

# 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: 8.20 – Statement of Common Ground with Exolum Seal Sands Ltd and Exolum Riverside Ltd



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

Date: August 2022 – for Deadline 5 submission

## DOCUMENT HISTORY

<b>Document Ref</b>	8.20		
<b>Revision</b>	1.0		
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<b>Signed</b>		<b>Date</b>	August 2022
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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 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
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 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. 8.12) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') in conjunction with Exolum Seal Sands Limited and Exolum Riverside Limited ("Exolum") 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 Exolum 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.

### 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 Electricity 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 Exolum Interests**

1.3.1 Exolum interests are understood to be as follows:

- Land where Exolum is either occupier, tenant or lessee and/or has access to for their own operations and maintenance
- Land that contains Exolum apparatus including pipeline apparatus required for the transport of refined products, chemicals and biofuels
- Land that contains Exolum apparatus for warehousing and storage associated with its operations

1.3.2 Exolum apparatus is located to the north, west, east and south of the River Tees, the River Tees bed and to the east of Seal Sands Road. The Applicants' DCO Order Limits include a number of these assets.

### **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

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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:

- Section 2 – sets out consultation and related discussions held between the Applicants and Northumbrian Water Ltd
- 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 Exolum 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 Exolum and how Exolum have responded to that consultation.

**Table 2.1: Summary of Consultation**

Consultation Stage/Date	Exolum Response
Stage 2 Consultation (statutory) – 7 <sup>th</sup> July to 18 <sup>th</sup> September 2020 Consultation notices issued to Inter Terminals Riverside Limited and to Inter Terminals Seal Sands Limited (both names being the previous company names for Exolum)	No response received at the time. Please see further comment in the row immediately below.
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) Consultation notice issued to Inter Terminals Riverside Limited and to Inter Terminals Seal Sands Limited	Exolum responded to the Section 42 update consultation on 20 <sup>th</sup> January 2021 to state that neither of the Exolum entities received the Section 42 information from the Stage 2 consultation, but that following correspondence between the parties following the 8 <sup>th</sup> December 2020 Section 42 update consultation letter, the information had now been received by Exolum. Exolum’s response to the Section 42 consultation (stage 2) and the Section 42 update consultation is provided in their letter dated 20 <sup>th</sup> January 2021.
Consultation on proposed changes to DCO Application – 10 <sup>th</sup> March to 14 <sup>th</sup> April 2022	No response received.

### 2.3 Discussions

2.3.1 A summary of the detailed discussions that have taken place between the parties is set out in the table below. 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 Discussion**

Meeting Date	Meeting Type	Topics Discussed
2 <sup>nd</sup> Mar 2021	Teams call	Introductory discussion providing overview of project and likely interfaces with Exolum (then Inter Terminals) assets.
8 <sup>th</sup> July 2022	Teams call	Follow up call with updates provided to Exolum regarding latest project updates and reduction in interactions with Exolum assets arising from reduction in optionality and river crossing method changes since initial call.

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### **3.0 MATTERS AGREED**

#### **3.1 Overview**

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

##### **3.1.2 Protective Provisions**

The parties are progressing protective provisions. Whilst not yet in agreed form, the parties expect agreement to be reached during the Examination. The parties' expectation is that the protective provisions and any side agreement will provide the appropriate protection to Exolum's apparatus and operations.

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## **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.

#### **4.1.2 Protective Provisions**

The Applicant is in discussion with Exolum on protective provisions but they are not yet agreed. Exolum provided a response to the Applicant on the latest draft protective provisions in July 2022.

The clauses in the protective provisions that remain outstanding cover matters related to:

- The drafting of the expenses and consent for works clauses
- Aspects relating to the provision of insurance
- The conduct of any claims
- Detail around the drafting of the prohibition of acquisition and interference clauses
- The drafting of the indemnity clauses including a cap on liability.