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January 28, 2019

Bureau of Ocean Energy Management  
Office of Strategic Resources  
760 Paseo Camarillo, Suite 102  
Camarillo, CA 93010

RE: Docket No. BOEM—2018—0045  
Commercial Leasing for Wind Power Development on the Outer Continental Shelf  
(OCS) Offshore California—Call for Information and Nominations (Call)

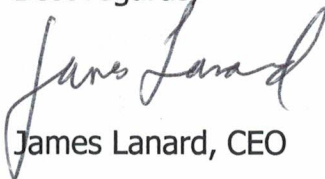
To whom it may concern:

Enclosed is Mission Floating Wind LLC's (Mission's) response to the above-referenced Call setting out two nominations for offshore wind leasing; included are:

1. A paper copy of Mission's Call response
2. An electronic copy of Mission's Call response on a data storage device
3. Electronic shapefiles for the two nominations on the same data storage device

Thank you for your consideration.

Best regards,



James Lanard, CEO

Enclosures

**Mission Floating Wind LLC Response to  
Wind Power on the Outer Continental Shelf Offshore California —  
Call for Information and Nominations  
Docket No. BOEM—2018—0045  
Public Version with Attachments (Jan. 28, 2019)**

In response to BOEM’s October 19, 2018 Call for Information and Nominations (the “Call”),<sup>1</sup> Mission Floating Wind LLC (“Mission”) submits this package with nominations for two areas: (1) the entirety of Call Area Morro Bay, and (2) the entirety of Call Area Diablo Canyon.

Mission, as described in section 5 below, is a special purpose limited liability company formed in Delaware, created to pursue development of offshore wind projects off California’s central coast. It is jointly managed by Magellan Wind LLC (“Magellan”), a Delaware limited liability company that focuses on early development work for U.S. offshore wind projects, and CI III Magellan Holding LLC (“CI III Magellan”), a Delaware limited liability company that manages investments in certain U.S. offshore wind projects.

CI III Magellan is in turn managed on behalf of its owners by Copenhagen Infrastructure Partners P/S (“CIP”), a Danish infrastructure fund management company that administers a global portfolio of investments in renewable energy projects and other infrastructure projects on behalf of institutional investors. CIP ranks among the world’s leading offshore wind project development and management firms. The resources that it will contribute to Mission’s efforts are described in sections 6 and 7 below.

This nomination package is organized in six sections, which track the numbered items of required nomination information set out in part 7 of the Call.

**1. PROTRACTION NAME, NUMBER, BLOCKS/PARTIAL BLOCKS, AND MAPS<sup>2</sup>**

Factors considered in nominating sites

When selecting sites to nominate in response to the Call, Mission’s progenitor Magellan studied the information in the Call regarding BOEM’s development of the Call Areas. In anticipation of the eventual initiation of BOEM’s formal leasing process, Magellan began

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<sup>1</sup> Commercial Leasing for Wind Power Development on the Outer Continental Shelf (OCS) Offshore California – Call for Information and Nominations, 83 Fed. Reg. 52,096 (Oct. 19, 2018).

<sup>2</sup> As instructed in the Call, we have also identified the nominated Sites in a spatial file compatible with ArcGIS 10.0 using geographic coordinate system (NAD 83). That information is on a flash drive submitted with this document.

stakeholder outreach meetings in California in January 2014. These meetings have informed Mission’s development work. Additionally, Mission reviewed information included in the BOEM document entitled “Interim Outreach Summary Report – California Offshore Wind Energy Planning,”<sup>3</sup> and information available through the California Offshore Wind Energy Gateway, commonly known as the CA Offshore Wind Data Basin (the “Data Basin”).<sup>4</sup>

Call Area Morro Bay

Mission nominates the entire area within the boundary of Call Area Morro Bay as defined in the Call:

The boundary of Call Area Morro Bay begins 24 mi offshore Cambria, California. The area is about 27 mi in length from north to south and about 27 mi in width from east to west. The entire area is approximately 311 square mi (199,266 acres) and is described in the table below:

<b>Protraction Name</b>	<b>Protraction No.</b>	<b>Block No.</b>	<b>Sub-block</b>
San Luis Obispo	NI10-03	6102	L, P.
San Luis Obispo	NI10-03	6103	M.
San Luis Obispo	NI10-03	6152	D, L, P.
San Luis Obispo	NI10-03	6153	A, B, E, F, I, J, K, M, N, O.
San Luis Obispo	NI10-03	6202	D, G, H, K, L, N, O, P.
San Luis Obispo	NI10-03	6203	All.
San Luis Obispo	NI10-03	6204	I, M.
San Luis Obispo	NI10-03	6251	D, H, K, L, O, P.
San Luis Obispo	NI10-03	6252	All.
San Luis Obispo	NI10-03	6253	All.
San Luis Obispo	NI10-03	6254	A, B, E, F, G, I, J, K, L, M, N, O, P.
San Luis Obispo	NI10-03	6301	C, D, G, H, K, L, M, O, P.
San Luis Obispo	NI10-03	6302	All.
San Luis Obispo	NI10-03	6303	All.
San Luis Obispo	NI10-03	6304	All.
San Luis Obispo	NI10-03	6305	A, E, I, M.
San Luis Obispo	NI10-03	6351	All.
San Luis Obispo	NI10-03	6352	All.
San Luis Obispo	NI10-03	6353	All.

<sup>3</sup> <https://www.boem.gov/Calif.rnia-Outreach-Summary-Report/>

<sup>4</sup> Data Basin data can be accessed at <https://caoffshorewind.databasin.org/>.

San Luis Obispo	NI10-03	6354	All.
San Luis Obispo	NI10-03	6355	A, B, E, F, I, J, M, N.
San Luis Obispo	NI10-03	6401	All.
San Luis Obispo	NI10-03	6402	All.
San Luis Obispo	NI10-03	6403	All.
San Luis Obispo	NI10-03	6404	All.
San Luis Obispo	NI10-03	6405	A, B, E, F, G, I, J, K, L, M, N, O, P.
San Luis Obispo	NI10-03	6406	M.
San Luis Obispo	NI10-03	6451	A, B, C, D, E, F, G, H, I, J, K, L, N, O, P.
San Luis Obispo	NI10-03	6452	All.
San Luis Obispo	NI10-03	6453	All.
San Luis Obispo	NI10-03	6454	All.
San Luis Obispo	NI10-03	6455	All.
San Luis Obispo	NI10-03	6456	A, B, E, F, G, H, I, J, K, L, M, N, O, P.
San Luis Obispo	NI10-03	6457	E, F, I, J, M, N, O.
San Luis Obispo	NI10-03	6501	B, C, D, G, H.
San Luis Obispo	NI10-03	6502	A, B, C, D, E, F, G, H, I, J, K, L.
San Luis Obispo	NI10-03	6503	A, B, C, D, E, F, G, H, I, K, L.
San Luis Obispo	NI10-03	6504	All.
San Luis Obispo	NI10-03	6505	All.
San Luis Obispo	NI10-03	6506	All.
San Luis Obispo	NI10-03	6507	All.
San Luis Obispo	NI10-03	6508	I, M, N.
San Luis Obispo	NI10-03	6554	D.
San Luis Obispo	NI10-03	6555	A, B, C, D, G, H.
San Luis Obispo	NI10-03	6556	A, B, C, D, E, F, G, H.
San Luis Obispo	NI10-03	6557	A, B, C, D, E, F, G, H.
San Luis Obispo	NI10-03	6558	A, B, C, E, F, G, H.
Sur Canyon	NI10-02	6340	O, P.
Sur Canyon	NI10-02	6390	B, C, D, F, G, H, J, K, L, M, N, O, P.
Sur Canyon	NI10-02	6440	A, B, C, D, F, G, H, J, K, L, N, O, P.
Sur Canyon	NI10-02	6490	C, D, H.

**Table 1.1. Call Area Morro Bay Lease Blocks, Partial Lease Blocks and Sub-Blocks<sup>5</sup>**

<sup>5</sup> 83 Fed. Reg. at 53,101.

Call Area Diablo Canyon

Mission nominates the entire area within the boundary of Call Area Diablo Canyon as defined in the Call:

The boundary of Call Area Diablo Canyon begins 22 mi offshore Los Osos, California. The area is about 23 mi in length from north to south and about 30 mi in width from east to west. The entire area is approximately 556 square mi (356,188 acres) and is described in the table below:

<b>Protraction Name</b>	<b>Protraction No.</b>	<b>Block No.</b>	<b>Sub-block</b>
Luis Obispo	NI10-03	6756	M, N, O, P.
San Luis Obispo	NI10-03	6757	M, N, O, P.
San Luis Obispo	NI10-03	6758	M, N, O, P.
San Luis Obispo	NI10-03	6759	M, N, O, P.
San Luis Obispo	NI10-03	6760	M, N, O, P.
San Luis Obispo	NI10-03	6761	M, N, O, P.
San Luis Obispo	NI10-03	6762	M, N, O, P.
San Luis Obispo	NI10-03	6763	M, N, O, P.
San Luis Obispo	NI10-03	6764	M.
San Luis Obispo	NI10-03	6806	A, B, C, D, F, G, H, J, K, L, N, O, P.
San Luis Obispo	NI10-03	6807	All.
San Luis Obispo	NI10-03	6808	All.
San Luis Obispo	NI10-03	6809	All.
San Luis Obispo	NI10-03	6810	All.
San Luis Obispo	NI10-03	6811	All.
San Luis Obispo	NI10-03	6812	All.
San Luis Obispo	NI10-03	6813	All.
San Luis Obispo	NI10-03	6814	A, E, I, M.
San Luis Obispo	NI10-03	6856	C, D, G, H, K, L, P.
San Luis Obispo	NI10-03	6857	All.
San Luis Obispo	NI10-03	6858	All.
San Luis Obispo	NI10-03	6859	All.
San Luis Obispo	NI10-03	6860	All.
San Luis Obispo	NI10-03	6861	All.
San Luis Obispo	NI10-03	6862	All.
San Luis Obispo	NI10-03	6863	All.
San Luis Obispo	NI10-03	6864	A, B, E, F, I, J, M, N.
San Luis Obispo	NI10-03	6906	D, H.
San Luis Obispo	NI10-03	6907	All.

San Luis Obispo	NI10-03	6908	All.
San Luis Obispo	NI10-03	6909	All.
San Luis Obispo	NI10-03	6910	All.
San Luis Obispo	NI10-03	6911	All.
San Luis Obispo	NI10-03	6912	All.
San Luis Obispo	NI10-03	6913	All.
San Luis Obispo	NI10-03	6914	A, B, C, E, F, G, I, J, K, M, N, O, P.
San Luis Obispo	NI10-03	6957	A, B, C, D, E, F, G, H, J, K, L, N, O, P.
San Luis Obispo	NI10-03	6958	All.
San Luis Obispo	NI10-03	6959	All.
San Luis Obispo	NI10-03	6960	All.
San Luis Obispo	NI10-03	6961	All.
San Luis Obispo	NI10-03	6962	All.
San Luis Obispo	NI10-03	6963	All.
San Luis Obispo	NI10-03	6964	All.
San Luis Obispo	NI10-03	6965	A, E, F, I, J, K, M, N, O.
San Luis Obispo	NI10-03	7007	C, D, H.
San Luis Obispo	NI10-03	7008	All.
San Luis Obispo	NI10-03	7009	All.
San Luis Obispo	NI10-03	7010	All.
San Luis Obispo	NI10-03	7011	All.
San Luis Obispo	NI10-03	7012	All.
San Luis Obispo	NI10-03	7013	All.
San Luis Obispo	NI10-03	7014	All.
San Luis Obispo	NI10-03	7015	All.
San Luis Obispo	NI10-03	7016	I, M.
San Luis Obispo	NI10-03	7058	A, B, C, D, F, G, H, J, K, L, O, P.
San Luis Obispo	NI10-03	7059	All.
San Luis Obispo	NI10-03	7060	All.
San Luis Obispo	NI10-03	7061	All.
San Luis Obispo	NI10-03	7062	All.
San Luis Obispo	NI10-03	7063	All.
San Luis Obispo	NI10-03	7064	All.
San Luis Obispo	NI10-03	7065	All.
San Luis Obispo	NI10-03	7066	A, E, I, M.
San Luis Obispo	NI10-03	7108	C, D, G, H, K, L, N, O, P.
San Luis Obispo	NI10-03	7109	All.
San Luis Obispo	NI10-03	7110	All.

San Luis Obispo	NI10-03	7111	All.
San Luis Obispo	NI10-03	7112	All.
San Luis Obispo	NI10-03	7113	All.
San Luis Obispo	NI10-03	7114	All.
San Luis Obispo	NI10-03	7115	All.
San Luis Obispo	NI10-03	7116	A, E, I, M.
Santa Maria	NI10-06	6008	B, C, D, F, G, H.
Santa Maria	NI10-06	6009	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6010	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6011	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6012	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6013	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6014	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6015	A, B, C, D, E, F, G, H.
Santa Maria	NI10-06	6016	A, E.

**Table 1.2. Call Area Diablo Canyon Lease Blocks, Partial Lease Blocks and Sub-Blocks<sup>6</sup>**

## 2. OBJECTIVES AND FACILITIES

### Objectives

Mission’s objective is to develop clean, renewable offshore wind power at deep water sites off of the Central California coast, using newly emerging cost-effective floating foundation technology. This development can place the U.S. in a leadership role in the rapidly emerging floating offshore wind industry. Mission believes that development of floating foundation wind farms off the California coast can serve as a model for projects off Oregon and Washington, as well as for projects in other locations, particularly around the Pacific Rim, where deep water prevents the use of bottom-fixed foundations.

Floating foundation technology is progressing rapidly. Since 2011, seven floating foundation designs have been deployed, mostly as single-unit prototypes. (Only Equinor’s Hywind design has been deployed as part of a multi-turbine floating array.<sup>7</sup>)

<sup>6</sup> 83 Fed. Reg. at 53,101-03.

<sup>7</sup> See Peter Beiter et al., National Renewable Energy Laboratory, 2017 Offshore Wind Technologies Market Update at 72-74 (Sept. 2018) available at [https://www.energy.gov/sites/prod/files/2018/09/f55/71709\\_V4.pdf](https://www.energy.gov/sites/prod/files/2018/09/f55/71709_V4.pdf). The Floatgen barge-type foundation listed as “Under Construction” in the table has since been deployed.

