

MORGAN AND MORECAMBE OFFSHORE WIND FARMS: TRANSMISSION ASSETS

Funding Statement – [F02 \(Tracked\)](#)

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Glossary

Term	Meaning
Applicants	Morgan Offshore Wind Limited (Morgan OWL) and Morecambe Offshore Windfarm Ltd (Morecambe OWL).
Development Consent Order	An order made under the Planning Act 2008, as amended, granting development consent.
Environmental Impact Assessment	The process of identifying and assessing the significant effects likely to arise from a project. This requires consideration of the likely changes to the environment, where these arise as a consequence of a project, through comparison with the existing and projected future baseline conditions.
Environmental Statement	The document presenting the results of the Environmental Impact Assessment process for the Project.
Mean Low Water Springs	The height of mean low water during spring tides in a year.
Morecambe Offshore Windfarm: Generation Assets	The offshore generation assets and associated activities for the Morecambe Offshore Windfarm.
Morecambe Offshore Windfarm: Transmission Assets	The offshore export cables, landfall and onshore infrastructure required to connect the Morecambe Offshore Windfarm to the National Grid.
Morgan and Morecambe Offshore Wind Farms: Transmission Assets	<p>The offshore and onshore infrastructure connecting the Morgan Offshore Wind Project and the Morecambe Offshore Windfarm to the national grid. This includes the offshore export cables, landfall site, onshore export cables, onshore substations, 400 kV grid connection cables and associated grid connection infrastructure such as circuit breaker compounds.</p> <p>Also referred to in this report as the Transmission Assets, for ease of reading.</p>
Morgan Offshore Wind Project: Generation Assets	The offshore generation assets and associated activities for the Morgan Offshore Wind Project.
Morgan Offshore Wind Project: Transmission Assets	The offshore export cables, landfall and onshore infrastructure required to connect the Morgan Offshore Wind Project to the National Grid.
National Grid Penwortham substation	The existing National Grid substation at Penwortham, Lancashire.

Term	Meaning
Onshore substations	The onshore substations will include a substation for the Morgan Offshore Wind Project: Transmission Assets and a substation for the Morecambe Offshore Windfarm: Transmission Assets. These will each comprise a compound containing the electrical components for transforming the power supplied from the generation assets to 400 kV and to adjust the power quality and power factor, as required to meet the UK Grid Code for supply to the National Grid.
Transmission Assets Order Limits	The area within which all components of the Transmission Assets will be located, including areas required on a temporary basis during construction and/or decommissioning.

Acronyms

Acronym	Meaning
DCO	Development Consent Order
EIA	Environmental Impact Assessment
FID	Final Investment Decision

Units

Unit	Description
dB	Decibel
DM	Dalcour Maclaren
GW	Gigawatts
kV	Kilovolts
Km	Kilometres
MW	Megawatt

1 Funding Statement

1.1 Introduction

- 1.1.1.1 This Funding Statement is submitted by Morgan Offshore Wind Limited, a joint venture ~~of~~ between JERA Nex bp ~~Alternative Energy Investments Ltd (bp(JNbp))~~ and Energie Baden-Württemberg AG (EnBW) (Morgan OWL), and Morecambe Offshore Windfarm Ltd, ~~a joint venture between Zero-E~~ owned by Morecambe Offshore Wind ~~S.L.U. (Spain) (a Cobra group company, Holdco Limited which is part of the VINCI group of companies) (Cobra) and Flotation Energy Ltd (Morecambe OWL)~~ Copenhagen Infrastructure Partners' (CIP) fifth flagship fund, Copenhagen Infrastructure V (CI V) (together, the Applicants), as part of their joint application to the Secretary of State for a DCO for the construction, operation and decommissioning of the Morgan and Morecambe Offshore Wind Farms: Transmission Assets (the Transmission Assets).
- 1.1.1.2 The Applicants are seeking development consent for the construction, operation and decommissioning of two electrically separate transmission systems connecting two nationally significant infrastructure projects - the Morgan Offshore Wind Project: Generation Assets and the Morecambe Offshore Wind Farm: Generation Assets - to the National Grid Penwortham substation. Following a request from the Applicants, on 4 October 2022 the Secretary of State issued a direction under section 35 of the Planning Act 2008 that the Transmission Assets should be treated as development for which development consent is required. As such, a DCO is required to authorise the Transmission Assets in accordance with Section 31 of the Planning Act 2008.
- 1.1.1.3 Morgan OWL has separately applied for a DCO for the Morgan Offshore Wind Project: Generation Assets and Morecambe OWL has also separately applied for a DCO for the Morecambe Offshore Windfarm: Generation Assets.
- 1.1.1.4 All parts of this Funding Statement should be read in conjunction with the application documents.

