Rampion 2 Wind Farm

Category 4: Compulsory Acquisition

Funding Statement

Date: August 2023
Revision A

Document Reference: 4.2

Pursuant to: APFP Regulation 5 (2)(h)
Ecodoc Reference: 004866008-01

Document revisions

Revision	Date	Status/reason for issue	Author	Checked by	Approved by
A	04/08/2023	Final for DCO Application	Eversheds Sutherland	RED	RED

Table of Contents

1 INTRODUCTION

1.1 This Funding Statement forms part of an application submitted by Rampion Extension Development Limited ("RED" or "the Applicant") for the Development Consent Order ("DCO") which seeks development consent for a new offshore windfarm 'Rampion 2' (the "Proposed Development") with an output in excess of 100 megawatts (MW). The Proposed Development is adjacent to the Rampion 1 Offshore Windfarm in the English Channel, 13km to 25km off the Sussex coast. The Proposed Development also includes offshore and onshore electricity transmission infrastructure, including a new onshore substation that will connect to the existing National Grid substation at Bolney, Mid Sussex.

1.2 Further details on the Proposed Development is contained in ES Chapter 4: Proposed Development (Volume 2) (Document 6.2.4).

1.3 This Funding Statement is submitted pursuant to Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 (as amended) ("the Regulations") and is required because the DCO, if made, would authorise the compulsory acquisition of land, new rights and restrictive covenants. Regulation 5(2)(h) requires an explanation of how an order containing the authorisation of compulsory acquisition is proposed to be funded.

1.4 The Applicant has also, in preparing this Funding Statement, taken into account guidance contained in paragraphs 17 and 18 of the "Guidance related to procedures for the compulsory acquisition of land" (September 2013) ("the Compulsory Acquisition Guidance")[1].

1.5 This Funding Statement is therefore provided to satisfy Regulation 5(2)(h) and the Guidance noted above and should be read alongside the other application documentation and in particular:

1.5.1 The Statement of Reasons (Document 4.1);

1.5.2 The Book of Reference (Document 4.3); and

1.5.3 The Land Plans (Document 2.1.1 and 2.1.2).

[1] Issued by the Department of Communities and Local Government as it was then titled, in September 2013.

2 THE APPLICANT

2.1 The Applicant is a joint venture company called Rampion Extension Development Limited ("RED") (Company Registration Number: 12091939).

2.2 RED is a joint venture between RWE Renewables UK Limited, Enbridge Rampion UK II Limited, and a Macquarie-led consortium. RWE and Enbridge are also legacy shareholders in the Rampion 1 project. RWE is the majority shareholder and development service provider for the RED joint venture.

2.3 RWE AG (which is the ultimate Parent Company of RWE Renewables UK Limited) is a global energy company and one of Europe's five leading electricity and gas companies. It has significant expertise in gas and lignite production, in electricity generation from gas, coal, nuclear and renewables, and in energy trading as well as electricity and gas distribution and supply. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE has locations in Europe, North America and the Asia-Pacific region. It was rated as Baa2 by Moody's and BBB+ by Fitch, as of December 2022.

2.4 Enbridge is a leading North American energy infrastructure company with natural gas, oil and renewable power networks and a growing European offshore wind portfolio. Enbridge Inc. was most recently rated as Baa1 by Moody's and BBB+ by Standard & Poor's, with a stable outlook.

2.5 The Macquarie consortium, which is an investor in many other UK renewable energy assets, includes Corio Generation, USS pension fund (Universities Superannuation Scheme Limited), Ontario Limited, and regulated funds Macquarie European Investment Fund (MEIF 5) Lux SCSp MEIF 5 LP.

2.6 The Applicant's ultimate parent companies and investors have significant assets and financial resources available to them, a summary of which is provided in the table below. The combined value of the regulated funds MEIF 5 Lux SCSp MEIF 5 LP was approximately EUR €4.8 billion as at the end of March 2023.

Entity	**Total Assets**	**Document**
RWE AG	Euros €121,859,000	**Appendix 1**- Extracts from the Interim Statement on the first quarter of 2023
Enbridge Inc.	CAD $179,608,000,000	**Appendix 2** – Extracts from the Enbridge 2022 Annual Report
Macquarie Group	AUS $387,872,000,000 as at 31st March 2023	**Appendix 3** - Macquarie Group Annual Report, Year Ended 31 March 2023
Universities Superannuation Scheme Limited	£15,052,000 Net Current assets of scheme at 31st March 2022	**Appendix 4** - Universities Superannuation Scheme Report and Accounts for the year ended 31 March 2022
Ontario Limited	CAD $316,320,000,000	**Appendix 5** - Ontario Teachers' Pension Plan 2022 Annual Report

3 COST OF ACQURING LAND AND INTERESTS SUBJECT TO COMPULSORY ACQUISITION

3.1 The costs of acquisition of the land, rights and restrictive covenants required for the Proposed Development (whether by voluntary agreement with the relevant parties or through the exercise of compulsory acquisition powers in the DCO) will be funded by the Applicant via its shareholders. The Applicant is satisfied that the requisite amount of funding will be available to meet this cost.

3.2 The Applicant has taken professional advice from expert chartered surveyors, Carter Jonas, in relation to the estimated compensation liability that could arise from the compulsory acquisition of the land, the acquisition of new rights, the imposition of restrictive covenants, the temporary use of land, and the interference with existing rights as a result of the exercise of the powers in the DCO.

3.3 The total estimated compensation liability for all of the outstanding interests in the event that these are acquired pursuant to powers of compulsory acquisition is £14.8 million.

3.4 This includes advice upon the value of the land or rights/restrictions acquired; compensation for severance and injurious affection pursuant to section 7 of the Compulsory Purchase Act 1965; potential Part 1 Land Compensation Act 1973 claims and section 10 Compulsory Purchase Act 1965 injurious affection claims; and statutory blight. A provision has also been included for losses arising from the exercise of the temporary possession powers sought under the DCO.

3.5 The Applicant's assessment of the compensation payable for the exercise of compulsory acquisition powers has been undertaken in accordance with the body of statute and case law known as the "Compensation Code". The compensation payable for the compulsory acquisition of new rights and imposition of restrictive covenants for the onshore cable infrastructure therefore includes the estimated compensation for the acquisition of the rights and restrictions, crop loss and disturbance compensation, tax (where applicable), professional fees and statutory interest.

3.6 In view of the level of information available to inform the valuation estimate at this stage, a general contingency of 20% has been added to all items included in the estimate.

3.7 The cost of compensating affected parties will be met by the Applicant from funding to be drawn down from its shareholders, via the mechanism that is further explained in section 4 below. The monies will be secured in accordance with the Funding Guarantee (see below).

3.8 As such, barring any unprecedented and unforeseen circumstances, no funding shortfalls are anticipated. The Applicant therefore will have the funds available to meet the estimated compensation liability that could flow from the exercise of compulsory acquisition powers pursuant to the DCO. The possibility of the Applicant being unable to meet its financial commitments in respect of land assembly is extremely remote as demonstrated by the sound credit rating and extensive assets of its shareholders.

