



FUNDING STATEMENT: 4.2

DECARBONISATION

Cory Decarbonisation Project

PINS Reference: EN010128

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Revision B



QUALITY CONTROL

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APPENDIX A

Cory Topco Group of Companies and Ownership Structure

APPENDIX B

CEHL Accounts

1. INTRODUCTION

1.1. INTRODUCTION

- 1.1.1. Cory Environmental Holdings ('the Applicant') is applying to the Secretary of State ('SoS') for Energy Security and Net Zero ('DESNZ') under Section 37 of the Planning Act 2008 ('PA 2008') seeking development consent for the proposed construction of a carbon capture storage project (hereafter referred to as the Proposed Scheme) to capture carbon dioxide from energy from waste facilities Riverside 1 and Riverside 2 (at the time of writing, construction works for Riverside 2 are being undertaken) at the Cory Riverside Campus, located adjacent to the River Thames at Belvedere in the London Borough of Bexley (LBB).
- 1.1.2. By way of letter dated 6th 2022, the SoS made a Direction under Section 35(1) of the PA2008 that the Proposed Scheme should be treated as development for which development consent under the PA2008 (as amended) is required and therefore a Project of National Significance (PNS).
- 1.1.3. The SoS highlighted that one of the reasons that the Proposed Scheme should be considered as a PNS is that:
- "The carbon capture element of the Proposed Project would provide and support the decarbonisation of energy from waste derived CO₂ emissions in the UK, delivering over a million tonnes of CO₂ savings per annum, and supporting the achievement of a fully de-carbonised district heating network that crosses local authority areas".*
- 1.1.4. This Funding Statement has been prepared as part of the application that the Applicant has submitted to the Secretary of State for a DCO in respect of the Proposed Development ('the Application'). The Application is made pursuant to Section 37 of the PA 2008.

1.2. PURPOSE OF THIS FUNDING STATEMENT

- 1.2.1. This Statement has been produced pursuant to regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) 2009 (as amended) (APFP Regulations) and further to the Department of Communities and Local Government guidance, Planning Act 2008: Guidance related to procedures for the compulsory acquisition of land (September 2013) because the Order sought for the Proposed Scheme would authorise the compulsory acquisition of land.
- 1.2.2. This Statement is one of a number of documents accompanying the DCO Application, as set out in the **Application Guide (Document Reference 1.3)** and should be read alongside and is informed by those documents. In particular, this document supplements the **Statement of Reasons (Document Reference 4.1)**.

1.3. THE APPLICANT AND THE CORY GROUP STRUCTURE

- 1.3.1. The Applicant is Cory Environmental Holdings Limited, a subsidiary of Cory Topco Limited, which is the ultimate parent company of the Cory group of companies (Cory). Cory is one of the UK's leading resource management companies, with an extensive river logistics network in London underpinned by a long history and deep connection to the city stretching back to the late 1700s.
- 1.3.2. Cory has invested heavily in London's waste recycling, energy generation and river logistics infrastructure. In addition to its commercial customers, Cory is a trusted partner for several local authorities in London (serving a combined population of approximately 3 million people). It operates essential infrastructure which London relies heavily upon on a day-to-day basis.
- 1.3.3. Its core activity, recovering energy from residual waste, is undertaken at the Cory Riverside Campus, located adjacent to the River Thames at Belvedere in the London Borough of Bexley (LBB). Riverside 1, an energy from waste (EfW) facility generating up to 80.5 megawatt (MW) of electricity, has been operational since 2011. Riverside 2, an EfW facility with a generating capacity of approximately 76MW is currently under construction and anticipated to be operational in 2026.
- 1.3.4. Together, Riverside 1 and Riverside 2 will provide over 1.5 million tonnes per annum (tpa) of residual waste management capacity, making a substantial contribution to addressing the waste needs of London and Southeast England.
- 1.3.5. The Cory group structure is illustrated in Appendix A of this Statement.

1.4. PROPOSED SCHEME

- 1.4.1. A full description of the Proposed Scheme is within **Chapter 2: Site and Proposed Scheme Description of the ES Volume 1 (Document Reference 6.1)**.