1.2 Purpose of the Document and Summary

- 1.2.1.1 Each section of this Funding Statement is split into two parts, one for Morgan OWL and one for Morecambe OWL, on the basis that the funding for the Morgan and Morecambe elements of the Transmission Assets (the Morgan Offshore Wind Project: Transmission Assets and Morecambe Offshore Windfarm: Transmission Assets respectively) are being separately funded by separate project companies.
- 1.2.1.2 The purpose of this Funding Statement is to demonstrate that the development of both the Morgan Offshore Wind Project: Transmission Assets and the Morecambe Offshore Windfarm: Transmission Assets will be adequately funded and therefore that funding is no impediment to their delivery.

1.2.1.3 Additionally, ~~it will~~ [this Funding Statement has been prepared as it may](#) be necessary to compulsorily acquire land and rights over land for the purposes of developing the Morgan Offshore Wind Project: Transmission Assets and the Morecambe Offshore Windfarm: Transmission Assets and such powers have therefore been included in the draft DCO (document reference C1). This Funding Statement explains how Morgan and Morecambe will provide for the payment of compensation to those affected by compulsory acquisition, temporary possession, or any blight claims in relation to Morgan Offshore Wind Project: Transmission Assets and the Morecambe Offshore Windfarm: Transmission Assets respectively.

1.2.1.4 This Funding Statement has been prepared in accordance with the requirements of Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 and the Department for Communities and Local Government (now the Department for Levelling Up, Housing and Communities) guidance 'Planning Act 2008: Guidance related to procedures for compulsory acquisition of land' (September 2013).

1.3 Project description

1.3.1.1 All elements of both the Morgan Offshore Wind Project: Transmission Assets and the Morecambe Offshore Windfarm: Transmission Assets will be located within the Transmission Assets Order Limits. Further details of the Transmission Assets are provided in Volume 1, Chapter 3: Project description of the Environmental Statement (document reference F1.3). Details of the site selection process for the Transmission Assets are presented in Volume 1, Chapter 4: Site selection and consideration of alternatives of the Environmental Statement (document reference F1.4).

1.3.2 Part A – The Morgan Offshore Wind Project: Transmission Assets

1.3.2.1 The key components of the Morgan Offshore Wind Project: Transmission Assets include:

- Offshore:
 - offshore export cables: these export cables will bring the electricity generated by the Morgan Offshore Wind Project: Generation Assets to the landfall for onward transmission.
- Landfall:
 - landfall site: this is where the offshore export cables are jointed to the onshore export cables via the transition joint bays. This term applies to the entire area between Mean Low Water Springs and the transition joint bays.
- Onshore elements:
 - onshore export cables: these export cables will be jointed to the offshore export cables via the transition joint bays at the landfall

site, and will bring the electricity generated by the Morgan Offshore Wind Project: Generation Assets to the Morgan substation;

- onshore substation: the substation for the Morgan Offshore Wind Project will contain the components for transforming the power supplied via the onshore export cables up to 400 kV; and
- 400 kV grid connection cables: these export cables will bring the electricity generated by the Morgan Offshore Wind Project: Generation Assets from the Morgan substation to the existing National Grid substation at Penwortham.
- environmental mitigation areas – temporary and/or permanent areas, including accesses identified to provide environmental mitigation only.
- biodiversity benefit areas - permanent areas, including accesses identified to provide biodiversity benefit only.

1.3.2.2 The key parameters for the Morgan Offshore Wind Project are as set out in Table 1.1 below.

Table 1.1: Key parameters for the Morgan Offshore Wind Project: Transmission Assets

Parameter	Morgan Offshore Wind Project
Offshore Infrastructure	
Maximum number of offshore export cables	4
Maximum length of offshore export cables (km) – per cable	100
Maximum length of offshore export cables (km) – all cables	400
Onshore Infrastructure	
Maximum number of onshore export cables	12 (4 circuits)
Maximum number of 400 kV grid connection cables	6 (2 circuits)
Maximum length of onshore export cables (km)	17
Maximum number of onshore substations	1
Maximum length of 400 KV grid connection cables (km)	13

