

To the kind attention of:

Board of Directors
BP Plc
1 St James's Square
London SW1Y 4PD
United Kingdom

CC: The Rt Hon Ed Miliband MP - *Secretary of State for Energy Security and Net Zero*
The Rt Hon Jonathan Reynolds MP - *Secretary of State for Business & Trade*
Chris Stark - *Head of Mission Control for Clean Power 2030*
Jeremy Pocklington CB - *Permanent Secretary, Department for Energy Security and Net Zero (DESNZ)*
Luke Akehurst MP - *North Durham*
Mary Kelly Foy MP - *City of Durham*
Michael Kelleher - *Head of Planning & Housing Durham County Council*
Amanda Hopgood - *Leader of the Council, Durham Council*
Richard Moriarty - *Chief Executive, Financial Reporting Council*

23 July 2024

Dear Madam/Sir,

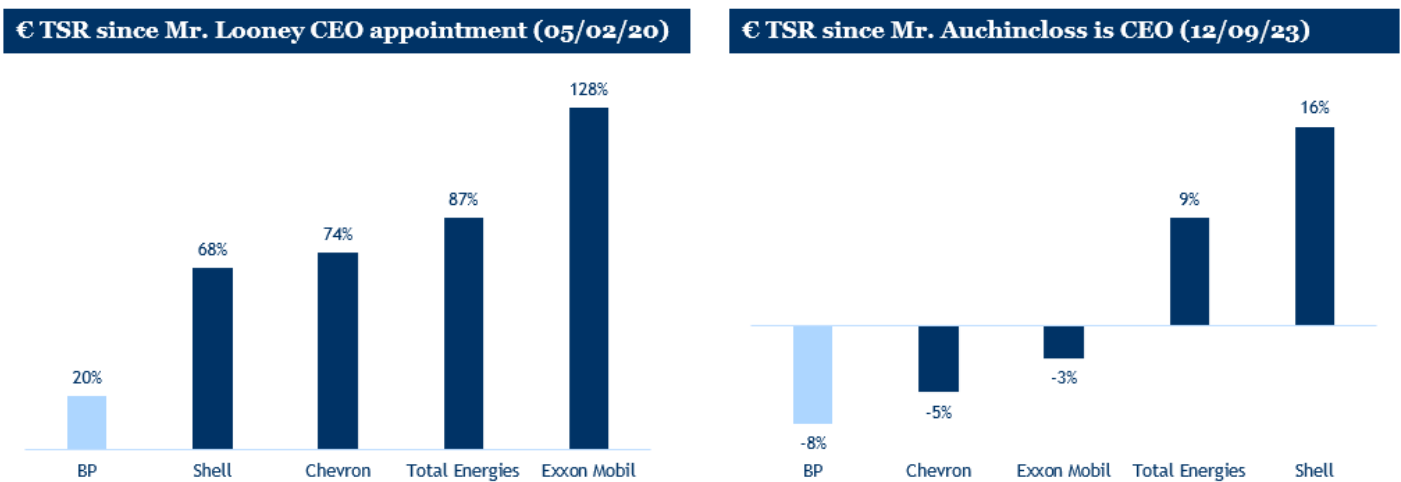
Subject: Who is BP's Board of Directors trying to fool? Its own shareholders, the UK Government or seemingly both?

Bluebell Capital Partners Limited (“**Bluebell**”) are a BP plc (“**BP**” or the “**Company**”) shareholder via the investment and/or economic exposure held by the fund we manage. We started engaging with Company nine months ago, and the more we have learned, the more we are astounded by the way the company seems to be (mis)managed by what we consider, with due respect, a highly incompetent and complacent BP Board (the “**Board**”) that are not properly serving its shareholders and wider society.

Responsibility for this, logically, sits with the Board under the executive leadership of a CEO (Mr. Auchincloss) who has passively endorsed the ill-conceived strategy masterminded by an ideologically misguided Norwegian Chair

(Mr. Lund) and the company’s previous CEO (Mr. Looney) found guilty of serious misconduct for failing to differentiate between working and personal relationships, now under the oversight of a Senior Independent Director (Dame Blanc) whom, (based on our personal experience detailed) would appear from her inactions, to have conceived her appointment was just another honorary title.