Blight

3.9 The Applicant has taken advice from Carter Jonas and does not anticipate there to be any persons who meet the statutory criteria for a valid blight notice.

3.10 Nor, through the course of consultation and negotiations with landowners and occupiers along the route, has either the Applicant or Carter Jonas been made aware of any parties intending to serve a Blight Notice; or of any attempts to sell any of the affected land or property that has resulted in it only being able to be disposed of at a significantly lower price than it would have been expected to sell.

3.11 Should any claims for blight arise, the compensation for and costs of acquiring the land pursuant to a valid blight notice will be met by the Applicant via its shareholders. Due to the low risk of a valid blight claim no express provision is made for such payments but the total estimated compensation assessment of £14.8 million referred to above, which includes a 20% general contingency, is considered to be sufficient to cater for blight claims should they arise .

Funding Guarantee

3.12 The Applicant has considered the funding of compulsory acquisition compensation costs in light of the approach followed on other NSIP applications and subsequently approved following examination.

3.13 As such, the Applicant has included Article 52 in the DCO which provides that compulsory acquisition powers contained in the DCO must not be exercised unless a guarantee (or an alternative form of security) in respect of the liabilities of the undertaker to pay compensation in respect of the exercise of the relevant powers is in place.

3.14 The form and the amount of the guarantee (or other form of security) must be approved by the Secretary of State. It will be for the Secretary of State to satisfy themself in relation to the adequacy and amount of the guarantee (or other form of security) provided at the relevant time.

3.15 The Applicant has given consideration to whether the approval of the form or quantum of the guarantee (or other form of security) should be delegated to the local planning authorities within those areas the land and rights to be acquired are situated. Due to the fact that the Proposed Development spans the administrative areas of several local planning authorities and may necessitate multi-party discussions on numerous occasions, this is considered to be an unnecessary burden for those authorities and the Applicant. As such, the Applicant considers it appropriate that this control be exercised by the Secretary of State as a single approval. This approach accords with the approach in the Hornsea Offshore Wind Farm Project Three DCO and the Triton Knoll Electrical System DCO.

3.16 Article 52(3) of the DCO ensures that the guaranteed funding will be held by a means that is directly accessible to persons entitled to compensation.

3.17 Article 52 of the DCO therefore ensures that adequate funding is in place before any compulsory acquisition compensation liability arises.

4 FUNDING THE PROPOSED DEVELOPMENT

4.1 The current cost estimate for Rampion 2 is approximately £3 billion. This cost estimate includes construction costs, development costs, project management costs, financing costs and land acquisition costs.

4.2 The Applicant has assessed the commercial viability of Rampion 2 and is confident that Rampion 2 will be commercially viable based on the reasonable assumption that it receives the key consents it requires, including the DCO, and that a Final Investment Decision is taken, indicating the final unconditional decision of the shareholders to invest in the construction of the wind farm and associated infrastructure. This approach is the standard model for development of offshore wind projects.

4.3 The Applicant is a special purpose vehicle, which currently does not have substantial assets of its own. It is funded by its shareholders on the basis of a rolling budget looking ahead to anticipated expenditure. It is envisaged that the funding mechanism for Rampion 2 will be via funding from the Applicant's shareholders, for which approval will be obtained via a "Gate" approval processes. The Gate process involves the review of the project, and approval to proceed, at specific "Milestone" points in the project development, culminating in the Financial Investment Decision.

4.4 This funding mechanism will meet the capital expenditure for Rampion 2, including the cost of acquiring the required land and the necessary rights over land (whether compulsorily or by agreement) and any compensation otherwise payable as a result of the exercise of the powers in the DCO.

4.5 This funding model has been successfully deployed on RWE projects in the past, such as the 400MW Rampion offshore windfarm project, which was developed by a Joint Venture owned 50.1% by E.ON (RWE's predecessor company, 25% by the Green Investment Bank (Macquarie's predecessor), and 24.9% by Enbridge.

4.6 Given the substantial resources of the Applicant's shareholders, and their experience of delivering similar energy projects, the Applicant is confident that the required funding for the Proposed Development will be available in the period during which compulsory acquisition powers would be exercisable by the Applicant under the DCO, if it is made.

5 CONCLUSIONS

5.1 This Funding Statement demonstrates that the compensation arising from the exercise of compulsory acquisition powers pursuant to the DCO will be met, including any blight claims (howsoever unlikely); and demonstrates that the necessary outstanding funding for the delivery of the Proposed Development will be secured.

5.2 Accordingly, were the Secretary of State to grant the compulsory acquisition powers sought in the DCO, the Proposed Development is likely to be undertaken and not be prevented due to difficulties in sourcing and securing the necessary funding.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 1:

Extracts from RWE Interim Statement on the first quarter of 2023

RWE

Interim statement on the first quarter of 2023

RWE confirms earnings forecast for 2023 // Q1 adjusted EBITDA of €2.8 billion significantly higher year on year // Investments in green growth hit record high of €5.4 billion // Acquisition of Con Edison Clean Energy Businesses completed: RWE now second-largest solar power producer in the USA

Contents

At a glance

RWE Group – key figures[1]		Jan – Mar 2023	Jan – Mar 2022	+/–	Jan – Dec 2022
Power generation	GWh	37,196	39,366	-2,170	156,794
External revenue (excl. natural gas tax / electricity tax)	€ million	9,409	7,998	1,411	38,366
Adjusted EBITDA	€ million	2,798	613	2,185	6,310
Adjusted EBIT	€ million	2,303	251	2,052	4,568
Income before tax	€ million	1,915	2,729	-814	715
Net income / income attributable to RWE AG shareholders	€ million	1,598	2,166	-568	2,717
Adjusted net income	€ million	1,671	2	1,669	3,253
Cash flows from operating activities	€ million	886	2,688	-1,802	2,406
Capital expenditure	€ million	5,432	562	4,870	4,484
Property, plant and equipment and intangible assets	€ million	874	471	403	3,303
Acquisitions and financial assets	€ million	4,558	91	4,467	1,181
Proportion of taxonomy-aligned investments[2]	%	90	–	–	83
Free cash flow	€ million	-4,468	2,134	-6,602	-1,968
Number of shares outstanding	thousands	743,841	676,220	67,621	691,247
Earnings per share	€	2.15	3.20	-1.05	3.93
Adjusted net income per share	€	2.25	–	2.25	4.71
		31 Mar 2023			31 Dec 2022
Net debt (–) / net cash (+)	€ million	-5,707			1,630
Workforce[3]		19,275			18,310

1 Some prior-year figures restated; see commentary on page 7.
2 Taxonomy-aligned activities are economic activities which meet criteria under the EU Taxonomy Regulation.
3 Converted to full-time positions.