Moreover, the pace of development is accelerating. Over the next three to four years, at least eight new designs are scheduled to enter the water as the industry works to complete ten new multi-turbine projects.<sup>8</sup> Mission, as discussed below, regards Stiesdal Offshore Technologies' ("SOT's") family of floating foundations as the most promising designs at an advanced stage of development.<sup>9</sup> However, in view of the rapid pace of innovation and investment in this field, designs superior to SOT's may emerge for some applications. Mission intends to select the best of the floating foundation designs for the specific conditions at the sites we seek to develop when the project reaches the stage at which this choice must be made.

Our interest in the nominated Sites is also shaped in part by technological improvements in other branches of offshore wind technology. Recent improvements in turbine and cabling technology, wind farm layout, and operation and maintenance equipment and practices have led to sharp reductions in the cost of offshore wind power from conventional, bottom-fixed projects. These improvements also drive down the costs of power from projects in deep waters.

Mission's interest in developing projects off the Central California coast is also strengthened by growing awareness on the part of policy makers and the general public of the environmental and economic benefits of offshore wind development, as reflected in the upward trend in leasing and power purchases for projects off the Mid-Atlantic and New England coasts. This trend has led stakeholders to begin working together on efforts to achieve fair and efficient coordination of ocean uses. Continuing development of U.S. offshore wind resources is likely to lead, as it has in Europe, to the designation of sites at increasing distances from the coast and in deeper water. Development of deep water projects will allow these states to obtain more energy from offshore wind while accommodating the needs of multiple stakeholders.

## **Facilities**

### Floating foundations

Mission's preference, at present, for the SOT floating foundation designs is based on several innovative features that they share:

- Sourcing of major components from existing, highly efficient and competitive factories supplying to the existing land-based and offshore wind industry

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<sup>8</sup> Id. at 73-74 (listing planned demonstration and commercial scale projects).

<sup>9</sup> The SOT foundation can be configured to fit into any of three classes of floating foundations: spar buoy, semi-submersible or tension leg platform. All configurations share critical cost-saving features – the sourcing of components from existing, highly efficient manufacturing plants, assembly procedures that do not require dry-docks or long periods of quayside work, and deployment by conventional tug boat rather than specialized installation vessel.



- Components designed for quayside assembly by workers with widely available construction skills
- An ability to deploy from relatively shallow ports (minimum draft about 7 meters) with assembly of the turbine, tower, and foundation by land-based crane
- Transport from port to deployment site by conventional tug boat, with no need for special purpose vessels

Mooring systems for the foundation anchoring system will be similar to the systems used for most other floating designs.<sup>10</sup> The foundation will likely be connected to catenary lines affixed to drag anchors or suction buckets. The horizontal reach of the mooring lines could be as long as three times the water depth (although recent work indicates that weighted mooring lines can substantially reduce this distance).

While Mission appreciates the strengths of the SOT designs and believes that it can provide the basis for financially viable deep water projects off California, it will continue to evaluate innovations in floating foundation technology to select the best available technology for the requirements of our projects at the time those selections must be made.

### Turbines

Mission anticipates using 8 to 15 megawatt ("MW") turbines, with rotor diameters in the 165 to 250 meter range. The turbine manufacturer and size of the turbine will be selected in time for delivery to the project. The turbine layout pattern is expected to be offset; turbine spacing is anticipated to be approximately 6 rotor diameters by 12 rotor diameters. Hub heights will range from approximately 115 to 160 meters above mean sea level ("aMSL"). Maximum blade tip height will range from approximately 200 to 285 meters aMSL.

### Offshore substation

Commercial-scale floating offshore wind farms may need to include floating substations. From the platform up, these substations will closely resemble offshore substations for bottom-fixed projects. A floating substation has been successfully tested as part of the Fukushima FORWARD project off the east coast of Japan.<sup>11</sup> The mooring system will be determined after thorough sea state studies are completed and analyzed.

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<sup>10</sup> Tension leg platforms require specialized moorings to anchor the taut tendons that form the "tension legs" at the base of this design. Magellan does not believe that the areas BOEM has specified in the Call are suitable for tension leg platform deployments, due mainly to depth.

<sup>11</sup> Power Technology, Fukushima Floating Offshore Wind Farm (undated), available at <https://www.power-technology.com/projects/fukushima-floating-offshore-wind-farm/>.

### Inter-array cable

The inter-array cabling system will consist of cables that descend vertically from turbine foundations before ascending to the next turbine foundation. A decision whether to bury these cables using jet plow technology will be made after proper risk mitigation studies and other research and review of then-current regulatory requirements are completed. The inter-array cabling system will be selected after thorough sea state and risk management studies are completed and analyzed in light of then-current regulatory requirements.

### Export cable

The floating wind farm's export cable will be similar in most respects to export cables used for bottom-fixed offshore wind farms. If a floating substation is used, a new type of dynamic connection will be required. From the point where the export cable contacts the seabed to the connection at the substation on shore, the approach should track bottom-fixed wind farm technology. If analysis, based on seabed conditions, vessel traffic and other factors, requires export cable burial – a requirement most likely to pertain in near shore shallow areas – the export cable could be buried using jet plow technology to reach the required depth. Horizontal directional drilling may be used as the cable route approaches landfall, near the land-based substation, to minimize impacts in biologically rich shallow zones.

### Land-based Substation and Interconnection

Mission anticipates that all of the interconnection options for our nominated Sites will be in the transmission system managed by the California Independent System Operator ("CAISO").

For both Call Area Morro Bay and Call Area Diablo Canyon, Mission will consider interconnection opportunities at thermal generating plants required by the State Water Resources Control Board to phase out once-through-cooling systems. These facilities include the Morro Bay Power Plant (now retired), and the Diablo Canyon Power Plant (reactors to be retired in 2024 and 2025).

### Ports

There are a limited number of ports available to the offshore wind industry in California. The SOT foundations, which Mission views as the best existing designs, require a reinforced dock surface to hold the weight of foundation components and the wind turbine generator during assembly. Mission's investment in this improvement will help to create new port capabilities that will persist after the project has been deployed. The SOT foundations, like a number of other designs, also require a pathway to the ocean without bridges or other overhead obstructions for towing of the assembled

turbines to deployment sites. Channel depth and shoreside staging area requirements are modest due to SOT's use of floatation and components designed for rapid quayside assembly.

Port selections will be made at the appropriate time in the development process.

### **3. PRELIMINARY SCHEDULE OF PROPOSED ACTIVITIES**

CIP has worked closely with BOEM review and permitting teams on early stages of the Vineyard Wind project off the coast of Massachusetts. CIP, working with its partner in the Vineyard Wind project, Avangrid Renewables,<sup>12</sup> has established and begun implementing a streamlined schedule for meeting federal, state and local permitting requirements, and addressing the concerns of stakeholders, including tribes, fishing and shipping interests, and wildlife advocates. If Mission secures one or more leases off the California coast, CIP, through Copenhagen Offshore Partners ("COPs," a leading offshore wind development and construction management company working exclusively with CIP), will take the lead in the development phase allowing Mission to build upon CIP's offshore wind development work in Massachusetts and Europe and thus to devise and execute a successful permitting and stakeholder engagement plan.

#### BOEM process

Mission's preliminary, indicative timeline for key BOEM-related phases of offshore wind project development in federal waters off the California coast is informed by CIP's experience on the Vineyard Wind project, as well as on multiple projects completed or underway in European waters. In addition, this timeline also draws upon BOEM's May 9, 2018 presentation to the Intergovernmental Energy Task Force for the New York Bight with particular attention to BOEM's timeline for development activities from initiation of the leasing process to installation.<sup>13</sup>

BOEM development phases and milestones (indicative time intervals keyed to date of lease issuance):<sup>14</sup>

1. Pre-survey meetings with BOEM – months 0 to 4
2. Submit Site Assessment Plan ("SAP") – month 9

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<sup>12</sup> Vineyard Wind is co-owned by a CIP-managed fund and Avangrid Renewables.

<sup>13</sup> BOEM's May 9 presentation, entitled "Outer Continental Shelf Wind Energy Leasing in the New York Bight," is available at <https://www.boem.gov/Outer-Continental-Shelf-Wind-Energy-Leasing-in-the-New-York-Bight/>. BOEM's estimated timeline is set out on Slide 7, entitled "Renewable Energy Process: Leasing to Operations."

<sup>14</sup> Time intervals listed here for early phases of the development process may be shorter than intervals experienced by projects that have already begun this process. Mission anticipates that review times will shorten as BOEM gains experience.

3. BOEM review and approval – month 12 (BOEM decision; assumes 3-month review)
4. Site Assessment and Surveys – months 12 to 36 (2 year effort)
5. Submission of Construction and Operations Plan (“COP”) together with supporting environmental studies and approvals from other agencies – month 40
6. BOEM review of COP; developer’s revisions, and BOEM’s decision that COP is complete and sufficient – month 52 (BOEM decision, assumes 12 month review)
7. BOEM approves COP – month 62 (BOEM decision; assumes 10 month review)
8. Submission of Facility Design Report (“FDR”) and Fabrication and Installation Plan (“FIP”) – month 62
9. BOEM approves FIP – month 65 (BOEM decision; assumes 3 month review)
10. Financial Investment Decision – month 65
11. Construction begins – month 65
12. Commercial operations date – month 83
13. Decommissioning – end of useful life of the wind farm

### Development proces

Concurrently with and complementary to its work with BOEM to progress through the project development and operation phases set out in the Part 585 leasing regulations, Mission will work with other governmental authorities, affected stakeholders, and private sector partners in the following areas:

- Stakeholder outreach: Mission will design and implement a program of sustained and intensive outreach to address the concerns of and minimize conflicts with commercial fishing and shipping interests, ocean wildlife advocates, the Department of Defense, and other ocean users.
- Non-BOEM permits and approvals: The laws and regulations that California and its localities have put in place to protect wildlife, cultural resources, air quality, water quality, wetlands, and viewsheds are among the most protective in the country. For an offshore wind project, the relevant laws and regulations address both state waters and shoreline areas affected by offshore activities and connection to the grid at the land-based substation. Mission will comply with all federal, state, and local legal and regulatory requirements.
- Commercial relationships: Mission will establish partnerships with consultants capable of providing expert services in areas including environmental assessment and interconnection and transmission requirements. CIP’s deep expertise in offshore wind project management will guide Mission’s negotiation and administration of contracts with manufacturers of major project components, including cables, mooring systems, floating foundations, and turbines.
- Port improvement and access: Mission will identify needed improvements at candidate ports and work with port authorities to implement upgrades and secure access. Because the SOT foundations, our leading candidates for deep

water projects, is assembled dockside and towed to deployment locations by conventional tug, we do not foresee a need for specialized deployment vessels.

- **Job training:** Mission will work with local labor organizations, educational institutions, and tribes to ensure that skilled workers are trained and available to meet project deployment and O&M needs.
- **Interconnection:** Mission will engage with CAISO to secure interconnection rights, including all study and transmission upgrade procedures.
- **Power sales:** Mission will engage with the California Public Utilities Commission, investor owned utilities, community choice aggregation electricity providers, and direct users to support appropriate policies for power sales from offshore wind projects off the coast of California.

#### **4. RENEWABLE ENERGY RESOURCES AND ENVIRONMENTAL CONDITIONS**

Wind resources at the nominated sites are fully capable of generating power at a level that can support construction and operation of floating offshore wind farms.

##### **Renewable Energy Resources**

###### NREL data

In 2016, the National Renewable Energy Laboratory (“NREL”) published an authoritative study of US offshore wind resources. See “2016 Offshore Wind Energy Resource Assessment for the United States” (the “NREL Report”).<sup>15</sup> The NREL Report provides a general account of California’s high-quality offshore wind resource and studied gross and technical offshore wind resource potential. We focus on data related to the technical resource.

The technical resource potential captures the subset of gross resource potential that may be commercially viable within a reasonable timeframe. It takes into account technical limits of offshore wind, including water depth, freshwater ice, and areas where winds are too low for consideration of large utility-scale projects. Generally, water depths less than 1,000 m and wind speeds greater than 7 meters per second (m/s) are included in the technical resource potential.<sup>16</sup>

NREL relied upon three primary sources for wind speed data: AWS Truepower, the Wind Integration National Dataset (“WIND”) Toolkit, and Vaisala/3Tier.

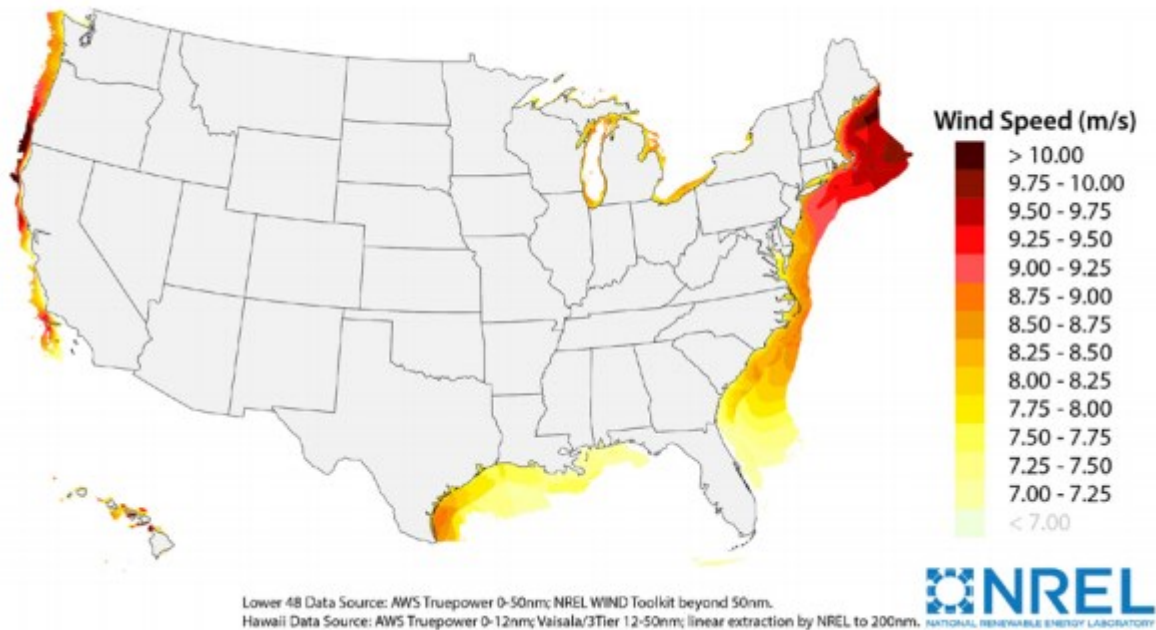
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<sup>15</sup> The NREL Report is available at <https://www.nrel.gov/docs/fy16osti/66599.pdf>.