At a Company level, this is validated by BP’s share price performance, which is the worst across the entire sector, virtually under any time frame. This is particularly true when comparing BP’s TSR with its peers, since the appointment of Mr. Looney and the ensuing ill devised strategy. It is notable that Mr. Auchincloss, by following the same strategy, has exacerbated the underperformance¹:



As if this deterioration were not sufficient, the Board succeeded in the remarkable task of weakening a once blue-chip champion, to the point of transforming it into a potential target for foreign companies (as confirmed by recent speculations regarding interest from the United Arab Emirates' state-owned oil company ADNOC, who recently considered buying BP)².

This prompted a futile debate on the opportunity for the Company to transfer its listing venue from London to New York (we believe the problem is not BP’s listing venue; the problem is BP’s Board). The Company’s strategy has put the UK’s energy independence at risk, with heavy cuts to oil and gas exploration and production. At the same time, it has managed to compromise ecological transition

¹ Source: Bloomberg data as of 12/07/2024.

² <https://www.reuters.com/markets/deals/uas-adnoc-recently-eyed-bp-takeover-target-sources-say-2024-04-11/>

goals, with a failed renewable energy strategy that has already resulted in over a billion dollars in losses in the wind sector in FY2023 alone, with certainly more to come (see our [letter of October 4, 2023](#), **Appendix 1**).

At the risk of sounding flippant, this is quite an achievement and enviable track record indeed. An immense amount of work for just one Board.

There is no limit to how much worse this could become for the Company. The future of BP as a credible provider of energy security is at serious risk.

Based on the evidence we have collected, we are deeply concerned that the Board seems to be deliberately acting against the interests of shareholders, local communities, and potentially even the UK Government. All of this exposes the Company to legal and reputational risks which, if our fears are confirmed (see below), would have a sole precedent in terms of an unlawful attempt undertaken by a major public company aimed at arbitraging laws and regulations: the '*Dieselgate*' (VW, Germany, 2015).

The concerns expressed below pertain to BP's activities in the solar sector – we don't know the size of the solar farm investments already undertaken because BP, with extremely opaque communication, has only disclosed the aggregate amount of the 2023-2030 capital plan in Hydrogen and Renewables & Power (\$30 billion). These are sectors where BP lacks experience and a track record and the target of a 6-8% unlevered IRR in Renewables & Power is a clear declaration of intent to burn shareholder capital. Given the egregiousness of the situation, there is no reason to believe that the Company (under the Board's direction) acts differently in other sectors.

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1. **The Background: BP's First Unlawful Attempt to Build a 76 MW Solar Farm at Burnhope (County Durham)**

For background, according to Section 15 of the Planning Act 2008, any plant exceeding 50 MW qualifies as a '*Nationally Significant Infrastructure Project*' and therefore requires authorization not from local authorities but directly from the Secretary of State for Energy.

Solar farms exceeding 50 MW are subject to greater scrutiny, due to their complexity, broader impacts on infrastructure, environment, community, and health and safety risks. Extensive consultations and assessments are also required for such projects to ensure alignment with national energy policies and objectives. This is why larger projects require a very different (of an increased) level of scrutiny, compared with smaller ones.

BP, operating through its subsidiary Lightsource BP, of which it owns 49.97% and has already announced the purchase of the remaining 50.03%, unlawfully obtained authorization from the County Durham Council to build a solar farm at Burnhope by claiming it was below 50 MW, when it was actually a 76 MW plant.

Upon examining the project approved by Durham County Council in November 2023, despite strong local opposition, local resident Mr. Galloway indeed discovered that BP had misrepresented the solar farm as being below the 50 MW threshold, when it was in fact a 76 MW project.

Mr. Galloway initiated legal action - **Between: THE KING (on the application of IAN GALLOWAY) (Claimant) and DURHAM COUNTY COUNCIL (Defendant) and LIGHTSOURCE SPV 215 LIMITED (the interested party)** - asking the judge to annul the authorization granted by Durham County Council, as it was based on incorrect representations made by BP. On February 21st, 2024, the judge recognized that the authorization was “***unlawful***” and ordered its revocation:

the planning permission is unlawful because [A1.3c] the Defendant failed to take into account an obviously material consideration, namely addressing whether it was approving more panels over a larger area than were required to produce the stated (and a lawful) electricity generating capacity.

(FORDHAM J, Case Nos: AC-2023-LDS-000229 AC-2023-LDS-000290, hearing date: January 17, 2024, **Appendix 2**)³.

This is a very serious matter: BP acting unlawfully represents a clear breach of the fiduciary relationship between the Board and BP's shareholders.

As we have made abundantly clear in our (unanswered) communications to the Company, we always believed that BP lacked competence in the renewable energy sector (potentially even less genuine concern for the environment, aside from hollow virtue signalling statements). Based on these events, we are now convinced that BP also lacks the moral ground to be involved in this sector, seemingly being willing to 'cut corners' to achieve a market position that it cannot initially achieve lawfully.

