



APPENDIX 15 – FUNDING STATEMENT - ADDENDUM IN RELATION TO THE PROPOSED CHANGES

Drax Bioenergy with Carbon Capture and Storage

The Infrastructure Planning (Compulsory Acquisition) Regulations 2010 – Regulation 5(b)(ii)

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1. INTRODUCTION

1.1. BACKGROUND

- 1.1.1. This Funding Statement Addendum (this 'Addendum') relates to an application for development consent ('DCO Application') made by Drax Power Limited (the 'Applicant') on 23 May 2022 to the Secretary of State ('SoS') for Business, Energy and Industrial Strategy via the Planning Inspectorate ('PINS').
- 1.1.2. The DCO Application was submitted under section 37 (2) of the Planning Act 2008 ('PA2008') for a Development Consent Order ('DCO'), and if made would grant consent for the Drax Bioenergy with Carbon Capture and Storage Project (the 'DCO Application').
- 1.1.3. The DCO Application was accepted for examination by PINS on 20 June 2022. The Examination is due to commence in Q1 2023.
- 1.1.4. The DCO Application requests powers of compulsory acquisition pursuant to section 122(2)(a) and section 122(2)(b) of the PA2008, to ensure that the Proposed Scheme can be built, maintained and operated, and so that the Government's policies in relation to achieving ambitious net zero targets are met.

1.2. CHANGE REQUEST

- 1.2.1. In a letter to PINS dated 12 September 2022 (document reference PD-005), the Applicant gave advance notice of their intention to submit this Changes Request Application (the 'Application'). The Applicant now proposes two minor changes to the DCO Application for which consent is sought through this Application.
- 1.2.2. A detailed description of the changes proposed is provided in the Proposed Changes Application Report (document reference 8.5.1), and a summary is provided in Section 2 of this Addendum.

1.3. PRESCRIBED PROCEDURE

- 1.3.1. One of the changes proposed to the DCO Application will involve the compulsory acquisition of rights over land which was not identified as land subject to compulsory acquisition ('CA Additional Land') in the in the Book of Reference submitted with the Application (document reference AS-002), and which therefore meets the definition of 'additional land' in The Infrastructure Planning (Compulsory Acquisition) Regulations 2010 ('CA Regulations'). The CA Regulations contain a prescribed procedure that must be followed where it is proposed to include in a DCO a provision authorising the compulsory acquisition of rights over 'additional land' where a person with an interest in the additional land does not consent to the inclusion of the provision.
- 1.3.2. As discussed in the Applicant's letter to PINS dated 12 September 2022 (document reference PD-005), this Addendum forms part of a suite of documents accompanying the Application which are submitted to meet the requirements of Regulation 5 of the

CA Regulations. The prescribed procedure includes the submission of the following information:

- A supplement to the Book of Reference (document reference AS-002);
- An update to the Land Plans identifying the additional land (document reference APP-009);
- This Funding Statement Addendum (document reference 8.5.3.15); and
- A Statement of Reasons Addendum (document reference 8.5.3.14) which justifies the powers of compulsory acquisition that are sought in respect of the additional land.

1.4. PURPOSE

- 1.4.1. This Addendum has been prepared to accompany the Application, which includes a request for the SoS to grant powers of compulsory acquisition under sections 122(2) and 122(3) of the PA2008. Such powers are requested as the Application proposes the inclusion of additional land outside of the Order Limits. Additional land is required to enable the long term access and maintenance of apparatus installed as a consequence of diversions (including undergrounding) to existing Overhead Lines ('OHLs'), that are proposed as part of the Application. These diversions are required to allow for the delivery of multiple Abnormal Indivisible Loads ('AILs') to the site required for the construction of the Proposed Scheme. Therefore it is necessary to acquire rights over land in order to enable the construction of the Proposed Scheme and therefore powers of compulsory acquisition of rights and easements have been sought in the Application.
- 1.4.2. This Addendum explains how the shareholders of the Applicant and their parent companies expect that the construction of the Proposed Scheme and, as necessary, the acquisition compulsorily of land and rights over land as are required in connection with the Proposed Scheme and authorised by the Order will be funded.
- 1.4.3. This Addendum should be read in conjunction with the Funding Statement (document reference AS-002) submitted with the DCO Application, and the Statement of Reasons Addendum (document reference 8.5.3.14) submitted with this Application.

