

MORGAN OFFSHORE WIND PROJECT: GENERATION ASSETS

Updated Funding Statement

F02

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Image of an offshore wind farm

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Glossary

Term	Meaning
Applicant	Morgan Offshore Wind Limited.
Development Consent Order (DCO)	An order made under the Planning Act 2008 granting development consent for a Nationally Significant Infrastructure Project (NSIP).
Morgan Array Area	The area within which the wind turbines, foundations, inter-array cables, interconnector cables, scour protection, cable protection and offshore substation platforms (OSPs) forming part of the Morgan Offshore Wind Project: Generation Assets will be located.
Morgan Offshore Wind Project: Generation Assets	This is the name given to the Morgan Generation Assets project as a whole (includes all infrastructure and activities associated with the project construction, operations and maintenance, and decommissioning).
Environmental Statement	The document presenting the results of the Environmental Impact Assessment (EIA) process for the Morgan Offshore Wind Project.

Acronyms

Acronym	Description
DCO	Development Consent Order
FID	Final Investment Decision

Units

Unit	Description
kV	Kilovolts
km	Kilometres
GW	Gigawatt
MW	Megawatt
nm	Nautical miles

1 FUNDING STATEMENT

1.1 Introduction

- 1.1.1.1 This Funding Statement is submitted by Morgan Offshore Wind Limited (the Applicant) in connection with its application (the Application) to the Secretary of State for a development consent order (DCO) for the construction, operation and decommissioning of an offshore wind power generating station – Morgan Offshore Wind Project: Generation Assets. The Funding Statement was submitted in response to question GEN 1.20 of the Examining Authority's first written questions (PD-004) which states:

“Funding Statement

Further to the potential requirement for a BoR as set out in Question GEN 1.19 above, the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 regulation 5(2)(h) states that if the proposed order would authorise the compulsory acquisition of land or an interest in land or right over land, a statement of reasons and a statement to indicate how an order that contains the authorisation of compulsory acquisition is proposed to be funded.

Whilst the ExA understands that a funding statement has not been submitted given that the proposed order would not authorise the compulsory acquisition of land, it requires assurances to establish that the Applicant has the financial capacity to discharge all relevant requirements and conditions in the draft DCO, that the Proposed Development can be completed and operated, and subsequently appropriately decommissioned.

The Applicant is asked to provide a funding statement which would cover these issues.”

- 1.1.1.2 This Funding Statement should be read in conjunction with the Application documents.

1.2 Project Description

- 1.2.1.1 The Morgan Generation Assets is located in the east Irish Sea. The Morgan Array Area (i.e. the area within which the offshore infrastructure will be located) is 280 km² in area and is located 22.22 km (12 nm) from the Isle of Man coastline, 37.13 km (20.1 nm) from the northwest coast of England and 58.5 km (31.6 nm) from the Welsh coastline (Anglesey) (when measured from Mean High Water Springs (MHWS)). The Morgan Array Area is located wholly within English offshore waters (beyond 12 nm from the English coast).
- 1.2.1.2 The Morgan Offshore Wind Project: Generation Assets will consist of up to 96 wind turbine generators. The proposed capacity of the Morgan Offshore Wind Project: Generation Assets is over 100 MW. The final capacity of the Morgan Offshore Wind Project: Generation Assets will be determined based on available technology and constrained by the design envelope of the wind turbines. The offshore infrastructure will also include up to 4 offshore substation platforms, 60 km of interconnector cables and 390 km of inter-array cables.
- 1.2.1.3 More information on the project design and location figures can be found in Volume 1 Chapter 3: Project description of the Environmental Statement (REP6-024).

1.3 Applicant and DCO undertaker

- 1.3.1.1 Morgan Offshore Wind Limited is registered in England and Wales (company registration number 13497271) with its registered office at Chertsey Road, Sunbury on Thames, Middlesex, United Kingdom, TW16 7BP, United Kingdom and is the Applicant for the Application. The Applicant has signed an Agreement for Lease with The Crown Estate to

