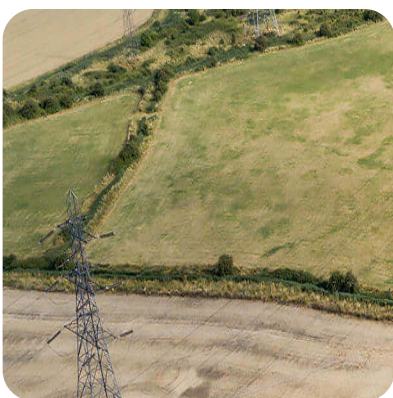


Funding Statement

Thurrock Flexible Generation Plant

Application document number A4.1 (Tracked change version to accompany change request, April 2021)

APFP Regulations reference 5(2)(h)



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Appendix B Statera Energy Group Corporate Structure

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1 INTRODUCTION

- 1.1.1 This Funding Statement has been prepared as part of the application by Thurrock Power Ltd (the Applicant) for a Development Consent Order (a DCO), that has been submitted to the Secretary of State (the SoS) for Business, Energy and Industrial Strategy (BEIS), under section 37 of the Planning Act 2008 (as amended) (the PA 2008), in respect of the Proposed Scheme (the Application).
- 1.1.2 Thurrock Power proposes to develop a flexible generation plant on land north of Tilbury Substation in Thurrock. The flexible generation plant will provide up to 600 megawatts (MW) of electrical generation capacity on a fast response basis, together with up to 150 MW of battery storage capacity.
- 1.1.3 Schedule 1 of the draft DCO (document reference A3.1) identifies the development for which development consent is being applied for and for which this Funding Statement has been prepared.
- 1.1.4 A DCO is required for the Proposed Scheme as it falls within the definition and thresholds for a Nationally Significant Infrastructure Project (a NSIP) under sections 14 and 15(2) of the PA 2008.

1.2 Thurrock Power Ltd

- 1.2.1 Thurrock Power is a subsidiary of Statera Energy Limited, a private British company that develops, builds and operates flexible electricity generating and storage plant in the UK.
- 1.2.2 Statera Energy was established with the aim of delivering increased flexibility for the UK electricity system to assist in the transition to a low carbon economy in the expectation that renewable energy sources, such as solar and wind, will become the dominant form of generation of the future.
- 1.2.3 Thurrock Power will be a fully integrated developer, owner, and operator of the proposed Thurrock Flexible Generation Plant.

1.3 Site Description

- 1.3.1 The proposed development site is located on land south west of Station Road near Tilbury, Essex. The British National Grid coordinates are TQ662766 and the nearest existing postcode is RM18 8UL. It is within the administrative area of Thurrock Borough Council (TBC) and lies in the Thurrock Green Belt.
- 1.3.2 The application boundary and location of the proposed development are shown in the Location and Order Limits Plans, [\(REP2-003\) Application Document A2.1](#).
- 1.3.3 The main development site for the generating plant and battery storage facility currently comprises open fields crossed by drainage ditches and three overhead power lines with steel lattice electricity pylons. Land for access routes (including causeway for barge deliveries during construction) and connections to the gas and electricity grid within the Order Limits comprises farm land, previously developed industrial sites, and the north bank of the River Thames.

1.4 The Proposed Development

- 1.4.1 In overview, the proposed development comprises the construction and operation of:
- reciprocating gas engines with rated electrical output totalling 600 MW;
 - batteries with rated electrical output of 150 MW and storage capacity of up to 600 MWh;
 - gas and electricity connections;

- creation of temporary and permanent private access routes for construction haul and access in operation, including a causeway for barge deliveries; and
- designation of exchange Common Land and habitat creation or enhancement for protected species translocation and biodiversity gain.

1.5 Purpose of this Funding Statement

- 1.5.1 This Statement has been produced pursuant to regulation 5(2)(h) of The Infrastructure Planning (Applications: Prescribed Forms and Procedure) 2009 (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) (Ref. 1).
- 1.5.2 This Statement is required because the DCO sought for the Proposed Scheme, known as The Thurrock Flexible Generation Plant Consent Order (the Order), 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 Order containing these powers is to be funded.
- 1.5.3 This Statement is one of a number of documents accompanying the Application and submitted to the SoS, as set out in the Application Guide (document reference [A1.2REP3-002¹](#)), and should be read alongside and is informed by those documents. In particular, this document supplements the Statement of Reasons (document reference [A4.2APP-024](#)).

