

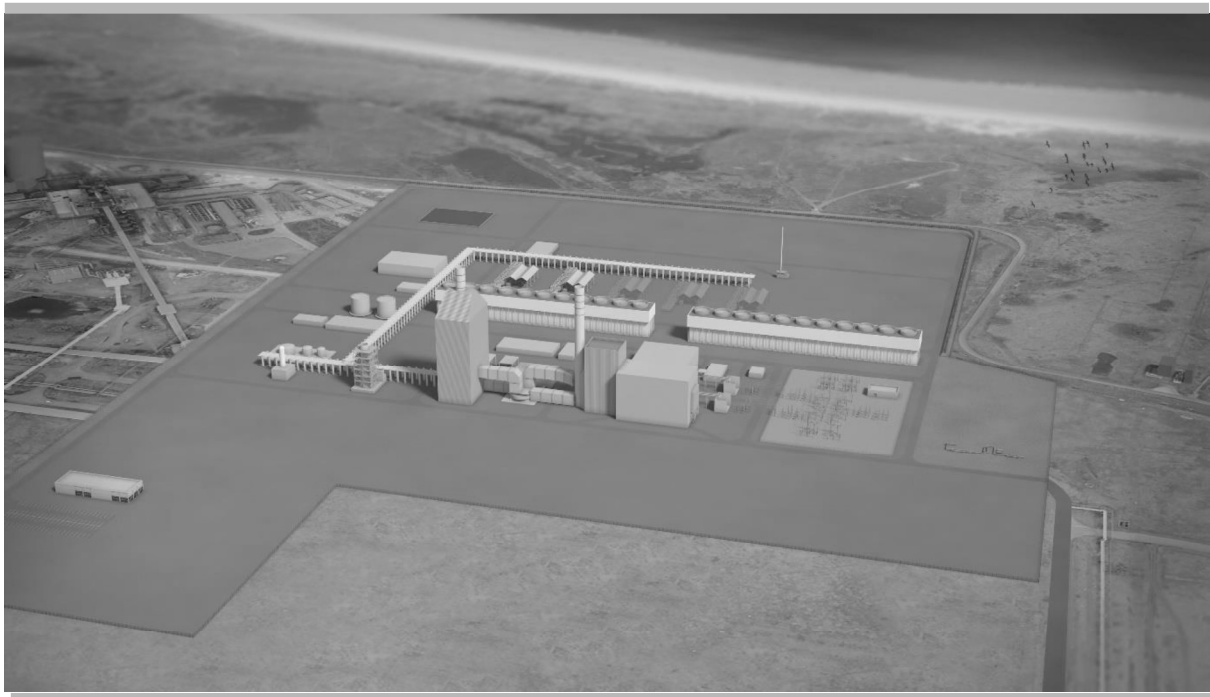
# Net Zero Teesside Project

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: 8.18 – Statement of Common Ground with CATS North Sea Limited (“CNSL”)



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

**Date: November 2022**

## DOCUMENT HISTORY

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## GLOSSARY

<b>Abbreviation</b>	<b>Description</b>
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
CATS	Central Area Transmission System
CNSL	CATS North Sea Limited
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
ES	Environmental Statement, documenting the findings of the EIA
ExA	Examining Authority
FEED	Front End Engineering Design
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

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
PDT	PD Teesport Limited
PPs	Protective Provisions
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
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
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
Sembcorp	Sembcorp Utilities (UK) Limited
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
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. 8.18) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') in conjunction with CATS North Sea Limited ('CNSL') in respect of the Net Zero Teesside Project (the 'Proposed Development').

1.1.2 The SoCG sets out the matters of agreement between the Applicants and CNSL and also explains those matters which, at the time of writing, remain unresolved between the parties.

1.1.3 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 CNSL Interests**

#### **1.2.1 PD Teesport Limited ("PDT")**

The freehold to the CATS terminal site is owned by PDT and the site is occupied by CNSL under a Lease for a term of 99 years from and including 28 August 1991.

#### **1.2.2 CATS Pipeline and the Liquids Pipelines**

The CATS pipeline is a 36 inch diameter pipeline that is 404 km long, from the Central North Sea to the CATS terminal. The CATS pipeline and terminal are essential national infrastructure necessary for the operation of natural gas fields in the North Sea. The Liquids Pipelines are pipelines that transport natural gas liquids from the CATS terminal to the Navigator Terminal and SABIC's Teesside site, each follows a similar routing along Seal Sands Road to the CATS Pipeline.

#### **1.2.3 Managed Wayleave Rights/Easements**

It is understood that CNSL has managed wayleave rights for high pressure gas pipelines along the Sembcorp Utilities (UK) Limited ('Sembcorp') pipe track together with easement rights for high pressure gas pipelines over other third party land.