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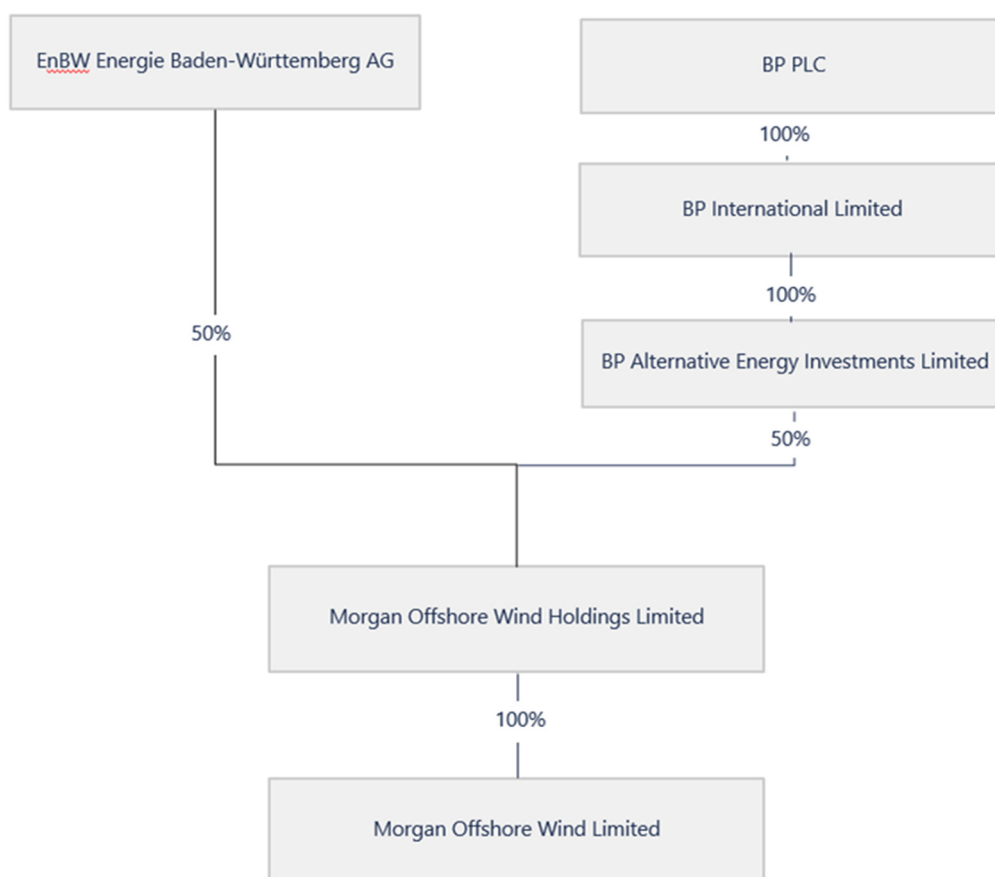
secure the necessary rights to the seabed in order to develop the Morgan Offshore Wind Project: Generation Assets.

1.3.1.2 The Applicant at the point of application was a 50/50 joint venture between the following legal entities (the Shareholders):

- Snowmass Holdings Limited (50%) which is a wholly owned subsidiary of BP Gamma Holdings Limited (a wholly owned subsidiary of bp plc);
- Energie Baden-Württemberg AG (EnBW) (50%).

1.3.1.3 See below the ownership structure of the Applicant at the point of application.

Original Structure



1.3.1.4 On 9 December 2024 it was announced that JERA Nex Limited and bp would join forces to create a top-tier global offshore wind joint venture JERA Nex bp Limited. The transaction completed on 1 August 2025 and was announced on 4 August 2025.