Major events

RWE acquires Con Edison's renewable energy business. On 1 March 2023, we completed our acquisition of Con Edison Clean Energy Businesses (Con Edison CEB), one of the leading US renewable energy companies. US-based Con Edison was its parent prior to the takeover. Con Edison CEB has 3.1 GW of generation capacity, 90 % of which is solar. This portfolio is complemented by a development pipeline of more than 7 GW. With the addition of the Con Edison CEB portfolio, RWE has become the fourth-largest renewables player in the USA and the second-largest in the field of photovoltaics.

The purchase price was based on a valuation of US$6.8 billion. It was financed in part with the issuance of a mandatory convertible bond to Qatar Holding LLC, a subsidiary of the Qatar Investment Authority. The €2,428 million bond was issued on 10 October 2022 and converted into 67,621,169 new RWE shares on 15 March 2023. The total number of RWE shares outstanding is now 743,841,217. The stake held by Qatar Holding LLC represents 9.1 % of this increased capital stock. The new shares are already dividend bearing for fiscal 2022.

As soon as the acquisition of Con Edison CEB was completed, we consolidated our US onshore wind, solar and battery storage activities to form RWE Clean Energy, LLC. The company has a workforce of around 1,500 employees, operates renewables assets with a total capacity of 8 GW, and has a development pipeline of more than 24 GW.

North Sea wind farm Kaskasi begins regular operations. In the presence of Federal Minister for Economic Affairs and Climate Action, Robert Habeck, at the end of March, we inaugurated Kaskasi, our new German offshore wind farm. The farm is located 35 kilometres to the north of Heligoland and has a capacity of 342 MW. All 38 of its turbines have been online since late 2022. The ceremony marked Kaskasi's move into regular operations, following a test period during which it was already producing electricity. We are the sole owners of the wind farm and have invested around €840 million in the project. Three turbines were fitted with recyclable rotor blades from Siemens Gamesa, which feature a new resin that allows for the different materials to be separated after use. Kaskasi is the first wind farm in the world to use these environmentally friendly rotor blades.

RWE acquires solar developer in the UK. By acquiring JBM Solar in early March, we laid the foundation for the accelerated expansion of photovoltaics in the UK. The company is headquartered in London and specialises in developing solar and battery storage projects. It has a 6.1 GW development pipeline, of which 3.8 GW is in photovoltaics and 2.3 GW is in battery storage. The transaction has placed RWE amongst the top three solar developers in the UK. Most of JBM Solar's projects are being delivered in the Midlands and the South of England. We expect the first assets in the pipeline to become operational in late 2024.

RWE acquires Dutch gas-fired power station Magnum. On 31 January, we acquired the Magnum gas-fired power plant in the Netherlands from Vattenfall. The facility has been in operation since 2013, and has a net capacity of 1.4 GW. It is considered to be one of the most modern power stations in the Netherlands. The preliminary purchase price is €443 million. The transaction includes a neighbouring solar farm with a generation capacity of 5.6 MW. Magnum is located a stone's throw away from our Eemshaven power station, which runs on hard coal and biomass. We expect to leverage considerable synergies from the joint use of the local infrastructure. Another standout feature of our new gas-fired power station is that it can be operated with 30 % hydrogen after basic technical conversions. There is also the option to transition to 100 % hydrogen in the long term. This will allow Magnum to be part of the future hydrogen infrastructure which we are looking to build together with local energy and manufacturing partners in the province of Groningen.

Grid stability reserve plant commissioned in Biblis. Our new 300 MW gas-fired power station in Biblis, South Hesse, Germany, went online in March. We invested around €210 million in the project, which took about two years to build. The facility will not be used to generate power for the electricity market, but will instead only fire up when prompted by the transmission system operator. Its sole purpose is to help stabilise grid frequency, thus contributing to security of supply.

RWE successful at British capacity market auction. At a British capacity market auction held in February, all participating RWE power stations secured a capacity payment. The call for bids related to the period from 1 October 2026 to 30 September 2027. We submitted qualifying bids for RWE stations with a secured capacity of 6,638 MW, most of which are gas-fired. The auction cleared at £63 / kW (plus inflation adjustment). We will receive payments for making our assets available during the above period and thus contributing to power supply.

RWE's last nuclear plant taken off the grid. On 15 April, our last German nuclear power station went offline. The Emsland plant near Lingen had a net capacity of 1,336 MW and had been used to securely produce zero-carbon electricity since 1988. It was one of three German nuclear power plants that was still online in 2023. Originally, the assets should have been decommissioned at the end of last year in line with the German nuclear phaseout. However, the German government delayed regulatory decommissioning by three-and-a-half months to mid-April to ensure security of supply in the 2022 / 2023 winter.

RWE and Equinor agree strategic partnership. In January, RWE and Norwegian energy company Equinor entered into a strategic partnership to drive the ramp-up of the hydrogen economy and the expansion of renewables. The two companies are working towards harnessing Norwegian hydrogen to decarbonise the German energy industry through a number of large-scale projects. The plan is for Equinor to create up to 2 GW of capacity for producing 'blue' hydrogen in its domestic market of Norway by 2030. Blue hydrogen is derived from methane and the resulting carbon dioxide is stored underground. The hydrogen would be transported via a North Sea pipeline to Germany, where it could be used e.g. for power generation. RWE and Equinor are looking to construct hydrogen-capable gas-fired power stations totalling 3 GW over the current decade. In addition, the partners are considering building offshore wind farms and electrolysers near the North Sea pipeline, so green hydrogen, which is expected to slowly replace blue hydrogen, can be fed into the pipeline. The partnership with Equinor also includes wind energy projects in Norway and Germany that are exclusively focused on power generation. The realisation of these major joint ventures is largely contingent on the completion of the aforementioned North Sea pipeline. Furthermore, this requires that Germany have a suitable regulatory framework for investments in new gas-fired power plants as well as sufficient hydrogen infrastructure.

RWE issues two green bonds totalling €1 billion. To improve our fiscal headroom for growth investments, we issued two green bonds in February with a nominal value of €0.5 billion each. The papers have a respective term of six and twelve years with a respective coupon of 3.625 % and 4.125 %. In all, seven green bonds with a nominal volume of €4.85 billion are currently outstanding. The funds raised through their issuance must be used for projects that benefit the environment and climate. We will use the proceeds for wind and solar projects.

Dividend of €0.90 per share paid. The Annual General Meeting of RWE AG held on 4 May approved the dividend proposed by the Executive Board and the Supervisory Board for the past fiscal year by a substantial majority. We therefore paid a dividend of €0.90 per share on 9 May. This is equal to last year's dividend.

New directive: EU lays foundations for accelerated expansion of renewables. The European Parliament and the Council of Ministers reached an agreement on the Renewable Energy Directive in late March. The reform was necessitated by the EU's revised ambition to keep greenhouse gas emissions at least 55 % below 1990 levels by 2030, thus raising its previous target of 40 %. The new directive therefore establishes a more ambitious target for renewables expansion, which should account for 42.5 % of overall energy consumption by 2030, up from the current 32 % target. It is the first time that objectives for individual sectors have been agreed. Industry, for example, is required to increase the share of renewables in its energy mix by 1.6 % annually. The directive is intended to help member states prevent legal challenges from holding back renewables expansion and help expedite permitting procedures. Green power projects are now granted permanent legal priority. This principle was first introduced in late 2022 as part of a temporary emergency EU regulation. These projects are now treated as being of 'overriding public interest'. In addition, member states will be able to designate dedicated 'go-to' areas for renewables projects. The directive still needs to be formally approved and transposed into national law.

