DCOs for sale

In its D3 Response [REP3-064, page 12], the Applicant draws the ExA's attention to a disturbing practice that is undermining Britain's solar DCO process.

It is worth noting that a number of solar projects that have obtained DCO consent since 2020 have been sold by the original developer before construction began – including the first, Cleve Hill in Kent, as well as West Burton and Mallard Pass in Lincolnshire.

East Yorkshire may well be added to this list: its applicant (under a new company name) was the same individuals as those who secured the Cleve Hill DCO. The practice is endemic.

The Applicant's warning should be heeded. The consequences of approving a proposal from a company that has neither the experience nor the intention of constructing a large-scale project of this type are predictable.

Historical precedence

It is worth noting that PVDP was an active early participant in Japan's transition to a carbon-free grid. It secured planning permission for six solar farms totalling over 1GW [REP3-064], as detailed on its website.

The Applicant declined the request for supporting information [REP1-159, page 1], but publicly available records allowed an adequate review [RR-0092, REP1-159, REP2-060].

The 183 MW Onikobe farm was a qualified success: when the constructor (Thai Solar Energy) sold the farm, the power rating was recalibrated to 134 MW. The other five solar farms did not fare so well.

Happily, construction at Ukujima (480 MW) came to a halt before most of the solar panels were installed. The constructor (Kyudenko) will have suffered financially, but the environmental consequences were minimal.

The remaining four (total 200 MW) were sited on former golf courses in remote locations. Satellite imagery confirms the presence of PV panels. These farms are not listed on active solar databases; the absence of connections to adjacent HV pylons (in the satellite imagery) casts further doubt over their operational status.¹

PVDP's involvement in Japan's solar PV programme appears to have ceased some time ago.

We have now moved our focus to the UK.

PVDP website homepage

¹ ReENE's Kawasaki plant is listed. The company's photograph shows vegetative overgrowth that is not typical for a maintained, functional solar farm.

Infrastructure Planning (APFP) Regulations 2009

Although we might be offended (on the Inspectorate's behalf) when a disingenuous applicant masquerades as a committed solar farm constructor, this behaviour is not prohibited in the NSIP regulations.

However, for applications that include compulsory acquisition (such as solar DCOs), the legislation effectively excludes DCO award to an applicant that intends to sell its DCO. Section 5(2)(h) of APFP requires an applicant to demonstrate that it has access to sufficient funds to cover the cost of the proposed development by providing

... a statement to indicate how an order that contains the authorisation of compulsory acquisition is proposed to be funded.

Applications for orders granting development consent 5.–(2)(h)

This implies the need for either

- evidence that the company has liquidity to cover its construction costs [BWSF: £820m], or
- 2) a provisional agreement with a recognised institutional investor (i.e. a Memorandum of Understanding).

Section 6 of the Funding Statement [APP-022] restricts itself to declarations of self-confidence and to listing the various methods companies use to get funding.

6.2 Construction costs will be funded from a combination of equity and debt finance with the exact combination dependent upon market conditions at the date construction commences. The Applicant will work with a variety of financial institutions and advisors in order to secure funding and has extensive experience of financing major capital projects.²

In fairness to PVDP, it is just recycling the language and vibe that has proved successful in previous solar DCO Funding Statements, for example, East Yorkshire.

2.3.4 PNE 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 PNE is confident that it would be able to obtain finance for the Scheme if required.

It is difficult to understanding how the recent Funding Statements satisfy the 5(2)(h) Regulation or give the SoS confidence that sufficient funding will be available.

² The Applicant has *extensive experience* of acquiring land rights and of obtaining and selling planning permission. It has zero experience of financing £820m projects.

Solar DCOs: August Update

Solar DCO decisions up to August 2025	
DCOs consented	12
DCOs declined	0
Total	12