As is public, at the 2024 AGM, Bluebell submitted **thirty-six questions** (link [here](#), **Appendix 3**) to better understand the events involved with the Burnhope solar farm application, including whose responsibility it was and what measures had been taken to ensure this won't happen again.

Unfortunately, adding insult to injury, the Board - displaying zero leadership - refused to answer our questions, with the following laughable statement (link [here](#)):

“on 30 November 2023 bp announced that it had agreed to acquire the remaining 50.03% of Lightsource bp. The transaction is expected to close in the second half of 2024, subject to regulatory approvals. As such, bp currently continues to hold a minority equity position in the Lightsource bp joint venture. Therefore, questions in respect of specific Lightsource bp assets, should be directed to Lightsource bp and not bp”

(BP, the Company's Secretary Office, April 23, 2024, **Appendix 4**, underline added by Bluebell Capital Partners).

Let us refresh your memory on how BP typically refers to Lightsource BP in its corporate communications:

³ <https://www.rushcliffe.gov.uk/media/zgbpn1hf/cd-59-galloway-v-durham-county-council-2024-ewhc-367-admin.pdf>

“Lightsource bp is what I call an execution powerhouse. This is a good example of our ability to develop our pipeline at pace. Let me introduce you now to two colleagues from Lightsource bp [...].”

(Dev Sanyal, EVP, gas and low carbon energy, BP week, September 2020, **Appendix 5**)⁴.

Given that the Board seems to have lost sight of its primary responsibilities, let us remind you of your main obligation as part of the fiduciary relationship between the Board and owners of the company (i.e. shareholders) who have appointed you: the duty of accountability.

Therefore, we insist on demanding answers to our questions (link [here](#), **Appendix 3**) and expect an explanation regarding the determination of internal responsibilities and the remedial actions for what has already been established as an unlawful act.

Our determination is reinforced by members of the Burnhope community, who directly informed us that they felt BP showed great arrogance towards their small rural community, which had initially simply asked BP to downsize the project. By avoiding our questions, a BP shareholder like us, could consider your behaviour as opaque and even cowardly. In our view, you can run, but you cannot hide from accountability!

As if the initial application were not enough, from January 2024 to today, things have gone from bad to worse. The below further developments confirm that the unlawful planning permission at Burnhope was not an isolated incident but seems part of a carefully planned and deliberate strategy in the solar sector.

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⁴<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bpweek/bp-week-low-carbon-electricity-and-energy-slides-script.pdf>

A brief note on the regulatory change which occurred in January 2024

Before evaluating the further developments in BP's solar activities in 2024, it is necessary to make a brief note regarding the regulatory change which took place in January 2024.

As we all know, solar panels generate electricity in direct current (DC) form. Several panels feed an external inverter, which is used to convert the electricity to alternating current (AC).

For the purposes of determining the capacity thresholds in Section 15 of the 2008 Act, all forms of generation other than solar are currently assessed on an AC basis, while a practice has developed where solar farms are assessed on their DC capacity. Under the latest amendment of the National Policy Statement for Renewable Energy Infrastructure, which became effective on January 17th, 2024⁵ ("EN-3", **Appendix 6**)⁶, the Secretary of State has decided that this disparity should end, particularly as electricity from some other forms of generation is switched between DC and AC within a generator, before it is measured.

For the purposes of Section 15 of the Planning Act 2008, the maximum combined capacity of the installed inverters (measured in alternating current, i.e., AC) should now be used for determining solar site capacity.

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2. BP's Second Planning Application at Burnhope and Hett Moor

We have learned, with disbelief, that in June 2024, BP re-submitted a virtually unchanged application at Burnhope (**Appendix 7 and 8**), from the application whose authorization was overturned by a judge in February 2024. On this occasion, in contrast to previous application, BP made it clear that:

"1.8 The Burnhope Solar Farm will have maximum combined capacity of the installed inverters of ~49.9MWac, with an installed solar panel capacity of ~76MW" ("Land off Edge Lane, Burnhope Planning Statement Installation and operation of a solar farm,

⁵ <https://www.gov.uk/government/publications/national-policy-statement-for-renewable-energy-infrastructure-en-3>

⁶ <https://assets.publishing.service.gov.uk/media/65a7889996a5ec000d731aba/nps-renewable-energy-infrastructure-en3.pdf>

battery storage facility, 66kV substation and associated infrastructure”, Lightsource BP – 11 June 2024, **Appendix 7**, p. 2)⁷

It should be noted that BP has finally (and for the first time) admitted that the applied capacity for solar panels at Burnhope is approximately 76 MW, acknowledging that the Company had previously - in the case *R (Galloway) v. Durham County Council* - unlawfully sought authorization for a 76 MW plant while claiming it was below 50 MW (though this is not the main point we wish to address here).