Balance sheet

Assets € million	31 Mar 2023	31 Dec 2022
Non-current assets		
Intangible assets	9,637	5,668
Property, plant and equipment	28,048	23,749
Investments accounted for using the equity method	3,994	3,827
Other non-current financial assets	5,214	4,434
Derivatives, receivables and other assets	4,204	4,002
Deferred taxes	641	606
	51,738	**42,286**
Current assets		
Inventories	1,816	4,206
Trade accounts receivable	7,936	9,946
Derivatives, receivables and other assets	44,100	61,035
Marketable securities	8,848	13,468
Cash and cash equivalents	6,795	6,988
Assets held for sale	626	619
	70,121	**96,262**
	121,859	**138,548**

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

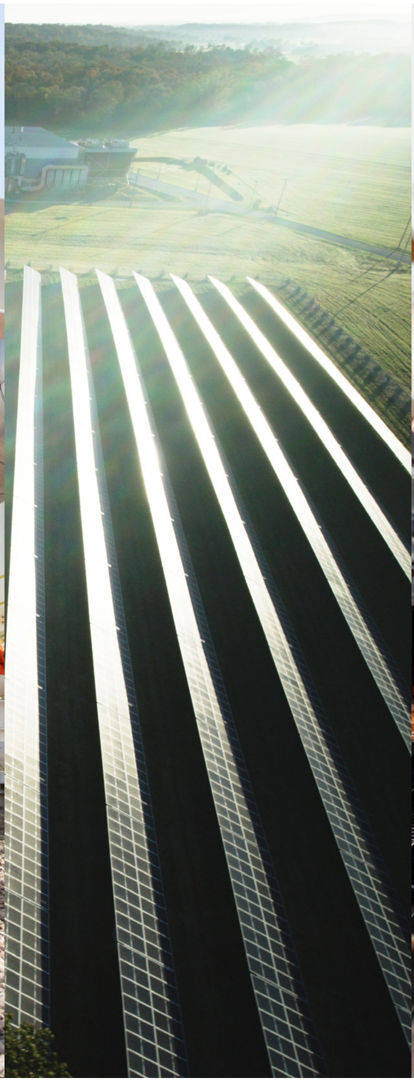
FUNDING STATEMENT APPENDIX 2:

Extracts from the Enbridge 2022 Annual Report

Tomorrow is on

2022 Annual Report



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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-15254

ENBRIDGE INC.
(Exact Name of Registrant as Specified in Its Charter)

Canada	**98-0377957**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

200, 425 - 1st Street S.W.
Calgary, Alberta, Canada T2P 3L8
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(403) 231-3900**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	ENB	New York Stock Exchange
6.375% Fixed-to-Floating Rate Subordinated Notes Series 2018-B due 2078	ENBA	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common shares held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2022, was approximately US$85.6 billion.

As at February 3, 2023, the registrant had 2,024,907,965 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:
Not applicable.

EXPLANATORY NOTE

Enbridge Inc., a corporation existing under the *Canada Business Corporations Act*, qualifies as a foreign private issuer in the United States (US) for purposes of the *Securities Exchange Act of 1934, as amended* (the Exchange Act). Although, as a foreign private issuer, Enbridge Inc. is not required to do so, Enbridge Inc. currently files annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the Securities and Exchange Commission (SEC) instead of filing the reporting forms available to foreign private issuers.

Enbridge Inc. intends to prepare and file a management proxy circular and related material under Canadian requirements. As Enbridge Inc.'s management proxy circular is not filed pursuant to Regulation 14A, Enbridge Inc. may not incorporate by reference information required by Part III of this Form 10-K from its management proxy circular. Accordingly, in reliance upon and as permitted by Instruction G(3) to Form 10-K, Enbridge Inc. will be filing an amendment to this Form 10-K containing the Part III information no later than 120 days after the end of the fiscal year covered by this Form 10-K.

GLOSSARY

AFUDC	Allowance for funds used during construction
Aii	Athabasca Indigenous Investments Limited Partnership
AOCI	Accumulated other comprehensive income/(loss)
ARO	Asset retirement obligations
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Aux Sable	US Midstream ownership interest in Aux Sable Liquid Products LP, Aux Sable Midstream LLC, Aux Sable Canada LP
BC	British Columbia
bcf/d	Billion cubic feet per day
the Board	Board of Directors
Cactus II	Cactus II Pipeline, LLC
CER	Canada Energy Regulator, created by the Canadian Energy Regulator Act which also repealed the National Energy Board Act, on August 28, 2019
CTS	Competitive Toll Settlement
DAPL	Dakota Access Pipeline
Dawn	An extensive network of underground storage pools at the Tecumseh Gas Storage facility and Dawn Hub
DCP	DCP Midstream, LP
EBITDA	Earnings before interest, income taxes and depreciation and amortization
EEP	Enbridge Energy Partners, L.P.
EIEC	Enbridge Ingleside Energy Center
EIS	Environmental Impact Statement
Enbridge Gas	Enbridge Gas Inc.
EPS	Emission Performance Standards
ESG	Environment, Social and Governance
Exchange Act	United States Securities Exchange Act of 1934
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse gas
Gray Oak	Gray Oak Pipeline, LLC
H2	Hydrogen gas
IJT	International Joint Tariff
IR	Incentive Regulation
kbpd	Thousand barrels per day
L3R	Line 3 Replacement
LMCI	Land Matters Consultation Initiative
LNG	Liquefied natural gas
Magic Valley	Magic Valley Wind Farm
M&N	Maritimes & Northeast Pipeline

