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Dear Mrs Hanlon

THE NET ZERO TEESSIDE PROJECT

APPLICATION FOR DEVELOPMENT CONSENT UNDER SECTION 37 'APPLICATIONS FOR ORDERS GRANTING DEVELOPMENT CONSENT' OF THE PLANNING ACT 2008 FOR A FULL CHAIN CARBON CAPTURE, USAGE AND STORAGE PROJECT, INCLUDING A GAS-FIRED ELECTRICITY GENERATING STATION WITH POST-COMBUSTION CARBON CAPTURE PLANT; GAS, ELECTRICITY AND WATER CONNECTIONS (FOR THE GENERATING STATION); A CO₂ GATHERING NETWORK; A CO₂ COMPRESSOR STATION; ONSHORE CO₂ EXPORT PIPELINE; AND OTHER ASSOCIATED DEVELOPMENT

LAND AT AND IN THE VICINITY OF THE FORMER REDCAR STEEL WORKS SITE (TEESWORKS), REDCAR AND IN STOCKTON-ON-TEES, TEESSIDE

We enclose an application (the 'Application') submitted on behalf of Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') for a Development Consent Order (a 'DCO'), that has been submitted to the Secretary of State (the 'SoS') for Business, Energy and Industrial Strategy, under Section 37 of 'The Planning Act 2008' (the 'PA 2008') in respect of the Net Zero Teesside Project.

The Applicants are seeking development consent for the construction, operation and maintenance of the Net Zero Teesside Project ('NZE'), including associated development (together the 'Proposed Development') on land at and in the vicinity of the former Redcar Steel Works site, Redcar and in Stockton-on-Tees, on Teesside (the 'Site'). The former Steel Works site, along with other land required for the Proposed Development, lies within the boundary of the land controlled by the South Tees Development Corporation ('STDC'), which is now known as 'Teesworks'.

A DCO is required for the Proposed Development as it falls within the definition and thresholds for a 'Nationally Significant Infrastructure Project' (a 'NSIP') under Sections 14(1)(a) and 15 of the PA 2008, associated development under Section 115(1)(b) and by direction under Sections 35(1) and 35ZA of the same Act. The DCO, if made by the SoS, would be known as the 'Net Zero Teesside Order' (the 'Order').

The Proposed Development will be the UK's first commercial scale, full chain Carbon Capture, Usage and Storage ('CCUS') project and will initially capture up to 4 million tonnes (Mt) of carbon dioxide (CO₂) emissions per annum. It will comprise a number of elements, including a new gas-fired electricity generating station with post-combustion carbon capture plant; gas, electricity and water



connections (for the generating station); a CO₂ pipeline network (a ‘gathering network’) for collecting CO₂ from a cluster of local industries on Teesside; a CO₂ compressor station (for the compression of the CO₂) and a CO₂ export pipeline.

The CO₂ captured from the electricity generating station and local industries will be compressed and then transported (via the transport pipeline) for secure storage within the Endurance saline aquifer located 145 kilometres offshore from Teesside under the North Sea. The export pipeline has the capacity to carry up to 10Mt of CO₂ per annum. The Proposed Development will therefore make a significant contribution toward the UK reaching its greenhouse gas emissions target by 2050.

The Applicants

NZT encompasses proposals to both decarbonise electricity generation and a cluster of carbon intensive industries on Teesside. In line with the CCUS business models published by BEIS in December 2020, there will be separate entities who will be responsible for:

- electricity generation with post-combustion carbon capture (including the gas, electricity and water connections);
- CO₂ gathering (from industrial emitters), CO₂ compression and CO₂ transportation and storage; and
- industrial (including hydrogen production) carbon capture and connections to the CO₂ gathering network.

The entities are set out in the table below:

Onshore works scope	Partnership	NZT Entity	Within the scope of the DCO Application?
Electricity generating station with post-combustion carbon capture (including the gas, electricity and water connections)	bp*, Eni, Equinor and Total	Net Zero Teesside Power Limited	Yes
CO ₂ gathering network, CO ₂ compression and the onshore section of CO ₂ export pipeline	bp*, Eni, Equinor, National Grid, Shell and Total	Net Zero North Sea Storage Limited	Yes
Industrial and hydrogen production carbon capture and connection to the	Individual industrial emitters	N/A	No

CO ₂ gathering network			
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*Operator on behalf of the relevant Partnership

NZT is being promoted by Net Zero Teesside Power Limited ('NZT Power') and Net Zero North Sea Storage Limited ('NZNS Storage'). NZT Power and NZNS Storage (together the Applicants for the purposes of the DCO Application) have been incorporated on behalf of bp as operator of the two Partnerships.

