

# Net Zero Teesside Project

Planning Inspectorate Reference: EN010103

Land at and in the vicinity of the former Redcar Steel Works site, Redcar and in Stockton-on-Tees, Teesside

The Net Zero Teesside Order

Document Reference: 8.11 – Statement of Common Ground with Northern Powergrid (Northeast) PLC and Northern Powergrid Limited

The Planning Act 2008 – Section 37(3)(c)



Applicants: Net Zero Teesside Power Limited (NZN Power Ltd) & Net Zero North Sea Storage Limited (NZNS Storage Ltd)

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## GLOSSARY

| <b>Abbreviation</b>              | <b>Description</b>   |
|----------------------------------|--|
| AD Guidance                      | Guidance on associated development applications for major infrastructure projects' (April 2013)  |
| AGI                              | Above Ground Installation  |
| Applicants                       | Together NZT Power and NZNS Storage  |
| Application (or DCO Application) | The application for a DCO made to the SoS under Section 37 of PA 2008 in respect of the Proposed Development, required pursuant to Section 31 of the PA 2008 because the Proposed Development is a NSIP under Section 14(1)(a) and Section 15 of PA 2008 by virtue of being an onshore generating station in England or Wales of electrical capacity of more than 50 megawatts, and which does not generate electricity from wind, and by the Section 35 Direction |
| Associated Development           | Defined under S.115(2) of PA 2008 as development which is associated with the principal development and that has a direct relationship with it. Associated development should either support the construction or operation of the principal development or help address its impacts. It should not be an aim in itself but should be subordinate to the principal development  |
| BEIS                             | Department for Business, Energy, and Industrial Strategy   |
| CCP                              | Carbon capture plant   |
| CCGT                             | Combined cycle gas turbine   |
| CCUS                             | Carbon capture usage and storage   |
| CEMP                             | Construction and Environmental Management Plan   |
| DCO                              | A Development Consent Order made by the relevant Secretary of State pursuant to the PA 2008 to authorise a NSIP. A DCO can incorporate or  |

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|  | remove the need for a range of consents which would otherwise be required for a development. A DCO can also include powers of compulsory acquisition   |
| EIA  | Environmental Impact Assessment - the assessment of the likely significant environmental effects of a development, undertaken in accordance with the EIA Regulations                                       |
| EIA Regulations  | Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 (as amended) setting out how the environmental assessment of NSIPs must be carried out and the procedures that must be followed |
| Electricity Generating Station (or CCGT / Low Carbon Electricity Generating Station) | A new electricity generating station fuelled by natural gas and with a gross output capacity of up to 860 megawatts  |
| EPC Contractor   | Engineering, Procurement and Construction contractor who will undertake the detailed engineering design, procurement and deliver the construction of the Proposed Development                              |
| ES   | Environmental Statement, documenting the findings of the EIA   |
| ExA  | Examining Authority  |
| Land Plans   | The plans showing the land that is required for the Proposed Development, and the land over which interests or rights in land are sought as part of the Order  |
| Limits of Deviation  | The limits shown on the Works Plans within which the Proposed Development may be built   |
| NSIP   | Nationally Significant Infrastructure Project that must be authorised by the making of a DCO under PA 2008   |
| NZT Power  | Net Zero Teesside Power Limited  |
| NZNS Storage   | Net Zero North Sea Storage Limited   |
| NZT  | Net Zero Teesside - the name of the Proposed Development.  |
| Open Space Land  | The parts of the Order Land which are considered to be open space for the purposes of section 132 of the PA 2008 and as shown hatched blue on the Land Plans   |
| Order  | The Net Zero Teesside Order, being the DCO that would be made by the Secretary of State authorising the Proposed Development, a draft of which has been submitted as part of the Application               |