¹ [References are to current versions of these documents submitted to the Examination but some of these documents are being updated and submitted with the request for a material change.](#)

2 LAND ACQUISITION

- 2.1.1 The development of the flexible generation plant requires the acquisition of land (freehold and leasehold) ~~er~~and rights (including the creation of rights and the imposition of restrictions) in, under and over land, and the temporary possession of land.
- 2.1.2 Thurrock Power Ltd is committed to trying to secure the necessary land and rights through voluntary agreement and is currently in discussions with all affected persons with the intention of securing the necessary rights and interests in the land required for the life of the Proposed Scheme by agreement.
- 2.1.3 However, as set out in the Statement of Reasons, Thurrock Power Ltd requires compulsory acquisition powers in order to acquire the freehold of certain plots, acquire the leasehold interest in certain plots, and acquire and create rights in land (including imposing restrictions) in order to ensure that the development can proceed without impediment.

3 FUNDING STATEMENT

3.1 Corporate Structure of Statera Energy Group

- 3.1.1 Thurrock Power Ltd (Company number 10917470) is the Applicant for this DCO Application. Thurrock Power Ltd is registered in England and Wales and is a wholly owned subsidiary of Statera Energy Ltd (incorporated in England and Wales with Company number 09840486).
- 3.1.2 Statera Energy Ltd is 73% owned and controlled by Statera Energy Holding Ltd.
- 3.1.3 Statera Holding Limited is wholly owned and controlled by InfraRed Infrastructure V General Partner LLP in its capacity as general partner for and on behalf of each of InfraRed Infrastructure V (1) LP and InfraRed Infrastructure V (2) LP (the "Limited Partnerships").
- 3.1.4 InfraRed Capital Partners Limited is authorised and regulated by the Financial Conduct Authority in the UK (FRN:195766) and is the manager of the Limited Partnerships.
- 3.1.5 The smallest and largest group for which group financial statements are drawn up and of which Thurrock Power Ltd is a member is Statera Energy Limited. Audited accounts up to 31 March 2019 are included in appendix A of this statement.
- 3.1.6 The corporate structure of the Statera Energy Group is illustrated in Appendix B of this statement.

3.2 Project Cost

- 3.2.1 The current cost estimate for the Proposed Scheme is circa £240-300 m. This cost estimate includes construction costs, preparation costs, supervision costs and land acquisition costs (including compensation payable in respect of any compulsory acquisition, anticipated at circa £2-5m). This includes all aspects for the Proposed Scheme including land acquisition, equipment purchase, construction, installation, commissioning and connection to fuel supply and power export.

3.2.2 This is an estimate of the anticipated outturn cost and therefore includes an allowance for inflation and contingencies.

3.2.3 [As set out in the Applicant's response to the Examining Authority's First Written Question 1.3.29 \(REP2-041\), the calculation of estimated compensation has been derived largely on a market value basis using a set amount per acre of land or per linear meter of pipeline, with the exception of the compensation for access rights over the PoTLL and RWE sites, which has been estimated on the basis of commercial terms being reached between the parties. The estimated cost in the table below does not require to be updated to reflect additional land and rights required as a result of the Applicant's change request application because this valuation already included a contingency amount for small areas of additional land and/or rights which are subsumed into the wider negotiation with the already affected landowners. This valuation has been prepared by an individual within the Applicant who is a member of the Royal Institution of Chartered Surveyors. The figures attributable to the different areas of land are set out in the table below:](#)

<u>Item</u>	<u>Size</u>	<u>Unit</u>	<u>Estimated Compensation</u>
Access road and water pipe in Zone C	5.66	Acres	£67,920
Zone G access road (eastern option – the longest)	7.89	Acres	£94,680
Ecological enhancement land (Zones F1-F4)	24.06	Acres	£288,720
Exchange common land (Zone E)	28.72	Acres	£344,640