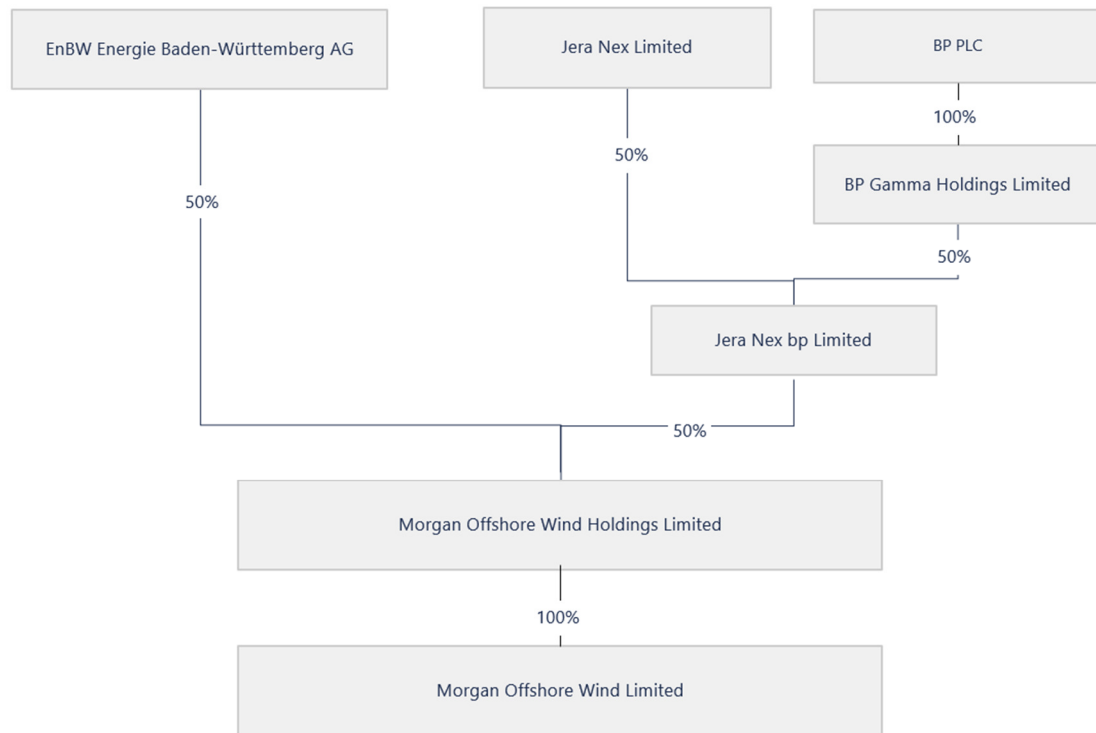
1.3.1.5 Following the completion of the transaction the Shareholder of the Applicant remains:

- Snowmass Holdings Limited (which was renamed JERA Nex bp Limited on completion of the transaction) (50%), and is 50% owned by JERA Nex Limited and 50% owned by BP Gamma Holdings Limited; and
- Energie Baden-Württemberg AG (EnBW) (50%).

1.3.1.6 Following the completion of the transaction the structure of the Applicant comprises:

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Planned Structure on Completion of the Transaction



- 1.3.2 JERA Nex bp Limited combines JERA Nex Limited and bp's offshore wind portfolios and project management expertise to create a new standalone, equally owned joint venture with strategic commitment to grow and become a top tier global offshore wind developer and operator.
- 1.3.2.1 JERA Nex bp Limited is a strategic platform for growth, combining high-quality operating assets with a total potential net generating capacity of 13GW. The formation of JERA Nex bp Limited was intended to accelerate development from the combined pipeline and bolster access to competitive financing.
- 1.3.2.2 bp and JERA Nex Limited have agreed to provide \$5.8bn of equity commitment for offshore wind investments committed to across various jurisdictions before the end of 2030 including the Mona and Morgan Offshore Wind Projects. The Shareholders will contribute into JERA Nex bp Limited interests in their offshore wind business comprising operating assets with around 1GW net generating capacity, a strong pipeline of high-quality development projects with around 7.5GW capacity and further secured leases with around 4.5GW of potential capacity.
- 1.3.2.3 JERA Nex bp Limited is expected to benefit from the existing relationships and partnerships that the two shareholders have worldwide. The business will also draw on and benefit from the global trading capabilities of both partners to manage and market power from its assets into various offtake channels.
- 1.3.2.4 JERA Nex Limited is 100% owned by JERA Co Inc (JERA). JERA is Japan's largest power company and one of the world's largest electricity producers. JERA first entered the offshore wind industry in 2019 through investments in projects in the UK and Taiwan, including acquiring Parkwind for \$1.7bn in 2023. JERA owns and operates wind farms in Belgium, Germany, Japan and Taiwan and has a development portfolio that includes projects in Japan, Ireland and Australia.
- 1.3.2.5 bp has been building a portfolio in offshore wind since 2019 and now has a development pipeline with total potential generating capacity of 9.7GW net (5.7GW development projects

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and a further 4GW secured leases). Development projects are the Morgan and Mona projects in the UK Irish Sea, and Oceanbeat East and Oceanbeat West in Germany's North Sea, with secured leases off Scotland and the east coast of the US.