<sup>16</sup> NREL Report at 5. The Call Areas include water depths up to 1,100 meters and therefore encompass some areas outside the NREL depth cutoff.

For the contiguous United States, the annual average wind speed data was adjusted to 100 m above the surface (data produced by AWS Truepower), at a distance of 0 to 50 nm from shore. WIND Toolkit data were utilized to extend the domain from 50 to 200 nm.<sup>17</sup>

Data from these three sources were used to produce the following wind speed map, which indicates that wind speeds off the California coast are more than adequate to host offshore wind farms.<sup>18</sup>



**Figure 4.1. NREL Wind Speed Map for the US Offshore Wind Energy Technical Resource Area**

California's offshore wind potential, as compared to other states with significant offshore wind resources, is excellent, as seen Figure 4.2.<sup>19</sup>

The NREL Report assessed California's technical offshore wind potential, measured in MW of potential generating capacity, in different water depth ranges. In 60 to 700 meters of water, NREL estimated 63,881 MW of capacity; in the 700 to 1,000 meter range, NREL's estimate was 43,307 MW.<sup>20</sup> NREL also reported California's technical

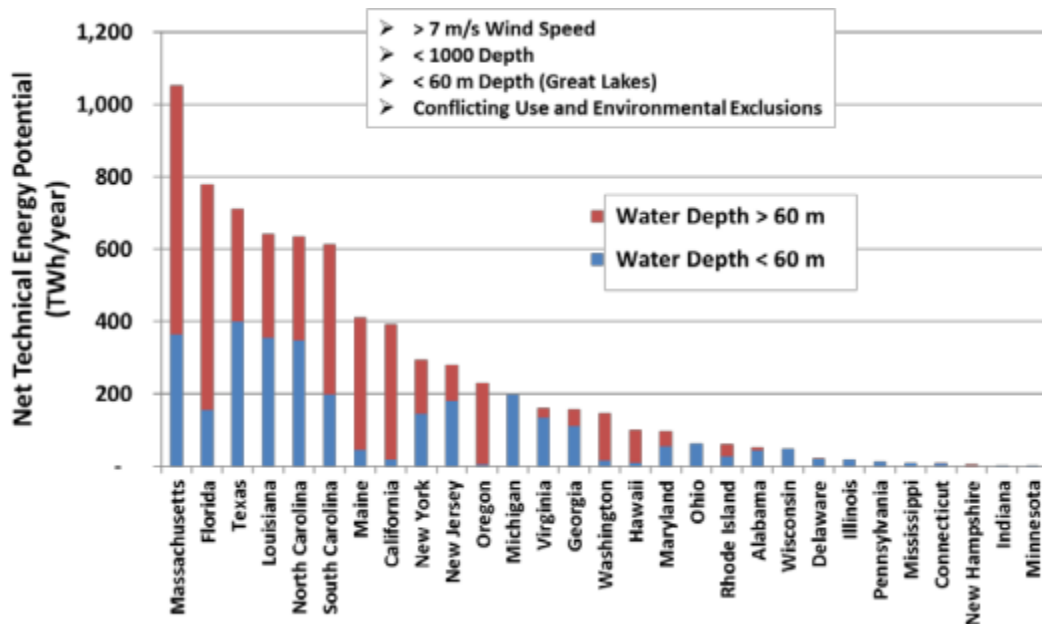
<sup>17</sup> NREL Report at 9.

<sup>18</sup> NREL Report at 28. Although the NREL map excludes areas where water depths exceed 1,000 meters, there is no technological barrier to deployment in deeper waters (as demonstrated by BOEM's decision to include areas up to 1,100 meters deep in the Call Areas).

<sup>19</sup> NREL Report at 34.

<sup>20</sup> NREL Report, Appendix H-1 at 67.

offshore wind potential by wind speed. In areas where wind speeds ranged from 7 meters/second to 9.75 meters/second, NREL estimated 100,211 MW of capacity.<sup>21</sup>



**Figure 4.2. NREL Estimate of Offshore Wind Net Technical Energy Potential (7,203 TWh/year) Disaggregated by State for Water Depths Above and Below 60m**

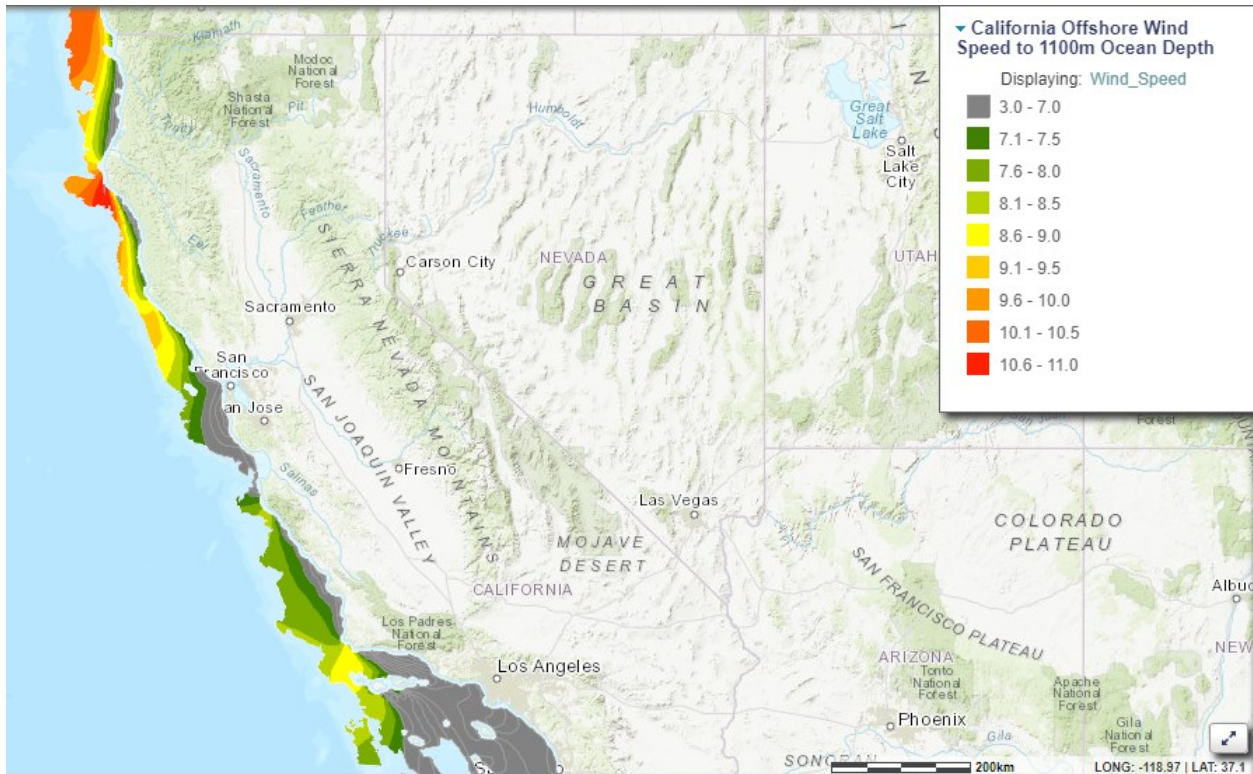
On October 17, 2018, a wind speed map entitled “California Offshore Wind Speed to 1100m Ocean Depth” and credited to NREL and AWS, was uploaded to the Data Basin by the California Energy Commission (“CEC”).<sup>22</sup> This map, reproduced as Figure 4.3, is consistent with Figure 4.1, above, regarding wind speeds off the California coast.<sup>23</sup>

These general assessments of wind speeds off the California coast provide a useful basis for estimates of potential power output. Additional measurement (likely using LIDAR buoys) and analysis will be required before turbines are selected and turbine layouts are established.

<sup>21</sup> NREL Report, Appendix H-3 at 69.

<sup>22</sup> The CEC-uploaded map is available at <https://caoffshorewind.databasin.org/maps/new#datasets=428709f4aafa41b8bfdb27118dcb8359>.

<sup>23</sup> More data supporting the NREL and AWS wind speed data sets can be found at <https://caoffshorewind.databasin.org/search/#query=wind%20speed&invert=true&scope=gateway>.



**Figure 4.3. NREL/AWS California Offshore Wind Speed to 1100m Ocean Depth**

## Environmental Conditions

### Archaeology and cultural heritage

In 2013, BOEM published a study on historic archaeological and cultural properties along the western coast of the United States.<sup>24</sup> This report, "Inventory and Analysis of Coastal and Submerged Archaeological Site Occurrence on the Pacific Outer Continental Shelf,"<sup>25</sup> found a number of important resources in the study area.

In 2017, a study entitled "Characterizing Tribal Cultural Landscapes," was completed by National Oceanic and Atmospheric Administration ("NOAA"), the Makah Tribe, the Confederated Tribes of Grand Ronde Community of Oregon, the Yurok Tribe, and the National Marine Sanctuary Foundation. This BOEM-commissioned study, published in

<sup>24</sup> The study covered lands one mile inland from the coast out to the 200 mile limit of the US Exclusive Economic Zone (EEZ).

<sup>25</sup> BOEM's archaeological site inventory is available at <https://www.boem.gov/ESPIS/5/5357.pdf>.



two volumes, provides important information to help ocean users study and understand tribal cultural resources.<sup>26</sup> BOEM has defined “Tribal Cultural Landscape” as follows:

Tribal Cultural Landscape: Any place in which a *relationship*, past or present, exists between a *spatial area, resource*, and an *associated group* of indigenous people whose cultural practices, beliefs, or identify connects them to that place. A tribal cultural landscape is determined by and known to a culturally related group of indigenous people with relationships to that place.<sup>27</sup>

Mission will carefully consider the findings and recommendations of these reports and will conduct site-specific archaeological and cultural heritage studies as part of the SAP and COP process.

### Benthic environment

The Data Basin includes a benthic substrate map, provided by the Monterey Bay National Marine Sanctuary, for the central California coast that includes Call Area Morro Bay and Call Area Diablo Canyon.<sup>28</sup> This map suggests that much of the sediment type in the Central California Call Areas is mud – suitable for the mooring system we contemplate using – although other sediment types are also apparent.

Mission will carefully consider the findings and recommendations of these reports and will conduct site-specific benthic environment studies for both the Central California Call Areas as part of the SAP and COP process.

### Marine birds

Mission recognizes the importance to protecting the avian species that occur off the California coast. We are fully committed to doing all that we can for their protection and welcome input from government agencies, ENGOs, and others as we develop monitoring programs prior to construction, during construction, and post-construction.

BOEM commissioned a marine bird species study that was conducted by the U.S. Geological Survey (“USGS”) and titled, “Collision and Displacement Vulnerability among

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<sup>26</sup> Volume I of the Report is available at <https://www.boem.gov/BOEM-2017-001-Volume-1/>, and Volume II at <https://www.boem.gov/BOEM-2017-001-Volume-2/>. The Report was preceded by “A Guidance Document for Characterizing Tribal Cultural Landscapes,” prepared by the same organizations and available at <https://www.boem.gov/2015-047/>.

<sup>27</sup> The definition is set out in a 2016 presentation by two of the principal investigators in the tribal landscapes research. See <https://www.boem.gov/Science-Exchange-8/> at slide 12.

<sup>28</sup> The benthic substrate map is available at <https://caoffshorewind.databasin.org/maps/new#datasets=06ba54fb5f9b4bf2bd75ae85fc5261af>

Marine Birds of the California Current System Associated with Offshore Wind Energy Infrastructure.”<sup>29</sup> This study performed collision and displacement vulnerability assessments in the California Current System. It can serve as a baseline for additional studies designed to fill in remaining data gaps.

There is also an ongoing study that Mission will consider upon completion. That study, “Data Synthesis and High-resolution Predictive Modeling of Marine Bird Spatial Distributions on the Pacific OCS,” led by NOAA and USGS, will produce “predictive maps of seabird distributions” and will be an important addition to the knowledge base needed to assess the viability of offshore wind off the California coast.<sup>30</sup> Mission will carefully consider the findings and recommendations of these studies in designing site-specific marine bird studies conducted during the SAP and COP process.

### Environmental sensitivity mapping

BOEM funded a study by ICF International, published in July 2018, entitled “Environmental Sensitivity and Associated Risk to Habitats and Species Offshore Central California and Hawaii from Offshore Floating Wind Technologies.”<sup>31</sup> The study uses an environmental sensitivity and relative risk model to produce a screening-level assessment of risks to biological resources from offshore wind development. Mission will consult this study, as well as subsequent research informed by its findings, when it designs and conducts site-specific environmental sensitivity studies in the course of the the SAP and COP processes.

### Fish and fisheries

Mission recognizes that potential effects on fish and fisheries will be of great interest to the commercial fishing industry. We are committed to working closely with fishing representatives and fishing liaisons in an open and transparent process to identify and address their concerns throughout the permitting, construction, operations, and decommissioning of the project. Our goal is for the wind and fishing industries to grow together off the California coast.

In 2010, BOEMRE, BOEM’s predecessor, supported the USGS’s creation of the “Pacific Coast Fisheries GIS Resource Database.”<sup>32</sup> This database “includes information about

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<sup>29</sup> Version 1.1 of the USGS study, completed in July 2017, is available at <https://pubs.usgs.gov/of/2016/1154/ofr20161154.pdf>.

<sup>30</sup> The study profile for the forthcoming avian modeling study is available at <https://www.boem.gov/pc-15-01/>.

<sup>31</sup> The BOEM-funded study is available at: <https://www.boem.gov/BOEM-2018-031-Vol1/>.