### **1.3 The Purpose and Structure of this Document**

1.3.1 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.

1.3.2 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).

### 1.3.3 The SoCG is structured as follows:

- Section 2 – sets out consultation and related discussions held between the Applicants and CNSL.
- 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 CNSL on the Proposed Development and also sets out the discussions that have taken place between the parties.

2.1.2 CNSL consider that they have made clear that it requires more detail and certainty on the proposals in order to definitively respond. CNSL has also consistently made it clear that it has fundamental concerns that need to be dealt with, including safety and integrity related concerns where there is any interaction with the CATS Pipeline or the Liquids Pipeline, in relation to the proposed compulsory acquisition of land at the CATS site and in relation to access to the CATS site. Those concerns have been confirmed as understood by the Applicants and the parties are in continued dialogue to seek appropriate solutions and mitigations.

### 2.2 Consultation

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

**Table 2.1: Summary of Consultation**

Consultation Stage/Date	CNSL Response
Stage 1 Consultation (non-statutory) – 2 <sup>nd</sup> October to 19 <sup>th</sup> November 2019	CNSL took the lead on engaging with the Applicant, including by instigating meetings, to gain an understanding of the proposals, share relevant information and raise high level concerns and issues. All engagement at that stage was between CNSL and Aecom, acting on behalf of the Applicant.
Stage 2 Consultation (statutory) – 7 <sup>th</sup> July to 18 <sup>th</sup> September 2020	<p>Consultation information was incorrectly sent to the corporate registered office of CNSL's ultimate shareholder with no addressee. This, particularly in light of the Covid restrictions in place at the time, resulted in a delay in receipt of the information by CNSL. The Applicants confirm that the formal consultation correspondence was sent to a former registered address of CNSL. The Applicants received confirmation from CNSL that the correspondence was received during the consultation period. The Applicants received responses to requests for information as set out below.</p> <p>CNSL provided details of CATS gas pipeline route in response to a Request for Information (RFI) on 03.09.20.</p>



	<p>CNSL responded to the Applicants, informing them that any works within the Consultation Distance of the pipeline must be notified to CNSL.</p> <p>Further RFI responses were received on 18.09.20, 22.09.20 and 22.09.20 providing detail on land ownership and other ownership interests in the land.</p>
<p>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 &amp; 26<sup>th</sup> March to 3<sup>rd</sup> May 2021)</p>	<p>CNSL gave feedback on Teams calls (4 December 2020 and 3 February 2021) and via email to the Applicants on multiple occasions.</p>
<p>Consultation on proposed changes to DCO Application – 10<sup>th</sup> March to 14<sup>th</sup> April 2022</p>	<p>Teams call between NZT and CNSL team on Friday 4 March discussed the proposed changes to the Applicant’s DCO applications. CNSL considered that plans remained immature in respect of CNSL assets but CNSL raised/reiterated high level concerns on this call.</p>

2.2.2 At each stage of the statutory consultation process, CNSL considered that they were unable to give definitive feedback as the plans were considered insufficiently developed to allow a clear assessment of interactions with, and the potential impact on, CNSL’s infrastructure. Following the consultation in March and April 2022, the Applicants and CNSL agreed that completion of study work on the location of Proposed Developments infrastructure at the CATS site is required in order to sufficiently mature the Applicants’ proposals and to allow CNSL to definitively respond on the proposals. The study is expected to conclude in November 2022.

### 2.3 Discussions

The parties have experience of working with each other and have been in regular dialogue in connection with the project. A summary of the 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 Discussions**

Meeting Date	Meeting Type	Topics Discussed
October 2020	Meeting proposed by CATS for background info (proposed by CNSL)	Background to application
April 2020	Introductions and background	Introductions. NZT project. Overview. Options to work together.  CNSL made multiple requests for meetings with NZT following the introduction to the project and proposed fortnightly update calls with AECOM (acting for the Applicant) to discuss progress and concerns and share relevant information. No direct contact was made with CNSL by NZT until December 2020.
Dec 2020	Introductory Call	Proposed Development Overview – Pipeline Routes, Relevant CATS Information request, bp personnel. Request by NZT for supply of fuel gas from CATS terminal.
May 2021	Interfaces – Remote	Proposed Development Interfaces, pipeline crossings and HV cable route
Aug 2021	Interfaces – Remote	Proposed Development Interfaces – update of ongoing Pre-FEED work by NZT
Nov 2021	Interfaces – Remote	Proposed Development Interfaces – update on pipeline crossings and HV cable routing
Dec 2021	Land Discussion	The proposed AGI site as per DCO
Feb 2022	Interfaces - Remote	Review of documents supplied to CATS team relating to pipelines and HV cable
Mar 2022	Pre-Consultation	Potential DCO Changes, Protective Provisions and next steps
April 2022	Interfaces – Remote	Pipeline interface and SOCG discussion
21 April 2022	Design Report Meeting	Design Report and Changes to Routing
10 June 2022	Non Routine Routing presentation	Pipeline routing.
30 June 2022	Interfaces – Remote	Meeting held with terminal and pipeline teams to discuss progress. These meetings have been held on a fortnightly basis thereafter.
15 September	Progress Meeting	Progress negotiations on HoTs
11 October	Non-Routine Routing presentation	Pipeline routing update presentation