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,	**2022**	2021
(millions of Canadian dollars; number of shares in millions)		
Assets		
Current assets		
Cash and cash equivalents	**861**	286
Restricted cash	**46**	34
Accounts receivable and other *(Note 9)*	**8,871**	6,862
Accounts receivable from affiliates	**114**	107
Inventory *(Note 10)*	**2,255**	1,670
	12,147	8,959
Property, plant and equipment, net *(Note 11)*	**104,460**	100,067
Long-term investments *(Note 13)*	**15,936**	13,324
Restricted long-term investments *(Note 14)*	**593**	630
Deferred amounts and other assets	**9,542**	8,613
Intangible assets, net *(Note 15)*	**4,018**	4,008
Goodwill *(Note 16)*	**32,440**	32,775
Deferred income taxes *(Note 25)*	**472**	488
Total assets	**179,608**	168,864
Liabilities and equity		
Current liabilities		
Short-term borrowings *(Note 18)*	**1,996**	1,515
Accounts payable and other *(Note 17)*	**11,392**	9,767
Accounts payable to affiliates	**105**	90
Interest payable	**763**	693
Current portion of long-term debt *(Note 18)*	**6,045**	6,164
	20,301	18,229
Long-term debt *(Note 18)*	**72,939**	67,961
Other long-term liabilities	**9,189**	7,617
Deferred income taxes *(Note 25)*	**13,781**	11,689
	116,210	105,496
Commitments and contingencies *(Note 31)*		
Equity		
Share capital *(Note 21)*		
Preference shares	**6,818**	7,747
Common shares *(2,025 and 2,026 outstanding at December 31, 2022 and 2021, respectively)*	**64,760**	64,799
Additional paid-in capital	**275**	365
Deficit	**(15,486)**	(10,989)
Accumulated other comprehensive income/(loss) *(Note 23)*	**3,520**	(1,096)
Total Enbridge Inc. shareholders' equity	**59,887**	60,826
Noncontrolling interests *(Note 20)*	**3,511**	2,542
	63,398	63,368
Total liabilities and equity	**179,608**	168,864

Variable Interest Entities (VIEs) *(Note 12)*
The accompanying notes are an integral part of these consolidated financial statements.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

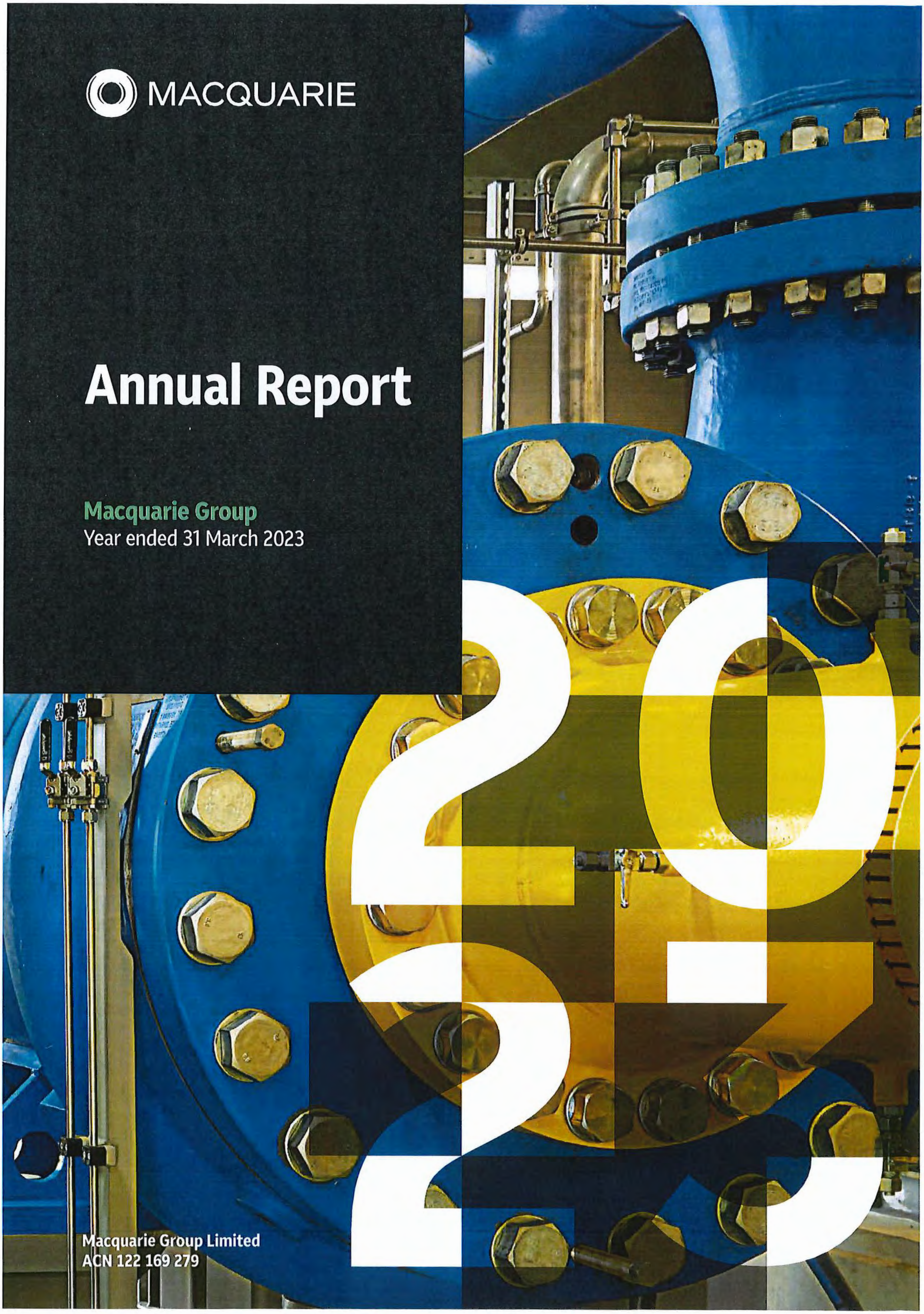
FUNDING STATEMENT APPENDIX 3:

Extracts from the Macquarie Group Annual Report Year Ended 31 March 2023

MACQUARIE

Annual Report

Macquarie Group
Year ended 31 March 2023



Macquarie Group Limited
ACN 122 169 279

Macquarie is a global financial services group operating in 34 markets in asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice, access to capital and principal investment.

2023 Annual General Meeting

Macquarie Group Limited's 2023 AGM will be held at 10:30 am on Thursday, 27 July 2023.

Details of the meeting will be sent to shareholders separately.

Cover image

Macquarie is investing across Europe's energy system, helping to meet the energy security and decarbonisation objectives of communities and industry through the production, transmission, distribution, and storage of electricity, natural gas, hydrogen, biogas, and biomethane.

During the period, Macquarie-managed funds invested in Thyssengas and National Gas, outlining plans to deliver secure, safe, and reliable energy in Germany and the UK while developing hydrogen's role in the energy mix. Macquarie continued to support the diversification and resilience of the region's energy supply, investing in and delivering Germany's first privately funded liquefied natural gas import terminal and developing green hydrogen and biomethane production facilities through HyCC and VORN Bioenergy.

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About Macquarie

Macquarie Group Limited (MGL, the Company) is listed in Australia and is regulated by the Australian Prudential Regulation Authority (APRA), the Australian banking regulator, as a Non-Operating Holding Company (NOHC) of Macquarie Bank Limited (MBL), an authorised deposit-taking institution (ADI). Macquarie's activities are also subject to supervision by various other regulatory agencies around the world.

Founded in 1969, Macquarie now employs over 20,500[1] people globally, has total assets of $A387.9 billion and total equity of $A34.1 billion as at 31 March 2023.

Macquarie's breadth of expertise covers asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice, access to capital and principal investment. The diversity of our operations, combined with a strong capital position and robust risk management framework, has contributed to Macquarie's 54-year record of unbroken profitability.