1.3.3 Part B - The Morecambe Offshore Windfarm: Transmission Assets

1.3.3.1 The key components of the Morecambe Offshore Windfarm: Transmission Asset include:

- Offshore:
 - offshore export cables: these export cables will bring the electricity generated by the Morecambe Offshore Windfarm: Generation Assets to the landfall for onward transmission.
- Landfall:
 - landfall site: this is where the offshore export cables are jointed to the onshore export cables via the transition joint bays. This term applies to the entire area between Mean Low Water Springs and the transition joint bays.
- Onshore elements:
 - onshore export cables: these export cables will be jointed to the offshore export cables via the transition joint bays at the landfall site, and will bring the electricity generated by the Morecambe Offshore Windfarm: Generation Assets to the Morecambe substation;
 - onshore substation: the substation for the Morecambe Offshore Windfarm will contain the components for transforming the power supplied via the onshore export cables up to 400 kV; and
 - 400 kV grid connection cables: these export cables will bring the electricity generated by the Morecambe Offshore Windfarm: Generation Assets from the Morecambe substation to the existing National Grid substation at Penwortham.
 - environmental mitigation areas – temporary and/or permanent areas, including accesses identified to provide environmental mitigation only.
 - biodiversity benefit areas - permanent areas, including accesses identified to provide biodiversity benefit only.

1.3.3.2 The key parameters for the Morecambe Offshore Windfarm are as set out in Table 1.1 below.

Table 1.2: Key parameters for the Morecambe Offshore Windfarm

Parameter	Morgan Offshore Wind Project
Offshore Infrastructure	
Maximum number of offshore export cables	2
Maximum length of offshore export cables (km) – per cable	42
Maximum length of offshore export cables (km) – all cables	84
Offshore Infrastructure	

Parameter	Morgan Offshore Wind Project
Offshore Infrastructure	
Maximum number of onshore export cables	6 (2 circuits)
Maximum number of 400 kV grid connection cables	6 (2 circuits)
Maximum length of onshore export cables (km)	17
Maximum number of onshore substations	1
Maximum length of 400 KV grid connection cables (km)	13

1.4 The DCO undertakers

1.4.1.1 Both Morgan OWL and Morecambe OWL are named undertakers in the draft DCO. Morgan OWL is the named undertaker in respect of the Morgan Offshore Wind Project: Transmission Assets and Morecambe OWL is the named undertaker in respect of the Morecambe Offshore Windfarm: Transmission Assets.

1.4.2 Part A – Morgan

1.4.2.1 Morgan ~~OWL is~~ OWLs registered in England and Wales (company registration number 13497271) with its registered office at Chertsey Road, Sunbury on Thames, Middlesex, ~~TW16 7BP~~ United Kingdom, TW16 7BP, United Kingdom. Morgan OWL has signed an Agreement for Lease with The Crown Estate to secure the necessary rights to the seabed in order to develop the Morgan Offshore Wind Project: Generation Assets.

1.4.2.2 Morgan OWL ~~which is developing both the Morgan Offshore Wind Project: Generation Assets and the Morgan Offshore Wind Project: Transmission Assets is wholly owned by Morgan Offshore Wind Holdings Limited, which is a~~ was originally a 50/50 joint venture between the ~~below~~ following legal entities (the Morgan Shareholders):

~~(a) bp Alternative Energy Investments Ltd (bp); and~~

(a) Snowmass Holdings Limited (50%) which is a wholly owned subsidiary of BP Gamma Holdings Limited (a wholly owned subsidiary of bp plc);

(b) Energie Baden-Württemberg AG (EnBW) (50%).

1.4.2.3 ~~The~~ See below the original ownership structure of Morgan ~~OWL is presented in Funding Statement Annex 3 (document reference D1.3).~~ Offshore Wind Limited:

~~1.4.2.4 bp is an international company that delivers energy products and services to our customers around the world. bp's strategy is to transition to become an integrated energy company across low carbon energy, resilient hydrocarbons, and mobility and convenience. bp is working to~~

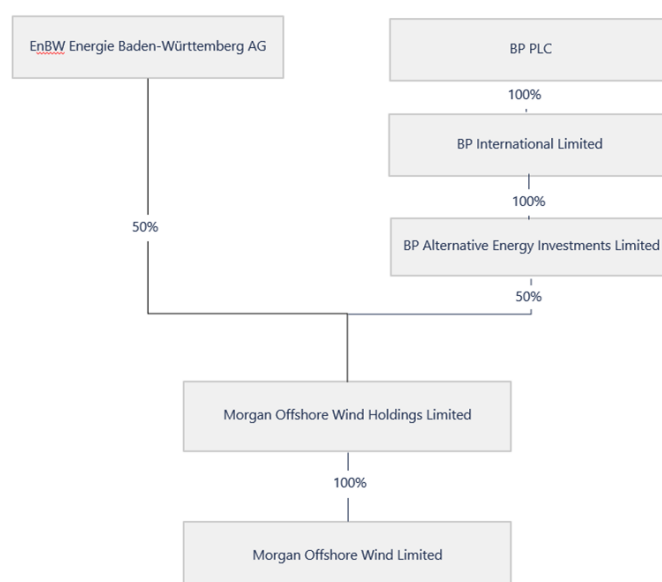
~~help deliver a better, more balanced, energy system that is secure and affordable as well as increasingly lower carbon.~~