### **3.0 MATTERS AGREED**

#### **3.1 Overview**

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

#### **3.1.2 Principle of the Proposed Development**

There is an urgent need for the development throughout the UK that provides low carbon electricity and for development that provides for the collection, compression and transport of CO<sup>2</sup>.

CNSL is not opposed to the Principle of the Proposed Development.

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

Both the Applicant and CNSL 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 reduced (but not extinguished) the impact of the Proposed Development on CNSL apparatus.

#### **3.1.4 Plots 110, 112, 113 & 114 – PDT**

It has been agreed in discussions between the Applicants and PDT that the Applicants will deal directly with CNSL with a view to reaching a voluntary agreement for an underlease of Plot 112, or an agreed portion thereof, and the associated pipeline easement and access rights in the adjacent plots 110, 113 and 114. An underlease is being sought for a term of 60 years which will be subject to the consent of PDT as landlord.

The Applicants are continuing to seek to minimise any impacts on the current and future operations of the CATS terminal site. Plot 112 was selected by the Applicant due to the strategic location, being in close proximity to the CATS terminal and the National Grid National Transmission System (NTS). Plot 112 does not contain any current CATS infrastructure but forms part of the operational land of the wider CATS terminal site.

As part of the ongoing technical study, the Applicants and CNSL have shared pre-FEED level data on their respective development plans to support alignment and co-operation. The study is expected to conclude in November 2022 and support the progression of property agreements.

#### **3.1.5 CATS Infrastructure**

It is recognised that there could be encroachment onto CNSL managed wayleave strips and easements. The Applicants understand the particular risks associated with the CATS pipeline and the Liquids Pipelines and the impacts of any incident resulting in damage to CATS or requiring the CATS pipeline or any Liquids Pipeline to shut down.

The Applicants are engaging with CATS to progress protective provisions so as to ensure that the DCO includes appropriate protection for existing infrastructure.

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### 3.1.6 **CNSL Existing Apparatus**

Both the Applicants and CNSL 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 CNSL existing apparatus and future plans for the CATS terminal site. There have been a number of interface meetings held between CNSL and the Applicants since October 2020 and these will continue and be adapted to meet the requirements of both parties as the project progresses.

### 3.1.7 **Side Agreement and annexed protective provisions**

The Parties have agreed the form of the Side Agreement annexing bespoke protective provisions. The Parties will now seek to obtain final internal and co-venturer sign-off before proceeding to sign and complete the Side Agreement and annexed protective provisions.

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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 Plots 110, 112, 113 & 114 – PDT**

The Applicants are in active Heads of Terms negotiations with CNSL and tabled updated Heads of Terms documentation with CNSL on 8 October. Subject to further discussions, there is broad consensus around the basis of the commercial terms for the grant of an underlease to the Applicants.

PDT, as the landlord of the site, were advised of the status of negotiations at a meeting on 6 October.

#### **4.1.3 CATS Infrastructure**

Whilst CNSL has provided detailed maps of the location of the CATS pipelines and the Liquids Pipelines, at the present time and given the level of engineering design at this stage, the Applicants are unable to confirm the proximity of pipelines to CATS infrastructure. CNSL consider that it is difficult to provide any definitive advice until this point is confirmed. During Examination, the Applicants have held two meetings with CNSL's pipeline engineering team. The Applicants have presented proposed routings and details on the crossing points. The Applicants will continue to engage with CNSL as the design progresses in order to address CNSL's comments and concerns.

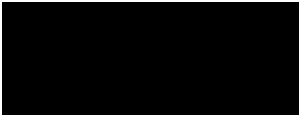
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Document Reference: 8.18



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**On behalf of: CATS North Sea Limited**  
Date: 07/11/2022



Signed: Jack Bottomley  
**SoCG Author**  
Date: 07/11/2022



Signed: Paul Edwards  
**On behalf of: NZT Power Ltd. and NZNS Storage Ltd.**  
Date: 07/11/2022