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News Release

Siemens announces strategic collaboration with UK Power

Networks to help London meet low carbon targets

Following the successful award by Ofgem of £24.26m to UK Power Networks as part of the Low Carbon network funding, industry leaders Siemens, the global engineering and technology company has announced a strategic collaboration with UK Power Networks to develop a programme – Low Carbon London, to help the capital meet its low carbon targets.

London has one of the highest concentrations of electricity demand and CO₂ emissions in Great Britain, and the country's most demanding carbon reduction targets (60% reduction on 1990 levels by 2025). The electricity networks at the heart of the capital are already very highly utilised. The reinforcement required to meet the new demand, which will be created as we embrace low carbon technologies, will be high cost due to the nature of the urban environment, unless we change the way we design and operate our energy systems. Siemens believes that the combination of all these factors makes London uniquely suited to be a test-bed for an urban low carbon project. Key learnings from the programme will inform and eventually enable full-blown development.

Siemens is working with UK Power Networks and a range of other delivery partners to develop a 2020 vision, for energy distribution extending from strategic network planning through operation. The company will be involved in trials with real London customers, which are part of an interdependent series coordinated via the Learning Laboratory at Imperial College, London. These trials, based on detailed Use Case Analysis will create valuable knowledge that will be shared with

all Distributed Network Operators (DNOs) and the industry throughout the project. Trials involve National Grid, suppliers, aggregators, residential and industrial and commercial customers and a focus on electric vehicles (and charging infrastructure), distributed and micro-generation, and the impact on the distribution network of intermittent centralised wind generation. The solution emulates a 2020 energy scenario at scale.

Siemens, which has a world leading sustainable cities technology portfolio, will make use of its experience in smart grids from other global projects, in Europe and North America. The project follows a pioneering strategic partnership between Siemens AG and Masdar City to provide a smart grid and energy efficient building technologies announced in London in October 2010. Low Carbon London represents another opportunity to be involved in a key sustainability project for Siemens and the UK capital city.

Paul Maher, divisional managing director Siemens UK Transmission & Distribution, commenting on Siemens involvement said: "We are delighted to be part of the Low Carbon London initiative to develop the first smart grid for London. This is a project where we can leverage our solutions for sustainable cities and unique Environment Portfolio to help London achieve its low carbon goals."

The project is due to start in January 2011 and the first results of trials will be available within 18 months. Project completion and close down, would be June 2014.

Notes to editors:

About Siemens in the UK

Siemens was established in the United Kingdom 168 years ago and now employs around 16,000 people in the UK. Last year's revenues were £4.1 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 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

Siemens in London

Siemens has a long standing presence in London through key projects in transport, energy and building technologies to support the capital's low carbon vision. Siemens will supply the turbines and grid connections for the London Array wind farm project, which when completed be the largest offshore wind farm in the world powering over a quarter of homes in Greater London. Siemens announced earlier this year a £30 million investment in a new urban sustainability centre which will be a global showcase for urban sustainability technologies in London's Green Enterprise District. In November Siemens was appointed IT and Services Partner for Source London, the pan London scheme to roll-out 13,000 new charging posts to support London's ambition to be the electric vehicle capital of Europe.

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About UK Power Networks

UK Power Networks provides power to a quarter of the UK's population through its electricity distribution networks. We're responsible for delivering a safe, secure and sustainable power supply to eight million homes and businesses across London, the South East and East of England. The company, backed by strong ownership, aims to strengthen links with the local communities we serve, building on the skills base of the 5,500 people who work for us across the network including our major bases in Bury St Edmunds, Ipswich, Potters Bar, London, Crawley and Maidstone.

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