Macquarie works with government, institutional, corporate and retail clients and counterparties around the world, providing a diversified range of products and services. We have established leading market positions as a global specialist in a wide range of sectors, including renewables, infrastructure, resources, commodities and energy.

Alignment of interests is a longstanding feature of Macquarie's client-focused business, demonstrated by our willingness to both invest alongside clients and closely align the interests of our shareholders and staff.

$A5,182m

FY2023 profit

Statements of financial position

As at 31 March 2023

		CONSOLIDATED		COMPANY	
	Notes	2023 $m	2022 $m	2023 $m	2022 $m
Assets					
Cash and bank balances		45,656	52,754	–	–
Cash collateralised lending and reverse repurchase agreements		54,323	51,197	–	–
Trading assets	7	16,881	13,578	–	–
Margin money and settlement assets	8	25,256	25,108	–	–
Derivative assets	9	36,114	84,891	3	1
Financial investments	10	21,874	12,127	–	–
Held for sale assets	11	921	1,297	–	–
Other assets	11	10,438	8,632	30	28
Loan assets	12	158,572	134,744	–	–
Due from subsidiaries	30	–	–	48,817	38,591
Interests in associates and joint ventures	14	5,574	4,373	–	–
Property, plant and equipment and right-of-use assets	15	6,639	5,143	–	–
Intangible assets	16	3,827	3,780	–	–
Investments in subsidiaries	17	–	–	32,604	32,449
Deferred tax assets	18	1,797	1,552	3	–
Total assets		387,872	399,176	81,457	71,069
Liabilities					
Cash collateralised borrowing and repurchase agreements		18,737	16,947	–	–
Trading liabilities	19	4,810	5,290	–	–
Margin money and settlement liabilities	20	27,482	27,158	–	–
Derivative liabilities	21	32,790	84,464	5	6
Deposits	22	134,714	101,667	–	35
Held for sale liabilities	23	173	525	–	–
Other liabilities	23	12,512	11,167	241	211
Borrowings		18,912	13,896	6,942	6,280
Due to subsidiaries	30	–	–	5,686	3,632
Issued debt securities	24	90,549	99,527	32,113	25,638
Deferred tax liabilities	18	196	216	–	21
Total liabilities excluding loan capital		340,875	360,857	44,987	35,823
Loan capital	26	12,891	9,513	3,362	2,612
Total liabilities		353,766	370,370	48,349	38,435
Net assets		34,106	28,806	33,108	32,634
Equity					
Contributed equity	27	12,407	12,298	14,872	14,781
Reserves	28	3,302	1,523	1,559	1,332
Retained earnings	28	17,446	14,740	16,677	16,521
Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited		33,155	28,561	33,108	32,634
Non-controlling interests	28	951	245	–	–
Total equity		34,106	28,806	33,108	32,634

The above statements of financial position should be read in conjunction with the accompanying notes.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 4:

Extracts from Universities Superannuation Scheme Report and Accounts for the year ended 31 March 2022

USS For members, for the future.

Universities Superannuation Scheme Limited

Group Report and Accounts for the year ended 31 March 2022

Company number: 01167127

Strategic report for the year ended 31 March 2022

The directors submit their strategic report, directors' report and the consolidated financial statements for the year ended 31 March 2022.

Principal activity

Universities Superannuation Scheme Limited ('USSL' or the 'company') is a company incorporated in the United Kingdom on 18 April 1974, which is limited by guarantee and does not have share capital and is the corporate trustee (the 'trustee') of the Universities Superannuation Scheme ('USS' or the 'scheme'). The scheme is the principal pension scheme for academic and comparable staff in universities and other higher education institutions in the United Kingdom; it is a hybrid scheme providing both defined benefit ('DB') and defined contribution ('DC') pension benefits to its members.

USS Investment Management Limited ('USSIM') is a wholly-owned subsidiary of the company. Its principal activity is to provide investment management and advisory services to the company. Together these companies are referred to as 'the group'.

The group recovers its costs in accordance with the Scheme Rules generating neither profit nor loss. Accordingly, the group's business model focuses on maximising value for money for the scheme's members and the employers in the scheme.

Review of the business

The board is responsible for ensuring the scheme is fit for purpose, that it offers members good support and service and delivers value for money and the pensions promises made.

USS continues to be among the few UK private schemes offering defined benefits still open to new members and future accrual. Our membership accounts for around a fifth of the people in the UK paying into a private DB pension.

The work of the board has been heavily focused on delivering the outcome of the 31 March 2020 valuation. The 2020 valuation, completed in September 2021, revealed higher costs of pensions and the Joint Negotiating Committee (JNC) recommended revised future service benefits for members in response.

The contribution rates resulting from the valuation were subsequently revised in March 2022 following employers' consultation with members and employees on the benefit changes. These changes, coupled with additional covenant support measures from the employers, aim to provide a more affordable and more sustainable outcome for the scheme.

While benefits earned to that date remain unchanged, changes to future benefits include reducing both the salary threshold up to which a guaranteed pension income can be accrued and the rate at which the pension promise builds up, while increasing the amounts paid into individual Investment Builder defined contribution (DC) accounts for members with salary over the new salary threshold.

Further details of the 2020 valuation and deficit recovery arrangements can be found in the section below entitled 'Deficit recovery agreement' and details of its impact on the group balance sheet as an employer within the scheme can be found in note 17.

As a multi-employer scheme offering DC benefits, USS is required to be an authorised Master Trust. USS is required to evidence that the authorisation criteria continues to be met and this is done through providing The Pensions Regulator (TPR) with copies of various documents such as the scheme report and accounts, which includes the Chair's defined contribution statement and supervisory return as well as notifying it of any significant or triggering events as and when they occur.

During the year, as COVID-19 vaccines' impacts were seen, lockdowns ended, economies re-opened and markets recovered from the pandemic. However, volatility put pressure on global supply chains, demand outpaced supply and inflation steadily started to rise. And then, in February this year, the invasion of Ukraine compounded the challenges, not least in terms of energy and food supplies, already faced following the pandemic .

Against this challenging backdrop USSIM has continued to deliver strong investment performance as laid out later in this report. In addition, and in consultation with participating employers, USSIM has worked with USSL to set an investment strategy that looks to strike the right balance between delivering growth and mitigating risk. The valuation changes have enabled USS to maintain relatively more return-seeking growth assets, such as equities, for longer than previously planned. This is expected to deliver the returns needed to pay members' promised pensions long into the future.

During the year, the group took the next step towards achieving the ambition to be Net Zero for carbon generated by the scheme's investments by 2050 (if not before). Interim targets which have been established include tasking our in-house investment team in USSIM to work with the companies in its investment portfolio to cut emissions related to the scheme's investments by 25% by 2025 and by 50% by 2030 (relative to the 2019 baseline).

The focus on the risks associated with climate change reflects the scheme's fundamental purpose: to work with Higher Education employers to build a secure financial future for our members and their families.

