

West Burton Solar Project

Funding Statement

Prepared by: Island Green Power
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Issue Sheet

Report Prepared for: West Burton Solar Project Ltd.
DCO Submission

Funding Statement

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1 Introduction

1.1 Introduction

- 1.1.1 This Funding Statement has been prepared by West Burton Solar Project Limited ('the Applicant'). It forms part of the application ('the Application') for a Development Consent Order (DCO) that has been submitted to the Secretary of State for the Department for Energy Security and Net Zero ('the Secretary of State') under section 37 of the Planning Act 2008.
- 1.1.2 West Burton Solar Project (the Scheme) is a proposed solar farm with energy storage which will generate and store renewable electricity for export to the National Grid.
- 1.1.3 The Applicant is seeking a DCO for the construction, operation (including maintenance), and decommissioning of ground mounted solar photovoltaic (PV) generating stations (incorporating the solar arrays); grid connection infrastructure and energy storage; and the Cable Route Corridors (the Scheme). The Application is required because the Scheme is classified as a Nationally Significant Infrastructure Project (NSIP) under the PA 2008. The Scheme comprises a number of land parcels (the 'Site' or 'Sites') described as West Burton 1, 2, and 3 for the solar arrays, grid connection infrastructure and energy storage; and the Cable Route Corridors. The Sites are located approximately 7.4km to the south and up to 14.6km southeast of Gainsborough (see Site Location Plan **[EN010132/APP/WB2.1]**).
- 1.1.4 The Scheme is described in full in Chapter 4 of the Environmental Statement (ES), Scheme Description **[EN010132/APP/WB6.2.4]**, which supports the application.
- 1.1.5 This Statement has been prepared by the Applicant to support the DCO application and should be read alongside all other documents submitted by the Applicant.
- 1.1.6 The Scheme will have an export and import connection to the National Electricity Transmission System (NETS). The Point of Connection (PoC) will be located at the existing West Burton 400kV National Grid substation within the site of West Burton Power Station, currently owned by EDF.
- 1.1.7 The Scheme is being developed by the Applicant. The Applicant is part of Island Green Power Limited (IGP), who is a leading international developer of renewable energy projects, established in 2013.

1.2 Statement Purpose

- 1.2.1 This Statement has been produced pursuant to Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedures) Regulations 2009 (the APFP Regulations) and the Department of Communities and Local Government guidance 'Planning Act 2008: Guidance related to procedures for the compulsory acquisition of land' (September 2013).
- 1.2.2 This Statement is required because the DCO sought for the Scheme would authorise the compulsory acquisition of land or interests in land. This gives rise to the requirement under Regulation 5(2)(h) of the APFP Regulations for the Applicant to

provide a statement indicating how the DCO containing these powers, is proposed to be funded.

