

**24 November 2011**

**Siemens & UPM Caledonian win award for large-scale biomass energy plant  
in Scotland**

**Siemens & UPM Caledonian wins award for low carbon biomass generation  
solution on the largest combined heat and power plant in the UK.**

The role of Siemens' state-of-the-art technology in making large-scale biomass generation a reality was acknowledged last night at the Combined Heat and Power Association Awards in London. Siemens, the leading global engineering and technology company was awarded the Combined Heat and Power Association's Industrial and Commercial Award for its work with UPM's Caledonian paper mill (UPM), a major producer of magazine paper for international markets, for its role in successfully developing one of the largest combined heat and power (CHP) plants in the UK. The 100% biomass solution, which utilises Siemens turbine technology, is enabling the mill to meet over half its electricity needs from renewable sources. Switching to biomass has reduced carbon emissions by 75,000 tonnes per annum - equivalent to 2,500 businesses, or 35,000 homes changing to renewable energy sources. The project highlights Siemens leadership in developing low carbon solutions for its customers in the UK and globally.

The Scottish Government has an ambitious target of 80% of renewable energy generation by 2020. Biomass as a distributed source of energy is a key part of this vision. Scotland has already pioneered a number of key biomass projects - and UPM's Irvine site is one of the largest to date.

UPM's mill is responsible for a third of all industrial and commercial electricity consumed across Ayrshire. With huge amounts of electricity and heat required to drive processes in the pulp and paper industry, UPM was keen to explore ways of reducing its energy costs while improving site competitiveness. Siemens has extensive experience within the pulp and paper industry in the UK, with operational plants such as Markinch Biomass CHP in Fife and Stephen's Croft in Lockerbie and so was a natural partner for the project.

Gordon Mitchell, general manager of UPM Caledonian said: "Winning this major award is recognition for both businesses in their role in driving forward a really key project for UPM Caledonian's business, for the environment, and for Scotland. The Siemens team demonstrated real commitment in working with us to develop the most sustainable solution for our business.."

Siemens custom designed its SST-300 steam turbine to meet UPM's specific requirements at the plant and also provided the control systems. The plant incorporating Siemens technologies has enabled the mill to meet all its steam requirements involved in the production of coated papers - and in particular, drying of the paper . The CHP process supplies approximately 55% of the electricity needed to run the entire site and by switching to biomass fuel UPM has eliminated the need for coal combustion, significantly reducing its on-site fossil fuel combustion and decreased greenhouse gases emissions significantly.

Steve Wildman, director and general manager, Oil and Gas of Siemens plc, commented: "The joint UPM/Siemens teams have worked hard together to develop the best solution for the business over a number of years, and all our hard work has paid off. The plant is delivering energy efficiently and sustainably, and has exceeded expectations in terms of reducing UPM's carbon footprint. This is excellent news for everyone. We are delighted that our achievement has been recognised in this award."

The plant is fully accredited with Ofgem, the industry regulator, within the recently enhanced renewable obligation banding for emerging technologies and has easily met all the Good Quality CHP certification (GQCHP) requirements.

The project was completed in less than two years and became fully operational in April 2009

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**Notes to editors:**

**About Siemens in the UK**

Siemens was established in the United Kingdom 169 years ago and now employs 12,972 people in the UK. Last year's revenues were £4.4 billion\*. As a leading global engineering and technology services company, Siemens provides innovative solutions to help tackle the world's major challenges, across the key sectors of energy, industry, infrastructure & cities and healthcare. Siemens has offices and factories throughout the UK, with its headquarters in Frimley, Surrey. The company's global headquarters is in Munich, Germany. For more information, visit [www.siemens.co.uk](http://www.siemens.co.uk)

*\* Data includes intercompany revenue. Data may not be comparable with revenue reported in annual or interim reports.*

**About UPM Caledonian**

UPM Caledonian is part of the UPM-Kymmene Corporation, a global frontrunner in bio based products. The Caledonian paper mill produces lightweight coated papers for magazine, retail and direct mail end uses. The mill employs 300 employees and started up in 1989. UPM in the UK additionally operates a 100% recycled paper mill UPM Shotton, a forestry company UPM Tilhill, a labels manufacturing site in Scarborough, UPM Raflatac Ltd and sales companies for its wood, paper and composite materials.

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