<sup>32</sup> The Pacific Coast Fisheries GIS Resource Database is available at <http://www.werc.usgs.gov/Project.aspx?ProjectID=203>.

Pacific Coast fish, fisheries, and active fishing, as well as southern California seabirds and marine mammals.”

In 2011, BOEMRE funded a study by Normandeau Associates entitled “Effects of EMF from Transmission Lines on Elasmobranchs and Other Marine Species.”<sup>33</sup> This study produced a database on potential effects of transmission lines on elasmobranchs (sharks and rays), other fish species, marine mammals, sea turtles, and invertebrates. It also identified additional research and mitigation measures that should be considered.

Mission will carefully study the findings and recommendations of these reports and will conduct site-specific fishing studies as part of the SAP and COP process. In addition, we will work closely with fisheries representatives during this process.

### Marine mammals and sea turtles

Mission recognizes the importance of protecting marine mammals and sea turtles that live off the California coast. We welcome input from government agencies, environmental organizations, and others as we develop study and monitoring protocols for pre-construction, construction, and post-construction activities.

BOEM has commissioned important studies on marine mammals and sea turtles that will inform Mission’s approach to ensuring maximum protection of these species.

In 2018, the National Marine Fisheries Service and the Southwest Fisheries Science Center completed a study entitled “California Current Cetacean and Ecosystem Assessment Survey and Use of Data to Produce and Validate Cetacean and Seabird Density Maps.”<sup>34</sup>

A forthcoming study by the USGS and U.S. Fish and Wildlife Service, “Seabird and Marine Mammal Surveys off the Northern California, Oregon and Washington Coasts” will present data on “the types, distribution, abundance, seasonal variation, and habitat use of marine mammals and seabirds along the northern California, Oregon, and Washington coasts.”<sup>35</sup>

Several national environmental groups have expressed concern that lost or abandoned fishing gear could become entangled in the mooring lines for floating wind turbines and create an entanglement risk for marine mammals and sea turtles. A forthcoming study by the Pacific Northwest National Laboratory, “Visual Simulation of Whales and

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<sup>33</sup> The BOEMRE-funded EMF study is available at <https://www.boem.gov/ESPIS/4/5115.pdf>.

<sup>34</sup> The cetacean and seabird study is available at <https://www.boem.gov/BOEM-2018-025/>.

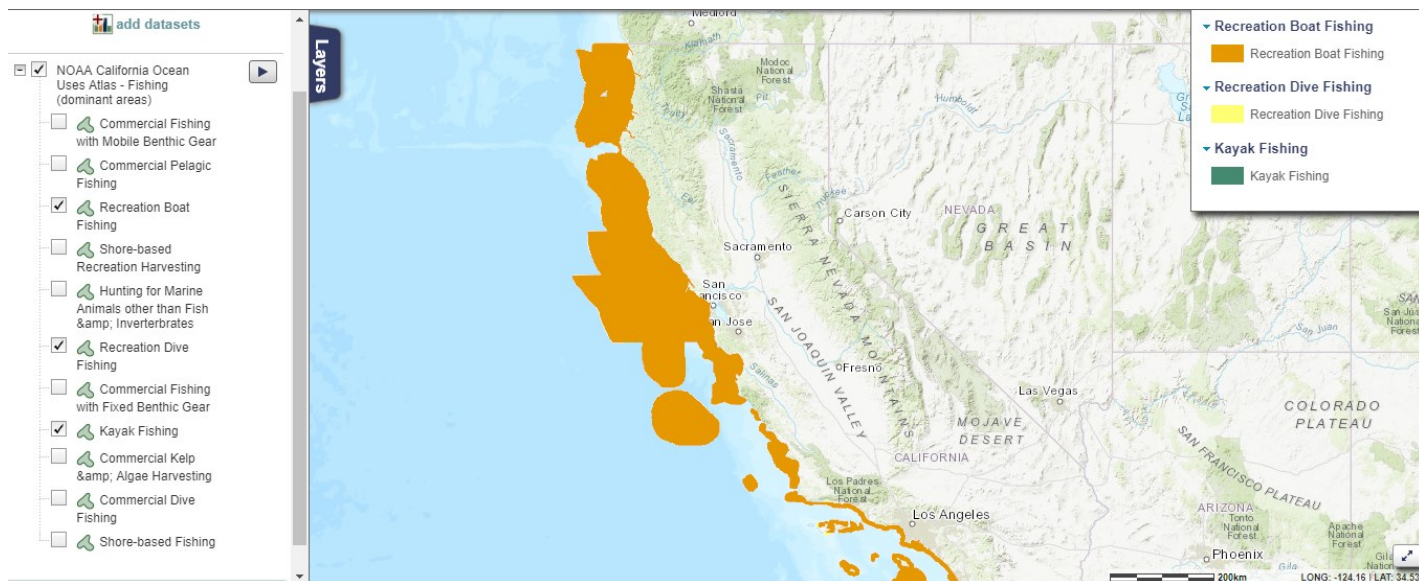
<sup>35</sup> The Study Profile for the seabird and marine mammal survey is available at <https://www.boem.gov/pc-10-05/>.

Renewable Energy Moorings and Cables,<sup>36</sup> may advance our understanding of this risk and help to inform mitigation strategies. Mission is committed to ensuring that this entanglement risk is properly addressed.

Mission will carefully consider the findings and recommendations of these reports, including any recommendations regarding mitigation of noise associated with cable installation and service vessel traffic, and will conduct site-specific marine mammal and sea turtle studies as part of the SAP and COP process.

### Marine recreational uses

In 2015, NOAA published “The National Significance of California’s Ocean Economy,<sup>37</sup>” a study performed by the Eastern Research Group. Of particular importance here are sections pertaining to California’s Ocean Economy (section 4), Tourism and Recreation (section 5), and Marine Transportation in California (section 6). Additional information on recreational values is available in the Data Basin, which includes a map, reproduced as Figure 4.4, of recreational boat fishing and related activities off the California coast.



**Figure 4.4. NOAA California Ocean Uses Atlas – Fishing (dominant areas)<sup>38</sup>**

<sup>36</sup> The Study Profile for the mooring and cable visualization study is available at <https://www.boem.gov/pr-17-whl/>.

<sup>37</sup> NOAA’s study of California’s ocean economy is available at <https://coast.noaa.gov/data/digitalcoast/pdf/california-ocean-economy.pdf>.

<sup>38</sup> This map is reproduced from <https://caoffshorewind.databasin.org/maps/new#datasets=4a6fff1e1218453994f8fe65db6879eb>.

Mission believes that activities associated with offshore wind construction and operations will have low to moderate impacts on marine recreational uses, including bird and whale watching, boating, and surface and subsurface water activities. Mission will carefully consider the findings and recommendations of these reports and will conduct site-specific studies on marine recreational uses as part of the SAP and COP process.

### Pipelines, cables, and third-party infrastructure

The California coast is the landing point for numerous offshore submarine cables and oil and gas pipelines. The Data Basin includes datasets for these uses.<sup>39</sup> Mission will conduct site-specific cable and pipeline studies in the course of the SAP and COP processes, and engage with cable and pipeline owners and operators early in the development process to minimize and mitigate potential risks to existing and planned assets.

### Shipping and navigation

There is significant freight and passenger vessel traffic to and from California ports as reported in the Data Basin files.<sup>40</sup> Offshore wind farms represent a new use of the waters off the Central California coast and developers will need to work with current stakeholders to manage use conflicts. As part of the SAP and COP process, Mission will commission Navigation Risk Assessment studies that will inform us of any issues that need to be considered.

### Visualization survey

Mission will conduct visualization surveys for any site we propose to develop off the California coast. The visualizations will account for location, height and elevation of the viewer, distance, time of day, weather, turbine height, focal length of camera, and the number of turbines. We'll also work with interested stakeholders to ensure that our surveys address their questions. Our approach to the technical issues will be informed

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<sup>39</sup> For submarine cables, see <https://caoffshorewind.databasin.org/maps/new#datasets=4936742f5fb84e67a21476f1e50b5593>. For oil and gas pipelines, see <https://caoffshorewind.databasin.org/datasets/4f52380278964c1bbdfbd7298071cab0>.

<sup>40</sup> For the Data Basin's information on "Shipping lanes California 2016," see <https://caoffshorewind.databasin.org/maps/new#datasets=e1af10d1648246b7b55d0c5a41ba5023>. For the Data Basin's information on "AIS Ship Traffic by Type, 2011," see <https://caoffshorewind.databasin.org/maps/new#datasets=422db447c151412d918a3085b31429f8>.

in part by the 2014 study by the University of Arkansas and Argonne National Laboratory, entitled "Renewable Energy Visual Evaluations."<sup>41</sup>

## **5. LEGAL QUALIFICATIONS**

Mission is a special purpose limited liability company, formed in Delaware, and is therefore eligible to hold a lease under 30 CFR 585.106(a)(2).

None of the conditions identified in 30 CFR 585.106(b) as disqualifications for persons or entities seeking to hold a lease applies to Mission. In particular, Mission:

- is not excluded or disqualified from participating in transactions covered by the Federal non-procurement debarment and suspension system (2 CFR part 1400);
- has not failed to meet or exercise due diligence under any OCS lease or grant; and
- has not been in violation of the terms and conditions of any lease or grant issued under the Outer Continental Shelf Lands Act.

To establish that Mission meets the Part 585 legal qualification requirements, we are providing documentation that

- Mission is a limited liability company formed in Delaware with authority to conduct business under the rules of Delaware and to hold leases or grants on the OCS under its operating rules, and
- persons holding the titles listed are authorized to bind Mission in its dealings with BOEM.

The required documentation is provided in the attached certification by James Lanard, as CEO of Mission and of the sole member of Mission, together with associated attachments. Included are:

- a certified copy of the Delaware certificate of formation for Mission (satisfying 30 CFR 585.107(d)(4));
- certification that Mission is authorized to hold OCS leases and that Mission CEO James Lanard is authorized to bind Mission (satisfying 30 CFR 585.107(d)(5)-(6), (9)); and
- certification that the sole member of Mission, Mission Floating Wind Holding LLC, is authorized to hold OCS leases (satisfying 30 CFR 585.107(d)(7), (10)).<sup>42</sup>

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<sup>41</sup> Journal article at <http://visualimpact.anl.gov/offshorevitd/docs/OffshoreVITD.pdf>; overview at <http://visualimpact.anl.gov/viesore/>.

<sup>42</sup> See Exhibit 1 and its two attachments.

## **6. TECHNICAL AND FINANCIAL QUALIFICATIONS**

Mission draws upon complementary strengths of the firms that collaborated in its creation – Magellan Wind and CIP (as manager of CI III Magellan Holding, on behalf of its investor-owners).

Magellan Wind has a wealth of experience in early-stage development work on offshore wind projects in the U.S. Its principals can draw upon a wide network of excellent working relationships with federal and state officials and key stakeholder groups as a result of 24 years of combined experience in the offshore wind industry.

CIP's offshore wind team is one of the world's most experienced and knowledgeable. A number of CIP managers were leaders in developing offshore wind technology and practices during their successful construction of European projects in the early days of the sector, helping to transform offshore wind into the increasingly important energy resource it is today.

CIP maintains an active role in all of its projects. By operating as an active investor or investor-developer, the company can control the projects financed by each of the investment funds it serves. To ensure its effectiveness as an active agent of the fund participants, CIP takes a strong representation on the Boards of project companies, and assigns an internal asset manager to each project. These asset managers oversee construction or operations (depending on the stage of the project) and financial performance. CIP asset managers work to optimize project performance by continuously evaluating emerging opportunities, monitoring administrative activities, and participating in key meetings and communications with regulators and stakeholders.

## Offshore wind projects

Figure 6.1 summarizes the CIP team’s management level role with regard to four offshore wind projects that demonstrate its experience and technical qualifications. Additional detail is supplied in the project-specific narratives that follow.

	Nysted	Horns Rev 2	Gunfleet Sads	Walney 1, 2	London Array	Borkum Riffgrund 1, 2	Anholt	West of Duddon Sands	Westermost Rough	Gode Wind 1, 2	Burbo Bank 2	Walney 3, 4	Hornsea 1	Veja Mate	Beatrice	Taiwan Fleet	US/CA Fleet
	168MW	209MW	172MW	367MW	630MW	789MW	400MW	389MW	210MW	582MW	252MW	660MW	1,218MW	404MW	588MW	+1.5GW	+1.5GW
Project Acquisition				✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓
Leading the project to Financial Close				✓	✓	✓	✓	✓	✓	✓				✓	✓		
Development (permitting, grid, layout etc.)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Permitting and securing PPA			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Lead on turbine sourcing/main components				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Involved during construction			✓	✓	✓	✓	✓	✓	✓	✓				✓	✓		
Lead on divestment/JV documentation	✓		✓	✓	✓	✓	✓	✓	✓							✓	✓
Involved during operational phase	✓	✓	✓	✓	✓	✓	✓	✓						✓	✓		
Member of executive committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

■ Senior Partners' involvement
■ Senior Partners' and/or COP involvement

During Senior Partner fleet responsibility at Ørsted, 2007-2012
During Senior Partner fleet responsibility at CIP, 2012 onwards

**Figure 6.1. CIP Offshore Wind Projects**

### Beatrice

Beatrice is a 588 MW, 84 turbine offshore wind farm located in the Outer Moray Firth, off the west coast of Scotland. The project began exporting power to the grid in July 2018. When fully operational, beginning later this year, the project will generate enough energy to serve approximately 450,000 homes. The £2.6 billion project went to financial close and began construction on 23 May 2016, and is owned 40% by SSE (a Scottish utility), 35% by CIP, and 25% by SDIC Power (a Chinese power generation company). The project represents one of the largest private investments ever made in Scottish infrastructure.

CIP/COPs’ management role in the Beatrice project company includes board representation and active participation in the project. COPs has had a presence at the Glasgow project office since the project entered the construction phase. COPs was actively involved in the project’s due diligence.



## Veja Mate

Veja Mate is a 402 MW offshore wind farm in the German North Sea. The project generates power from 67 Siemens SWT-6.0-154 turbines, each with a capacity of 6 MW and a rotor diameter of 154 meters. The project began operation in May 2017, and now produces enough electricity, on an annual basis, to power 400,000 German homes.