With equal disbelief, we also learned that in March 2024, BP submitted supplemental information (**Appendix 9**) on the pending application for the construction of a solar farm at Hett Moor⁸ (County Durham), with an installed inverter capacity of approximately 49.9 MW AC and an installed solar panel capacity of 77 MW, which on 29 April 2024 was approved by County Durham Council (**Appendix 10**)⁹.

In a letter dated July 9th, 2024, Mr. Galloway, through Goodenough Ring Solicitors (**Appendix 11 and 12**)¹⁰, calculated that the total capacity of the photovoltaic panels for Hett Moor solar farm would not be 77 MW, but rather 94 MW - 17 MW more than BP stated in the application, and requested that:

Durham County Council reconsider planning application DM/23/01868/FPA as the Planning Committee’s decision to approve was based on material errors of fact. These errors are threefold: error as to the Direct Current (“DC”) capacity, error in the approach to overplanting, and error as to community benefits.

(Goodenough Solicitors letter to Durham County Council on Hett Moor Farm - Cover Letter, 9 July 2024, **Appendix 11**, p. 1).

⁷ <https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?keyVal=RDKR1SGDMT500&activeTab=summary>

⁸ <https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=RWUYQNGD0KF00>

⁹ <https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=RWUYQNGD0KF00>

¹⁰ <https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=RWUYQNGD0KF00>

After having reviewed the Burnhope and Hett Moor solar farm applications, two issues caught our attention:

- (i) why did BP seem to want to conceal that the actual installed solar panel capacity was significantly greater than 50 MW before January 17th, 2024 (the hearing date of *R (Galloway) v. Durham County Council*), but fully disclosed it afterward, while still claiming that the project would not qualify as a 'Nationally Significant Infrastructure Project' (i.e., 50 MW or above)? (**Question A**);
- (ii) why would BP want to seem to build solar farms with an installed solar panel capacity which is 50% (or approximately 100% according to Mr. Galloway's calculations for Hett Moor solar farm) greater than the inverter's capacity? Adding further context, when the inverter's capacity is lower than that of the solar panels, it will limit the output to its nameplate capacity (i.e., 49.9 MW), resulting in excess energy being "clipped" and wasted. It appears that BP is acquiring approximately 50% (or even 100%) more panels/ cost than necessary (**Question B**).

We will try to logically answer these questions below.

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3. Question A: why does BP believe that a solar farm with installed capacity of the solar panels above 50 MW does not qualify as a 'Nationally Significant Infrastructure Project'?

Coincidentally, January 17th, 2024, is not only the date of the hearing for *R (Galloway) v. Durham County Council* but also the date EN-3 became effective. We would like to hear BP's response to Question A; however, based on the Board's modus operandi, we feel compelled to privately speculate on a possible response.

Based on these facts, it seems that the Board has interpreted the revised regulation (EN-3) to suit its own interests, viewing it as a means to construct solar installations of any size (e.g., 76 MW or 94 MW) while bypassing the need for authorization from the Secretary of State for Energy, as long as the measured capacity at the inverter is below 50 MW.

If this is indeed the case, it would represent a colossal absurdity.

In our humble opinion, BP's interpretation of EN-3 constitutes a clear "abuse of rights." A practice is defined as an abuse of rights if, despite formal compliance with the applicable laws and regulations, its sole purpose is to achieve an advantage contrary to the objectives of those rules. For there to be an abuse, it must be evident from various objective factors that, despite formal adherence to the conditions set by the applicable laws, the purpose of those rules has not been fulfilled. Additionally, there must be a subjective element consisting of the intention to obtain an advantage by artificially creating the conditions for achieving it. Both conditions apply in substance here.

EN-3 did not change the 50 MW threshold established by Section 15 of the Planning Act 2008, which requires local authorization for solar farms below 50 MW and authorization from the Secretary of State for those above 50 MW. It was also not intended to introduce a loophole for morally unscrupulous companies to exploit.