2. FUNDING STATEMENT

2.1. OVERVIEW OF PROJECT COST

- 2.1.1. The current cost estimate for the Proposed Scheme is £1.096 billion, with compulsory acquisition costs currently estimated to be £56.6 million of this.
- 2.1.2. The estimate includes all aspects for the Proposed Scheme including construction costs, preparation costs, supervision costs, land acquisition (including compensation payable in respect of any compulsory acquisition), equipment purchase, installation, commissioning, and jetty infrastructure. The estimate also includes an allowance for inflation and project contingencies.
- 2.1.3. As set out in Sections 2.3 and 2.4 below, the Proposed Scheme would be funded in similar way to both Riverside 1 and Riverside 2. For Riverside 1, Cory raised £540 million in 2008. The project was completed on time and within budget and now operates at full capacity. In order to address the need for additional residual waste treatment infrastructure in London and the Southeast England Cory raised £896 million for the development of the Riverside 2 project in 2022; the project is currently under construction and is on budget and ahead of schedule.

2.2. FINANCIAL STANDING

- 2.2.1. Cory has successfully funded, delivered, and operates Riverside 1 and successfully funded Riverside 2, which is under construction. These are large, complex infrastructure projects located at the same site as the Proposed Scheme. Based on the success of the Riverside 1 and 2 developments and the Applicant's extensive experience delivering and operating large scale, complex infrastructure, the Applicant is confident that the Proposed Scheme will be commercially viable and therefore will be funded as required if development consent is granted.
- 2.2.2. Significant resources and a dedicated team have already been deployed with a view to delivering the Proposed Scheme recognising the Government's documented critical need for carbon capture storage infrastructure to meet the UK's Net Zero commitments. A full explanation of the context and need for the Proposed Scheme is provided in the **Project Benefits Report (Document Reference 5.4)**. The significant development costs incurred to date have been funded from the assets of the Applicant and have been strongly supported by Cory's shareholders.
- 2.2.3. The Applicant's net assets and cashflows from operational assets owned by the applicant are sufficient to fund a portion of the estimated Proposed Scheme costs. Unaudited accounts up to 31 December 2023 for Cory Environmental Holdings Limited stated total net assets in excess of £850 million (including cash reserves of £23.5m). An unaudited balance sheet is included at Appendix B of this Statement, alongside the most recent audited accounts for the year ended 31 December 2022. The forecast value of the Applicant's net assets is expected to be stable, with the largest variable expected to be the discount rate used by the company to value the

future cashflows from its investments, which is mainly dictated by the prevailing risk-free rate of interest.

2.2.4. Cory is backed by a strong consortium of long term infrastructure investors who all have long term strategies and have strongly supported the development of the Proposed Scheme. The consortium comprises Dalmore Capital, Semperian PPP Investment Partners, Fiera Infrastructure, TfL Pension Fund and Swiss Life Asset Managers. These investors acquired the Cory Group in 2018 for over £1.5 billion, and invested a further £396m in 2022 to fund the construction of the Riverside 2 development.

2.2.1. Collectively, the investors hold over £100 billion of funds under management. Details of the individual shareholders of the Cory group are as follows:

- **Dalmore Capital:** Dalmore Capital is an independent fund manager with offices in London and Edinburgh. It has over £5 billion of funds under management, largely from long term UK pension funds and institutional investors. Dalmore invests primarily in low risk infrastructure opportunities, including PFI/PPP projects, UK offshore transmission assets and regulated assets.
- **Semperian PPP Investment Partners:** Semperian is an open-ended UK corporate investment vehicle, whose investors are primarily UK based pension funds in both the public and private sector. The Semperian Group has £1.65 billion of direct PPP equity investments whilst also having Infrastructure Asset Management and Consultancy services; delivered by directly employed, specialist expertise, across all main public infrastructure sectors.
- **TfL Pension Fund:** One of Semperian's cornerstone investors, TfL Pension Fund, is also investing directly into the Cory group alongside Semperian. TfL Pension Fund has over £10 billion of funds under management.
- **Fiera Infrastructure:** Fiera Infrastructure is an investment firm specialising in infrastructure investments with offices in Toronto, London and New York. It is an affiliate of Fiera Capital Corporation (TSX: FSZ), a leading independent asset management firm with assets under management worth around £96 billion. Fiera Infrastructure currently has approximately £2.4 billion in assets under management through its interest in 90 infrastructure assets across the renewables, social, transport, digital, and environmental sectors.
- **Swiss Life Asset Management AG:** Established in 2011, the Swiss Life Asset Managers Infrastructure Equity platform manages over EUR 10bn in Assets under Management for its clients and partners. The team consists of 65 investment specialists with an average of 20 years industry experience across the senior level members. The platform has made 75 infrastructure investments, across 15 solutions, in both direct and indirect opportunities across the energy, communications, transportation, regulated utilities, social infrastructure and renewable energy sectors.

