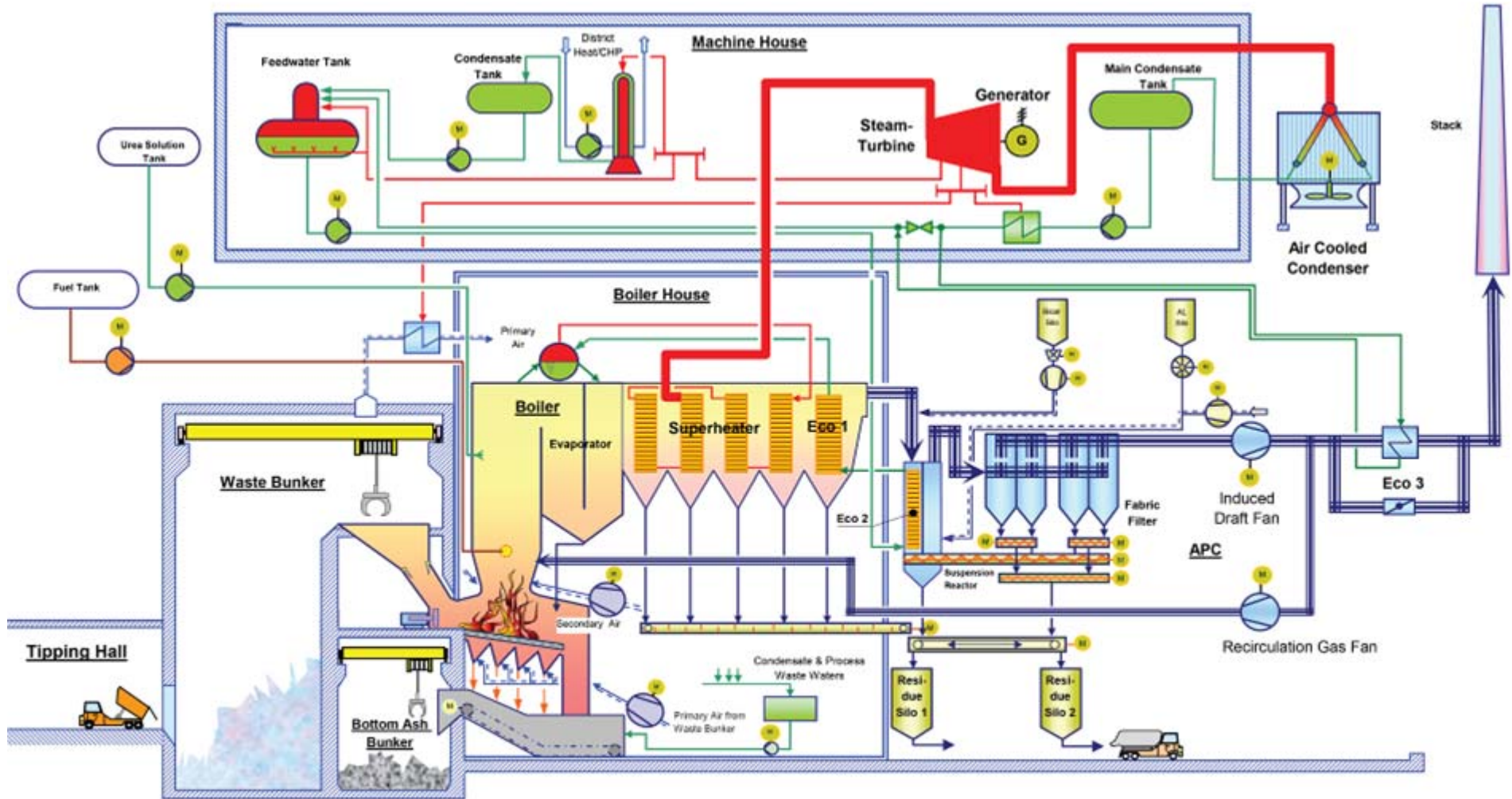
Main facility
area

Where the waste comes from

- ▶ Capacity of the Energy from Waste plant: 245,000 tpa
- ▶ 70% residual waste from contracting authorities
- ▶ 30% residual waste from local shops and industries (Plymouth, Devon and parts of Cornwall)
- ▶ Only residual household waste or similar waste will be accepted
- ▶ MVV will **not**
 - ▶ Import waste from other countries
 - ▶ Burn nuclear waste
 - ▶ Burn hazardous or toxic waste