Principal risks and uncertainties

The board's approach to risk management within the group is set out in its risk management framework which defines the board's risk appetite, the types of risks the group is exposed to and the related risk governance arrangements. Our risk framework includes a dedicated group risk team and risk governance arrangements, policies and processes. The framework aims to ensure that risks are effectively identified, managed, monitored and reported across the business. Further information about the wider context of the USS risk management framework can be found in the Annual Report and Accounts for the scheme published on the website (**uss.co.uk**).

Risks that could impact on the delivery of business objectives, and the internal control systems that support them, are documented and assessed against risk appetite. Where a risk is found to be at a level greater than the acceptable risk appetite, appropriate remedial actions are developed, implemented and tracked to resolution. This strategic report analyses those risks relevant to the group's performance as a trustee company with an investment management subsidiary that generate neither a profit nor a loss.

There are a number of potential risks and uncertainties that could impact the group's long-term performance. The board assesses these risks and uncertainties and takes appropriate mitigating action where necessary. As noted above, the trustee is regulated by The Pensions Regulator and is also authorised and supervised under the Master Trust regime by The Pensions Regulator. USSIM is regulated by the Financial Conduct Authority (FCA). The board, together with a dedicated team, regularly assesses regulatory developments and ensures compliance with those applicable.

The principal risks, potential impacts and mitigations in place for the group are described below. These risks broadly fall into two categories, firstly those which are direct risks of the group and secondly those which are risks of the scheme and are either managed by the group or could indirectly impact the group's strategy and ability to successfully deliver its obligations.

Principal risks and uncertainties which are scheme related and directly impact the group

Service delivery risk

There is a risk that the pension service delivery fails to meet the requisite quality or timeliness standards which may lead to poor or incorrect outcomes for our members. There are robust operational controls and defined service standards and service level metrics in place together with a comprehensive workload forecasting tool, as well as quality control checking and regular training of all staff.

Regulatory and legal risk

There is a risk that the group is adversely impacted by changes to policy, legislation or regulation or that the group fails to apply effective oversight of its compliance with such policy, legislation or regulation. This could lead to additional cost and organisational complexity or fines, compensation costs and censure, as well as damage to stakeholder relationships and the scheme's reputation.

The group engages dedicated compliance and legal professionals to assist the board in assessing existing and emerging regulatory initiatives, monitoring changes to, and compliance with, the law and regulations and providing ongoing compliance training. Investment in our risk and control framework reflects the level of focus expected from a pension scheme of our scale and complexity.

The key performance indicator for the year is the completion of the quarterly review process against the group's legal and regulatory obligations ensuring that no significant regulatory issues arise, as well as satisfactory completion of all education and awareness activity by relevant staff.

We have reported one compliance issue to The Pensions Regulator (TPR) within the financial year. This was as a result of the 2020 Valuation being reported later than the 30 June 2021 deadline. USSL continued to have ongoing dialogue with TPR in respect of the reasons for this delay and the challenges faced by the scheme to meet this deadline. The 2020 valuation was submitted to TPR on 28 September 2021.

The remediation programme for previously reported issues is at an advanced stage and we expect this to be completed by the end of 2022.

Notwithstanding the above the control environment has remained robust in the year and the business has continued to strengthen controls in an appropriate and diligent manner.

Under the Senior Managers and Certification Regime, the Compliance team continues to maintain the Management Responsibilities Map and the Business Control team facilitates the Reasonable Steps Framework. Compliance facilitates the annual certification and mandatory training of Certified Persons and Senior Managers and update the FCA Register with the relevant details.

Resilience, technology and change risk

There is a risk that the group's ability to provide important services is compromised as a result of disruption to IT or facilities infrastructure, inadequacy of technology arrangements or changes to business capabilities and processes not being delivered reliably. The impact of this risk could lead to a deterioration of capacity and controls or deterioration of the value of the scheme's assets.

To mitigate this risk resilient business continuity management, including IT disaster recovery, and governance is in place. A team of experienced business change professionals is employed by the group, augmented by further external resources as necessary. Business change governance is closely monitored and controlled with oversight from the group executive committee.

The key performance indicator for the year is to ensure that greater than 80% of milestones for change projects are completed in line with deadlines laid out in agreed project plans. 93% (2021: 82%) of milestones were completed in line with deadlines laid out in agreed project plans during the year.

People risk

There is a risk that the group fails to attract and retain sufficient people with the necessary skill sets in the right roles, or to develop an appropriate business culture in order that the organisation operates in a manner that aligns with its core values of Integrity, Collaboration and Excellence. This may lead to an inability to provide the necessary capacity and skills to achieve successful delivery of the scheme's strategic priorities, leading to poor investment performance, increased incidence of operational error and failure, and ultimately result in reputational damage with key stakeholders.

To mitigate the risk, the group has consistently sought to build and maintain an experienced and talented team. This is supported by clear objective setting linked to the strategic priorities, regular performance and remuneration reviews with reference to appropriate benchmarks, training and development programmes, and employee satisfaction reviews.

As a responsible employer, employee health and well-being is a priority. The group also has a Diversity and Inclusion (D&I) programme to address a range of challenges including improving diversity at senior levels.

The key performance indicator for the year is a measure of employee engagement and training satisfaction levels. The aim of the annual independent employee engagement survey is to measure the levels of alignment with our goals, commitment and motivation. The most recent employee engagement score for the group was 7.6 out of 10 (2021: 7.9 out of 10), which is at the industry benchmark.

Information security and privacy risk

The group is exposed to data risk and the potential failure to protect the confidentiality, integrity or availability of critical data (including personal and commercially sensitive data) held by the group or its suppliers, or that data is accessed without appropriate authorisation.

The impact of this risk may lead to breaches of applicable data protection legislation, potential for regulatory censure or fine, damage to stakeholders and to stakeholder relationships, together with potential monetary loss and remediation costs.

To mitigate this risk the group has implemented certain strategies which include a dedicated information security team, the implementation of appropriate information security and data protection framework and processes, the implementation of appropriate cyber risk controls, the delivery of regular education and awareness training to employees and the ongoing maintenance of the international information security accreditation, ISO 27001.

Proposition and stakeholder risk

There is a risk that institutions, members or their representative bodies no longer view USS as their preferred service provider for retirement benefits. This may lead to members choosing not to participate in USS, missing out on the scheme's benefits, or employers, or their representative bodies, no longer viewing USS as the right provider to build a secure financial future for their employees and their families.

To mitigate this risk the group holds regular meetings with employers, member representatives and employer representatives, including both Universities UK (UUK) and University and College Union (UCU). This engagement is ongoing but is likely to be more intensive during actuarial valuations.

The group works closely with the scheme's stakeholders, including the JNC, who are responsible for agreeing member benefits and meeting their needs as well as engaging on low-cost options and conditional indexation to ensure the continued suitability of USS benefits for the sector. The covenant has also been strengthened through the implementation of a minimum 20-year rolling moratorium on institutions leaving the scheme and pari passu rules on future institutional secured debt issuance.