The new regulation aimed to harmonize rules across various renewable energy sources and allowed for consideration of power loss produced by the inverter, whose efficiency is less than 100%, generally ranging from 92% to 95%. Therefore, an effective power output of 49.9 MW downstream of the inverter implies a slightly higher nameplate capacity for the solar panels (i.e., 52-54 MW). We noticed that in the Planning Statement of Burnhope revised application, BP has stated the following, in the apparent attempt to justify the extra-capacity at solar panels' level:

5.15 At the current time, Lightsource bp typically overplant by between 1.25-1.8, and this range is typical of solar farms in the UK. This is equivalent to ~62MWp-90MWp on a 49.9MW(AC) connection. The potential capacity on any site will be dependent on site- specific conditions, including location, topography, aspect, irradiance, shading, environmental and other constraints.

(Lightsource BP - Burnhope Planning Statement, 11 June 2024, **Appendix 8**, p. 26)¹¹

"Overplanting" is permitted under EN-3, provided it is "reasonable", as defined:

¹¹ <https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?keyVal=RDKR1SGDMT500&activeTab=summary>

“Overplanting” refers to the situation in which the installed generating capacity or nameplate capacity of the facility is larger than the generator’s grid connection. This allows developers to take account of degradation in panel array efficiency over time, thereby enabling the grid connection to be maximised across the lifetime of the site. **Such reasonable overplanting** should be considered acceptable in a planning context so long as it **can be justified**, and the electricity export does not exceed the relevant NSIP installed capacity threshold throughout the operational lifetime of the site and the proposed development and its impacts are assessed through the planning process on the basis of its full extent, including any overplanting.

(National Policy Statement for Renewable Energy Infrastructure – EN-3, **Appendix 6**, p. 95)¹².

On average, solar panels degrade at a rate of less than 1% each year. The solar panel manufacturer's warranty generally backs this up, guaranteeing 90% production in the first ten years and 80% by year 25 or 30.

A typical PV module is expected to degrade by 2% to 3% in its first year of operation - higher degradation in the first year of operation is due to light-induced degradation (LID)¹³ - and 0.5% to 0.8% from year two of operation onward. According to a National Renewable Energy Laboratory (NREL) study (link [here](#), **Appendix 13**), premium modern solar panel manufacturers such as Panasonic and LG offer panels with degradation rates as low as 0.30% per year.

Whereas the nameplate capacity of the facility exceeds the generator’s grid connection, to account for degradation in panel efficiency over time (**for modern panel 0.3-0.5% per year**), “overplanting” should be neutral, as it is intended to serve as a compensatory effect (i.e., additional capacity is built-in to offset panel degradation over time). Even under a more aggressive interpretation where “overplanting” is seen as additive from Day 1 (meaning the initial solar farm capacity would be at or above 50 MW but the average capacity over its usable life would

¹² <https://assets.publishing.service.gov.uk/media/65a7889996a5ec000d731aba/nps-renewable-energy-infrastructure-en3.pdf>

¹³ The presence of defective boron-oxygen complex in the wafer used during the manufacturing of PV cells is the main reason for LID. It affects silicon wafers produced through the Czochralski process. After a few hours of PV module operation in sunlight, power stabilization occurs, and hence, a lower warranted degradation rate is observed from the second year of operation.

remain below the 50 MW threshold), “*overplanting*” would not justify an initial capacity increase exceeding 10-15%, given the current state of technology.

BP has tried to justify the oversize capacity of solar panels by saying:

5.15 At the current time, Lightsource bp typically overplant by between 1.25-1.8, and this range is typical of solar farms in the UK. This is equivalent to ~62MWp-90MWp on a 49.9MW(AC) connection. The potential capacity on any site will be dependent on site-specific conditions, including location, topography, aspect, irradiance, shading, environmental and other constraints.

(Lightsource BP - Burnhope Planning Statement, 11 June 2024, **Appendix 8**, p. 26)¹⁴.

The range claimed by BP is not supported by any evidence we have found. BP does not even seem to try to justify how it came to those figures, other than saying that an “*overplant by between 1.25-1.8*” is “*typical of solar farms in the UK*”, which is completely unreasonable given standard panel deterioration rate.

Panel degradation is caused by many factors, including light-induced degradation¹⁵, potential-induced degradation¹⁶, weather-induced degradation¹⁷ and of course operating-induced degradation¹⁸: “*Overplanting*” therefore seems to be a label used by BP to explain selecting the wrong location or failure to properly assemble and operating a solar farm. Just to be clear, should BP claim to operate a solar farm at night (we wouldn’t be surprised), this would not justify a factor 2:1 in overplanting.

