

# HORNSEA PROJECT ONE – OFFSHORE WIND FARM

**Project name:** Hornsea Project One offshore wind farm

**Borrower:** GIP III Jupiter Ltd

**Borrower's Shareholder:** 100% Global Infrastructure Partners

**Project Sponsor:** 50% Global Infrastructure Partners, 50% Orsted

**Sector:** Energy / Renewable (Wind)

**Country:** UK

**Financial Product:** Project Finance

**Banca IMI London Branch and Intesa Sanpaolo S.p.A:** MLA and Hedging Bank respectively

**Equator Principles category:** A

## Project description

Hold Co financing package for the acquisition, by Global Infrastructure Partners ("GIP"), of the 50% stake in the Hornsea Project One offshore wind farm (the "Project").

The Sponsors of the Project are GIP (50% share), an independent infrastructure fund, and Orsted, (formerly Dong), (50%), a Denmark-based energy company, global leader in offshore wind.

The Project, located c.101km off the North-East coast of Britain, in the southern part of the North Sea, consists of:

- 174 Generation Assets provided by Siemens (SWT-7.0-154 with a capacity of 7MW) with a combined export capacity of 1,200MW and
- an Offshore Transmission Owner's ("OFTO") asset.

The Project benefits from long-term stable cash flows with highly predictable returns, backed by three Contracts for Difference ("CfDs"), which cover the difference between the market price for power and a strike price of £140/MWh (in 2012 real terms), indexed to CPI, for 15 years.

Orsted will be responsible for the development, construction and commissioning of the Project under a single fixed price, fully wrapped, Construction Agreement (under which it will manage the interface risk) and for the operation and maintenance works under a mostly fixed price 20-year OMA Agreement.

The Hold Co long-term financing package has been prepared by Orsted to support GIP's acquisition of the 50% stake in the Project. Total GIP contribution to the Project amounts to c. £4.5bn of which £3.6bn financed via non-recourse Senior Debt, provided by a group of institutional investor and international commercial banks.

## Summary of Key Environmental Impacts and Risks

The project is located in UK territorial waters; UK is an OECD Country so the Environmental Impact Assessment (EIA) standards meet the EU Directive (85/337/EEC).

Major activities with potential impacts during construction phase and their environmental implications are presented below, published inside the REPORT on the IMPLICATIONS for EUROPEAN SITES Proposed Hornsea Offshore Wind Farm (Zone 4) - Project One. <https://infrastructure.planninginspectorate.gov.uk>

- **Habitat extent:** temporary habitat loss due to cable laying operations in the intertidal zone and construction of HVDC converter/HVAC substation; temporary habitat disturbance due to access to the intertidal zone during the operational phase for routine inspections of export cables in the intertidal zone
- **Disturbance and displacement:** temporary noise, vibration and visual disturbance due to activities associated with cable laying and construction of HVDC converter/HVAC substation
- **Indirect effects:** temporary reduction or redistribution in prey items for marine mammals/birds due to disturbance caused by installation activities, or a change in water quality due to increased suspended sediment
- **Collision:** collisions with rotating turbine blades may result in direct mortality of birds
- **Barrier:** effects caused by the physical presence of turbines may prevent clear transit of birds between foraging and breeding sites, or on migration routes
- **Displacement:** displacement of birds from physical presence of wind turbines during the operational and maintenance phase may result in effective habitat loss and reduction in survival or fitness rates
- **Disruption of migration:** disruption of fish migratory pathways, or creation of artificial barriers during cable laying operations and operational phase (i.e. Electromagnetic Fields – EMF)
- **Water quality:** temporary increase in suspended sediments, resuspension of sediment bound contaminants and smothering during cable laying operations
- **Injury/Disturbance to Marine Mammals:** physical injury and/or behavioral disturbance from underwater noise impacts during construction piling of foundations and other construction activities; behavioral disturbance from underwater noise from vessel noise and other activities; physical injury from increased risk of collision with vessels; change in prey (fish) species distribution and/or abundance (indirect effect).

The point of view of the LTA is that it is reasonable to consider the environmental impacts as addressable through good management practices.