How Energy from Waste works



What happens to residues

- ▶ Incinerator Bottom Ash (IBA): 57,000 tonnes per year
 - ▶ MVV proposal: Treatment at Whitecleave Quarry in Buckfastleigh
 - ▶ IBA to be used in construction and road works
- ▶ Air Pollution Control (APC) Residues: 8,500 tonnes per year
 - ▶ Transport in sealed containers to Leeds
 - ▶ Treatment and final disposal



Design



Planning process

- ▶ May 2011: MVV submitted Planning Application (PA)
- ▶ June 2011: Series of public exhibitions and setting up of an Incinerator Liaison Committee
- ▶ 22nd December: Date for Planning Committee meeting
- ▶ January 2012: Subject to getting planning permission, construction commences...





Benefits of the solution

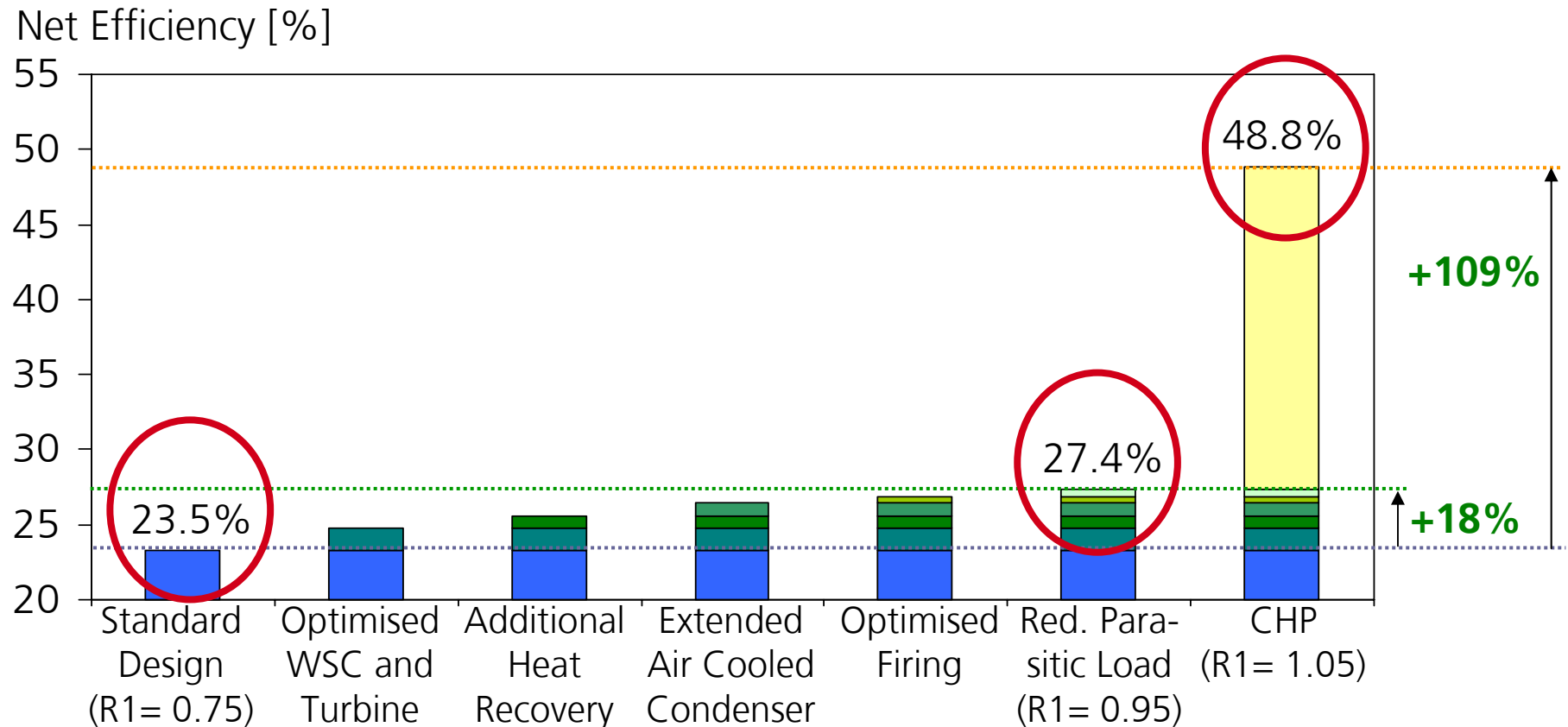
Benefits - environment

- ▶ **Guaranteed 97% waste diversion from landfill**
- ▶ **Expected close to 100% diversion**
- ▶ **Facility will save over 70,000 tonnes of carbon dioxide equivalent per year (equal to 28,000 cars)**