2.3. DEVELOPMENT FUNDING AND LAND ACQUISITION

2.3.1. Cory has sufficient cash reserves to fund the immediate costs required for the Proposed Scheme, which are estimated to be £20 million. These immediate costs include advisors' fees to progress the Proposed Scheme and engagement with those affected by the Proposed Scheme and seeking to acquire options for land and rights by agreement.

2.4. PROJECT FUNDING

2.4.1. Following the immediate costs required for the Proposed Scheme, the remaining costs will be funded from a combination of the Cory Group cash reserves and equity and debt finance. The required equity funding is expected to be obtained from Cory's existing shareholders, who all have a strong track record in investing in UK infrastructure and have already demonstrated their willingness to fund onward investments in the Cory group through the £396m of funding provided to fund the construction of the Riverside 2 assets.

2.4.2. More specifically, project development costs incurred prior to the start of construction will be funded from the cash reserves of the Cory Group, and cash earned from operational assets owned by the group. Construction costs will be funded from a combination of these cash reserves, equity and debt finance, with the combination to be determined dependent on market conditions at the time of construction.

2.4.3. A variety of financial institutions and advisors, including those with existing strong relationships with the Cory Group, will be consulted to access their extensive experience of financing major capital projects.

2.4.4. These funds will be sufficient to meet the Proposed Scheme's project costs.

3. LAND ACQUISITION AND BLIGHT

3.1. LAND ACQUISITION

- 3.1.1. The delivery of the Proposed Scheme requires the acquisition of land (including sub soil and airspace) and rights (including the creation of rights and the imposition of restrictions) in, under and over land, and the temporary possession of land.
- 3.1.2. Approximately 34 acres of the land required for the implementation of the Proposed Scheme is already freehold owned or leased and occupied by entities within the Cory group. Furthermore, the only commercial land to be acquired that Cory group does not already occupy (either as freehold or leasehold) is Plot 1-022 (Landsul/Munster Joinery) which is approximately 2 acres.
- 3.1.3. However, as set out in the **Land Plans (Document Reference 2.2)** and the **Statement of Reasons (Document Reference 4.1)**, the Applicant requires compulsory acquisition powers to acquire the freehold of certain plots, acquire and create rights in land (including imposing restrictions) and temporarily possess land across the Order limits to ensure that the Proposed Scheme can proceed without impediment.
- 3.1.4. The Applicant remains committed to securing the necessary land and rights required for the Proposed Scheme through voluntary agreement and is in ongoing discussions with all affected persons.