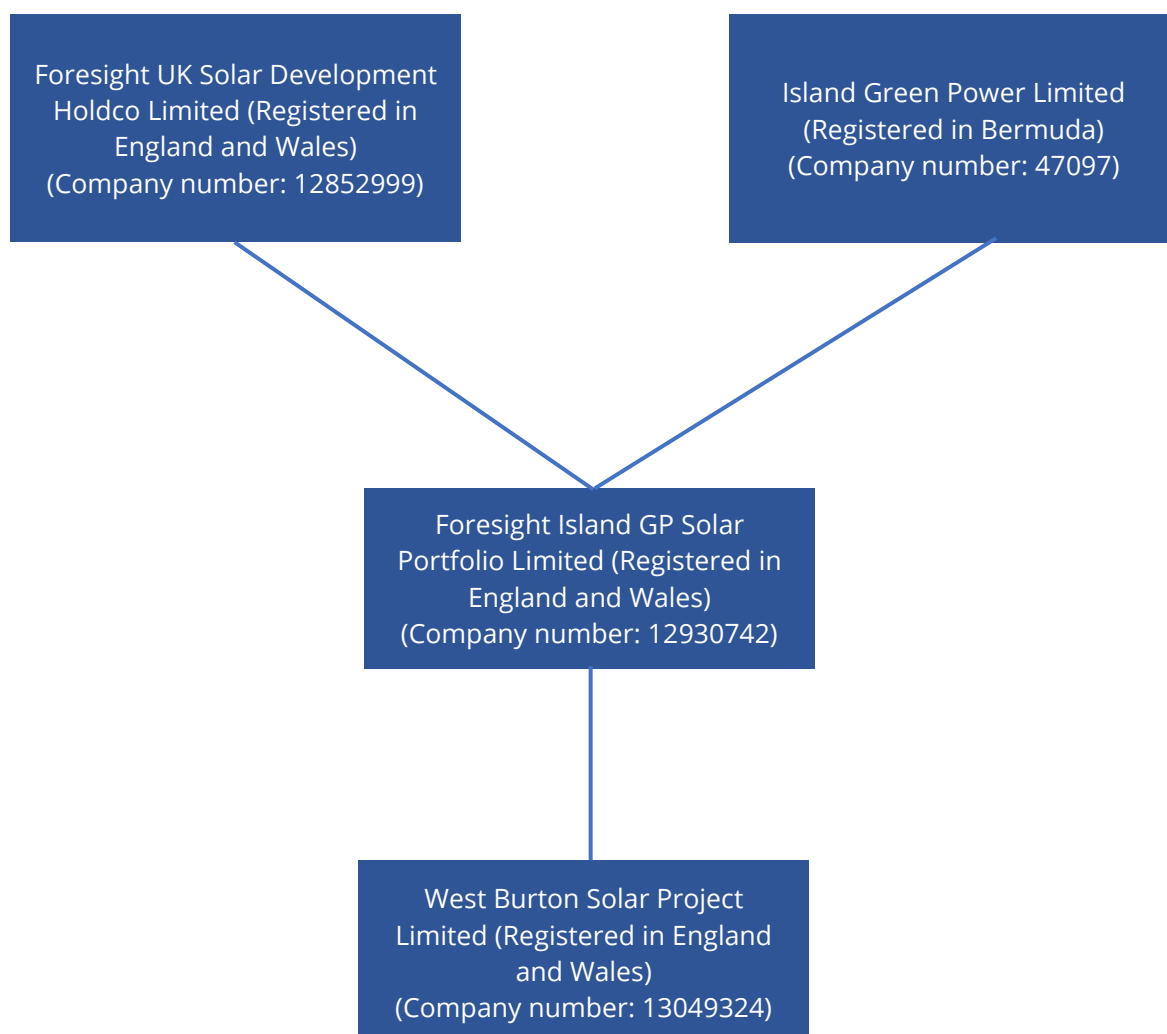
- 1.2.3 This Statement is one of a number of documents accompanying the Application submitted to the Secretary of State. It should be read in conjunction with the rest of the documents which comprises of the Application, and in particular the Statement of Reasons **[EN010132/APP/WB4.1]** and the draft DCO **[EN010132/APP/WB3.1]**.