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|-------------------------------------|--|
| Order Land                          | The land which is required for, or is required to facilitate, or is incidental to, or is affected by, the Proposed Development and over which powers of compulsory acquisition are sought in the Order   |
| Order Limits                        | The limits of the land to which the Application relates and shown on the Land Plans and Works Plans within which the Proposed Development must be carried out and which is required for its construction and operation   |
| PA 2008                             | The Planning Act 2008 which is the legislation in relation to applications for NSIPs, including preapplication consultation and publicity, the examination of applications and decision making by the Secretary of State   |
| PCC Site                            | Power, Capture and Compression Site - the part of the Site that will accommodate the Electricity Generating Station, along with the CCP and high-pressure compressor station   |
| Proposed Development (or Project)   | The development to which the Application relates and which requires a DCO, and as set out in Schedule 1 to the Order   |
| Requirements                        | The 'requirements' at Schedule 2 to the Order that, amongst other matters, are intended to control the final details of the Proposed Development as to be constructed and to control its operation, amongst other matters to ensure that it accords with the EIA and does not result in unacceptable impacts |
| Site (or Proposed Development Site) | The land corresponding to the Order Limits which is required for the construction and operation of the Proposed Development  |
| SoCG                                | Statement of Common Ground   |
| Section 35 Direction                | The direction under section 35 of the PA 2008 dated 17 January 2020 from the SoS that the Specified Elements together with any matters/development associated with them should be treated as development for which development consent under the PA 2008 is required   |
| SoS                                 | The Secretary of State - the decision maker for DCO applications and head of Government department. In this case the SoS for the Department for Business, Energy, and Industrial Strategy  |
| Specified Elements                  | Those elements of the Proposed Development that, by virtue of the Section 35 Direction, are to be treated as development for which development consent under the PA 2008 is required being: the  |

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|-------------|---|
|             | CO2 gathering network, including the CO2 pipeline connections from the proposed CCGT Electricity Generating Station and industrial facilities on Teesside to transport the captured CO2 (including the connections under the tidal River Tees), a high-pressure carbon dioxide compressor station to receive captured CO2 from the CO2 gathering network, and a section of the CO2 transport pipeline for the onward transport of the captured CO2 to a suitable offshore geological storage site |
| STDC        | South Tees Development Corporation  |
| Work No.    | Work number, a component of the Proposed Development, described at Schedule 1 to the Order  |
| Works Plans | Plans showing the numbered works referred to at Schedule 1 to the Order and which together make up the Proposed Development   |

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## 1.0 INTRODUCTION

### 1.1 Overview

- 1.1.1 This Statement of Common Ground (Document Ref. 8.11) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') in conjunction with Northern Powergrid ("NPg") in respect of the Net Zero Teesside Project (the 'Proposed Development').
- 1.1.2 The SoCG relates to the application (the 'Application') that has been submitted to the Secretary of State ('SoS') for Business, Energy and Industrial Strategy, under Section 37 of 'The Planning Act 2008' (the 'PA 2008'), seeking development consent for the Proposed Development. The Application was accepted for Examination by the SoS on 16<sup>th</sup> August 2021.
- 1.1.3 The SoCG sets out the matters of agreement between the Applicants and Northern Powergrid and also explains those matters which, at the time of writing, remain unresolved between the parties.
- 1.1.4 The agreements to date have been reached through consultation and continuing discussions between the parties, including interface meetings and regular face to face discussions.

### 1.2 Description of Proposed Development

- 1.2.1 The Proposed Development will work by capturing CO<sub>2</sub> from a new gas-fired power station in addition to a cluster of local industries on Teesside and transporting it via a CO<sub>2</sub> transport pipeline to the Endurance saline aquifer under the North Sea. The Proposed Development will initially capture and transport up to 4Mt of CO<sub>2</sub> per annum, although the CO<sub>2</sub> transport pipeline has the capacity to accommodate up to 10Mt of CO<sub>2</sub> per annum thereby allowing for future expansion.
- 1.2.2 The Proposed Development comprises the following elements:
- **Work Number ('Work No.') 1** – a Combined Cycle Gas Turbine electricity generating station with an electrical output of up to 860 megawatts and post-combustion carbon capture plant (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** – wastewater disposal connections (the '**Water Discharge Connection Corridor**');
  - **Work No. 6** – a CO<sub>2</sub> gathering network (including connections under the tidal River Tees) to collect and transport the captured CO<sub>2</sub> 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 '**CO<sub>2</sub> Gathering Network Corridor**');

