



EIB to invest up to €300 Million in EirGrid East West Interconnector

28th September 2009 – The EirGrid Ireland Wales electricity link received another boost with the granting of a loan of up to €300 million from the European Investment Bank today.

The loan contract was signed today in Dublin Castle this morning by EIB Vice President Plutarchos Sakellaris and the Chief Executive of EirGrid, Dermot Byrne in the presence of the Minister for Energy, Communications and Natural Resources, Mr Eamon Ryan, T.D.

The EIB raises substantial funds on the capital markets which it lends on favourable terms to projects furthering EU policy objectives. Electricity Interconnection between member states in part of the European Energy policy and the planned East West Interconnector between Ireland and Wales is of strategic importance to Europe in helping to create a single European electricity market.

EirGrid Chief Executive, Dermot Byrne said: “Today is a major milestone for Ireland’s electricity infrastructure and for our power market, with the signing of this very important tranche of funding for the East West Interconnector Project. When completed, the interconnector will help ensure secure electricity supplies for consumers, it will promote competition and will enable power to be efficiently transferred between Ireland and Britain, providing Irish wind producers with access to export markets.”

Mr. Byrne said: “We have concluded a number of key phases of this project, with the granting of planning permissions in Ireland and Wales, the completion of sea surveys, and the appointment of contractors to build the interconnector. And now this large scale funding from the EIB, at the most favourable borrowing terms available in the market, is another major ingredient to delivering this crucial infrastructure on target for 2012.”

The East West Interconnector project consists of a high voltage direct current (HVDC) cable link between Ireland and Great Britain. The Interconnector, which will be approximately 260 km long, can carry 500 megawatts of electricity – the equivalent of supplying power to approximately 300,000 homes. This capacity approximates to 10 per cent of peak daily electricity demand in winter in Ireland.

The balance of the EirGrid East West Interconnector will be funded by a combination of further capital investment from commercial banks, EirGrid equity and a €110 million grant from the EU Commission for interconnection.

Ends.

Editor's note:

- EirGrid plc is a leading Irish energy business, dedicated to the provision of transmission and market services for the benefit of electricity consumers. It is a state-owned commercial company. EirGrid holds licences as independent electricity Transmission System Operator (TSO) and Market Operator (MO) in the wholesale trading system in Ireland, and is the owner of the System Operator Northern Ireland (SONI Ltd), the licenced TSO and market operator in Northern Ireland. The Single Electricity Market Operator (SEMO) is part of the EirGrid Group.
- The East West Interconnector will represent an investment of €600 million. ABB, the Swedish engineering firm was awarded the contract to design, manufacture and install the interconnector. It is expected that this project will result in approximately 100 jobs in Ireland and 100 jobs in Wales during the construction phase. The project is due for completion in 2012.
- In the National Development Plan 2007 – 2013, the Irish Government has identified the need for a strategic energy link, in the form of an electrical High Voltage Direct Current (HVDC) interconnector, to be developed between Ireland and the UK.
- The interconnector is being developed by EirGrid, working closely with the Commission for Energy Regulation, and will be owned by EirGrid following its completion.
- The European Investment Bank supports the strategic and policy objectives of the European Union by granting long-term loans for economically viable investment projects.

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