2 Funding

2.1 Corporate Structure

- 2.1.1 West Burton Solar Project Limited (company number 13049324) is the Applicant for the Application and is registered in England and Wales.
- 2.1.2 West Burton Solar Project Limited is owned by the holding company Foresight Island GP Solar Portfolio Limited (FIGP). FIGP is registered in England and Wales under the company number 12930742. The ownership of FIGP is split between two shareholders.
- 2.1.3 Island Green Power Limited (IGP) is one of the shareholders and is a company registered in Bermuda under company number 47097.
- 2.1.4 The other shareholder is Foresight UK Solar Development Holdco Limited, a company registered in England and Wales under company number 12852999.
- 2.1.5 IGP has more than 9 years' worth of experience in delivering renewable energy projects in 7 countries including, England, Scotland, Northern Ireland, Wales, Republic of Ireland, Spain and Australia. IGP has delivered 26 solar projects worldwide totalling more than 1GW of capacity. This includes 14 solar projects in the UK and Republic of Ireland.
- 2.1.6 Foresight Group (Foresight) is a global business who are a sustainability-led alternative assets and small and medium-sized enterprise investment manager, with £12.3 billion of assets under management. Foresight's investment strategies are designed to create a resilient and decarbonised world that delivers high-quality jobs. Since Foresight's first investment into the solar market in 2007, they now manage a portfolio with 3.1GW of renewable energy generation capacity, 1.6GW of this being solar and over 250MW of enabling infrastructure assets. As of March 2021, Foresight had invested circa £1.6 billion in over 140 solar plants. This included significant investment into the UK solar sector and has led to Foresight being one of the largest solar asset managers in the UK with an installed capacity of over 930MW.
- 2.1.7 In summer 2022 Macquarie Asset Management, via Macquarie Green Investment Group Renewable Energy Fund 2 (MGREF2) acquired a 50 per cent stake in IGP.
- 2.1.8 Macquarie Group has invested in the UK's green-energy sector since 2005. It currently has more than 50 GW of green energy projects in progress either funded, at the pre-development, construction or operational stages; and has invested and arranged £34 billion in funding in green energy projects since 2010.

2.1.9 The ownership structure is shown in the Organogram below:



2.2 West Burton Solar Project Estimated Costs

2.2.1 The current cost estimate for the Scheme is approximately £500 million.

2.2.2 This estimate includes construction costs, preparation costs, supervision costs, land acquisition costs (including compensation payable in respect of any compulsory acquisition), equipment purchase, installation, commissioning, and power export. The estimate also includes an allowance for inflation and project contingencies.

2.3 West Burton Project Funding

2.3.1 Through its parent companies, the Applicant has the ability to procure the financial resources necessary to fund the works to be authorised by the Order.

2.3.2 IGP is committed to the delivery of the Scheme and to date has already invested approximately £6 million in the grid purchase, land acquisition costs and costs

associated with preparing the Application. It will also be funding the significant costs in taking the Application through the full DCO application process to determination.

- 2.3.3 Assuming the Secretary of State grants development consent for the Scheme, the Applicant would seek further funding with the support of its legal and financial advisors, as is common in privately funded infrastructure projects. The Applicant would consult with a variety of financial institutions, advisors and investors that have extensive experience of financing major capital projects. A final decision has not yet been taken on the type of finance that will be used, but this approach is tried and tested in the market and the Applicant is confident that it would be able to obtain finance for the Scheme.
- 2.3.4 The Applicant has appointed a number of professional advisors in connection with the development of the Scheme, including solicitors, project managers and technical consultants, all of whom have extensive experience of working within projects similar to the Scheme. Having taken and assessed the advice of these professional advisors the Applicant is confident that the Scheme is commercially viable and can be funded, if development consent is granted.
- 2.3.5 Once the DCO for the Scheme is granted, the final investment decision would be made by the Applicant.

2.4 Land Acquisition and Blight

- 2.4.1 The delivery of the Scheme requires the acquisition of land or rights (including the creation of rights and the imposition of restrictions) in, under, over land, and the temporary possession of land.
- 2.4.2 As set out in the Statement of Reasons **[EN010132/APP/WB4.1]**, the Applicant has already secured an option agreement over the Sites that make up the Scheme (being the majority of the Order limits). However, compulsory acquisition powers are required to ensure that the Scheme can proceed without impediment.
- 2.4.3 As stated above, the current cost estimate of the Scheme is £500 million. This includes an amount to cover the compensation payable in respect of any compulsory acquisition included in the DCO and required for the Scheme.
- 2.4.4 Should any claims for blight arise because of the Application, the Applicant 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 which it considers could be eligible to serve a blight notice.
- 2.4.5 The draft DCO also includes an Article preventing the exercise of the compulsory acquisition powers until the Secretary of State has approved a form of security from the Applicant.