



Wheelabrator
TECHNOLOGIES



Funding Statement

Wheelabrator Kemsley Generating Station (K3) and Wheelabrator Kemsley North (WKN) Waste to Energy facility Development Consent Order

PINS Ref: EN010083

Planning Act 2008
The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009
Regulation: 5(2)(h)

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1. Introduction

- 1.1 This statement accompanies an application for development consent (the "Application") by WTI/EFW Holdings Ltd ("the Applicant") for two onshore generating stations - the Wheelabrator Kemsley K3 Generating Station ("K3") and Wheelabrator Kemsley North Waste-to-Energy Facility ("WKN").
- 1.2 The draft DCO is not seeking compulsory purchase powers, and therefore a Funding Statement is not strictly required; however, it is considered best practice to provide a statement to explain the corporate structure of the Applicant and its capability, including the availability of funding, to deliver the Proposed Development.
- 1.3 This statement confirms the Applicant's ability to fund the construction, operation and maintenance of the Proposed Development.

2. The Applicant & Parent Company

- 2.1 The Applicant is a subsidiary of Wheelabrator Technologies Inc ("WTI"), the second largest US waste-to-energy business and an industry leader in the conversion of everyday residential and business waste into clean energy. It currently has a platform of 25 strategically located assets across the US and UK —19 waste-to-energy facilities (three under construction), two waste fuel facilities as well as four ash monofills.
- 2.2 WTI also recovers metals for recycling at two advanced metals recovery systems and one central upgrade facility. WTI currently has an annual waste processing capacity of over 7.2 million tonnes (8 million tons), and a total combined electric generating capacity of 732 megawatts—enough energy to power more than 671,100 US homes.
- 2.3 WTI is owned by Macquarie Infrastructure and Real Assets, a business within the Macquarie Asset Management division of Macquarie Group and a global alternative asset manager focused on real estate, infrastructure, and agriculture and energy assets. Established in 1996, Macquarie Infrastructure and Real Assets has approximately US\$129 billion of total assets under management as of September 30, 2018.

3. The Proposed Development

- 3.1 The Proposed Development comprises the construction of K3 at its total generating capacity of up to 75MW (49.9MW consented + 25.1MW upgrade) together with its proposed tonnage throughput of up to 657,000 tonnes per annum (550,000 consented + 107,000 tonnage increase).
- 3.2 K3 will combust post-recycled solid recovered fuel waste, commercial and industrial waste and pre-treated municipal solid waste to produce electricity which is exported to the national grid and steam which is supplied to the adjacent DS Smith Kemsley Paper Mill for use in the paper-making process.
- 3.3 K3 as consented under its current Town and Country Planning Act 1990 planning permission is under construction and is expected to be operational in late 2019. This represents a significant investments already on the part of WTI and demonstrates its commitment to investment in and delivery of major infrastructure at this site.
- 3.4 Development consent is also being sought for the proposed new WKN waste-to-energy facility, capable of processing 390,000 tonnes of waste per annum, with a generating capacity of 42MW.

The electricity produced will be exported to the distribution network, owned and operated by UK Power Networks. The grid connection will be via the existing substation located within the DS Smith paper mill site to the immediate west.

- 3.5 The level of interest received from potential fuel suppliers in relation to K3 and WKN has demonstrated that there is sufficient demand and fuel availability to justify both projects.
- 3.6 A detailed description of all the elements of the Proposed Development is provided in Chapter Two of the Environmental Statement - "Site Description and Proposed Development" (Application Document Ref. No. 3.1).
- 3.7 It is currently anticipated that (subject to a DCO being granted and a final investment decision being made) work will commence on the Proposed Development in 2021, with construction of WKN expected to take 40 months.

4. The Application Site

- 4.1 A detailed description of the Application Site is provided in Chapter Two of the Environmental Statement - "Site Description and Proposed Development" (Application Document Ref. No. 3.1).
- 4.2 The land required for K3 and WKN is in the ownership of DS Smith Paper Limited, or that of subsidiary entities controlled by it. DS Smith owns and operates the Kemsley Paper Mill on immediately adjacent land to the west.
- 4.3 The Applicant has entered into a lease with DS Smith in respect of the Order land required for K3, under which it is granted all the interests and rights that are necessary for the construction, operation and maintenance of K3.
- 4.4 At the time of making this application, the Applicant and DS Smith have agreed to enter an agreement for lease of the Order land required for WKN, under which it will be granted a long-term lease for all the interests and rights that are necessary for the construction, operation and maintenance of WKN, should development consent be granted.
- 4.5 The only land within the Order limits that is not owned by DS Smith (or related entities or subsidiaries) and hence not covered by the above arrangements, is plots 17 and 18, which are owned by the Port of Sheerness and are required for surface water outfalls to the Swale Estuary. The Applicant has reached agreement in principle with the Port of Sheerness for the acquisition of necessary rights by private treaty, and this agreement is being formalised and expected to be complete before the end of examination of the application.
- 4.6 DS Smith and the Applicant have also agreed various licenses as are necessary for temporary access and use of land for construction purposes that falls outside the demised lease areas but within the Order land.
- 4.7 All interests and rights in the Order land for K3 and WKN have been or will be acquired by private treaty, and the Applicant does not seek any powers to acquire land or rights compulsorily.

5. Conclusion

- 5.1 The Applicant is a subsidiary of Wheelabrator Technologies Inc., which is owned by Macquarie Infrastructure and Real Assets. Both Wheelabrator Technologies Inc. and Macquarie are well-established and recognised companies that benefit from substantial funds.
- 5.2 The Applicant has acquired the necessary interests and rights for the land within the Order limits for K3, and it has entered private treaty agreements for all of the land within the Order limits that

is required for WKN. Therefore, no compulsory acquisition of interests or rights in land is being sought.

- 5.3 As no compulsory acquisition is required, it is anticipated that there is limited likelihood of any claims for compensation (including blight) and that even if such claims were to be made, the total costs involved would be very low.
- 5.4 The Applicant will obtain financial backing for the Proposed Development from WTI. This will be committed by the presiding board of WTI. This would also involve providing funding for any compensation.