- **Work No. 7** – a high-pressure CO<sub>2</sub> compressor station to receive and compress the captured CO<sub>2</sub> from the Low Carbon Electricity Generating Station and the CO<sub>2</sub> Gathering Network before it is transported offshore (the '**HP Compressor Station**');
- **Work No. 8** – a dense phase CO<sub>2</sub> export pipeline for the onward transport of the captured and compressed CO<sub>2</sub> to the Endurance saline aquifer under the North Sea (the '**CO<sub>2</sub> 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**').

1.2.3 The electricity generating station, its post-combustion carbon capture plant and the CO<sub>2</sub> compressor station will be located on part of the South Tees Development Corporation ('STDC') Teesworks area (on part of the former Redcar Steel Works Site). The CO<sub>2</sub> export pipeline will also start in this location before heading offshore. The generating station connections and the CO<sub>2</sub> gathering network will require corridors of land within both Redcar and Stockton-on-Tees, including crossings beneath the River Tees.

### 1.3 Northern Powergrid Interests

Northern Powergrid is a statutory consultee and electricity undertaker. Northern Powergrid have various interests with the proposed order limits of the Applicants' DCO application. These are principally in and around the Carbon Dioxide Gathering Network (Work No. 6) on both North and South Tees, and the HGV access route from Tees Dock Road under Work No. 10.

### 1.4 The Purpose and Structure of this Document

1.4.1 The purpose of this document is to summarise the agreements reached between the parties on matters relevant to the Examination of the Application and to assist the Examining Authority ('ExA'). It also explains the matters which remain unresolved at the time of writing, but which both parties are working positively toward resolving. As such, it is expected that further iterations of the SoCG will be submitted to the ExA throughout the Examination and prior to the making of any Development Consent Order ('DCO') for the Proposed Development.

1.4.2 The SoCG has been prepared with regard to the guidance in 'Planning Act 2008: examination of application for development consent' (Department for Communities and Local Government, March 2015).

1.4.3 The SoCG is structured as follows:



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- Section 2 – sets out consultation and related discussions held between the Applicants and Northern Powergrid.
  - Section 3 – sets out the matters discussed and agreed to date.
  - Section 4 – sets out matters to be agreed and the proposed way forward.

## 2.0 SUMMARY OF CONSULTATION AND DISCUSSIONS

### 2.1 Overview

2.1.1 This section provides a summary of how the Applicants have consulted Northern Powergrid (NPg) on the Proposed Development and also sets out the discussions that have taken place between the parties.

### 2.2 Consultation

2.2.1 **Table 2.1** (below) provides a summary of how the Applicants have consulted Northern Powergrid and how Northern Powergrid have responded to that consultation.

**Table 2.1: Summary of Consultation**

| Consultation Stage/Date   | Northern Powergrid Response   |
|---|---|
| Stage 1 Consultation (non-statutory) – 2 <sup>nd</sup> October to 19 <sup>th</sup> November 2019  | N/A   |
| Stage 2 Consultation (statutory) – 7 <sup>th</sup> July to 18 <sup>th</sup> September 2020  | No response   |
| Section 42 Update Consultation – 7 <sup>th</sup> December 2020 to 25 <sup>th</sup> January 2021 (further targeted consultations held 12 <sup>th</sup> February to 16 <sup>th</sup> March 2021 & 26 <sup>th</sup> March to 3 <sup>rd</sup> May 2021) | NPg are in early stage discussions with the Applicant. NPg do not fully understand the implications of the Proposed Development.<br>NPg confirm that, as a statutory utility duty bound and obliged to ensure our electricity network is not compromised Northern Powergrid will require all rights of access and protection of assets to remain uninterrupted and a clear undertaking that any variations and any associated costs will be met by any prospective developer and we reserve the right to decline any request for variation. |
| Consultation on proposed changes to DCO Application – 10 <sup>th</sup> March to 14 <sup>th</sup> April 2022   | No response   |

### 2.3 Discussions

2.3.1 A summary of the discussions that have taken place between the parties is set out in **Table 2.2**. Where appropriate, email follow-up has taken place to provide each party with information to support the progression of discussions.

