

Cottam Solar Project

Funding Statement Revision A – Change Application

Prepared by: Island Green Power
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Issue Sheet

Report Prepared for: Cottam Solar Project Ltd.

Funding Statement Revision A – Change Application

Prepared by:

Name: James Youngs (IGP)

Title: Project Manager

Approved by:

Name: Eve Browning (IGP)

Title: Project Development Manager

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1 Introduction

1.1 Introduction

- 1.1.1 This Funding Statement has been prepared by Cottam Solar Project Limited ('the Applicant'). It forms part of the application for a Development Consent Order (DCO) ('the Application'), that has been submitted to the Secretary of State for Business, Energy and Industrial Strategy ('the Secretary of State') under section 37 of the Planning Act 2008.
- 1.1.2 Cottam 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 Scheme comprises a number of land parcels (the 'Site' or 'Sites') described as Cottam 1, 2, 3a and 3b for the solar arrays, grid connection infrastructure and energy storage; and the Cable Route Corridors. The Sites are located approximately 6.5km south east and 4km north east of Gainsborough (see the Location Plan [EN010133/CR1/C2.1_A_CR]).
- 1.1.4 The Scheme is described in full in Chapter 4 of the Environmental Statement (ES), Scheme Description [REP-012], which supports the application.
- 1.1.5 As each of the four Sites have a generating capacity that exceeds 50 megawatts (MW), the Scheme is defined under the Planning Act 2008 as a Nationally Significant Infrastructure Project (NSIP) and will therefore require a DCO from the Secretary of State. 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 Cottam 400kV National Grid substation within the site of the now-decommissioned Cottam 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

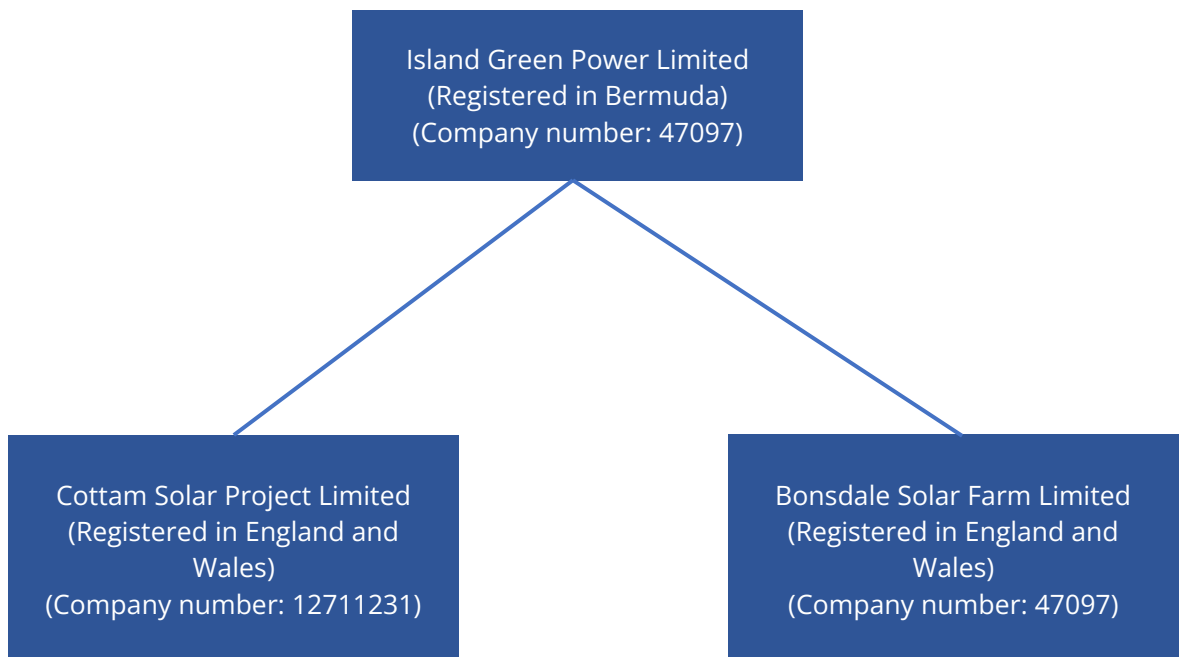
provide a statement indicating how the DCO containing these powers, is proposed to be funded.

- 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 [EN010133/CR1/C4.1_B_CR] and the draft DCO [EN010133/CR1/C3.1_D_CR].

2 Funding

2.1 Corporate Structure

- 2.1.1 Cottam Solar Project Limited (company number 12711231) is the Applicant for the Application and is registered in England and Wales.
- 2.1.2 Cottam Solar Project Limited is part of Island Green Power Limited (IGP), and is completely owned by IGP. IGP is a company registered in Bermuda under company number 47097.
- 2.1.3 IGP has more than 10 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.
- 2.1.4 In summer 2022 Macquarie Asset Management, via Macquarie Green Investment Group Renewable Energy Fund 2 (MGREF2) acquired a 50 per cent stake in Island Green Power.
- 2.1.5 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.
- 2.1.6 IGP's ownership of Cottam Solar Project Limited is subject to a share charge in favour of Shell New Energies UK Limited. Shell is a global group of energy and petrochemical companies with an average of 86,000 employees per annum across more than 70 countries. They have operated in the UK since 1897. Shell UK aims to invest £20-25 billion in the UK energy system by 2030. This is one of the biggest single investments into the UK energy system. More than 75% of this is intended for low and zero-carbon products and services, including solar, offshore wind, hydrogen and charging for electric vehicles.
- 2.1.7 The majority of the landowner option agreements are held by Cottam Solar Project Limited, but the option agreement for the Cottam 3b Site is held by Bonsdale Solar Farm Limited (company number 13563009). Bonsdale Solar Farm Limited is also wholly owned by IGP.
- 2.1.8 The ownership structure is shown in the Organogram below:



2.2 Cottam Solar Project Estimate Costs

- 2.2.1 Through its parent company IGP, the Applicant has the ability to procure the financial resources necessary to fund the works to be authorised by the Order.
- 2.2.2 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.
- 2.2.3 Assuming the Secretary of State grants development consent for the Scheme, IGP would seek further funding with the support of its legal and financial advisors, as is common in privately funded infrastructure projects. IGP 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 IGP is confident that it would be able to obtain finance for the Scheme.
- 2.2.4 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.
- 2.2.5 Once the DCO for the Scheme is granted, the final investment decision would be made by the Applicant.

2.3 Land Acquisition and Blight

- 2.3.1 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.
- 2.3.2 As set out in the Statement of Reasons [EN010133/CR1/C4.1_B_CR], 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.
- 2.3.3 As stated above, the current cost estimate of the Scheme is £850-900 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.
- 2.3.4 The Applicant has submitted a Change Request Application [EN010133/CR1/C9.2]. This change request includes extending or changing the extent of the Order land in five places, for the reasons described in the Change Request Application and supporting documents. As a result, the area of land over which compulsory acquisition powers could be exercised has increased slightly.
- 2.3.5 As such, the Applicant's Land Referencers have carried out further assessments to review the potential impact on the general values of the cost estimate in light of the proposed amendments to the Order limits; and to determine the potential impact on disturbance values (for example, in relation to temporary possession of the land) as a result of the Change Request Application.
- 2.3.6 The conclusion of this further assessment by the Land Referencers is that the change in the overall cost estimate is negligible and is covered by the existing funding position. As a result, it has been concluded that there are no other amendments required to this Funding Statement as a result of the change.
- 2.3.7 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.
- 2.3.8 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.