~~1.4.2.5 — bp is investing in offshore wind to establish a global position in the sector and build our portfolio to help serve the world's energy needs. This is part of bp's transformation to an integrated energy company and helping to play our part in providing secure, affordable and lower carbon energy.~~

~~1.4.2.6 — In the UK, bp and partner EnBW are leading the development of the Morgan and Mona offshore wind projects in the Irish Sea and the Morven offshore wind project in the North Sea. These projects have a combined potential generating capacity of 5.9 GW, sufficient to power the equivalent of around 6 million UK households. In early 2023, bp was successful in its bid to develop its first floating offshore wind demonstration project offshore Aberdeenshire.~~

~~In Germany, bp is progressing our plans to develop two projects, Oceanbeat East and Oceanbeat West, with a combined potential~~

Original Structure



1.4.2.4 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.

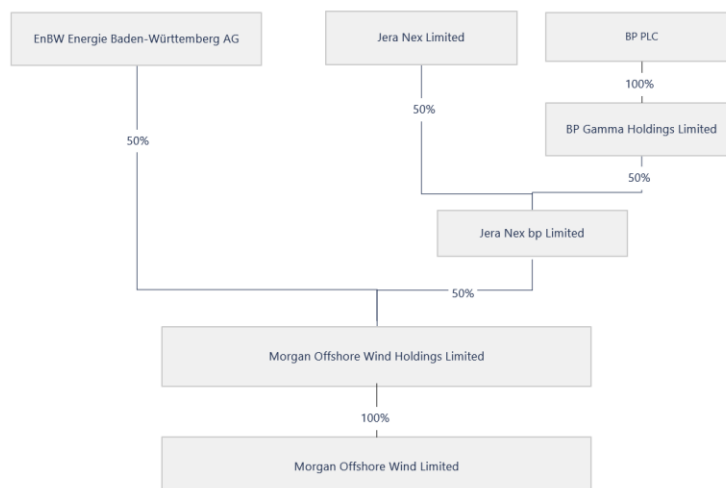
1.4.2.5 Following the completion of the transaction the Morgan Shareholders:

(a) 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

(b) Energie Baden-Württemberg AG (EnBW) (50%).

1.4.2.6 Following the completion of the transaction the structure of Morgan OWL comprises:

Planned Structure on Completion of the Transaction



- 1.4.2.7 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.
- 1.4.2.8 JERA Nex bp Limited is a strategic platform for growth, combining high-quality operating assets with a total potential net generating capacity of 4GW. In Asia, 13GW. The formation of JERA Nex bp Limited was intended to accelerate development from the combined pipeline and bolster access to competitive financing.
- 1.4.2.9 bp has formed a strategic partnership with Marubeni to explore 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 Morgan Shareholders will contribute into JERA Nex bp Limited interests in their offshore wind opportunities in Japan. bp also established a joint venture business comprising operating assets with Norway's Deep Wind Offshore, which saw bp acquire a 55% stake in the company's early-stage 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.
- 1.4.2.10 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.
- 1.4.2.11 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.

~~1.4.2.7~~ 1.4.2.12 bp has been building a portfolio of in offshore wind since 2019 and now has a development pipeline with total potential generating capacity of 9.7GW net (5.7GW development projects around the Korean Peninsula 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.

1.4.2.13 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

~~1.4.2.8~~ 1.4.2.14 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.

~~1.4.2.9~~ 1.4.2.15 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.

~~1.4.2.10~~ 1.4.2.16 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 ~~960~~900 MW offshore wind farm, He Dreiht, is currently under ~~construction~~development in Germany.