**Table 2.2: Summary of Discussions**

| Meeting Date     | Meeting Type         | Topics Discussed   |
|------------------|----------------------|--|
| Sep 2021         | Correspondence       | Proposed Development boundary line drawing provided to NPg.  |
| Oct 2021         | Correspondence       | NPg provided shape files detailing locations of its assets within the Proposed Development.  |
| Dec 2021         | Interface Meeting    | Proposed Development overview, interface points, NPg key points of interest, context on level of work to relocate NPg assets.  |
| Mar 2022         | Telephone call       | NPG confirmed its willingness to engage with the Applicant. NPg will identify an engineer(s) who will represent it during discussions.   |
| April 2022       | Telephone call       | NPg are currently in the process of identifying the engineer(s) who will represent it during discussions.  |
| May 2022         | Teams Meeting        | Proposed Development overview update, NPg were requested to review interfaces and validate its asset locations, arrangements for a technical meeting and further follow up meeting.  |
| <u>June 2022</u> | <u>Teams Meeting</u> | <u>The Applicant (NZT) assured NPg that they would be able to provide NPg's engineer(s) with more detailed drawings of the route for the Proposed Development and its interface with NPg together with details of any exclusion zones. This information will assist NPg to identify any concerns relating to access including necessary future access requirements and any other operational concerns.</u> |

## **3.0 MATTERS AGREED**

### **3.1 Overview**

3.1.1 This section sets out the matters agreed between the parties.

### **3.2 Principle of the Proposed Development**

3.2.1 There is an urgent need for the Proposed Development, relating both to the provision of low carbon electricity and the need to provide for the collection, compression and transport of carbon dioxide from a range of emitters in the Teesside area.

### **3.3 Applicant's application change request**

3.3.1 Both the Applicant and NPg agree that following the change request submitted by the Applicant on 28<sup>th</sup> April 2022, and accepted into the Examination on 6 May 2022, the Applicant has significantly reduced the impact of the Proposed Development on NPg apparatus.

### **3.4 Protective Provisions**

3.4.1 Both the Applicant and NPg are keen to engage and intend to seek a voluntary agreement on Protective Provisions though currently no matters have been agreed.