The electricity generation with post-combustion carbon capture Partnership comprises bp, Eni, Equinor and Total, with bp leading as operator. NZT Power will be responsible for the Proposed Development in so far as it relates to the construction, operation and eventual decommissioning of the electricity generating station together with its carbon capture plant (both within the scope of the Application).

The CO₂ gathering network, CO₂ compression and onshore section of CO₂ export pipeline Partnership comprises bp, Eni, Equinor, National Grid, Shell and Total, with bp leading as operator. NZNS Storage will be responsible for the Proposed Development in so far as it relates to the construction, operation and eventual decommissioning of the equipment required for the high-pressure compression of CO₂ from the electricity generating station and industrial emitters via the CO₂ gathering network and the onshore section of the CO₂ export pipeline (these are all within the scope of the Application).

NZNS Storage will also be responsible for the offshore elements of NZT, comprising the offshore section of the CO₂ export pipeline (below Mean Low Water Springs ('MLWS')) to a suitable offshore geological CO₂ storage site under the North Sea, CO₂ injection wells and associated infrastructure. The offshore elements of NZT (with the exception of the gas and CO₂ pipeline crossings of the River Tees and the water outfall from the electricity generating station) do not form part of the Application.

The Site

The Site lies within the administrative boundaries of both Redcar and Cleveland Borough Council ('RCBC') and Stockton-on-Tees Borough Council ('STBC'). It also partly lies within the boundary of the Teesworks area that is controlled by the STDC.

Most of the Site lies within the administrative area of RCBC, although parts of Site (for the electricity generating station's gas supply connection to the National Transmission System for gas and the CO₂ gathering network) cross the River Tees into the administrative area of STBC. At this location the River Tees is tidal. In addition, there are elements of the Site that extend into South Gare, Coatham Dunes/Sands and the North Sea. Those sections of the Site that are below MLWS are outside the jurisdiction of either local planning authority being part of the UK marine area.

The Site extends to approximately 462 hectares in area. Much of it comprises previously developed (including part of the former Redcar Steel Works Site) and existing industrial land, some of which was reclaimed from the Tees Estuary in the late C19th and during the C20th. The Site is relatively flat and low-lying and sits at a level of between sea level and 9 metres Above Ordnance Datum ('AOD'). The area surrounding the Site is largely characterised by industrial and commercial uses, although there are open areas of land to the north in the form of South Gare and Coatham Dunes/Sands, which are used for recreational purposes and that are of nature conservation importance.

A more detailed description of the Site and its surroundings is provided at Chapter 3 'Description of the Existing Environment' in the Environmental Statement ('ES') Volume I (Document Ref. 6.2).

The Proposed Development

The Proposed Development will work by capturing CO₂ from the electricity generating station in addition to a cluster of local industries on Teesside and transporting it via a CO₂ export pipeline to the Endurance saline aquifer under the North Sea. The Proposed Development will initially capture and transport up to 4Mt of CO₂ per annum, although the CO₂ export pipeline has the capacity to accommodate up to 10Mt of CO₂ per annum thereby allowing for future expansion.

The Proposed Development comprises the following elements:

- **Work Number ('Work No.') 1** – a Combined Cycle Gas Turbine ('CCGT') electricity generating station with an electrical output of up to 860 megawatts and post-combustion carbon capture plant ('CCP') (the '**Low Carbon Electricity Generating Station**');
- **Work No. 2** – natural gas supply connections and Above Ground Installations ('AGIs') (the '**Gas Connection**');
- **Work No. 3** – an electricity grid connection (the '**Electrical Connection**');
- **Work No. 4** – water supply connections (the '**Water Supply Connection Corridor**');
- **Work No. 5** – waste water disposal connections (the '**Water Discharge Connection Corridor**');
- **Work No. 6** – a CO₂ gathering network (including connections under the tidal River Tees) to collect and transport the captured CO₂ from industrial emitters (the industrial emitters using the gathering network will be responsible for consenting their own carbon capture plant and connections to the gathering network) (the '**CO₂ Gathering Network Corridor**');
- **Work No. 7** – a high-pressure CO₂ compressor station to receive and compress the captured CO₂ from the Low Carbon Electricity Generating Station and the CO₂ Gathering Network before it is transported offshore (the '**HP Compressor Station**');
- **Work No. 8** – a dense phase CO₂ export pipeline for the onward transport of the captured and compressed CO₂ to the Endurance saline aquifer under the North Sea (the '**CO₂ Export Pipeline**');
- **Work No. 9** – temporary construction and laydown areas, including contractor compounds, construction staff welfare and vehicle parking for use during the construction phase of the Proposed Development (the '**Laydown Areas**'); and
- **Work No. 10** – access and highway improvement works (the '**Access and Highway Works**').

