

# The Millbrook Power (Gas Fired Power Station) Order

Written Summary of the Applicant's Oral Case put at the Second Development Consent Order Issue Specific Hearing – Submitted at Deadline 3

**Planning Act 2008** 

The Infrastructure Planning

(Applications: Prescribed Forms and Procedure) Regulations 2009

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## WRITTEN SUMMARY OF MILLBROOK POWER LIMITED'S ("THE APPLICANT") ORAL CASE PUT AT THE SECOND DEVELOPMENT CONSENT ORDER ISSUE SPECIFIC HEARING – 3 MAY 2018

#### 1. INTRODUCTORY REMARKS

- 1.1 The second Issue Specific Hearing ("**ISH**") regarding the Development Consent Order was held at 10:00am on 3 May 2018 at the Forest Centre, Station Road, Marston Moretaine, Bedfordshire, MK43 0PR.
- 1.2 The ISH took the form of running through items listed in the agenda published by the ExA on 24 April 2018 (the "**Agenda**"). The discussion of development consent order matters predominantly focused on:
  - 1.2.1 an update on the issues arising from the proposed modifications to the amendments of the Rookery South (Resource Recovery Facility) Order 2011 (the "RRF Order") in schedule 11 of the revised draft DCO submitted at Deadline 2 (the "Revised DCO") [REP2-015]; and
  - 1.2.2 follow up points which the Examining Authority ("**ExA**") required more information on following the submission of the Revised DCO and the Explanation of Amendments made to the Draft Development Consent Order and other Application Documents [REP2-013] at Deadline 2.
- 1.3 The format of this note follows that of the Agenda and refers to article numbers in the Revised DCO. The Applicant's substantive oral submissions commenced at item 2 of the Agenda. Therefore, this note does not cover item 1 which was procedural and administrative in nature.

#### 2. AGENDA ITEM 2 – INTRODUCTION OF THE PARTICIPATING PARTIES

- 2.1 The ExA: Planning Inspector, Jonathan Green.
- 2.2 The Applicant:
  - 2.2.1 Speaking on behalf of the Applicant: Richard Griffiths (Partner at Pinsent Masons LLP).
  - 2.2.2 Present from the Applicant: David Ball (Drax Power, parent company of the Applicant), Nick Johnson (Stag Energy, project managers for the Applicant), Chris McKerrow (Stag Energy, project managers for the Applicant) and Collette King (Stag Energy, project managers for the Applicant).
  - 2.2.3 The Applicant's consultants and legal advisors:- Claire Brodrick (Pinsent Masons LLP), Matthew Carpenter (Pinsent Masons LLP), