Issue Specific Hearings - Part 3 - 11th July.

Decommissioning – in "Unforeseen circumstances" who will clear up afterwards?

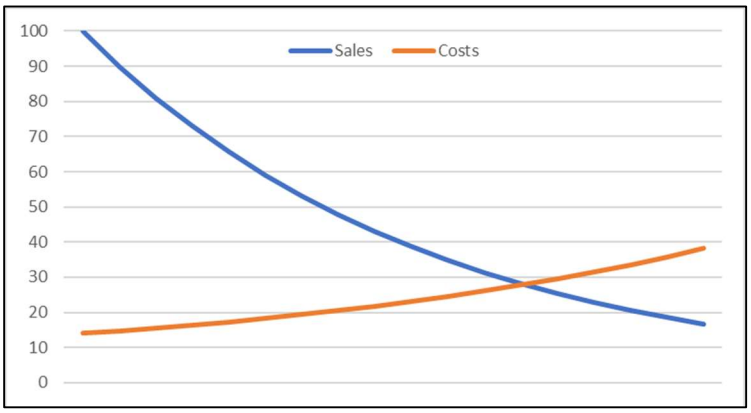
It is not certain that Canadian Solar will both build and operate the project for the duration of its economic life but it is likely that at some point there will be third party debt introduced to [re]finance the project.

Twenty five to Sixty years is a long time. Credible factors that might lead to the hypothetical situation of the SPV becoming uneconomic are:

(1) Alternate & more efficient technologies evolve during the lifetime of the project that render it redundant;
(2) Alternate technologies (or more efficient sites) produce electricity at a marginal cost which significantly lowers the wholesale price of electricity;
(3) Climate change results in significantly reduced irradiance levels.

Under points 2 & 3, to the extent that the future revenues from mallard pass are insufficient to cover the future operational, finance and decommissioning costs it will be uneconomic to continue and will likely result in a breach of bank covenants.

The applicant's expert maintained on Tuesday morning that the price of electricity would be driven lower by more solar schemes coming into production, so it is reasonable to suggest that the project will face increasing margin pressure over time from an unavoidable/fixed/increasing operational cost base working against capped (350MW max) but decreasing sales revenue. At some point those two lines will cross over.



The applicant is relying on non-compliance with a DCO being a criminal offence as the lever to ensure decommissioning is completed. It looks to me like a person guilty of such an offence is liable to a fine not exceeding £50,000.

In the context of decommissioning costs that would run into millions (at today's costs) it would seem that the punishment is not commensurate with the crime and a single purpose corporate entity might prefer to pay the fine than complete the decommissioning.

The secretary of state appears to have the power to increase the level of fine – I'm not sure if that is able to be done within the DCO or somewhere else but suggest that by increasing it to something more in line with the decommissioning costs there is a greater chance that the project owners comply.

By increasing the potential fine for failing to decommission, the project owner will not suffer any economic/cash flow deficit during the project or if it carries out its obligations and will still be free to market the second hand solar apparatus to other (sunnier) markets.

Alternatively, the secretary of state could also request a performance guarantee from the parent company(ies) with the deepest pockets. However big companies do fail for a variety of reasons – Enron, Bear Sterns, Interserve, Carillion, HBoS, Credit Suisse – if such an event were to occur, then any value within the project would be governed by when in its lifecycle the event happens.

Beyond that, the burden of clearing up the site(s) would presumably fall upon the landowners, which is the answer I think the applicant couldn't quite give on the day.

Compulsory Acquisition – Williams Land, Plot 01-01 & associated plots ("plot 01-01")

Had we known that there was the remotest possibility of our land being compulsorily acquired we would not have allowed the applicant to set foot on it. At the outset, we were told

> "Williams Participation – They would like to have your participation in the project but they say that your participation is not essential – just something they would prefer to have if you are prepared to commit."

Since first receiving heads of terms from the applicant we have made clear to them our concerns over the financial covenant of the applicant and the business risks the applicant has attempted to place on landowners (my earlier submissions refer).

The family is divided over the issue but has been content to engage with the applicant on the basis that they are able to satisfy our covenant concerns and then through the appropriate lease pay rent on time, only put poles, panels and cables on the land and **clean up properly when they vacate** so that we can continue to farm it.

That remains the case today.

By awarding the applicant the power to compulsorily acquire our land the Secretary of State will undermine our negotiating position to secure that the decommissioning **will** be completed properly at the end of the project life (by either the project vehicle or the landowner) – which would be to the detriment of us as landowners and also the wider community.

Is Plot 01-01 Required for the Development.

Area

Plot 01-01 is approximately 248 acres and the applicant's proposal is that approx. 130 acres should be covered with solar panels and the remainder be used as wildflower grassland.