The Low Carbon Electricity Generating Station (Work No. 1) falls within the definition and thresholds for a NSIP under Sections 14(1)(a) and 15 of the PA 2008.

The CO₂ Gathering Network Corridor, including connections under the tidal River Tees (Work No. 6), the HP Compressor Station (Work No. 7) and the CO₂ Export Pipeline (Work No. 8) are the subject of a direction made by the SoS under Sections 35(1) and 35ZA of the PA 2008 (dated 17th January 2020), which confirms that they (the "*Specified Elements*"), together with any matters/development associated with them, are to be treated as development for which development consent is required (in so far as they form a part of the Proposed Development).

The Gas Connection (Work No. 2); Electrical Connection (Work No. 3); Water Supply Connection Corridor (Work No. 4); Water Discharge Connection Corridor (Work No. 5); the Laydown Areas (Work No. 9); and the Access and Highway Works (Work No. 10) represent associated development under Section 115(1)(b) of the PA 2008.

The Low Carbon Electricity Generating Station, its post-combustion CCP and the HP Compressor Station will be located on part of the STDC Teesworks area (on part of the former Redcar Steel Works Site). The Low Carbon Electricity Generating Station, its CCP and the HP Compressor Station are known collectively as the 'Power, Capture and Compression' ('PCC') Site. The CO₂ Export Pipeline will start in this location before heading offshore. The various connections for the Low Carbon Electricity Generating Station and the CO₂ Gathering Network will require corridors of land within both Redcar and Stockton-on-Tees, including crossings beneath the River Tees.

All of the above elements are included in the scope of the Application, with the exception of the CO₂ Export Pipeline, with only the section of pipeline above MLWS being included. The CO₂ Export pipeline below MLWS and the CO₂ storage site under the North Sea (the Endurance saline aquifer) will be the subject of separate consent applications, including under the Petroleum Act 1998 and the Energy Act 2008. These applications will be supported by an Offshore Environmental Statement.

The ancillary development required in connection with and subsidiary to the above elements of the Proposed Development is detailed in Schedule 1 of the draft DCO (Ref. 2.1). A more detailed description of the Proposed Development is provided at Schedule 1 'Authorised Development' of the draft DCO and Chapter 4 'The Proposed Development' in ES Volume I (Document Ref. 6.2) and the areas within which each of the main elements of the Proposed Development are to be built are denoted by the coloured and hatched areas on the Works Plans (Document Ref. 4.4).

Environmental Impact Assessment

The Proposed Development represents an Environmental Impact Assessment ('EIA') development and the Application therefore includes an Environmental Statement ('ES') that reports the findings of the EIA undertaken. The EIA has been carried out, and the ES prepared, in accordance with 'The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017'.

The ES comprises the following documents, which form part of the Application submitted to the SoS:

- ES Non-Technical Summary – Document Ref. 6.1.
- ES Volume I (Main Report) – Document Ref. 6.2.
- ES Volume II (Figures) – Document Ref. 6.3.
- ES Volume III (Appendices) – Document Ref. 6.4.

The Application Submission

The Application Guide (Document Ref. 1.2) lists the documents, including the ES, that make up the Application (the 'Application Submission') and how these comply with relevant legislative and policy requirements. The Application Guide is a 'live' document that will be updated throughout the examination of the Application, as required. The Signposting Document for The Planning Inspectorate (Document Ref. 1.5) sets out how the Applicants have addressed issues that were raised by The Planning Inspectorate ('PINS') during the acceptance period in respect of an earlier application (dated 21 May 2021) relating to the Proposed Development.