Gas connection compound and access to it (Zone D3)	1.46	Acres	£17,520
Area of Work 1 within Walton Common	25.95	Acres	£311,400
Remaining area of Work 1 outside Walton Common	23.78	Acres	£285,360
Gas pipeline (northern option – the longest)	2,299	Meters	£229,900
Access via PoTLL and RWE sites	n/a	n/a	£1,500,000
Total			3,140,140

3.2.2

3.3 Project Funding

- 3.3.1 Through Statera Energy Ltd, Thurrock Power Ltd has the ability to secure the financial resources necessary to fund the works to be authorised by the DCO.
- 3.3.2 The Statera Energy Group is funded by its shareholders, through a mix of equity and shareholder loans, external debt as well as cashflows from its operational assets.
- 3.3.3 Statera Energy Limited has equity and shareholder loan facilities of up to £190 million in place, of which £130 million is currently undrawn. This demonstrates the confidence of funders.
- 3.3.4 Statera Holding Limited is wholly owned and controlled by InfraRed Infrastructure V General Partner LLP in its capacity as general partner for and on behalf of each of InfraRed Infrastructure V (1) LP and InfraRed Infrastructure V (2) LP (the “Limited Partnerships”). The fund has capital commitment of c\$1bn.
- 3.3.5 Project development costs sustained prior to the start of consultation will be funded from the cash reserves of the Statera Energy Group. Construction costs will be funded from a combination of these cash reserves, debt and equity finance, with the combination to be determined dependent on market conditions at the time of construction.
- 3.3.6 A variety of financial institutions and advisors, including those with existing strong relationships with Statera Energy Ltd, will be consulted to access their extensive experience of financing major capital projects.
- 3.3.7 These funds will be sufficient to meet all of the project costs listed above.
- 3.3.8 Once the DCO is granted, the final investment decision on the Proposed Scheme will be taken, subject to Statera Energy Ltd board approval. This board approval may be connected to any award of a Capacity Market contract.
- 3.3.9 Statera Energy Ltd has assessed the Proposed Scheme and is, based on its experience in this sector, confident that it will be commercially viable, enabling it to be funded as required if development consent is granted.
- 3.3.10 As an indication of its confidence in funding the scheme Statera Energy Ltd has already signed a power purchase agreement for the scheme with Statkraft Markets GmbH which provides further certainty to investors of the commercial viability of the scheme
- 3.3.11 Significant resources and a dedicated team have already been deployed with a view to delivering the Proposed Scheme on an accelerated timeline recognising the Government’s documented need for new electricity generating capacity.

3.3.12 Thurrock Power Ltd via Statera Energy Limited already has access to appropriate funding to carry out the Proposed Scheme.

4 FUNDING FOR LAND ACQUISITION AND BLIGHT REFERENCES

4.1.1 The current cost estimate (see paragraph [3.2.1](#) ~~Error! Reference source not found.~~ above) includes an amount to cover the total cost of the payment of compensation for the compulsory acquisition included in the Order and required for the Proposed Scheme. [Details of the estimated cost for compensation are included at paragraph 3.2.3 above.](#)

[4.1.2](#) Should any claims for blight arise as a consequence of the Application, Thurrock Power Ltd has sufficient funds to meet the cost of acquiring these interests at whatever stage they are served. However, Thurrock Power Ltd has not identified any interests in the Order land who it considers could be eligible to serve a blight notice.

~~4.1.2~~ [4.1.3](#) [The addition of new land and rights required as a result of the material change application being made by the Applicant does not affect the Applicant's ability to meet any compensation and blight claims which may arise as a result of the proposed exercise of the powers of compulsory acquisition sought.](#)

REFERENCES

1. Department of Communities and Local Government (2013): Planning Act 2008: Guidance related to procedures for the compulsory acquisition of land. DCLG, London. Available online at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/236454/Planning_Act_2008 -
_Guidance related to procedures for the compulsory acquisition of land.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/236454/Planning_Act_2008_-_Guidance_related_to_procedures_for_the_compulsory_acquisition_of_land.pdf) [accessed 29/01/20)



APPENDICES

Appendix A

Statera Energy Ltd Audited Accounts

Appendix B

Statera Energy Group Corporate Structure