1.4.3 Part B – Morecambe

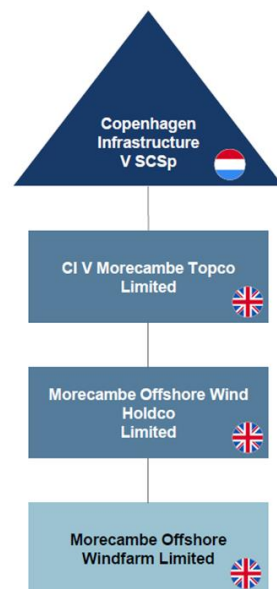
Morecambe OWL is registered in Scotland (company registration number SC734062) with its registered office at ~~12 Alva~~Morecambe Offshore Windfarm Ltd, 4th Floor, 115 George Street, Edinburgh, Midlothian, Scotland, ~~EH2 4QG~~.4JN.

- 1.4.3.1 Morecambe OWL is wholly owned by Morecambe Offshore Wind Holdco Limited, which is ~~a 81/19 joint venture between Zero-E Offshore Wind S.L.U. (Spain) (a Cobra group company, part of the VINCI group of companies) (Cobra) and Flotation Energy~~in turn owned by CI V Morecambe Topco Limited. The over-arching parent company, which provides all funding, is Copenhagen Infrastructure Partners' (CIP) fifth flagship fund, 'Copenhagen Infrastructure V SCSp' (CI V fund).
- 1.4.3.2 The ownership structure of Morecambe OWL is ~~presented in Funding Statement Annex 4 (document reference D1.4).~~illustrated by this diagram:
- 1.4.3.3 ~~With 80 years of experience, Cobra is a historically significant group in the development of industrial infrastructure and service provision, and one of the key players in the renewable energy sector in Spain and Latin America. Cobra possesses the capacity and determination to develop, build, and operate industrial and energy infrastructures that demand a high level of service, grounded in excellence in integration, technological innovation, and financial robustness.~~
- 1.4.3.4 ~~Their unrivalled knowledge and understanding of offshore wind developments is a significant advantage in delivering a high quality and efficient project, coupled with their commitment to environmental stewardship. Their experience as a major player in offshore wind is based on a 50MW project in operation and over 11.2GW under development.~~
- 1.4.3.5 ~~Flotation Energy, headquartered in Edinburgh, Scotland, sits at the heart of the energy transition. It is determined to support the big switch to sustainable, clean and affordable energy through the application of innovative offshore wind technology. An ambitious offshore wind developer, Flotation Energy has a 13GW portfolio that covers both fixed and floating developments globally, with projects in the UK, Ireland, Taiwan, Japan and Australia.~~
- 1.4.3.6 ~~Whilst Flotation Energy develops projects independently, it also recognises the strategic value of partnership and collaboration to deliver proven, cost-effective solutions.~~
- 1.4.3.7 ~~Flotation Energy Limited is a wholly owned subsidiary of Tepco Renewable Power (TEPCO RP") which is part of the Tokyo Electric Power Company ("TEPCO") Group.~~
- 1.4.3.8 ~~TEPCO is Japan's largest utility and is listed on the Tokyo Stock Exchange. The TEPCO Group includes over 90 subsidiary and affiliated companies with 38,000 employees worldwide.~~

- ~~1.4.3.9 — TEPCO RP is one of four major business lines within the TEPCO Group and is a global leader in the development and operation of utility-scale renewable energy generation assets. TEPCO RP owns and operates a total of 168 hydroelectric power stations in Japan with a cumulative 9.9 GW capacity, some of which have been in operation since the 1800s. This is comprised of 2.26 GW of general hydroelectric stations and 7.68GW of pumped hydro stations. TEPCO RP also has operational solar farms and onshore wind assets.~~
- ~~1.4.3.10 — TEPCO RP has its own offshore wind development portfolio separate to the Flotation Energy projects, including the Choshi offshore wind farm which was Japan's first operational bottom-fixed offshore wind asset. TEPCO RP have also been participating in the innovative TetraSpar offshore floating wind turbine foundation demonstrator project in Norway, along with several other companies.~~

Morecambe

Corporate structure post-change of control



- 1.4.3.3 — CIP was founded in 2012 and is the world's largest dedicated fund manager focused on renewable energy investments. It manages over €32 billion in assets over 13 different funds. CIP has a 50GW Global Offshore Wind portfolio and across over 30 different markets has over 160GW of renewable energy projects in development. Within the UK, CIP has a 25GW pipeline, including a 30% share in the Ossian Offshore Wind Farm in Scotland - at up to 3.6 GW capacity this will be one of the world's largest floating offshore wind farms. CIP is also the majority shareholder in the Pentland Floating Offshore Wind Demonstrator, a 100 MW floating project off the north coast of Scotland.
- 1.4.3.4 — Copenhagen Offshore Partners (COP) serves as the exclusive development partner to CIP. , COP assumes full responsibility for the end-to-end delivery of the Morecambe project, including budget management, maintaining close collaboration with CIP throughout the process. Utilising budget from the CI IV fund (financial report demonstrating the Shareholders assets is included in the Funding