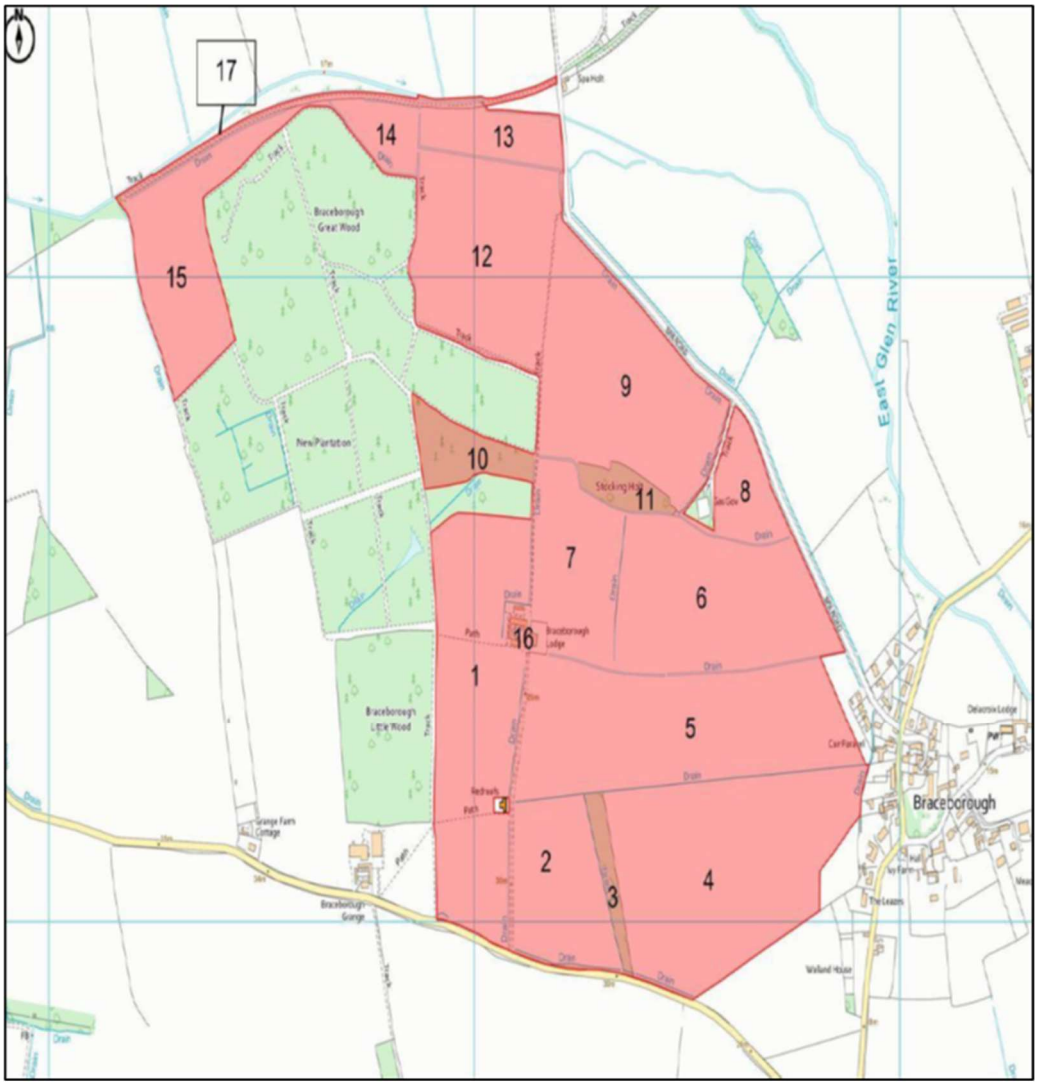
The applicant states that contracts are signed with all other landowners, so there are approx. 1,925 acres over which the applicant can design its scheme.

Approximate allocation land within the order limits is set out below:

	Acres		
	Plot 01-01	Others	Order Limits
Panels	130	908	1,038
Other	118	1,019	1,137
Total	**248**	**1,927**	**2,175**

Removing our land from the proposal would therefore require the applicant to find 130 acres within the remaining 1,019 acres of "other" contracted land on which to "plant" solar panels, which it must be able to comfortably do within the guidelines for MW/Acre.

It is not clear that the applicant explored the opportunity to acquire approx. 250 acres at Braceborough which was being offered for sale recently. It sits adjacent to the order limits to the north of Carlby road and east of Braceborough Great Wood (see map below).



At page 51 of the Design & Access Statement the applicant states that the fields within the order limits adjacent to this land were not considered appropriate due to "the fields proximity to the ancient woodland, existing residential properties and relatively isolated area of land north of Carlby road."