¹⁴

<https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?keyVal=RDKR1SGDMT500&activeTab=summary>

¹⁵ the interaction between the crystalline silicon cells on the panel with the outside environment; the direct exposure to sunlight during the initial setup period can cause the electronics within the photovoltaic cells to warp or buckle from the heat; the initial exposure to sunlight causes the crystalline silicon oxide on the surface of the panel to form a layer of boron dioxide that reduces its efficiency.

¹⁶ if the different components, such as the photovoltaic cells and the frame, operate at different voltages, this disruption causes voltage leaks, reducing the amount of electricity the panel can send to the inverter.

¹⁷ heavy rainfall, snowfall, ice, as well as high temperatures cause hardening of the crystalline silicon, frame corrosion, and cell contamination. Hail, ice, dust, and sand can also cause microcracks on the surface of the panel, and damage to the seal on the panel can result in water getting inside.

¹⁸ incorrect storage of the panels, incorrect installation, failure to operate maintenance etc.

For completeness, even the presence of an energy storage capacity does not change the picture; a solar farm supplying 45 MW to battery storage and 49.9 MW to the grid effectively operates as a 94.9 MW facility, qualifying it as a '*Nationally Significant Infrastructure Project*'.

While we try to understand from the Board why it believes the two projects at Burnhope and Hett Moor do not require authorization at the Secretary of State level, we remain incredulous at the mere possibility that the Board could interpret the regulations enacted in January 2024 in such an unreasonable and potentially abusive manner, that could be viewed as a means to circumvent the proper authorization process.

We would be equally surprised if the new UK Government and the Rt Hon Ed Miliband MP, Secretary of State for Energy, were to endorse the illogical interpretation of the EN-3 regulation seemingly adopted by BP, thereby legitimizing the environmental damage that could be created by the Board at Burnhope and Hett, as well as potentially greater harm which could be planned in the future.

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4. Question B: Why does BP intend to build solar farms that are 50% or even 100%¹⁹ larger than necessary to sell the energy BP is authorized to produce?

Once again, this is a question which we feel requires an immediate response from the Board, and frankly, we find no legitimate explanation for it. Therefore, we feel compelled to ask the Board to explicitly exclude the following two scenarios that understandably concern us:

- BP is requesting authorization for a 76 MW (Burnhope) and 77 MW (Hett Moor) facility - potentially 94 MW according to Mr. Galloway - committing to operate it at 49.9 MW, knowing that this commitment will not be upheld, solely to benefit from a much less invasive authorization process and with the aim of exploiting the EN-3 regulation which came into effect in January 2024;
- BP is requesting authorization for a 76 MW (Burnhope) and 77 MW (Hett Moor) facility - again, potentially 94 MW according to Mr. Galloway - with a commitment to operate it at 49.9 MW, which it intends to uphold.

¹⁹ according to Mr. Galloway's calculations for Hett Moor solar farm

In the first excluded scenario, this would constitute an operation detrimental to the local communities of Burnhope and Hett, circumventing the English Government in the authorization process and indirectly harming BP shareholders, who would be exposed to unquantifiable legal and reputational risks.

In the second excluded scenario, it would represent a gratuitous operation harmful to local communities (why build facilities that are 50% or 100% larger than necessary?) and directly detrimental to shareholders, as the Board would be using the company's capital to construct solar farms which have panel costs that are 50% to 100% more expensive than necessary.

In our opinion, building a solar farm of 76-77 MW (or 94 MW) that produces energy equivalent to a 49.9 MW facility would at best yield a low-single-digit IRR and would certainly represent a heavily loss-making project for shareholders, regardless of the capital structure adopted.

These investments would benefit those who build the facility, those who supply the panels, those who maintain them, and those who insure them. In this regard, we wish to know whether the insurance company Aviva (or any affiliate or subsidiary), which is heavily involved in solar, is an insurer of BP or its subsidiaries. However, in this context, these investments cannot possibly be in the interest of shareholders.

We noticed that in the Planning Statement of Burnhope's revised application, BP has stated the following:

5.16 The grid connection agreement with Northern Power grid, which is attached at Appendix 1, prevents Lightsource bp from exporting more than 45MW(AC) at any one time from the site.

5.17 The Burnhope Solar Farm installed solar panel capacity is ~75.79MWp with maximum combined capacity of the installed inverters of ~49.9MW(AC). The stated export capacity in the planning application is up to 49.9MW(AC). This is within the EN-3 threshold and allows for a future increase in export capacity beyond 45 MW(AC) if more capacity were to become available on the network at a later date (Appendix B, p. 26)²⁰.