Statement Annex 4 (D1.3/F03) individual project budgets are established on an annual basis and are subject to regular review in conjunction with CIP. For key funding decisions and the disbursement of funds, COP provides strategic advice and formal recommendations to CIP regarding the timing and necessity of such actions. In instances where an earlier-than-anticipated drawdown of funds is required, COP will submit a recommendation to CIP. These decisions are reviewed on a regular basis to ensure that, where early drawdowns are approved, they are executed efficiently and in a timely manner.

1.5 Funding

1.5.1 Part A – Funding of the Morgan Offshore Wind Project: Transmission Assets

- 1.5.1.1 There will be the necessary funding resources available to develop and construct the Morgan Offshore Wind Project: Transmission Assets.
- 1.5.1.2 Morgan OWL is a special purpose vehicle which does not currently hold substantial assets or revenue generating ability. The necessary financial and funding support ~~comes~~will come from the Morgan Shareholders ~~bp plc~~and ultimate parent companies: BP Gamma Holdings Limited, JERA Nex Limited and EnBW.
- 1.5.1.3 Between now and the Final Investment Decision (FID), the Morgan Shareholders (which following completion of the transaction include JERA Nex Limited as a “Shareholder”) will fund the Morgan Offshore Wind Project: Transmission Assets through the following:
- Equity financing (subscription by the Morgan Shareholders for additional shares in Morgan OWL);
 - Debt financing (shareholder loans); or
 - By a combination of equity financing and debt financing.
- 1.5.1.4 At or around FID, the Morgan Shareholders are also expected to approve the financing plan for the Morgan Offshore Wind Project: Transmission Assets -as part of the wider Morgan Offshore Wind Project. Morgan OWL intends to meet the finance requirements for the construction and operation of the Morgan Offshore Wind Project: Transmission Assets -through non-recourse project financing (where commercially sensible and prudent) from domestic and/or international investors on market terms.
- 1.5.1.5 The current audited accounts for ~~bp plc~~BP Gamma Holdings Limited and JERA Nex Limited for the year end 2023 and EnBW for the year end December ~~2023~~2024 are presented in the Funding Statement Annex 3 (document reference D1.3). These demonstrate that the Morgan 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: Transmission Assets, including any liabilities related to compulsory acquisition of land or rights in land.

- 1.5.1.6 The Morgan Shareholders undertake that they will ensure that the necessary funds will be available when they are due in relation to land acquisition. Given the Morgan Shareholders' strong balance sheets and credit outlook, no funding shortfalls are anticipated in respect of land assembly (S&P Global has assigned "A-" credit rating to both the Morgan Shareholders).

Guarantees and Security

- 1.5.1.7 Article 33(1) (Funding) of the draft DCO requires Morgan OWL to refrain from exercising the powers of compulsory acquisition granted by the DCO until guarantees or alternative forms of security in respect of the liability of the undertaker to pay compensation are in place. The form of guarantee or security and the amount of these must be approved by the Secretary of State. It will be for the Secretary of State to satisfy himself/herself that the guarantee or security provided is sufficient to cover the compensation liabilities.
- 1.5.1.8 Article 33(6) (Funding) of the draft DCO provides an exception to the need for Morgan OWL to provide a guarantee or alternative form of security. Morgan OWL will need to provide the Secretary of State with financial information sufficient to demonstrate that the relevant company has appropriate funding in place to meet any liability to pay compensation without the need for a guarantee or alternative form of security to be put in place. In those circumstances, no guarantee or alternative form of security will be required.

Commercial Viability of the Morgan Offshore Wind Project: Transmission Assets

- 1.5.1.9 Morgan OWL is confident that the Morgan Offshore Wind Project: Transmission Assets as part of the wider Morgan Offshore Wind Project will be commercially viable based on the assessments it has undertaken. The Secretary of State can be confident that funding will be available to meet the compulsory acquisition costs as they fall due.