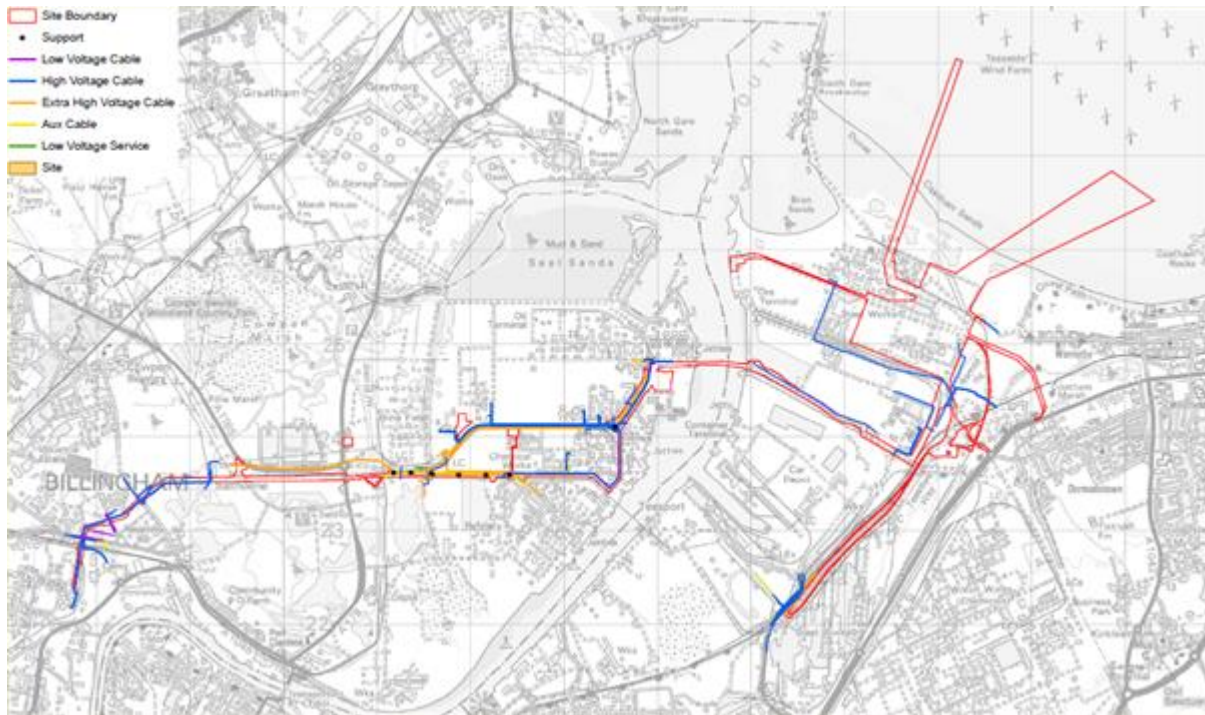
### **3.5 NPg Access Requirement**

3.5.1 During construction the Applicant proposes to utilise NPg existing Control of Work / Permit to Work procedures to ensure access is maintained and NPg are fully cognisant of where, when and what works are to take place.

3.5.2 The CO<sub>2</sub> gathering pipeline will be very similar to the existing infrastructure already in the corridor and will seek to take a similar approach to other assets in the corridor. Should existing pipeline road crossings not be suitable, the Applicant will, during detailed design, explore options for appropriate road crossings in mutually agreeable locations, to minimise any potential impact.

### **3.6 NPg Existing Apparatus**

3.6.1 Both the Applicant and NPg have agreed to continue with engagement during the design of the Proposed Development in order to minimise and/or mitigate the impact it will have on NPg existing apparatus. The initial physical interfaces between NPg apparatus and the Applicants Order Limits are illustrated below:



## 4.0 MATTERS TO BE AGREED

### 4.1 Overview

4.1.1 This section sets out matters to be agreed between the parties and the proposed way forward.

### 4.2 Protective Provisions

4.2.1 The basis for the NPg protective provisions in the draft NZT DCO were those NPg accepted for the Drax Power (Generating Stations) Order 2019. The Applicant's legal team has been in contact with NPg since April 2021 (and NPg's legal representatives, Weightmans, since June 2021) in relation to the negotiation of protective provisions for the protection of NPg's operations and assets. These discussions are ongoing, and parties are working to agree appropriate provisions for inclusion in the DCO. The Applicant is confident of reaching mutually acceptable Protective Provisions and looks forward to receiving comments from NPg on the draft provisions currently proposed.

### 4.3 Access Requirements

4.3.1 Having reviewed the draft DCO documents, NPg still have concerns relating to how NPg will be able to access and maintain their apparatus located within the Site during the construction and operation of the Proposed Development and post the Proposed Development works. NPg are not satisfied that the DCO affords them the necessary rights to access and maintain their apparatus in such areas. The Applicant refers to the protective provisions in favour of NPg and the access rights afforded to NPg therein. The Applicant considers that the NPg's access rights are adequately accommodated in the protective provisions (which are still being reviewed by NPg. Discussions are ongoing with the Applicant's legal team in respect of NPg's access to the Site and the Applicant (NZT) is to provide further details and drawings in respect of the route for the Proposed Development and its interface with NPg together with details of any exclusion zones. This information will assist NPg to address its concerns relating to access including identifying necessary future access requirements and any other operational concerns. The parties are working to agree the necessary rights of access. NPg require 24-hour access to their apparatus to be secured and for this to be agreed with the Applicant prior to NPg removing its objection to the DCO Application.