Executive summary

Overview of Statnetts 3 X 60 MW FT8-3 SwiftPac Power plant
Jan 2022
About us

Statnett:
• The Norwegian Transmission System Operator
• A state-owned company with 1576 employees

Our core business is to operate:
• 11 - 12 000 km of high voltage power lines
• 170 electrical substations
• Interconnectors to Sweden, Denmark, the Netherlands, UK and Germany
• and to balance the norwegian electricity market

Our goal is to:
• Secure supply of electricity
• Facilitate the realisation of Norway's climate objective
• Facilitate value creation for our customers and the Norwegian society

M&A/Business development department
• Responsible for asset transactions, mainly acquisition/sale of existing grid and real estate transactions. 4 employees.
Background

- Statnett established the reserve power plant at Nyhamna in 2008 in response to an energy deficit in the region (3 x 60 MW) ("the Assets").

- In 2016 the new transmission line Ørskog-Sogndal was finalized, and the need for reserve power is no longer present.

- Statnett was awarded necessary concession to close down and sell the plant by Norwegian Water Resources and Energy Directorate (NVE) 22. June 2018.

- Statnett accepted a bid for the Assets in January 2020. After a pause in negotiations due to the pandemic, Statnett entered into an agreement for the sale of the assets in July 2021.

- Statnett terminated the agreement for the sale of the Assets on 05.01.2022, due to Sellers non-payment according to milestone payments.

- Statnett is re-initiating the sales process as of 05.01.2022.
Overview of the Nyhamna power plant

Statnetts power plant at Nyhamna (the “Assets”) consists of:

- 3 Pratt & Whitney Power Systems 60 MW FT8-3 SwiftPac dual fuel (gas/diesel) turbine packages
- 2 x water treatment facilities for demineralization of injection water (water is injected to reduce NOx-emissions from 176 ppm to 25 ppm / diesel: to 42 ppm)
- Step up transformer 11,5/132 kV 160 MVA
- Switchgear 11,5 kV / auxiliary equipment

Operation and maintenance:

- The Plant was delivered and is maintained by PW Power Systems (PWPS - formerly Pratt & Whitney ®) a subsidiary of Mitsubishi Heavy Industries Ltd. (MHI)
- The Plant has provided emergency power capacity since 2008, but has only operated for less than 400 hours - for maintenance purposes – only operated on natural gas.
- The SwiftPacs have undergone a full audit, including a Full Load test and boroscope inspection in 2021, by the OEM.
Indicative sales process and milestone plan*

Statnett will facilitate buyer interest on an ongoing basis, with the aim of entering into a contract by the end of Q2*. 

* Statnett reserves the right to change the timeline, sales process or terminate the sales process at any time
Bidding framework and bidding rules

- Indicative non-binding bids are welcome in a mutually exploratory phase to initiate the formal process.

- Only bids using "Bid submission form" will be considered with legal effect.

- Bids will be submitted within the framework of the following:
  - Conditions stated in the "Bid submission form"
    - Subject to any special conditions stated by the bidder
  - Conditions stated in the "Draft contract"
    - Subject to any special conditions stated by the bidder

- Bidding object: minimum 3 SwiftPacs

- Bids are legally binding, however, the bidder may withdraw from the contract following the technical due diligence.
Main commercial terms

- The assets are sold "As-Is, Where is" at the Nyhamna site.

- Demobilization, packing and delivery at port may be facilitated at cost coverage (indicative 2 MUSD).

- Expected sales price: 30 MUSD

- Payment structure:
  - Bid acceptance fee: 100,000 USD (Non-refundable), due one week after bid acceptance
  - Deposit: 2% of sales price, upon signature of asset sales agreement
  - Balance of sales price to be paid to an Escrow account prior to demobiliation, transferred to Statnett upon transfer of ownership.
Contact information

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