1.5.2 Part B – Funding of the Morecambe Offshore Windfarm: Transmission Assets

- 1.5.2.1 There will be the necessary funding resources available to develop and construct the Morecambe Offshore Windfarm: Transmission Assets.
- 1.5.2.2 Morecambe is a special purpose vehicle which does not currently hold substantial assets or revenue generating ability. The necessary financial and funding support comes from its ~~shareholders and ultimate parent companies i.e. Flotation Energy and Cobra Instalaciones y Servicios S.A (the Morecambe Shareholders).~~ parent company CI V Morecambe Topco Limited, i.e. Copenhagen Infrastructure Partners' CI V flagship fund.
- 1.5.2.3 Between now and the Final Investment Decision (FID), the Morecambe Shareholders will fund the Morecambe Offshore Windfarm: Transmission Assets through the following:

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

1.5.2.4 At or around FID, the Morecambe Shareholders are also expected to approve the financing plan for the Morecambe Offshore Windfarm: Transmission Assets as part of the wider Morecambe Offshore Wind Project. Morecambe intends to finance the construction and operation of the Morecambe Offshore Windfarm: Transmission Assets through non-recourse Project Financing (where commercially sensible and prudent) from domestic and/or international investors on market terms.

1.5.2.5 The audited accounts for ~~TEPCO HDCI V SCS~~Sp for the ~~year end March financial period 01.01.2024 and Cobra Instalaciones y Servicios S.A. 31.12.2024~~ (the parent company of ~~Zero-E Offshore Wind S.L.U.~~) ~~for the year end December 2023~~Morecambe OWL) are presented in the Funding Statement Annex 4 (~~document reference D1.4).~~ ~~These demonstrate~~3/F03). ~~The annual report is presented in accordance with the IFRA Accounting Standards as adopted by the EU. The report demonstrates~~ that ~~both Morecambe~~Morecambe's Shareholders have substantial assets and given their ~~joint~~ experience and reputation as the world's largest dedicated fund manager within greenfield renewable energy and utilities companies investments, there will be sufficient funding available to meet all liabilities of the Morecambe Offshore Windfarm: Transmission Assets.

1.5.2.6 The Morecambe Shareholders undertake that they will ensure that the necessary funds will be available when they are due in relation to land acquisition. Given the Morecambe Shareholders' strong balance sheets and credit outlook, no funding shortfalls are anticipated in respect of land assembly.

Guarantees and Security

1.5.2.7 Article 33(2) (Funding) of the draft DCO requires Morecambe to refrain from exercising the powers of compulsory acquisition granted by the DCO until guarantees or alternative forms of security in respect of the liability of the undertaker to pay compensation are in place. The form of guarantee or security and the amount of these must be approved by the Secretary of State. It will be for the Secretary of State to satisfy himself/herself that the guarantee or security provided is sufficient to cover the compensation liabilities.

1.5.2.8 Article 33(7) (Funding) of the draft DCO provides an exception to the need for Morecambe to provide a guarantee or alternative form of security. Morecambe will need to provide the Secretary of State with financial information sufficient to demonstrate that the relevant company has appropriate funding in place to meet any liability to pay compensation without the need for a guarantee or alternative form of security to be put in place. In those circumstances, no guarantee or alternative form of security will be required.

Commercial viability of the Morecambe Offshore Windfarm: Transmission Assets

- 1.5.2.9 Morecambe OWL is confident that the Morecambe Offshore Windfarm: Transmission Assets as part of the wider Morecambe Offshore Wind Project will be commercially viable based on the assessments it has undertaken. The Secretary of State can be confident that funding will be available to meet the compulsory acquisition and wider project costs as they fall due.

1.6 Estimated project costs

1.6.1 Part A – The Morgan Offshore Wind Project: Transmission Assets

- 1.6.1.1 The current cost estimate for delivery of the Morgan Offshore Wind Project: Transmission Assets that is the subject of the DCO Application is £840,000,000 (see Volume 4, Annex 2.1 of the Environmental Statement –Socio-economics Technical Report (document reference F4.1.1)).
- 1.6.1.2 This estimate includes costs for development and project management, financing, land acquisition ~~and~~, construction [and allowances for severed land](#).

1.6.2 Part B The Morecambe Offshore Windfarm: Transmission Assets

- 1.6.2.1 The current cost estimate for delivery of the Morecambe Offshore Windfarm: Transmission Assets that is the subject of the DCO Application is £560,000,000. (see the Socio-economics technical impact report (document reference F4.1.1)).
- 1.6.2.2 This estimate includes costs for development and project management, financing, land acquisition ~~and~~, construction [and allowances for severed land](#).