The three investors in the project are Highland Group, Siemens Financial Services, and Copenhagen Infrastructure Partners, acting on behalf of the Copenhagen Infrastructure II fund. The project had a total construction budget of € 1.9 billion, financed through a combination of equity, mezzanine loans and loans from banks and export credit agencies. CIP invested € 250 million in the form of a mezzanine loan.

COPs' management and technical team was central to the successful construction of this project. COPs' co-CEO, Henrik Scheinemann, served as CEO of the Veja Mate project company, and COPs' Rasmus Miller as the Foundations Package Manager. In total, COPs placed 16 experienced professionals, from its own staff or consultants, on the project construction team in a number of key roles, including four of the package managers: foundations, installation, offshore substation platform, and O&M.

## Vineyard

Vineyard Wind, which is jointly owned by two CIP-managed funds (together 50%) and Avangrid Renewables/Iberdrola (50%), seeks to build the first large-scale offshore wind farm in the United States starting operations by late 2021.

In December 2017, Vineyard Wind submitted proposals to the State of Massachusetts for two alternative offshore wind projects – one for 400 MW and one for 800 MW. (The alternative proposals were required under Massachusetts laws and regulations.) As part of these proposals, Vineyard Wind, which is led by senior COPs staff, organized and engaged a broad set of experts to be part of its development team.

On May 23, 2018 it was announced that Vineyard Wind's proposed 800 MW offshore wind farm located 15 miles south of Martha's Vineyard will advance as the winner of the Massachusetts tender for offshore wind energy projects. As a result, Massachusetts Electric Distribution Companies and Vineyard Wind negotiated a power purchase agreement ("PPA") that they filed with the State's Department of Public Utilities for approval on August 1, 2018.

## Taiwanese projects

In April 2018, Taiwanese officials announced that CIP had been allocated 600 MW for the Changfang and Xidao projects (located 13-15 km of the coast of Changhua County), and 300 MW for Site 29 (also off Changhua). CIP will develop the projects, working, in the case of the Site 29 project, in collaboration with partners China Steel Corporation and Diamond Generating Asia. These projects, with a combined generating capacity of 900 MW, will play a major role in building the offshore wind industry in Taiwan. CIP and COPs experts are expected to play key roles in the development of these projects.

## **Mission Floating Wind Staff Qualifications**

Mission's leadership team includes the following individuals:

### Jim Lanard, CEO, Mission Floating Wind

**Jim Lanard**, CEO and Co-Founder of Magellan Wind, a development company pursuing projects off the California and mid-Atlantic coasts, has more than twelve years of experience in the offshore wind industry. Lanard is also the Founder and former President of the Offshore Wind Development Coalition (OffshoreWindDC), a business membership organization, which advocates for offshore wind developers and their supply chain partners before federal and state legislative and regulatory bodies.

Before launching OffshoreWindDC, Jim was a Managing Director of Deepwater Wind, with responsibilities relating to offshore wind development initiatives in Rhode Island (as related to the Block Island Wind Farm), New Jersey, New York, and Massachusetts and the company's strategic planning, policy development and regulatory affairs efforts. Prior to his work at Deepwater Wind, Jim led strategic planning and advocacy initiatives at Bluewater Wind. In this capacity, he led the company's successful effort to win legislative and regulatory support for Bluewater's PPA for its proposed offshore wind farm off the Delaware coast – the first utility-scale offshore wind PPA negotiated in the U.S. Jim has a JD from the University of Miami School of Law and a BA from Boston University.

### Jeff Kehne, CDO and General Counsel, Mission Floating Wind

**Jeff Kehne**, Chief Development Officer, General Counsel, and Co-Founder of Magellan Wind, has more than twelve years of experience in the offshore wind industry. Jeff comes to Magellan Wind with a strong background in environmental, administrative and commercial law.

Prior to the formation of Magellan Wind, Jeff's practice focused on regulatory and transactional work for renewable energy and brownfield redevelopment firms. His renewable energy clients included U.S. offshore wind developers, wind industry

associations, and investors in offshore wind and solar projects. As co-chair of an offshore wind industry group within the American Wind Energy Association and later as lead counsel to the Offshore Wind Development Coalition, Jeff led offshore wind industry efforts to streamline federal leasing and permitting regimes. Jeff has a JD from Yale Law School and a BA from Haverford College.

Henrik Stiesdal, Senior Advisor, Mission Floating Wind, and CEO, Stiesdal Offshore Technologies

**Henrik Stiesdal** is one of the pioneers of the modern wind industry.

Stiesdal built his first small wind turbine in 1976 and in 1978 designed one of the first commercial wind turbines, licensed to Vestas in 1979. Stiesdal worked as consultant for Vestas until 1986, in parallel studying medicine, physics and biology at the University of Southern Denmark. Stiesdal joined Bonus Energy, later Siemens Wind Power in 1987, as design engineer. In 1988 he was appointed Technical Manager, and in 2000 Chief Technology Officer. He retired from Siemens at the end of 2014.

Stiesdal installed the world's first offshore wind farm in 1991 and the world's first floating wind turbine in 2009 on the Statoil Hywind foundation. He invented and implemented key technologies, including Siemens' proprietary blade manufacturing, low-weight direct-drive turbines, and variable-speed operation.

During his more than 25 years with Siemens Stiesdal has worked on all aspects of wind turbine technology. In parallel he has been engaged in a wide range of other activities, including sales, manufacturing, project implementation, service, and quality management.

Stiesdal has made more than 175 inventions and has been awarded more than 700 patents. In 2008 he was "Siemens Inventor of the Year" and in 2010 "Siemens Top Innovator." In 2011 he was awarded the EWEA Poul la Cour Prize, in 2014 the German Wind Association Lifetime Award, in 2015 the Danish Wind Turbine Owners' Lifetime Award, and in 2016 the Danish PlanEnergi Green Award.

Dan Reicher, Senior Advisor, Mission Floating Wind and Research Fellow at the Steyer-Taylor Center for Energy Policy and Finance at Stanford University

**Dan Reicher**, Senior Advisor to Magellan Wind, has more than 25 years of experience in energy and environmental policy, finance, and technology. He served as Executive Director of Stanford's Steyer-Taylor Center for Energy Policy and Finance from 2011 to 2018. Previously, he served as Director of Climate Change and Energy Initiatives at Google. He has served three Presidents, working in the Clinton administration as Department of Energy Assistant Secretary for Energy Efficiency and Renewable Energy and Department of Energy Chief of Staff, as a member of President Obama's Transition

Team and Co-chair of the Energy and Environment Team for Obama, and as a staff member of President Carter's Commission on the Accident at Three Mile Island.

Michael Hannibal, Partner, Copenhagen Infrastructure Partners

**Michael Hannibal**, CIP Partner, was CEO Offshore Wind for Siemens Wind Power (now Siemens Gamesa) from 2011 to October 2017. During his tenure, Siemens Gamesa developed into a clear market leader within the offshore wind business – both as turbine manufacturer and service provider. Siemens Gamesa has supplied more than 60% of the installed offshore wind turbine capacity globally.

Hannibal previously worked for Bonus Energy, a Danish manufacturer of wind energy systems, starting in 2004. He has been a key person in terms of shaping the offshore wind business, which includes its industrialization, sustainability, and growing part of the energy mix. Hannibal holds a Bachelor of Science in Electrical Engineering from Aarhus Technical University, and he is Project Management educated and certified at ABB.

Lars Thaaning Pedersen, CEO of COPS

**Lars Thaaning Pedersen**, CEO and Co-Founder of COPS, a leading offshore wind development and construction management company working exclusively with CIP. COPS is currently involved in the development of more than 6,000 MW of offshore wind projects in the US, Canada, Taiwan, and Australia. In summer 2017, COPS completed the construction of the 402 MW Veja Mate project in the German North Sea ahead of schedule and under budget.

Pedersen has been working in the energy sector since 2004 and with offshore wind since 2008. He held executive positions DONG (since renamed Ørsted), and has been involved in more than 10 offshore wind projects in Europe, including managing 6 offshore wind joint ventures. Pedersen has significant experience in development, construction, and operations of offshore wind farms, and has been instrumental in bringing new wind turbine technology to the market such as the Siemens 3.6MW-120 in 2009 and the 6 MW Siemens Direct-Drive turbine in 2012. He also headed the development of the in-house Operations and Maintenance ("O&M") and Asset Management business units while at DONG. Pedersen holds a Master's degree in Mechanical Engineering from the Technical University of Denmark.

Pedersen is currently responsible for CIPs project development portfolio in offshore wind, lives in Boston, and has a specific focus on North America, including the Vineyard Wind project off the Massachusetts coast.

Uffe K. Jørgensen, CTO, Copenhagen Offshore Partners

**Uffe Jørgensen**, Chief Technical Officer (“CTO”) on CIP’s Vineyard Wind project, brings a successful track record of development and engineering of more than 3,000 MW large-scale offshore wind projects to the team, starting with the completion of the world’s second offshore wind farm ever to be built, the Tunø Knob project in Denmark in 1995. Currently, he is part of the executive management team serving as Vice President and Chief Technology Officer at COPs in Denmark. Jørgensen has an accomplished career spanning over 20 years working on offshore wind projects and has held roles such as Senior Director Project Development for Concept and Technology at DONG since 2005. He has a MS in Civil Engineering from the Technical University of Denmark and a BS in Marketing from Copenhagen Business School in Frederiksberg.

In addition to these individuals, who have already played an active role in Mission’s formation and planning, Mission will be able to draw as needed on other experts at CIP and CIP’s affiliates. Additional hires, including dedicated permitting and stakeholder outreach specialists, will depend upon Mission’s success in securing a lease.

## **Financial Capability**

### Financing Plan

The CI-III investment fund, which owns CI III Magellan Holding, or any successor will finance the acquisition of the lease and all initial, pre-construction activities on the lease. These activities include (but are not limited to) permitting, geological surveys, project design and layout, grid connection, met-ocean studies, and community/stakeholder outreach and engagement.

Mission has studied the BOEM leasing and federal and state permitting process, and its project team has extensive experience managing the geological surveys and other technical aspects of the pre-construction development process. From this study and experience, we estimate that the pre-construction activities will cost approximately \$80-100 million over 3-5 years. These costs, as well as the lease auction bonus bid and annual lease payments, will be financed by way of direct investment by the €3.5 billion CI-III fund, which is the owner of CI III Magellan.

At this time, it is difficult to estimate with precision the total capital investment that would be required for project construction, pending site studies and updates on cost savings from rapidly evolving technology. Even if possible at this time, a detailed estimate would be considered commercially confidential.

Construction of the project will be financed on a non-recourse, project finance basis. Of the total construction costs, we anticipate that 20-30% of it will come from the equity investor, and the balance from a syndicate of bank or other lenders. At this time, the

plan is for the entire equity portion of the investment to come from CI III Magellan's owner, the CI-III investment fund. Depending on a number of factors that might come into play in the intervening years, we may utilize another CIP fund in addition to, or in place of, CI-III, and/or we may invite other equity investors to also participate in the equity investment.

### CIP and the Copenhagen Infrastructure Funds

As described in the previous section, CIP will manage the financing of the proposed Central California project(s), and the equity investment in the project(s) will come from one or more the investment funds managed by CIP.

CIP was founded in 2012 by senior executives from the energy industry in cooperation with PensionDanmark. CIP is owned and managed by four senior partners (and owners) who have worked closely together as a team for 10-15 years and have all held senior positions at the leading Danish energy company, DONG Energy (since renamed Ørsted), prior to establishing CIP. With a combined 70+ years' of experience within energy infrastructure, the senior partners have established a broad industrial network with leading industry partners, including market leading wind OEMs, major utilities, leading developers, contractors and/or operators of biomass power plants, leading onshore wind developers and TSOs. CIP specializes in investing in energy infrastructure and is a preferred financial partner for industrial organizations in the energy sector. CIP focuses on renewable energy project development, with a uniquely qualified and experienced team to invest in offshore wind in particular.

CIP currently manages four infrastructure investment funds: Copenhagen Infrastructure I K/S, CI Artemis K/S, Copenhagen Infrastructure II K/S, and Copenhagen Infrastructure III K/S. The latter of these funds is the intended investor in the Mission Floating Wind project. The investors in these funds are, typically, national pension funds active in north-western Europe. Copenhagen Infrastructure I was established in 2012 with a total commitment of approximately one billion Euro by PensionDanmark, one of the largest labor market pension funds in Denmark, with more than € 30 billion of assets under management. CI Artemis was established in 2014 with total commitment of € 392 million by PensionDanmark, dedicated for the DolWin 3 offshore wind transmission investment.

Copenhagen Infrastructure II, was established in 2014 with a total commitment of approximately € 2 billion investment from 19 Danish and international investors, including large contributions from several pension funds.

Copenhagen Infrastructure III ("CI III Fund"), was established in 2017 and had final close in March 2018 with € 3.5 billion in capital commitments from 42 investors, including a group of the largest Danish pension funds as well as several reputable

pension funds and insurance companies from Sweden, Norway, UK, Germany, Switzerland, the Netherlands, Israel, Taiwan, South Korea and Australia.

### Project Financing Experience

Table 6.1 summarizes the CIP team’s experience in raising capital for offshore and onshore wind projects of similar scale to the projects that Mission seeks to pursue in Central California. The table only lists projects that have reached financial close.