1.3.2.6 BP Gamma Holdings Limited is a direct subsidiary of BP p.l.c. and was incorporated on 26 April 2023 for the purpose of being the holding company for bp's Low Carbon Energy subsidiaries and joint venture interests. As per December 2023 financials, BP Gamma Holdings has a net asset value of \$10bn. Current investments held under BP Gamma Holdings include:

- 100% of Lightsource bp, the solar development business
- 75% interest in the Net Zero Teesside Power clean-gas fired power plant project, currently under construction. bp is operator of NZT Power. Co-owner is Equinor
- 45% interest in the Northern Endurance Partnership, a UK CO₂ transportation and storage project, currently under construction. bp is operator of NEP. Co-owners are Equinor and Total Energies
- 75% interest in H2Teesside, a low carbon hydrogen project under development. Co-owner is ADNOC
- 49% interest in Hyport Duqm green hydrogen project, Oman

1.3.2.7 EnBW is one of the largest energy supply companies in Germany and supplies electricity, gas, water and energy solutions and energy industry services to around 5.5 million customers with a workforce of more than 27,000 employees.

1.3.2.8 EnBW aims to strengthen its position as a sustainable and innovative infrastructure partner for customers, citizens and local authorities to an even greater extent. The repositioning of EnBW with a focus on renewable energies and smart infrastructure solutions is a key component of its strategy. With a focus on renewable energy and smart infrastructure solutions, EnBW's objective is for half of the electricity it supplies to be from renewable sources by the end of 2025. This is already having a noticeable effect on the reduction of CO₂ emissions, which EnBW aims to halve by 2030 and to be climate neutral by 2035.

1.3.2.9 EnBW has been involved in the operation of hydro power plants in the Black Forest for more than 100 years and has a large and continuously growing number of onshore wind farms and solar photovoltaics in Germany, France and Sweden. In addition, EnBW developed, constructed and operates four offshore wind farms in Germany (EnBW Baltic 1, Baltic 2, Hohe See and Albatros) with a total installed capacity of 945 MW, commissioned between 2011 and 2020. A further 900 MW offshore wind farm, He Dreiht, is currently under development in Germany.

1.4 Funding

1.4.1.1 There will be the necessary funding resources available to develop and construct the Morgan Offshore Wind Project: Generation Assets.

1.4.1.2 The Applicant is a special purpose vehicle which does not currently hold substantial assets or revenue generating ability. The necessary financial and funding support will come from its Shareholders and ultimate parent companies: BP Gamma Holdings Limited, JERA Nex Limited and EnBW.

1.4.1.3 Between now and the Final Investment Decision (FID), the Shareholders (which following completion of the transaction include JERA Nex Limited as a "Shareholder") will fund the Morgan Offshore Wind Project: Generation Assets through the following:

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- a. Equity Financing (subscription by the Shareholders for additional shares in the Applicant)
- b. Debt Financing (Shareholder Loans); or
- c. By a combination of Equity Financing and Debt Financing.

1.4.1.4 At or around FID, the Shareholders are also expected to approve the financing plan of the Morgan Offshore Wind Project: Generation Assets. The Applicant intends to meet the finance requirements for the construction and operation of the Morgan Offshore Wind Project: Generation Assets through non-recourse Project Financing (where commercially sensible and prudent) from domestic and/or international investors on market terms.

1.4.1.5 The current audited accounts for BP Gamma Holdings Limited and JERA Nex Limited for the year end 2023 and EnBW for the year end December 2024 are presented in the Morgan Offshore Wind Project: Generation Assets Funding Statement. These demonstrate that all Shareholders have substantial assets and given their joint experience and reputation as energy and utilities companies, there will be sufficient funding available to meet all liabilities of the Morgan Offshore Wind Project: Generation Assets.

1.5 Commercial viability of the scheme

1.5.1.1 The Applicant is confident that Morgan Offshore Wind Project: Generation Assets will be commercially viable based on the assessments it has undertaken.

1.6 Estimated project costs

1.6.1.1 The current cost estimate for delivery of the Morgan Offshore Wind Project: Generation Assets that is the subject of the DCO Application is £4bn (see the Socio-economics technical impact report (APP-048)).

1.6.1.2 This estimate includes costs for development and project management, financing, and construction.

1.7 Conclusion

1.7.1.1 The Applicant will be responsible for providing funding to cover the costs of the delivery associated with the Morgan Offshore Wind Project: Generation Assets. This funding will be provided by the Applicant's parent companies which following completion of the transaction comprise BP Gamma Holdings Limited, JERA Nex Limited and EnBW. Each of these companies have substantial assets in their own right and considerable experience in infrastructure development.

1.7.1.2 The Secretary of State can therefore be satisfied that sufficient funding will be available to develop the Morgan Offshore Wind: Generation Assets. The project is well-resourced financially and there is no reason to believe that, if the DCO is made, the Morgan Offshore Wind Project: Generation Assets will not proceed.