1.7 Compensation claims

1.7.1 Part A – The Morgan Offshore Wind Project: Transmission Assets

- 1.7.1.1 The DCO will grant Morgan OWL powers to acquire land and rights in land as necessary to construct the Morgan Offshore Wind Project: Transmission Assets. These can be used in the event it has not been possible to acquire the necessary interests and rights by agreement.
- 1.7.1.2 Morgan OWL has sought advice from Dalcour Maclaren (DM) who are expert chartered surveyors with experience in offshore wind farm development. DM have provided possible heads of ~~claim~~[liability](#) for:
- Compulsory acquisition of freehold land and permanent rights

- Compensation arising out of temporary works (disturbance)
- Severance and injurious affection
- Third Party Professional Fees
- Blight
- Claims arising under Section 10 of the Compulsory Purchase Act 1965
- Claims arising under Part 1 of the Land Compensation Act 1973
- Business Loss Claims
- Development and Minerals

1.7.1.3 Further details on the Property Cost Estimates and the heads of claim are presented in the Funding Statement Annex 1 (document reference D1.1).

1.7.1.4 DM estimate the costs associated with compulsory acquisition and potential compensation claims to be in the region of £19,967,103.

1.7.1.5 Article 33 (Funding) of the draft DCO provides that Morgan OWL may not exercise a number of its compulsory acquisition powers until it has put in place a guarantee or security equal to its potential liability to compensation under the DCO, or the Secretary of State confirms that no such guarantee is required because Morgan OWL has provided financial information sufficient to demonstrate that it has appropriate funding in place without a guarantee or alternative form of security to meet any liability to pay compensation under the DCO.

1.7.2 **Part B – The Morecambe Offshore Windfarm: Transmission Assets**

1.7.2.1 The DCO will grant Morecambe OWL powers to acquire land and rights in land as necessary to construct the Morecambe Offshore Windfarm: Transmission Assets. These can be used in the event it has not been possible to acquire the necessary interests and rights by agreement.

1.7.2.2 Morecambe OWL has sought advice from Dalcour Maclaren (DM) who are expert chartered surveyors with experience in offshore wind farm development. DM have provided possible heads of liability:

- Compulsory acquisition of freehold land and permanent rights
- Compensation arising out of temporary works (disturbance)
- Severance and injurious affection
- Third Party Professional Fees
- Blight
- Claims arising under Section 10 of the Compulsory Purchase Act 1965
- Claims arising under Part 1 of the Land Compensation Act 1973
- Business Loss Claims

- Development and Minerals

- 1.7.2.3 Further details on the Property Cost Estimates and the heads of claim are presented in the Funding Statement Annex 2 (document reference D1.2).
- 1.7.2.4 DM estimate the costs associated with compulsory acquisition and potential compensation claims to be in the region of £15,562,417.
- 1.7.2.5 Article 33 (Funding) of the draft DCO provides that Morecambe OWL may not exercise a number of its compulsory acquisition powers until it has put in place a guarantee or security equal to its potential liability to compensation under the DCO, or the Secretary of State confirms that no such guarantee is required because Morecambe OWL has provided financial information sufficient to demonstrate that it has appropriate funding in place without a guarantee or alternative form of security to meet any liability to pay compensation under the DCO.

1.8 Conclusion

- 1.8.1.1 Morgan OWL will be responsible for providing funding to cover the costs of the delivery of and the compulsory acquisition associated with the Morgan Offshore Wind Project: Transmission Assets. This funding will be provided by Morgan OWL's parent companies ~~bp Alternative Energy Investments~~ which comprise BP Gamma Holdings Limited, JERA Nex Limited and EnBW. Each of these companies has substantial assets in their own right and considerable experience in infrastructure development.
- 1.8.1.2 Morecambe OWL will be responsible for providing funding to cover the costs of the delivery of and the compulsory acquisition associated with the Morecambe Offshore Windfarm: Transmission Assets. This funding will be provided ~~separately~~ by Morecambe's ~~shareholders~~ OWL parent company CI V, which ~~are Cobra~~ has substantial assets and ~~Flotation Energy~~. ~~Each of these companies has considerable resources and experience in renewable energy and of infrastructure development in their own right, and are also each part of a wider group of companies with additional experience and resources.~~
- 1.8.1.3 The Secretary of State can therefore be satisfied that sufficient funding will be available to develop the Transmission Assets and that any liability arising from the exercise of compulsory acquisition powers under the DCO will be met. Both the Morgan Offshore Wind Project: Transmission Assets and the Morecambe Offshore Windfarm: Transmission Assets are well-resourced financially and there is no reason to believe that, if the DCO is made, the Morgan Offshore Wind Project: Transmission Assets and the Morecambe Offshore Windfarm: Transmission Assets will not proceed.