²⁰

<https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?keyVal=RDKR1SGDMT500&activeTab=summary>

As mentioned earlier, BP initially justified the elevated solar panel capacity, based on “overplanting”, but it later becomes clear, by BP's own admission, that the oversizing is intended to accommodate future export capacity should it become available. This suggests that BP is building solar farms intended to operate well beyond the 50 MW threshold, although they are authorized only as 49.9 MW facilities.

It appears, based on these facts and without an explanation, that BP is exploiting both its shareholders (by building loss-making solar plants) and the UK government (by planning to increase the plant's operational capacity beyond the authorized threshold).

It is worth emphasizing the increased severity of the situation compared to the initial authorization request for Burnhope: while BP sought authorization for a 76 MW facility misrepresented as a 49.9 MW facility, the revised applications for Burnhope and Hett seem to indicate that BP intends to build facilities that can only operate at two-thirds to half of their operational capacity, resulting in a significant waste of resources.

Furthermore, this is a situation that the entire Board must be aware of. Following the questions we raised at the 2024 AGM to 'shed light' on BP's anomalous (*rectius*: “unlawful”) operations in solar energy, and after receiving a communication from the Company Secretary's office informing us that BP did not intend to respond, Bluebell Capital Partners sent a subsequent communication to Company's executive leadership on April 23, 2024, explicitly requesting confirmation that the decision not to answer our questions had been made by the Chairman of the Board of Directors, and therefore by the Board itself (**Appendix 14**).

We also reported the situation to the Senior Independent Director (Blanc) in a communication dated May 1, 2024 (**Appendix 15**), in which we requested a meeting that was subsequently denied.

The renewal of the application for Burnhope on June 11, 2024 (**Appendices 7 and 8**) therefore followed repeated notifications sent by us to the Board, the Chairman, and the Senior Lead Independent Directors (**Appendix 3** dated April 23, 2024, **Appendix 14** dated April 23, 2024, and **Appendix 15** dated May 1, 2024), who were evidently aware of the unlawful commercial practices.

We sincerely hope that the Board can provide an immediate and reassuring explanation of a situation that we find increasingly unsettling, especially in light of the recent court ruling in *R (Galloway) v. Durham County Council*.

As you know, and as we have pointed out numerous times, we have sought clarifications regarding BP's solar activities at the AGM 2024. However, the Company has to date refused to answer our questions - a stance that can be interpreted as guilty conscience or reflecting implicit weakness. We subsequently requested a meeting with the Senior Independent Director (Blanc) twice. Firstly on May 1st, 2024 (link [here](#), **Appendix 15**) and subsequently on May 13th, 2024 (link [here](#), **Appendix 16**).

With an expectation that the governance responsibilities of a Lead Independent Director role would lead to engagement with a potential whistleblowing shareholder, we mistakenly believed we could rely on her.

However, on May 1st, 2024 (link [here](#), **Appendix 17**) and again on May 20th, 2024 (link [here](#), **Appendix 18**), Senior Independent Director Blanc has declined to meet with us or provide any reasoning on her position. One of the responsibilities of the Senior Independent Director at BP is to “*be available to address shareholders’ concerns which have failed to be resolved by the chair, CEO or CFO or for which such contact is inappropriate*” (**Appendix 19**)²¹, which we believe perfectly encapsulates the current state of dialogue between Bluebell and BP.

In a recent self-congratulatory interview, seemingly intended to promote her own image as a business leader, Dame Blanc was quoted saying: “*you have a duty. You have a responsibility. With senior positions comes a responsibility to be able to call out*” (Dame Amanda Blanc, The Guardian, 16 December 2023, **Appendix 20**)²². It seems apparent to us, that Senior Independent Director Blanc’s lack of engagement reflects a discrepancy with her public rhetoric, which could be interpreted as an abuse of the guardianship privileges afforded to her.

Senior Independent Director Blanc’s failure to engage with us has further eroded our trust and confidence in BP's corporate governance and set a poor precedent for a leading UK company. Such behaviour undermines the significant efforts made by the Financial Reporting Council (FRC), under the leadership of the Department for Business and Trade, to uphold high standards of corporate governance, reporting, and auditing, contributing to the government's ambition to make the UK the best place to start, grow, and invest in a business.