- ▶ **The Naval Base will reduce its emissions and carbon footprint by using EfW green energy**
- ▶ **Produce significant usable energy 50% of which is classed as 'green'**
- ▶ **Provide Naval Base's heating needs with existing heating boilers put on standby**



There are significant economic benefits for several stakeholders

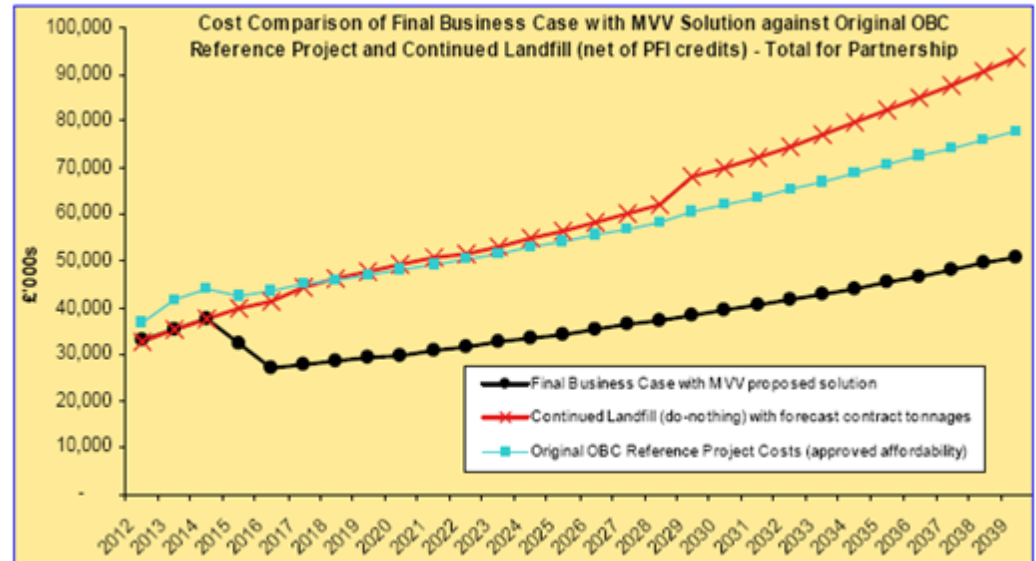
MVV will achieve the highest possible efficiencies



With or without heat, MVV's proposals are very efficient

Benefits - economic

- ▶ At SWDWP projected tonnages MVV's solution will cost £436m (£389m less than OBC estimate)
- ▶ Defra is also providing PFI credits worth £177m over the life of the contract to SWDWP
- ▶ Compared to landfill SWDWP saving is £675m
- ▶ MOD are estimated to save at least 20% through purchase of MVV's energy
- ▶ MVV's solution will also provide jobs and local waste disposal for businesses