Project and Location	Project Type and Size	Date of Construction and Permanent Financing	Form of Debt and Equity Financing	Current Status
<b>Dolwin 3 (Germany)</b>	900 MW HVDC offshore transmission in partnership with TenneT	Financial close in Q1 2014, operational since Q3 2018	Total CAPEX of \$2.2 billion, of which C I Artemis Fund is funding \$453 million through equity	Construction completed
<b>Beatrice (UK)</b>	World’s largest offshore wind project (588 MW) based on jacket foundations	Financial close in Q2, 2016, operational since Q3 2018. Expected to be fully operational in 2019	Total CAPEX of \$3.3 billion, split between debt and equity, with ~\$730 million invested through CI I and CI II	Construction
<b>Veja Mate (Germany)</b>	400 MW offshore wind project in the German North Sea	Financial close in Q2 2015, operational since Q2 2017	Total CAPEX of \$1.8 billion with a total investment of ~\$300 million from CI II	Construction completed ~ four months ahead of schedule (within 23 months of financial close)
<b>Bearkat I &amp; II (US)</b>	359 MW onshore wind farm in Texas in partnership with TriGlobal Energy	Bearkat I reached financial close in Q1 2017, operational since Q4 2017. Construction start for Bearkat II is planned in Q1 2019, and operation start in Q4 2019	CI II has invested unlevered equity of ~\$240 million	Construction
<b>Fluvanna I (US)</b>	155 MW onshore wind farm in Texas in partnership with Terna Energy	Fluvanna I reached financial close in Q4 2016 and operational since Q4 2017	CI II has provided a mezzanine loan of \$61 million	Construction completed

**Table 6.1. CIP Wind Projects That Have Reached Financial Close**

In addition to these investments, CIP has several development activities ongoing within offshore wind, onshore wind, solar PV and waste-to-energy in US, Europe and the Asia-Pacific region.

## Company details

Mission Floating Wind, a Delaware limited liability company, is a special purpose company, established for the purpose of nominating offshore wind development sites in the Central California region in response to BOEM's California Call. The address of the company for the purpose of notices and routine correspondence is:

James Lanard  
Mission Floating Wind LLC  
c/o Magellan Wind LLC  
350 Townsend Street, Suite 828  
San Francisco, CA 94107

Mission was formed in 2018. Magellan, which collaborates with CI III Magellan in the management of Mission, was formed in 2014.

CI III Magellan was formed in 2018 to pursue offshore wind project development opportunities on behalf of the CI III Fund, which began operation in 2017. CIP, which was formed in 2012, provides management services for CI III Magellan, as well as for other entities funded by CI III and related investment funds. COPs, which provides offshore wind development and construction management services to CIP, was formed in 2015.

CIP will manage the financing of Mission's proposed Central California project(s), with equity investment coming from one or more the CIP-managed investment funds. Development and construction management services for the proposed project(s) will be provided by COPs.

The CI III Fund is the ultimate owner of CI III Magellan in its entirety, the planned source of pre-construction development financing, and the anticipated source of the equity portion of the construction investment. No financial statements are available for CI III Magellan, given its recent formation in 2018. The most recent audited financial statement of CI III Fund, for 2017, is provided in Exhibit 2.

## No Bankruptcies or Other Adverse Proceedings

No filing for any type of bankruptcy or other financial proceedings adverse to creditors has ever been filed by Magellan, CI III Magellan, CIP or any other entity in the CIP family.



**Exhibits:**

1. Certification of James Lanard with Attachments
  - Certificate of Formation for Mission Floating Wind LLC
  - Limited Liability Company Agreement of Mission Floating Wind
2. 2017 Audited Financial Statement of Copenhagen Infrastructure-III Fund

CERTIFICATION  
January 28, 2019

The undersigned, Mission Floating Wind Holding LLC, a Delaware limited liability company and the sole member (the Sole Member) of Mission Floating Wind LLC, a Delaware limited liability company (the Company), certifies to the United States Bureau of Ocean Energy Management as follows:

1. As the sole member of the Company, the Sole Member has the authority to execute this certification for any person, including any U.S. federal or state governmental agency.
2. Attached hereto as Attachment 1 is a copy of the Company's certificate of formation issued by the Delaware Secretary of State, as in effect on the date hereof.
3. Attached hereto as Attachment 2 is a copy of the Company's limited liability company agreement as in effect on the date hereof.
4. The Company was formed in the State of Delaware and is authorized under the operating rules of its business to hold and operate leases (including mineral leases), right-of-way grants, and right-of-use and easement grants for activities that produce, or support production, transportation, or transmission of, energy, on the Outer Continental Shelf (OCS), and right-of-use and easement grants for the alternate use of OCS facilities for energy or marine-related purposes.
5. The Sole Member was formed in the State of Delaware and is authorized under the operating rules of its business to hold and operate leases (including mineral leases), right-of-way grants, and right-of-use and easement grants for activities that produce, or support production, transportation, or transmission of, energy, on the OCS, and right-of-use and easement grants for the alternate use of OCS facilities for energy or marine-related purposes.
6. The Sole Member is the sole member and sole manager of the Company.

7. The officers of the Company are as follows:

<u>Name</u>	<u>Title</u>
James Lanard	CEO
Jeffrey Kehne	Chief Dev. Officer & General Counsel

8. The directors of the Sole Member are James Lanard and Jeffrey Kehne.

9. The officers of the Sole Member are as follows:

<u>Name</u>	<u>Title</u>
James Lanard	CEO
Jeffrey Kehne	Chief Dev. Officer & General Counsel

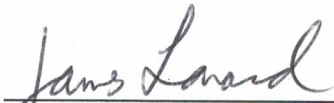
10. The sole member of the Sole Member is Magellan Wind LLC, a Delaware limited liability company.

11. The Sole Member and each of its officers, James Lanard and Jeffrey Kehne, are each individually empowered to act on behalf of the Company, in any matter related to the acquisition and operation of leases, right-of-way grants, or right-of-use and easement grants for activities that produce, or support production, transportation, or transmission of, energy, on the OCS, and right-of-use and easement grants for the alternate use of OCS facilities for energy or marine-related purposes, to agree upon the terms of and to execute and deliver any instrument or agreement, including any application, bid, lease, plan, right-of-way grant, right-of-use and easement grant, bond or other financial assurance instrument, assignment, designation of operator, relinquishment, amendment, abandonment, power of attorney (including the revocation thereof), and any other paper.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has signed this certificate as of January 28, 2019.

MISSION FLOATING WIND HOLDING LLC

By:   
\_\_\_\_\_  
James Lanard  
CEO

Attachments:

1. Certificate of Formation for MISSION FLOATING WIND LLC, a Delaware Limited Liability Company
2. Limited Liability Company Agreement for Mission Floating Wind LLC

# Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "MISSION FLOATING WIND LLC", FILED IN THIS OFFICE ON THE EIGHTEENTH DAY OF MAY, A.D. 2018, AT 5:12 O`CLOCK P.M.



  
Jeffrey W. Bullock, Secretary of State

6891924 8100  
SR# 20184007850

Authentication: 202787638  
Date: 05-30-18

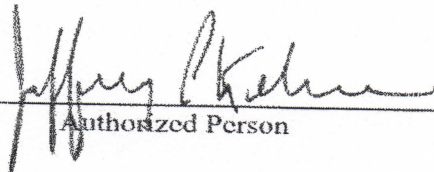
You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

STATE OF DELAWARE  
CERTIFICATE OF FORMATION  
OF LIMITED LIABILITY COMPANY

The undersigned authorized person, desiring to form a limited liability company pursuant to the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company is Mission Floating Wind LLC

2. The Registered Office of the limited liability company in the State of Delaware is located at 8 Green, STE A (street), in the City of Dover, DE, Zip Code 19901. The name of the Registered Agent at such address upon whom process against this limited liability company may be served is A Registered Agent, Inc.

By:   
Authorized Person

Name: Jeffrey P. Kehne  
Print or Type

Mission Floating Wind Call Response  
Docket No. BOEM-2018-0045  
Attach. 2 to Exh. 1: LLC Agreement

---

**LIMITED LIABILITY COMPANY AGREEMENT**

**OF**

**MISSION FLOATING WIND LLC**

**A Delaware Limited Liability Company**

---

Dated as of January 25, 2019

## LIMITED LIABILITY COMPANY AGREEMENT

This limited liability company agreement of MISSION FLOATING WIND LLC, a Delaware limited liability company (the "**Company**"), is made and entered into effective as of January 25, 2019 by MISSION FLOATING WIND HOLDING LLC, a Delaware limited liability company (as further defined in Section 1.1 below, the "**Member**"), as the sole member of the Company.

### RECITALS

WHEREAS, the Member has formed the Company pursuant to the Delaware Limited Liability Company Act; and

WHEREAS, subject to the terms and conditions of this Agreement, it is intended that the Company may engage in any lawful activity permitted by the Act.

NOW, THEREFORE, it is agreed as follows:

#### 1. DEFINITIONS

##### 1.1 Defined Terms.

When used in this Agreement, the following terms shall have the meanings set forth below:

- (a) "**Act**" means the Delaware Limited Liability Company Act, 6 *Del. C.* §18-101 *et seq.*, as the same may be amended from time to time.
- (b) "**Agreement**" means this limited liability company agreement, as amended, modified, supplemented or restated from time to time in accordance with its terms.
- (c) "**Certificate of Formation**" means the Certificate of Formation filed pursuant to the Act with the Delaware Secretary of State pursuant to which the Company has been formed as a Delaware limited liability company.
- (d) "**Indemnified Party**" has the meaning set forth in Section 4.3 of this Agreement.
- (e) "**Manager**" has the meaning set forth in Section 4.1 of this Agreement.



- (f) **"Member"** means MISSION FLOATING WIND HOLDING LLC, a Delaware limited liability company, and any transferee thereof, and shall have the same meaning as the term "member" under the Act.
- (g) **"Officers"** has the meaning set forth in Section 4.2(a) of this Agreement.
- (h) **"Person"** means a natural person, corporation, partnership, joint venture, trust, estate, unincorporated association, limited liability company, or any other entity.

## 1.2 Number and Gender.

As the context requires, all words used herein in the singular number shall extend to and include the plural, all words used in the plural number shall extend to and include the singular, and all words used in any gender shall extend to and include the other gender or be neutral.

## 2. **ORGANIZATION**

### 2.1 Formation.

By its execution of this Agreement, the Member confirms, authorizes, and approves the filing of the Certificate of Formation by an agent of the Member or Company (who was an "Authorized Person" for the purpose of executing and submitting the Certificate of Formation) pursuant to the Act with the Delaware Secretary of State and confirms that, upon such filing, the Company was formed as a Delaware limited liability company.

### 2.2 Name.

The name of the Company is "MISSION FLOATING WIND LLC" and all Company business shall be conducted in that name or such other names that comply with applicable law as the Manager may from time to time designate.

### 2.3 Purpose and Powers.

The purpose for which the Company is established is to engage in any lawful activity permitted by the Act. The Company shall have all the powers necessary or convenient to carry out the purposes for which it is organized, including the power to hold mineral leases and/or rights-of-way and/or leases issued by any governmental agency and all other powers granted by the Act.

#### 2.4 Registered Office; Registered Agent.

The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the Certificate of Formation or such other office as the Manager may designate from time to time in the manner provided by law. The registered agent of the Company required by the Act to be maintained in Delaware shall be the initial registered agent named in the Certificate of Formation or such other person or persons as the Manager may designate from time to time in the manner provided by law.

#### 2.5 Principal Office.

The principal office of the Company shall be determined by the Manager.

#### 2.6 Term.

The Company commenced on the date the Certificate of Formation was accepted for filing by the Delaware Secretary of State and shall have perpetual existence, unless the Company is dissolved in accordance with the Act.

#### 2.7 Ownership.

The Member's ownership in the Company shall be evidenced by this Agreement.

#### 2.8 Transfer of Ownership Interest.

The Member may (with or without consideration) transfer its membership interest to any Person at any time. Upon a transfer of all its membership interest all references herein to "Member" shall be deemed to refer to the recipient of such membership interest.

#### 2.9 Pledge of Ownership Interest.

The Member shall have the right to pledge the limited liability company interests of the Company as the Member, in its sole discretion, sees fit. The pledge of, or granting of a security interest, lien or other encumbrance in or against, any or all of the limited liability company interest of the Member in the Company shall not cause the Member to cease to be the Member or the Manager until the secured party shall have lawfully exercised its remedies under the relevant security or similar agreement. Until the exercise of such remedies, the secured party shall not have the power to exercise any rights or powers of the Member or the Manager.

### **3. CAPITAL CONTRIBUTIONS**

#### **3.1 Initial Capital Contributions.**

The Member shall contribute such sums and/or other assets as it, in its sole discretion, shall deem necessary or appropriate to enable the Company to carry out its business.

#### **3.2 Additional Capital Contributions.**

The Member may contribute such additional sums and/or assets, if any, as it shall determine in its sole discretion. No Person can force or require the Member to contribute any cash or assets to the Company.

#### **3.3 Liability Limited to Capital Contributions.**

The Member shall not have any obligation to contribute money to the Company or any personal liability with respect to any liability or obligation of the Company.

#### **3.4 No Interest on Capital Contributions.**

Except as otherwise expressly provided herein, the Member shall not receive any interest on its capital contributions to the Company.

### **4. MANAGEMENT**

#### **4.1 Management by Member.**

The management of the Company shall be vested exclusively in the Member. The Member, in its capacity as the sole manager of the Company (in such capacity, the "**Manager**") and acting through any duly authorized director, officer, or other person may make all decisions and take all actions for the Company as it deems necessary or appropriate in its sole discretion to enable the Company to carry out the purposes for which the Company was formed including, without limitation, the following:

- (a) adopting resolutions (including by written consent) in the name and on behalf of the company to authorize any decisions or actions taken pursuant to this Section 4.1;
- (b) entering into, making and performing contracts, agreements, undertakings and guarantees (including, without limitation, financial guarantees) in the name and on behalf of the Company, including without limitation, in respect of:
  - (i) selling, conveying, mortgaging, pledging, exchanging and disposing of any of the Company's property or income;

- (ii) liabilities, borrowing money, and issuing notes, bonds and other obligations; and
- (iii) lending money;
- (c) setting aside reserves, opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;
- (d) collecting sums due to the Company;
- (e) issuing additional limited liability company interests of the Company;
- (f) bringing and defending on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise;
- (g) holding mineral leases and/or rights-of-way and/or leases issued by any governmental agency;
- (h) selecting, removing, and changing the authority and responsibility of lawyers, auditors and other advisers and consultants; and
- (i) issuing powers of attorney in favor of such Persons as it may deem necessary or appropriate to carry out and implement any decisions made or actions taken on behalf of the Company pursuant to this Section 4.1.