Plot 01-01 sits in a similarly isolated area, within the impact zone of the SSSI's of Newell Wood, Ryhall Pasture & Little Warren Verges and in close proximity to Tolethorpe Oaks & Turnpole Wood (both ancient woodland) and Little Warren Woods and directly adjacent to several residential dwellings.

By simple comparison, Plot 01-01 would appear to be less suitable than land that was available to the applicant to purchase outright.

Biodiversity

It is unclear what the applicant is committing to with regard to biodiversity at this stage but note that on page 51 of the Design & Access Statement the applicant states that an "opportunity was identified to improve connectivity between Little Warren Wood and the Ryhall Pastures/Little Warren Verges SSSI. The land slopes significantly down in that area to make it a North facing slope. Turning adversity into opportunity is commendable, even if the wording is slightly disingenuous.

However it should be noted that there is already connectivity between Little Warren Wood & Verges and Ryhall pasture (SSSI) provided by an 8 metre wild flower margin either side of the hedgerow which separates our land from the land to the north. Similarly there is an area of game cover which connects the Ryhall pasture SSSI to the Drift.

It should also be noted that we curate the woodland SSSI at East Wood, the ancient woodland at Turnpole Wood, leave wide field margins generally around all arable fields, have planted & maintain over 100 acres of additional woodland and hedgerows and created several wetland habitats on the farm.

The farming activity in this area is "at the margin", more a way of life than a business and we don't need to measure the biodiversity as we can see it in front of us on a daily basis.

Panel Type

The applicant states in its answer to Question ExQ1 0.16 that across the order limits +/- 1038 acres are proposed to be planted with solar panels, 908 acres on land which is already contracted. The 130 acres in plot 01-01 represent 12.5%.

The applicant has quoted a figure of 660W per panel and identified that overplanting will be required. It has not stated whether it is proposing to use Bifacial panels, which generate electricity on both the upper and lower panel surface and can improve system energy generation by up to 25%.

The International Technology Roadmap for Photovoltaics predicts that bifacial PV technology will constitute the majority of the market by 2026.

Canadian Solar suggest that their own Bifacial Panel (BiHiKu7) can deliver a gain of up to 20% depending on the "albedo" of the ground, which could boost a 660W panel to 792W.

So it is quite possible that the applicant could use a combination of Bifacial panels and re-allocation of the "other" land use to make up any shortfall in energy production "lost" by not using plot 01-01.

Summary

The applicant has not demonstrated that plot 01-01 is required for the scheme nor has it considered all reasonable alternatives to the compulsory acquisition of.

The applicant:

- stated that plot 01-01 was not essential, just something it would prefer to have;
- Passed on the opportunity to acquire a similar site with fewer constraints;
- Has sufficient headroom in its existing contracted land area to engineer the proposed energy output; and

- acknowledged during CAH1 (transcript page 17 onward) that it may well be asking for more land than it needs as the land required for the project doesn't "crystallise" until after the detailed design and that the applicant has "set itself some flexibility in the red line area".

The above points suggest plot 01-01 sits in a category of desirable or convenient rather than required for the scheme.

The public benefits derived from the compulsory acquisition of plot 01-01 are difficult to see as it would produce only a small proportion of the renewable power generated by the scheme so will have negligible impact on either decarbonising the grid or the price of electricity. It has negligible mitigation value as it is already surrounded by hedgerows and has no permissive paths.

As the plot forms part of a larger landholding upon which a variety of carbon friendly and biodiversity enhancing activities are already take place, the biodiversity gains are questionable. The only real difference is the change from arable land to solar panel arrays surrounded by fences. My guess is that the local wildlife would prefer to roam free through fields of wheat and barley, although as pointed out in an earlier submission, the biodiversity spreadsheet would contend otherwise.

We will not be providing an estimate of the private financial loss at this stage but the emotional and mental health loss of a compulsory acquisition for the man who assembled and curated the farms over a period of years is incalculable.

I can clarify that of the total "Williams" landholding in the area, plot 01-01 represents 14% of the total, 19% of the arable land and 2% of the pasture.

Book Of Reference

It isn't clear to me who should have been consulted and when, however the applicant was made aware in May 2022 of the multiple ownership of the land when my 81 year old father sent the following response to the applicant's land questionnaire (May 2022):

> "I have received your letter and Questionnaire dated 18 May.
> Unfortunately I am not confident in completing it without referring to my solicitors, which will incur costs that I am not willing to bear.
> My wife, a partner in our farming enterprise, passed away last year and her estate is being dealt with by our four sons – copy probate attached.
> Surely the answers to some of your questions are a matter of public record?"

The probate document contained contact details for each of the sons/executors, none of whom have received any formal contact or notice from the applicant.

Details of the land ownership have been provided to the applicant in order that they can update their book of reference.

End.