There are significant economic benefits for several stakeholders

Benefits – employment and education

- ▶ Up to 300 jobs during construction
- ▶ 33 full time jobs in operation
- ▶ Approx 70 secondary jobs with operations sub-contractors
- ▶ Training opportunities for university and college students
- ▶ Other support for students



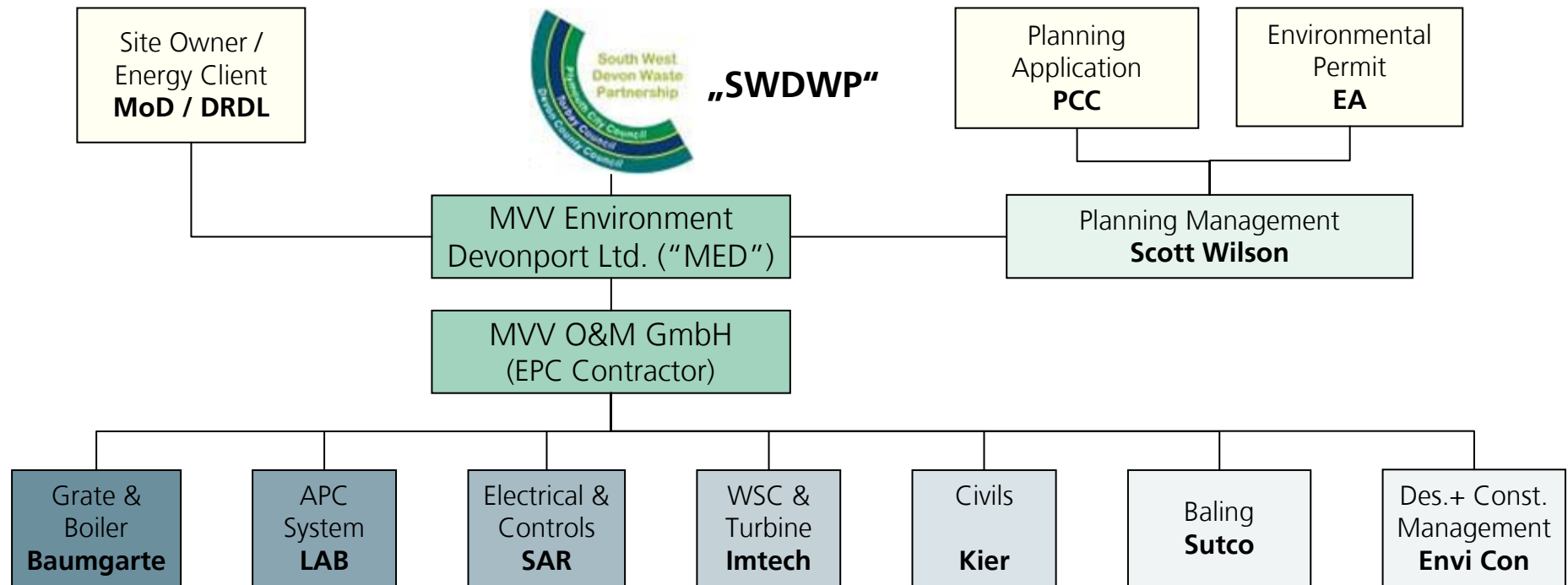
Relationships and trust are being established early on



Roles and responsibilities

SWDWP PFI Project – Engineering Kick-off Meeting

Overall Team Structure



Experienced EPC- and Sub-Contractors deliver a high quality solution



Timetable

Construction programme – subject to planning permission

Milestone

Start Time

- | | |
|-------------------------------------------|---------------------|
| ▶ Early Works (Kier) | End of January 2012 |
| ▶ Civil Works Construction (Kier) | End of April 2012 |
| ▶ Process Installation (BBS, Imtech, LAB) | Beginning of 2013 |
| ▶ Baling Installation (SUTCO) | July 2013 |
| ▶ Electrical Installation (SAR) | April 2013 |
| ▶ Start of Commissioning | Spring 2014 |
| ▶ Service Commencement | Autumn 2014 |



Thank you for listening and have a successful day!