²¹ <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/role-of-senior-independent-director-2020.pdf>

²² <https://www.theguardian.com/business/2023/dec/16/aviva-amanda-blanc-gender-equality-uk-business>

The failure of BP's Board to answer our questions at the AGM 2024, along with Senior Independent Director Blanc's refusal - despite being a seasoned executive currently serving as CEO of Aviva - to fulfil her stated commitments as Senior Independent Director at BP, coupled with the recent recognition of unlawful behaviour in *R (Galloway) v Durham County Council*, represent an alarming set of 'red flags' that we feel can no longer be ignored by the relevant authorities and regulators. Consequently, we have significantly reduced our invested position in the Company.

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With these facts in mind, we respectfully ask BP's collective Board of Directors to:

1. Answer, without further delay, the thirty-six questions which were refused at the 2024 AGM.
2. Immediately disclose the target IRR for the Burnhope and Hett Moor solar farms, based on the pending applications.
3. Put on hold the acquisition of the remaining 50.03% of Lightsource BP and immediately commence an independent investigation on Lighthouse BP commercial practices.
4. Withdraw the planning applications for Burnhope and Hett and halt any investment in renewables until the above matters are clarified.
5. Replace both the Chair and the Senior Independent Director with external appointments, whose primary responsibility will be to oversee a complete reshuffle of the Board within the next two AGMs.
6. Have CEO Auchincloss announce a revised strategic plan within three months or otherwise resign.

Additionally, we request that The Rt Hon Ed Miliband MP, Secretary of State for Energy, initiate an investigation into BP's alleged attempt to circumvent existing regulations, we kindly ask the local authorities at Burnhope and Hett to refrain from granting any authorization to BP's planning applications without consideration, and we kindly ask Burnhope and Hett's MPs to take a close interest on any further attempt by BP to submit any other planning applications in the area.

Finally, we urge the Financial Reporting Council to scrutinize Dame Blanc's continued refusal to fulfill her stated duties as BP's Senior Independent Director and to impose, including through moral suasion, a ban preventing her from serving as Senior Independent Director at any UK-listed company for a period of at least three years.

In closing, we hope you understand the gravity of the situation and we expect an immediate clarifying response regarding the highlighted issues.

Yours sincerely,



Giuseppe Bivona

Partner and CIO



Marco Taricco

Partner and CIO

CC: Nicolas Ceron, Portfolio Manager

Reference documents

- Appendix 1** Bluebell Capital Partners Letter to BP (4 October 2023).pdf
- Appendix 2** High Court Decision - THE KING (on the application of IAN GALLOWAY) (Claimant) and DURHAM COUNTY COUNCIL (Defendant) and LIGHTSOURCE SPV 215 LIMITED (the interested party) (21 February 2024)
- Appendix 3** Bluebell Capital Partners questions to BP 2024 AGM (18 April 2024)
- Appendix 4** Email from BP to Bluebell Capital Partners (23 April 2024)
- Appendix 5** Dev Sanyal, EVP, gas and low carbon energy, BP week, (September 2020)
- Appendix 6** EN-3 (17 January 2024)
- Appendix 7** Lightsource BP - Cover letter (11 June 2024)
- Appendix 8** Lightsource BP - Burnhope Planning Statement (June 2024)
- Appendix 9** Lightsource BP supplementary statement on Hett Solar farm (8 March 2024)
- Appendix 10** Durham County Council - Committee Report Approval on Hett Moor Solar Farm (29 April 2024)
- Appendix 11** Goodenough Solicitors letter to Durham County Council on Hett Moor Farm - Cover Letter (9 July 2024)
- Appendix 12** Goodenough Solicitors letter to Durham County Council - Technical Analysis of the Capacity of Hett Moor Farm (9 July 2024)
- Appendix 13** National Renewable Energy Laboratory (NREL) - Photovoltaic Degradation Rates - An Analytical Review (June 2012)
- Appendix 14** Bluebell Capital Partners letter to BP Company's Secretary (23 April 2024)
- Appendix 15** First letter from Bluebell Capital Partners to Senior Independent Director Dame Amanda Blanc (1 May 2024)
- Appendix 16** Second Letter from Bluebell Capital Partners to Senior Independent Director Dame Amanda Blanc (13 May 2024)

- Appendix 17** First refusal by Senior Independent Director Dame Amanda Blanc to meet with dissenting shareholder Bluebell Capital Partners (7 May 2024)
- Appendix 18** Second refusal by Senior Independent Director Dame Amanda Blanc to meet with dissenting shareholder Bluebell Capital Partners (20 May 2024)
- Appendix 19** BP, Role of the Senior Independent Director
- Appendix 20** The Guardian, Interview with Dame Amanda Blanc (16 December 2023)
