



EIRGRID ANNOUNCES MAJOR REDUCTION IN COST OF DELIVERING GRID25

Thursday, 14 April, 2011 – EirGrid today announced that its Grid25 strategy for upgrading Ireland’s electricity transmission system can be delivered at a lower cost.

Speaking at the launch in Dublin of the company’s 2010 Annual Results, EirGrid **Chairperson Ms Bernie Gray**, stated that the introduction of new technology, the refining of grid projects, and the overall reduction in electricity demand, now meant that Grid25 could be delivered at a cost 20 per cent lower than previously estimated.

“Developing the grid is vital to support high quality power supplies in all regions, to facilitate renewable energy, and to enable high tech industries to be attracted and retained. We are constantly looking at delivering Grid25 as efficiently as possible and we are pleased to be able to confirm this reduction,” said the Chairperson.

Chief Executive Mr Dermot Byrne stated: “Our ongoing analysis shows that reductions are possible, while at the same time delivering a 21st century grid for the people of Ireland. We will continue to engage with the Commission for Energy Regulation to ensure the efficient delivery of this infrastructure.”

The areas where the future reductions have been identified include:

- **New technologies:** EirGrid continuously examines best available technology solutions, selecting the most appropriate solution to each project’s requirements. The use of high-temperature-low-sag (HTLS) conductors for upgrading lines will lead to significant cost reductions and improved delivery times for projects using this new conductor type.
- **Refining and optimising projects:** More detailed studies carried out in the implementation of Grid25 have led to greater definition on scope and in some cases better solutions.

- Drop in electricity demand: Overall, there has been a 5% reduction in demand since 2008. As a result, a small number of projects have been postponed pending future review.

The 2010 Annual Report deals with the EirGrid Group which includes EirGrid as the Transmission System Operator (TSO) in Ireland, as well as its wholly-owned subsidiary System Operator Northern Ireland (SONI), and the operator of the wholesale power market across the island, SEMO (Single Electricity Market Operator).

The Annual Report details a number of significant milestones during the year:

- The securing of funding for the East West Interconnector, which is on track for delivery next year.
- Significant progress on making connection offers under the Gate 3 programme to wind developers, with this phase of the process due to finish on schedule this summer.
- Completion of approximately 150km of new electricity lines along with approximately 300km of upgrades to the transmission system.
- An increase in the amount of wind generation bringing capacity in 2010 to 1,466MW (megawatts) in Ireland, and to 335MW in Northern Ireland.
- System security maintained through a number of severe weather episodes which led to record electricity demand during cold weather in January 2010 and December 2010.

Financial results:

The Annual Report shows that the Group's operating profit for the year to September 2010 was €15.7 million, an increase on the figure of €9.4 million, in 2009.

Revenue for the year to September 2010 was €443.8 million, compared to €410.7 million in the previous year. The increase in revenue was largely due to the inclusion of a full year of turnover in SONI, following its acquisition in 2009.

Financial Highlights €'m

| | 2010 | 2009 |
|------------------|-------|-------|
| Revenue | 443.8 | 410.7 |
| Direct Costs | 346.9 | 330.7 |
| Operating Costs | 81.2 | 70.6 |
| Operating Profit | 15.7 | 9.4 |

ENDS

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