The location of the Site is shown on the Site Location Plan (Document Ref. 4.1) and the extent of the land for the Proposed Development (the 'Order land'), including land over which powers of compulsory acquisition are sought, is shown on the Land Plans (Document Ref. 4.2). The Crown Land that falls within the Site is shown on the Crown Land Plans (Document Ref. 4.3). The Works Plans (Document Ref. 4.4) show the 'Order limits' and identify the location and areas (the Works Nos. areas)

within which each of the main elements of the Proposed Development will be constructed and installed. The extent of the Works Nos. is denoted by the coloured and hatched areas on the Works Plans.

As confirmed above, Schedule 1 of the draft DCO (Document Ref. 2.1) provides the detailed formal description of the Proposed Development and its elements and identifies the individual Works Nos. for those elements (shown on the Works Plans).

The draft DCO seeks powers of compulsory acquisition of interests and rights in land (including new rights) within the Order limits to enable the Proposed Development to be constructed, operated and maintained. The provisions relating to compulsory acquisition are set out at Part 5 'Powers of acquisition' (Articles 22 to 36) and Schedules 7, 8 and 9 of the draft DCO.

These provisions relating to compulsory acquisition are explained in the Explanatory Memorandum (Document Ref. 2.2). The Explanatory Memorandum also explains the purpose and effect of each article and schedule of the draft DCO, as required by Regulation 5(2)(c) of 'The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009'. It justifies the inclusion of relevant articles and requirements, including setting out the legal power which enables the SoS to include certain provisions. It has been prepared with regard to the advice in PINS Advice Note 13 (2019) and has been the subject of a pre-application submission review by PINS.

Information on the interests and rights that exist in relation to the land within the Order limits is provided by the Book of Reference (Document Ref. 3.1). The justification for the proposed compulsory acquisition of interests and rights in land is set out in the Statement of Reasons (Document Ref. 3.2), with the Applicants' ability to fund this confirmed by the Funding Statement (Document Ref. 3.3).

The Proposed Development includes works within the UK Marine Area and the draft DCO therefore includes a Deemed Marine Licence ('DML'). The DML provisions are set out at Part 6 'Miscellaneous and general' (Article 37) and Schedule 10 of the draft DCO.

The Applicants have consulted extensively on the Proposed Development. This has included two main stages of pre-application consultation – a stage of non-statutory consultation (Stage 1), followed by a stage of statutory consultation (Stage 2) in accordance with Sections 42, 47 and 48 of the PA 2008. The Applicants undertook some additional pre-application consultation following Stage 2 in accordance with Section 42 as well as a non-statutory Community Update relating to further changes made to the Proposed Development and Site. The pre-application consultation undertaken and how responses received to that consultation have been considered is documented within the Consultation Report and its Appendices (Document Ref. 5.1). The full consultation responses received can be provided.

The need that exists for the Proposed Development is detailed within the Need Statement (Document Ref. 5.2), while its compliance with the relevant National Policy Statements and other important and relevant matters such as UK energy and climate change policy, other national planning policies and the statutory development plan is set out in the Planning Statement (Document Ref. 5.3). The Planning Statement also provides an overview of the benefits and impacts of the Proposed Development and considers its overall acceptability in planning terms.

The approach to the design of the Proposed Development is detailed in the Design and Access Statement (Document Ref. 5.4).

Schedule 2 of the draft DCO contains a number of 'requirements' that will control the detailed design of the Proposed Development in addition to its construction and operation to ensure that it remains within the scope of the EIA carried out and does not result in unacceptable impacts. These will require the submission to and approval by the relevant local planning authorities of further details of the Proposed Development.

The Application Documents can be downloaded by PINS using the file share link and password provided via e-mail separately.

The required application fee of £7,263.00 was paid to PINS by BACS on 1 July 2021. PINS confirmed receipt of payment by email on 5 July 2021.

We look forward to receiving PINS' acknowledgement of receipt of the Application and in due course its decision on acceptance. In the meantime, should you have any questions with regard to the Application, please do not hesitate to contact Geoff Bullock (geoff.bullock@dwdllp.com 07798 740238) or Rob Booth (rob.booth@dwdllp.com 07867 382706).

Yours sincerely,

A handwritten signature in black ink that reads 'DWD'.

DWD – on behalf NZT Power & NZNS Storage