#### 4.2 Delegation of Authority and Duties.

- (a) The Manager may, from time to time as it deems advisable, appoint and elect (as well as remove or replace at any time with or without cause for any reason) a President, Secretary and such other officer positions assigned to individuals (each an "**Officer**"). Any two or more offices may be held by the same person, and any office may be held by more than one person. Officers shall serve with or without compensation for their services to the Company as the Manager shall determine. The initial Officers shall be:

James Lanard – President

Jeffrey Kehne – Chief Development Officer & General Counsel

- (b) Unless the Manager decides otherwise, if the title of any person authorized to act on behalf of the Company under this Section 4.2 is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, 8 *Del. C.* §101 *et. seq.*, the assignment of such title shall constitute the delegation to such person of the authority and duties that are normally associated with that office, subject to any specific delegation of, or restriction on, authority and duties made pursuant to this Section 4.2. Any delegation or restriction pursuant to this Section 4.2(b) may be revoked at any time by the Manager, with or without cause for any reason.
- (c) Any Person dealing with the Company may rely upon the authority of the Manager or any Officer appointed by the Manager in accordance with this Section 4.2 in taking any action in the name of the Company without inquiry into the provisions of this Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Agreement.
- (d) Unless authorized to do so by this Agreement or the Manager, no Officer, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable pecuniarily, for any purpose.

#### 4.3 Indemnification.

Subject to Section 4.4 below, the Company shall indemnify and hold harmless, to the fullest extent permitted by law, the Member (including in its capacity as the Manager) and each Officer, employee or duly appointed attorney-in-fact of the Company (each, an "**Indemnified Party**") from and against all costs, losses, liabilities, and damages paid or incurred by such Indemnified Party in connection with the affairs of the Company.

#### 4.4 Liability.

- (a) Neither Officer, nor the Member (including in its capacity as Manager), nor any officer or director of the Member (including in its capacity as the Manager) shall be personally liable for the debts, obligations or liabilities of the Company, including, without limitation, under a judgment, decree or order of a court.
- (b) No Officer, nor any officer or director of the Member (including in its capacity as the Manager) shall be liable, responsible or accountable in damages or otherwise to the Company or the Member for any action taken or any failure to act (even if such action or failure to act constituted the simple negligence of that person) on behalf of the Company or the Manager within the scope of the authority

conferred on such Officer or the Manager by this Agreement or by law, unless such act or failure to act constituted gross negligence or was performed or omitted willfully or intentionally or in bad faith.

## **5. DISTRIBUTIONS**

### 5.1 Distributions/Available Cash.

The Manager shall in its sole discretion determine from time to time to what extent (if any) the Company's cash on hand exceeds the current and anticipated needs of the Company. To the extent any such excess exists, the Manager may make distributions to itself as sole Member, subject to Section 18-607 of the Act.

## **6. BOOKS AND RECORDS; FISCAL YEAR; BANK ACCOUNTS; TAX MATTERS**

### 6.1 Books and Records.

The books and records of the Company shall, at the cost and expense of the Company, be kept at the principal executive office of the Company or at such other location as the Manager may from time to time determine.

### 6.2 Fiscal Year.

Unless otherwise determined by the Manager, the Company's books and records shall be kept on a December 31 calendar year basis and shall reflect all Company transactions and be appropriate and adequate for conducting the Company's affairs.

### 6.3 Bank Accounts.

All funds of the Company will be deposited in its name in an account or accounts maintained with such bank or banks selected by the Manager. Checks shall be drawn upon the Company account or accounts only for the purposes of the Company and may be signed by such persons as may be designated by the Manager.

### 6.4 Tax Matters.

The Member intends that the Company shall be a disregarded entity for U.S. federal income tax purposes, and the Manager shall, if necessary, execute and file or shall cause to be executed and filed any necessary Internal Revenue Service forms to implement such tax status for the Company.

## **7. MISCELLANEOUS**

### **7.1 Complete Agreement.**

This Agreement and the exhibits hereto constitute the complete and exclusive statement of the agreement regarding the operation of the Company and replaces and supersedes all prior agreements regarding the operation of the Company.

### **7.2 Governing Law.**

This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the State of Delaware, without giving regard to principles of conflicts of law.

### **7.3 Headings.**

All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

### **7.4 Severability.**

If any provision of this Agreement is held to be illegal, invalid or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

### **7.5 No Third Party Beneficiary.**

This Agreement is made solely and specifically for the benefit of the Member and its successors and transferees and the Indemnified Parties and no other Persons shall have any rights, interest or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

### **7.6 Amendment.**

All amendments to this Agreement must be in writing and signed by the Member.

7.7 No Interest in Company Property.

Each Membership Interest is an interest in the Company and does not represent an interest in any property of the Company.

7.8 Bankruptcy.

To the fullest extent permitted by law, the events specified in Section 18-304 of the Act shall not cause a Member to cease being a Member of the Company.

*[Signature Page Follows on Next Page]*



WHEREFORE, this Agreement has been executed by duly authorized representatives of the Member as of the date first set forth above.

MISSION FLOATING WIND HOLDING LLC

By:

A handwritten signature in cursive script, appearing to read "James Lanard", is written over a horizontal line.

Name:

James Lanard

Title:

CEO

Signature Page of  
MISSION FLOATING WIND LLC  
Limited Liability Company Agreement

**Copenhagen Infrastructure III K/S**  
**Nørregade 21**  
**1165 Copenhagen K**  
**Business Registration No**  
**38 27 81 50**

**Annual report 2016/17**

The Annual General Meeting adopted the annual report on 29.05.2018

### **Chairman of the General Meeting**

---

Name: Mogens Thorninger

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## **Fund details**

### **Fund**

Copenhagen Infrastructure III K/S

Nørregade 21

1165 Copenhagen K

Central Business Registration No: 38 27 81 50

Founded: 21.12.2016

Registered in: Copenhagen

Financial year: 21 December 2016 - 31 December 2017

Telephone: +45 70 70 51 51

Internet: [www.cipartners.dk](http://www.cipartners.dk)

### **General Partner**

Copenhagen Infrastructure III GP ApS

### **Fund Manager**

Copenhagen Infrastructure Partners P/S

Approved Manager of Alternative Investment Funds (FSA number: 23104)

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

## **Statement by General Partner on the annual report**

The General Partner has today considered and approved the annual report of Copenhagen Infrastructure III K/S for the financial year 21 December 2016 – 31 December 2017.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Limited Partnership's financial position at 31 December 2017 and of the results of its operations and the cash flows for the financial year 21 December 2016 – 31 December 2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.05.2018

**On behalf of Copenhagen Infrastructure III GP ApS**

Mogens Thorninger

Torben Carlsen

## Independent auditor's report

### To the shareholders of Copenhagen Infrastructure III K/S

#### Opinion

We have audited the financial statements of Copenhagen Infrastructure III K/S for the financial year 21.12.2016 - 31.12.2017, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 21.12.2016 - 31.12.2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as the General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless the General Partner either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent auditor's report

### Statement on the management commentary

The General Partner is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.05.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Bill Haudal Pedersen  
State-Authorised Public Accountant  
Identification No (MNE) 30131

Michael Thorø Larsen  
State-Authorised Public Accountant  
Identification No (MNE) 35823



## Management commentary

**2016/17**  
**DKK'000**

### Financial highlights

#### Key figures

Profit/loss from ordinary activities (EBIT)	(113,436)
Profit/loss for the year	(115,942)
Equity	(47,037)
Balance sheet total	270,873

#### Ratios

Solvency ratio (%)	N.M.
--------------------	------

### Primary activity

Copenhagen Infrastructure III K/S (CI III) was established in December 2016 with first close in March 2017 and is managed by Copenhagen Infrastructure Partners P/S (CIP). The General Partner of CI III is Copenhagen Infrastructure III GP ApS.

### Investments

No investment projects have yet reached financial close.

### Development in activities and finances

The origination and investment activities for CI-III are progressing in accordance with expectations. Financial close on some projects are expected during 2018.

### Uncertainty relating to recognition and measurement

CI III invests in infrastructure projects structured to provide stable cash flows, but where transferability and cash flows to a certain extent still may be affected by changes in market conditions. Consequently, the fair value of the investments is based on estimates and a number of assumptions made by the General Partner on the balance sheet date.

## **Management commentary (continued)**

### **Information according to the Alternative Investment Fund Managers Directive**

According to Article 22 of the Alternative Investment Fund Managers Directive, Alternative Investment Funds (AIF) must make certain disclosures to investors in connection with the presentation of financial statements.

During the financial period covered by the financial statements, there have been no significant changes in the matters below:

- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- New arrangements for managing the Fund's liquidity;
- The Fund's risk profile and the risk management systems implemented by the Fund Manager used to manage the Fund's risks;
- There have been no amendments to the maximum level of leverage which the Fund Manager can use on behalf of the Fund. Nor has there been any changes in the right to use collateral or any guarantee accordance with the agreement allowing for the leverage.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

### **Outlook**

The outlook for the Limited Partnership is expected to be positive.

**Statement of comprehensive income**

	<b>Notes</b>	<b>2016/17 DKK'000</b>
Net foreign currency losses		<u>(4,960)</u>
<b>Operating income</b>		<b><u>(4,960)</u></b>
Administrative expenses	3	<u>(108,476)</u>
<b>Operating expenses</b>		<b><u>(108,476)</u></b>
<b>Operating profit (EBIT)</b>		<b><u>(113,436)</u></b>
Financial income	4	153
Financial expenses	5	<u>(2,659)</u>
<b>Profit for the year</b>		<b><u>(115,942)</u></b>
<b>Other comprehensive income</b>		<b><u>0</u></b>
<b>Comprehensive income</b>		<b><u><u>(115,942)</u></u></b>

**Balance sheet at 31 December 2017**

	<u>Notes</u>	<u>2017 DKK'000</u>
Equity investments	6	190,648
Receivables from investments	6	<u>44,331</u>
<b>Investments</b>		<u><b>234,979</b></u>
<b>Fixed assets</b>		<u><b>234,979</b></u>
Other short-term receivables		<u>9,295</u>
<b>Receivables</b>		<u><b>9,295</b></u>
<b>Cash</b>		<u><b>26,600</b></u>
<b>Current assets</b>		<u><b>35,895</b></u>
<b>Assets</b>		<u><u><b>270,873</b></u></u>

**Balance sheet at 31 December 2017**

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>
Limited partnership capital	7	68,905
Retained earnings		<u>(115,942)</u>
<b>Equity</b>		<u><b>(47,037)</b></u>
Credit facility		276,576
Other payables	8	<u>41,335</u>
<b>Current liabilities other than provisions</b>		<u><b>317,910</b></u>
<b>Liabilities other than provisions</b>		<u><b>317,910</b></u>
<b>Equity and liabilities</b>		<u><u><b>270,873</b></u></u>

**Statement of changes in equity for 2017**

	<b>Limited partnership capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Contribution from limited partners	68,905	0	68,905
Profit/(loss) for the year	0	(115,942)	(115,942)
<b>Equity end of year</b>	<b>68,905</b>	<b>(115,942)</b>	<b>(47,037)</b>

## Cash flow statement for 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK'000</u>
Operating profit/(loss)		(113,436)
Income from investments		4,960
Working capital changes	9	<u>32,040</u>
<b>Cash flows from ordinary activities</b>		<b><u>(76,436)</u></b>
Financial items	4, 5	<u>(2,506)</u>
<b>Cash flows from operating activities</b>		<b><u>(2,506)</u></b>
Acquisition of investments	6	(191,940)
Receivables from investments	6	<u>(47,999)</u>
<b>Cash flows from investing activities</b>		<b><u>(239,939)</u></b>
Credit facility		276,576
Contribution from Limited Partners		<u>68,905</u>
<b>Cash flows from financing activities</b>		<b><u>345,481</u></b>
<b>Increase/decrease in cash</b>		<b>26,600</b>
Cash beginning of year		<u>0</u>
<b>Cash end of year</b>		<b><u><u>26,600</u></u></b>

## Note overview

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## Notes

### 1. Accounting policies

#### Reporting class

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises.

Copenhagen Infrastructure III K/S is a Limited Partnership based in Denmark.

This is the Fund's first financial year and comprise the period 21 December 2016 – 31 December 2017, and hence no comparative figures have been presented.

The financial statements are presented in Danish kroner (DKK), which is the functional currency of the Fund.

The financial statements are presented on the basis of historical cost, except for the equity investments and receivables from investment entities, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

Judgements made by the General Partner in the application of IFRSs that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

The principal accounting policies are set out overleaf.

#### Defining materiality

If a line item is not individually material, it is aggregated with other items and notes of a similar nature in the financial statements or in the notes. There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

#### Report on the omission of preparation of consolidated financial statements

CI III K/S has omitted to prepare consolidated financial statements under the provisions of IFRS 10 and IAS 27 as the Limited Partnership qualifies as an investment entity. The definition is as follows:

"An investment entity is defined as an entity which commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both".

In view of the circumstances described below, the General Partner believes that the Fund satisfies the definition of an investment entity:

## Notes

### 1. Accounting policies (continued)

- 1) The Fund has more than one investment.
- 2) The Fund has more than one investor, and its investors are not related parties. Please refer to the description in note 13 to the financial statements.
- 3) The Fund's investments in investments take the form of equity instruments or similar investments, and the Fund can also exit the investment, if relevant.

### Standards and Interpretations not yet in force

All the new and amended Standards and Interpretations which are relevant to the Fund and which came into force with effect for financial years beginning 1 January 2017 have been applied when preparing the financial statements.

At the date of the issue of these financial statements, a number of new or amended Standards and Interpretations, including IFRS 9 in particular, have not yet entered into force. The General Partner believes that they will not impact significantly on the financial statements for the coming financial years.

Other amended Standards and Interpretations includes IFRS 15 regarding recognition of revenue with effect for financial years beginning 1 January 2018 as well as IFRS 16 regarding leasing with effect for financial years beginning 1 January 2019. The General Partner believes that they will not have significant impact on the financial statements as well as they haven't been implemented before time.

### Significant accounting policies and estimates

As part of the preparation of the financial statements, the General Partner makes a number of accounting judgements which form the basis of presentation, recognition and measurement of the Fund's assets and liabilities. The most significant accounting judgements are evident from note 2 to the financial statements.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Fund, and the value of the asset can be measured reliably. Assets are derecognised in the balance sheet when it is no longer probable that future economic benefits will flow to the Fund.

Purchase and sale of financial assets and liabilities are recognised in the balance sheet at the commitment date.