2. PROPOSED CHANGES TO THE APPLICATION

2.1. THE PROPOSED CHANGES TO THE APPLICATION

2.1.1. The Changes Request has two components:

- **Proposed Change 1 ('PC-01')**, which will be made in order to provide a Floodplain Compensation Area ('FCA'). This Change reflects the commitment contained at paragraph 7.1.3 of the submitted Flood Risk Assessment (document reference APP-160) to provide the FCA and clarifies the location of the proposed FCA. It will only involve land that is owned and under the control of the Applicant and is not considered to comprise a 'proposed provision' for the purposes of the Infrastructure Planning (Compulsory Acquisition) Regulations 2010 (the 'CA Regulations').
- **Proposed Change 2 ('PC-02')**, which will be made, following further discussions with the relevant statutory undertakers, to provide additional powers to enable the undergrounding of OHLs in respect of two electrical overhead lines and two telecommunications lines which cross the access route to the site at A614 (Rawcliffe Road) and the A645, to allow for the delivery of multiple AILs to the site. This Proposed Change will mean that the Applicant needs to make a 'proposed provision' for additional land (as defined in the CA Regulations) outside of the current Order Limits.

2.1.2. If the abovementioned proposed changes are accepted by the Examining Authority, changes will need to be made to the Order Limits and to the powers sought over land within the Order Limits. Change PC-02 will include seeking powers of compulsory acquisition of rights and easements over the CA Additional Land, thus invoking the CA Regulations.

2.1.3. A detailed description of the changes and justification for them are set out in the Proposed Changes Application Report (document reference 8.5.1) submitted with this Application.

3. CAPITAL EXPENDITURE

- 3.1.1. In the overall context of the wider project and the availability of funding discussed below, the cost of the additional works proposed is considered to be minimal and able to be covered.

3.2. CORPORATE STRUCTURE

- 3.2.1. Drax Power Limited (Company number 04883589) is the Applicant for this DCO Application. The Applicant is registered in England and is part of the Drax corporate group of companies (the Drax Group). The ultimate parent of the Drax Group and the indirect parent of the Applicant is Drax Group plc (DG plc), incorporated in England and Wales with number 05562053. DG plc is listed on the Main Market of the London Stock Exchange under stock ticker DRX, and is part of the FTSE 250 Index.
- 3.2.2. The corporate structure remains as detailed in the Funding Statement (document reference APP-016) submitted with the DCO Application.

3.3. PROJECT COST

- 3.3.1. The cost estimate for the development of the Proposed Scheme as per the Funding Statement (document reference APP-016) submitted with the DCO Application is circa £1.5bn to £2bn. This cost estimate included construction costs, preparation costs, supervision costs, land acquisition costs (including compensation payable in respect of any compulsory acquisition, anticipated in the DCO Application Funding Statement to be at c. £150 k) and all other aspects of the development of the Proposed Scheme including equipment purchase, construction, installation, commissioning, ancillary work to the existing Power Station assets to enable the Proposed Scheme and connection to the carbon dioxide transportation and storage infrastructure.

3.4. PROJECT FUNDING

- 3.4.1. The availability of funding for the project remains as detailed in the Funding Statement (document reference APP-016) submitted with the DCO Application. To summarise, the Applicant and the Wider Drax Group has access to diverse funding options through existing relationships with lenders and they are confident, based on their project track record, that they can access the required funds on appropriate terms.
- 3.4.2. The Applicant, via Drax Group plc ('DG plc'), therefore has access to appropriate funding to carry out the Proposed Scheme.
- 3.4.3. Please refer to the Funding Statement (document reference APP-016) for further details.

4. COMPENSATION PAYMENTS

- 4.1.1. The current cost estimate (see paragraph 3.3.1 above) included an amount to cover the total cost of the payment of compensation for the compulsory acquisition of land included in the Order and required for the Proposed Scheme, including land damage, surveyor fees, legal fees, the landowners' time and other professional fees.
- 4.1.2. Considering the same 'heads' of compensation, the Applicant estimates the maximum figure for compensation payable in relation to the PC-02 will be approximately £12,000 - £15,000 depending on the time of year that the works are undertaken. Therefore, the Additional Land subject to the Proposed Changes results in a modest increase in the compensation that would be payable in the event compulsory acquisition powers do need to be utilised for PC-02.

5. BLIGHT

- 5.1.1. Should any claims for blight arise as a consequence of the DCO Application and Additional Land identified in this Application, the Applicant has sufficient funds to meet the cost of acquiring these interests at whatever stage they are served, as demonstrated in the DCO Application Funding Statement (document reference APP-016).