3.2. FUNDING FOR LAND ACQUISITION AND BLIGHT

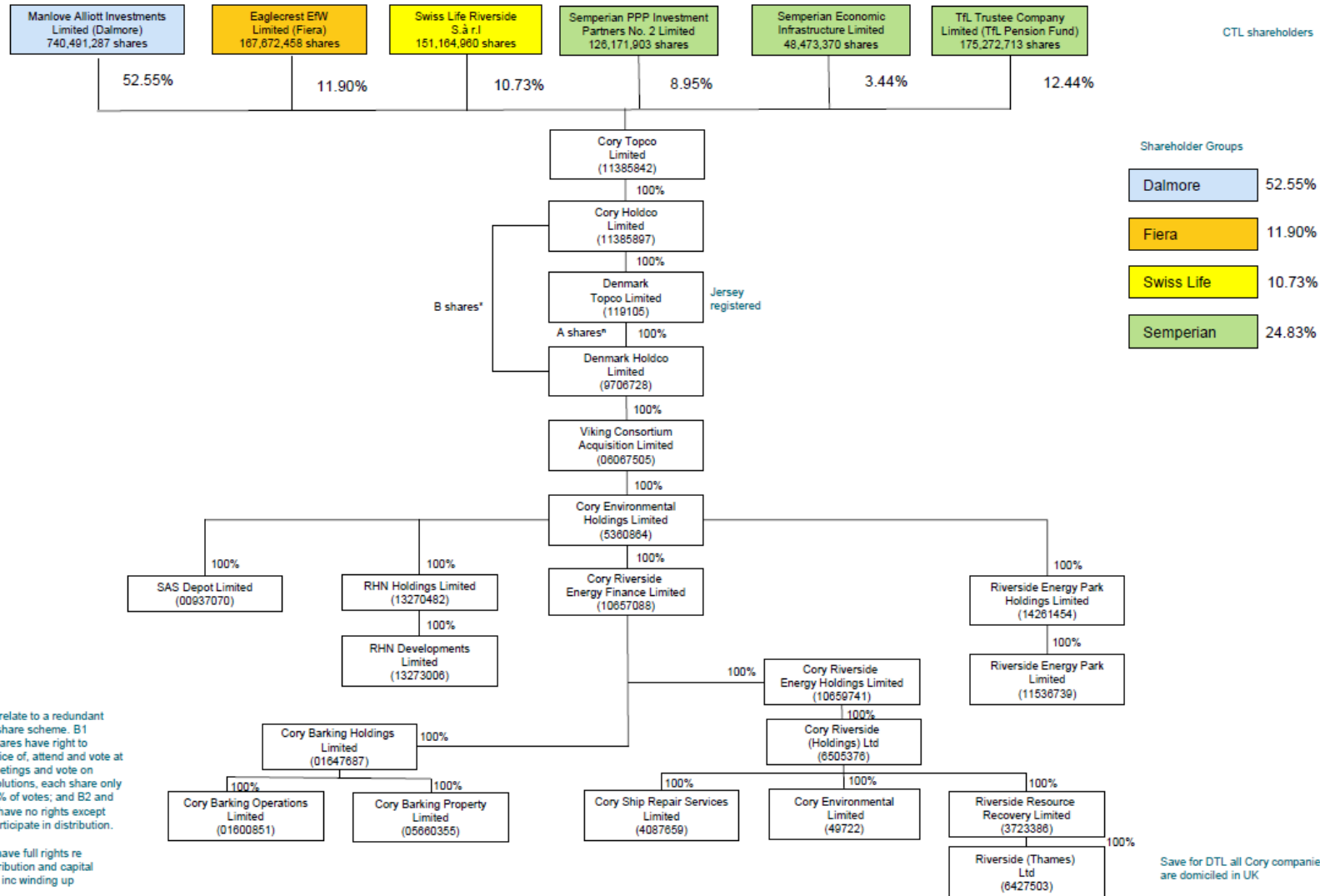
- 3.2.1. The current cost estimate of £56.6 million includes an amount to cover the compensation payable in respect of any compulsory acquisition (including of rights) included in the Order and required for the Proposed Scheme.
- 3.2.2. Should any claims for blight arise because of the Application, the Applicant therefore has sufficient funds to meet the cost of acquiring these interests at whatever stage they are served. However, the Applicant has not identified any interests in the Order land who it considers could be eligible to serve a blight notice.

Appendices

Appendix A

CORY TOPCO GROUP OF COMPANIES AND OWNERSHIP STRUCTURE

Cory Topco Group of Companies & ownership structure



Appendix B

CEHL ACCOUNTS

Unaudited balance sheet at 31 December 2023:

	£'000
Investments	831,864
Tangible assets	19
Non-current assets	831,883
Trade & other debtors	745
Intercompany	433,224
Deferred tax	15
VAT	155
Cash	23,470
Current assets	457,608
Trade & other creditors	(3,062)
Intercompany	(435,610)
Current creditors	(438,672)
Net current assets	18,936
Total assets less current liabilities	850,820
Non-current creditors	(166)
Net assets & Equity	850,654

Audited accounts for the year ended 31 December 2022:

<i>Audited</i>	£'k
Cory Environmental Holdings Limited	31 Dec 22
Investments	1,495,065
Tangible assets	36
Non-current assets	1,495,101
Trade and other debtors	405,804
Cash	79,901
Current assets	485,706
Trade and other creditors	(403,912)
Current creditors	(403,912)
Net current assets	81,794
Total assets less current liabilities	1,576,895
Non-current creditors	-
Net assets and equity	1,576,895



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