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of an event before or on the balance sheet date, and it is probable that future economic benefits will flow out of the Fund, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

## Notes

### 1. Accounting policies (continued)

On initial recognition, assets and liabilities are measured at cost, however, investment assets are measured at fair value on initial recognition, typically equalling cost exclusive of directly incurred expenses (direct transaction costs). Measurement subsequent to initial recognition is effected as described below for each financial statement item. Allowance is made for events occurring from the balance sheet date to the date of presentation of the annual report, and which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income is recognised in the statement of comprehensive income when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### Foreign currency translation

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements of the Fund are presented in the currency unit (DKK, Danish kroner), which is the Fund’s functional and presentation currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Statement of comprehensive income

#### Revenue recognition

Dividend income is recognised when the Fund’s rights to receive the payments have been established, normally being the ex-dividend date.

Interest on receivables from investments at fair value through profit or loss is accrued on a time-proportionate basis, by reference to the principal receivables from investments and at the effective interest rate applicable. The interest is calculated based on the net carrying amount on initial recognition.

#### Interest income and Net change in unrealised gains from financial assets and liabilities at fair value

Interest income and Net change in unrealised gains from financial assets and liabilities at fair value consists of unrealised fair value adjustments, dividends, accrued interest and profit or loss from the disposal of investments.

Income realised from the disposal of investments is calculated as the difference between net selling price and cost at the time of acquisition. Previously, unrealised fair value adjustments related to investments disposed of during the year are recycled to the effect that, in net terms, profit for the year is affected by the difference between the selling price and the fair value at the beginning of the financial year.

## Notes

### 1. Accounting policies (continued)

#### Administrative expenses

All expenses are recognised in the statement of comprehensive income on the accrual basis.

Administrative expenses comprise expenses incurred during the financial year not directly related to the Fund's investment activities.

General due diligence costs and general administration etc including management fees have been expensed by the amounts attributable to this financial year, whereas certain development costs have been capitalised in order to increase the value of the equity investments.

#### Financial income and expenses

Financial income and expenses comprise interest income and various expenses, and net capital gain/loss on transactions in foreign currencies.

Interest income and interest expenses are stated on an accruals basis using the principal interest rate.

#### Income taxes

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partner's taxable income.

### Balance sheet

#### Investments and receivables from investments

Financial assets and liabilities are recognised at fair value through profit and loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trading day when the Fund purchases or sells an investment under a contract whose terms require delivery of the investment within the time frame established by the market.

On initial recognition, investments and receivables from investments are measured at fair value.

Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Investments consist of equity investments and receivables from investments consist of loans and shareholder loans. Both type of investment are measured, on initial recognition, at fair value, and subsequently measured at fair value with recognition of fair value adjustments through profit or loss.

## Notes

### 1. Accounting policies (continued)

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, Invest Europe Investor Reporting Guidelines and accepted valuation techniques, including benchmarking, DCF or other relevant method, which is considered to provide the best estimate of the fair value.

For further information about the measurement of fair values, please refer to note 12.

#### Other short-term receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

#### Cash

Cash comprise cash in bank deposits.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

#### Cash flow statement

The cash flow statement of the Fund is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Fund's cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and payment of distributions to Limited Partners.

Cash comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

### Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula	Ratios reflect
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The enterprise's financial strength.

## Notes

### **2. Significant accounting estimates, assumptions and uncertainties**

The Fund develops and invests in infrastructure assets (unlisted equity investments and receivables), the market price of which depends both on entity-specific affairs and market conditions, including power prices, commodity prices, exchange rates and construction risk within the different investments. The valuation and hence fair value of the long-term receivables are, furthermore, affected by changes in the risk-free interest rate and the general cost of risk in the market. As a result, income from investments, including the unrealised value adjustments, accrued interest and the fair value of investments are subject to estimation and uncertainty.

The methods applied in and the assumptions underlying the determination of the fair value in unlisted equity investments and receivables are described in note 12 to the financial statements.

### **3. Administrative expenses**

The Fund has no employees.

According to Article 107 of the AIFM Directive, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed. For information about remuneration, please refer to the annual report of the Fund Manager.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

## Notes

### 3. Administrative expenses (continued)

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:

- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

Currently, the Fund Manager only serves as fund manager for Copenhagen Infrastructure III K/S.

No carried interest is paid out by the AIF during the financial period.

	<b>2017</b>
	<b><u>DKK'000</u></b>
<b>4. Financial income</b>	
Currency exchange rate gains	<u>153</u>
<b>Financial income</b>	<u><b>153</b></u>
<b>Realised financial income</b>	<u><b>152</b></u>
<b>5. Financial expenses</b>	
Other interest, currency loss etc.	(2,651)
General Partner fee	<u>(8)</u>
<b>Interest expenses for financial liabilities</b>	<u><b>(2,659)</b></u>
<b>Realised financial expenses</b>	<u><b>(2,598)</b></u>

## Notes

	<b>Capitalized development projects before FID*</b>	<b>Investments</b>	<b>Receivables from investments</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Investments</b>			
Fair value 21.12.2016	-	-	-
Acquisitions and development costs	195,611	-	44,328
Value adjustment	(4,963)	-	3
<b>Fair value 31.12.2017</b>	<b>190,648</b>	<b>-</b>	<b>44,331</b>

\*Development projects before FID comprise capitalised costs related to the design and development of the infrastructure investments where no equity and loan commitment has been provided.

<u>Investment</u>	<u>Corporate form</u>	<u>Registered in</u>	<u>Equity interest %</u>
CI III Non-QFPF			
Blocker	K/S	Copenhagen	99.90
CI III Changfang	K/S	Copenhagen	99.47
CI III Fufang	K/S	Copenhagen	99.47
CI III Xidao	K/S	Copenhagen	99.47
Gbay	K/S	Copenhagen	99.47
CI III Geo Holding	P/S	Copenhagen	99.47
CI III Star of the South	K/S	Copenhagen	99.47
CI III Taiwan GP	ApS	Copenhagen	100.00

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to best estimate of fair value. This means that the proportionate share of profit or loss of the investments is not recognised in profit or loss of the Fund. Instead, the value adjustment of each investment's fair value is taken to profit or loss of Fund.

The methods applied by the Fund to measure investments are evident from note 12 to the financial statements.

In accordance with the requirements of IFRS 12, certain disclosures must be provided for an investment company's non-consolidated subsidiaries, and the following information is deemed relevant in this respect:

The Fund's investments are not classified as investment entities under IFRS 10 because they are all engaged in developing or owning infrastructure projects. There are no restrictions on the Fund's right to receive dividend from or have loans etc. repaid by the investments, except that distributions from current operating activities of



## Notes

### 6. Investments (continued)

the equity investments must be made allowing for debt servicing by such companies. The Fund has not provided its investments with financial support during the financial year outside the contractual basis.

### 7. Limited partnership capital

The limited partnership capital has not been divided into classes.

	<b>2017</b> <b>DKK'000</b>
<b>8. Other payables</b>	
Other payables	<u>41,335</u>

The carrying amount of payables relates to legal fees, auditor's fees, travel costs etc. The amount recognised is equal to the fair value of the liabilities.

### 9. Working capital changes

Change in receivables	(9,295)
Change in payables	<u>41,335</u>
	<b><u>32,040</u></b>

### 10. Financial instruments

Categories of financial instruments:

Investments	190,648
Receivables from investments	<u>44,331</u>
<b>Financial assets measured at fair value through profit or loss</b>	<b><u>234,979</u></b>
Other short-term receivables	<u>9,295</u>
<b>Loans and receivables</b>	<b><u>9,295</u></b>
Credit facility	276,576
Other payables	<u>41,335</u>
<b>Financial liabilities measured at amortised cost</b>	<b><u>317,910</u></b>

All financial liabilities are due for payment within 12 months.

## Notes

### 11. Financial risk management

The General Partner is ultimately responsible for the overall risk management within the Fund, but has delegated the responsibility to the Fund Manager.

The Fund pursues an investment strategy approved by the Limited partners and invests in infrastructure projects.

The Fund's risk management processes includes identification, measurement, monitoring, reporting and mitigation of the identified risks to minimize the potential negative effects at fund level.

Key financial risk factors and exposure in regards to the financial statements as of 2017 can be categorised as follows:

#### Financial Risk Factors

##### *Liquidity risks*

	<b>Less than 1 year DKK'000</b>	<b>Between 1 and 5 years DKK'000</b>	<b>After 5 years DKK'000</b>	<b>Total DKK'000</b>
Credit facility	276,576	0	0	<b>276,576</b>
Other payables	41,335	0	0	<b>41,335</b>
<b>31.12.2017</b>	<b>317,910</b>	<b>0</b>	<b>0</b>	<b>317,910</b>

Payables including the credit facility is bigger than the cash position of the Fund because the investments have temporarily been financed by the credit facility in stead of drawn downs from the Limited Partners.

The Fund has no guarantees or contingent liabilities, but has an outstanding investment commitment of USD 39m and AUD 12.1m. The liquidity risk is considered insignificant. No indication of the limited partners ability to contribute the remaining fund commitment occurs.

##### *Credit risks*

Credit risk relates to the risk of non-performing receivables and impairment of the Fund's loan provided to the infrastructure project.

The maximum credit risk related to receivables equals the carrying amount. There is no indication of non-performing receivables as of the balance sheet date.

Likewise there is no impairment of receivables i.e. at the balance sheet date as it is assessed that the debtors will fulfil the individual facility agreements.

The Fund is not exposed to any significant credit risk as of 31 December 2017.

## Notes

### 11. Financial risk management (continued)

#### *Interest rate risk*

The Fund has only a temporarily credit facility as of the balance sheet date, and therefore no interest rate risk connected to the liabilities.

#### *Currency risk*

The Fund is denominated in DKK. However, all investments, including draw downs and distributions, are made in investment specific currencies. No hedging is made at fund level.

### 12. Financial instruments measured at fair value

The fair value of the investments are measured on a quarterly basis, or more frequent if significant changes occur.

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistent over time and across investments.

#### **Methods applied in and assumptions underlying the determination of fair values of investments**

The fair value of each investment and receivables from investment has been estimated by applying methods that best reflect the risks, and the stage of each investment, e.g. assumptions related to power prices, inflation rates, technical availability and discount rate.

In general, the fair value is determined in accordance with Invest Europe Investor Reporting Guidelines and accepted valuation techniques, including DCF models, benchmarking or other relevant method. For projects which is before the state of COD (Commissioning Operating Date) cost is however considered as best estimate for fair value.

The valuation of investments and receivables from investments are based on the same methods, as investments and receivables from investments are exposed to the same risks.

#### **Fair value hierarchy for financial instruments measured at fair value in the balance sheet**

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- Quoted prices in active markets for identical instruments (Level 1)
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (Level 2)
- Valuation techniques under which any material input are not based on observable market data (Level 3)

## Notes

### 12. Financial instruments measured at fair value (continued)

It is the Fund's policy to incorporate the classification of financial assets (changes/transfers between levels 1 and 3) in the financial statements if their classification changes during the financial year. There have not been any transfers between the levels during the financial year and all investments are classified as Level 3 investments.

#### Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable input. Material unobservable inputs mean in this context that the valuation is dependent on a return requirement that contains a number of components that cannot be observed on trading markets, for example project-specific risks and illiquidity prizes.

None of the investments are after COD and are hence not measured based on valuation techniques which require unobservable inputs. As a part of the valuation process, it has, however, been assessed if changes in power prices, inflation rates, technical availability or discount rate should lead to an impairment compared to the estimated internal rate in the business models. The assessment did not give rise to any comments.

<b>2017</b>	<b>Level 1 DKK'000</b>	<b>Level 2 DKK'000</b>	<b>Level 3 DKK'000</b>	<b>Total DKK'000</b>
Unlisted shares, investments	0	0	190,648	<b>190,648</b>
Receivables from investments	0	0	44,331	<b>44,331</b>
<b>Financial assets measured at fair value through profit or loss</b>	<b>0</b>	<b>0</b>	<b>234,979</b>	<b>234,979</b>

#### Sensitivity analysis

The fair value of the Fund's investments is affected by development in the applied discount rate and future earnings expectations for these investments. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the valuation of the investments. Due to that no investments are after COD no sensitivity analysis have been made. As a result of the investments is currently being under construction, the fair value is estimated as cost, for which reason no discount rate interval is disclosed.

Please refer to note 6 for a specification of fair value investments.

## Notes

### 13. Related parties

#### Related parties with a controlling interest

The Limited Partnership has no investors or related parties with a controlling interest.

**2017**  
**DKK'000**

#### Related party transactions

The General Partner is receiving a fee for its liability towards CI III as per the article of association

#### Payment to the General Partner

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Copenhagen Infrastructure Partners P/S (the Fund Manager) are considered related parties of the Fund due to direct or indirect control and transactions

#### Management fee (21 December 2016 to 31 December 2017)

85,425

#### Receivables from investments

Loans have been granted on market terms, which are expected to be settled by future cash payments. The Fund has no guarantees or similar in connection with loans.

There are no other key relationships, which are considered material for the financial statements.

### 14. Contingent liabilities

The Fund has no guarantees or contingent liabilities, but has an outstanding commitment of USD 39m and AUD 12.1m.

### 15. Investors

The Limited Partnership has registered the following Limited Partners as holding more than 5% of the voting rights or nominal value of the contributed capital:

Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, Dronning Eufemias Gate 10, 0191 Oslo

DNB Livsforsikring AS, Solheimsgaten 7C, 5058 Bergen

PBU Invest Holding P/S, Tuborg Boulevard 3, 2900 Hellerup

Lærernes Pension Forsikringsaktieselskab, Tuborg Boulevard 3, 2900 Hellerup

Lægernes Pension, Dirch Passers Allé 76, 2000 Frederiksberg

PFA Pension, Forsikringsaktieselskab, Sundkrogsgade 4, 2100 Copenhagen

PensionDanmark Pensionsforsikringsaktieselskab, Langelinie Allé 43, 2100 Copenhagen

## Notes

### **16. Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

### **17. Authorisation of the annual report for issue**

At the meeting held on 15.05.2018 the General Partner authorised this annual report for issue on 29.05.2018. The annual report will be submitted to the Limited Partnership's Limited Partners for adoption at the Annual General Meeting on 29.05.2018.