In addition, the group performs quarterly member and employer surveys, publishes regular updates, articles, videos for members and institutions in relation to developments impacting them and the scheme on its website uss.co.uk, and offers individual employer and member webinars. The new My USS digital offering provides better access for members to information about their pension benefits .

Supplier performance failure risk

The group is exposed to the risk that a supplier fails to perform a business-critical contracted service and/or a failure to obtain value for money for the scheme.

To mitigate this risk the group has a dedicated procurement function with responsibility (together with the Group General Counsel) for controlling supplier onboarding and ongoing monitoring of key suppliers' performance.

The function provides support in taking appropriate remedial actions and ultimately replacement of non-performing suppliers and pursuit of USS entitlements should value for money not be received. Relationship management structures are in place with key suppliers, supported by service-level agreements, performance reporting and incident escalation and resolution protocols. The key performance indicator for the year is the completion of key supplier healthchecks on a timely basis. There were no significant issues identified during the year.

Principal risks and uncertainties which are scheme related and indirectly impact the group

The group is responsible for investment management but neither USSIM nor USSL are the beneficial owner of the underlying assets, which USSL holds as trustee for the scheme. As such, the risks set out below would indirectly impact the group in respect of the quality of the service it provides, but do not impact the group's own financial statements directly.

Funding risk

The risk that USS holds inadequate assets to cover accrued pension benefits. This may lead to the requirement to substantially increase contributions, amend investment strategy and/or reduce future benefits.

To mitigate this risk, the group has implemented a comprehensive Financial Management Plan (FMP) as part of each actuarial valuation, incorporating the acknowledged strength of the employers' covenant, the appropriate contribution rate and investment strategy, and has a dedicated funding strategy and actuarial team focused on funding of the Retirement Income Builder.

The group regularly monitors the funding level, employers' covenant strength, contribution adequacy and liability in the context of the FMP, and regularly analyses the sources of changes in both the liability and the deficit and of the impact of this on the required contribution rate.

Further details relating the funding of the scheme can be found in note 17, Deficit recovery liability.

h) Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

i) Retirement benefits
The group participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The group is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the group therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the group has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the group recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

j) Provisions
A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured reflecting the directors' best estimate of the consideration required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the liability, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from the scheme, a receivable is recognised as an asset since it is virtually certain that reimbursement will be received and can be measured reliably. Amounts that the group has provided for are explained in more detail in note 13.

k) Long-term incentive plans
The group issues cash settled long-term incentive plans to certain employees. The long-term incentive plans are measured at their present value using an appropriate discount rate. The present value is measured by estimating future scheme performance in comparison to the hurdle rates for each plan. Each plan is individually assessed, on an annual basis for the likelihood of future payments. This assessment is based on the assessment of the annualised investment balanced scorecard (a quantitative score derived from the assessment of performance across seven key metrics). Payment is also dependent on the continued employment of employees eligible for the awards and thus the estimate of future payments requires an estimation of the number of relevant employees that will leave employment before the end of the plan. The present value of the amount that is likely to be paid is charged to the income statement in equal instalments over the vesting period. Both the expected investment performance and the staff retention rates are reviewed annually, and the provision is reassessed.

l) Foreign currency
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

m) Value Added Tax (VAT)
The group is registered for VAT activities and recovers a proportion of the input tax on administrative expenditure directly attributable to the scheme's investment management activities. The unrecovered VAT element is charged within operating expenses.

n) Investment in subsidiary
Investment in subsidiary is stated at cost, less any provision for impairment.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 5:

Extracts from Ontario Teachers' Pension Plan 2022 Annual Report

2022 Annual Report

Investing to make a mark

ONTARIO TEACHERS' PENSION PLAN

We are Ontario Teachers’

We deliver retirement security to

336,000

working members and pensioners.

We have

$247.2 billion[1]

in net assets.

We invest in

50+ countries

through six offices around the world.

We are a global, independent organization

Sponsors’ role

Ontario Teachers’ Federation (OTF) and the Ontario government are the plan’s joint sponsors. Together, OTF and the government ensure the plan remains appropriately funded, and decide:

- the contribution rate;
- member benefits, including inflation protection levels; and
- how to address any funding shortfall or surplus.

Board’s role

Our board members are appointed by OTF and the Ontario government, and they oversee the management of Ontario Teachers’. Board members are required to:

- act independently of both the plan sponsors and management; and
- make decisions in the best interests of all plan beneficiaries.

Management’s role

Management sets long-term investment and service strategies with three main responsibilities:

- investing assets in a manner to ensure the plan can pay present and future pensions;
- administering the plan and paying pension benefits to members and their survivors; and
- operating the business in line with the long-term enterprise strategies.

1 All figures as at December 31, 2022 and expressed in Canadian dollars unless otherwise noted.

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Aligning our reporting on investment performance and sustainability is a natural next step on our journey to integrate sustainability into our investing activities. Moving forward, we will be providing progress on performance and sustainability together by adding our responsible investing and climate change reporting into our annual report.

To view responsible investing and climate change reports from previous years, please visit our website.

Consolidated statement of financial position

As at December 31 (Canadian $ millions)	2022	2021
Net assets available for benefits		
ASSETS		
Cash	**$ 1,107**	$ 484
Receivable from the Province of Ontario (note 3)	**3,298**	3,234
Receivable from brokers	**562**	26
Investments (note 2)	**311,270**	317,714
Premises and equipment	**83**	91
	316,320	321,549
LIABILITIES		
Accounts payable and accrued liabilities	**590**	693
Due to brokers	**1,364**	523
Investment-related liabilities (note 2)	**67,131**	78,751
	69,085	79,967
Net assets available for benefits	**$ 247,235**	$ 241,582
Accrued pension benefits and surplus/(deficit)		
Accrued pension benefits (note 4)	**$ 206,197**	$ 257,482
Surplus/(deficit)	**41,038**	(15,900)
Accrued pension benefits and surplus/(deficit)	**$ 247,235**	$ 241,582

The accompanying notes are an integral part of these Consolidated Financial Statements.

On behalf of the Plan administrator:

Steve McGirr
Chair

Debbie Stein
Board Member

Consolidated statement of changes in net assets available for benefits

For the year ended December 31 (Canadian $ millions)	2022	2021
Net assets available for benefits, beginning of year	**$ 241,582**	$ 221,241
Investment operations		
Net investment income (note 6)	**10,360**	24,711
Administrative expenses (note 11a)	**(785)**	(732)
Net investment operations	**9,575**	23,979
Member service operations		
Contributions (note 9)	**3,367**	3,354
Benefits (note 10)	**(7,205)**	(6,909)
Administrative expenses (note 11b)	**(84)**	(83)
Net member service operations	**(3,922)**	(3,638)
Increase in net assets available for benefits	**5,653**	20,341
Net assets available for benefits, end of year	**$ 247,235**	$ 241,582

The accompanying notes are an integral part of these Consolidated Financial Statements.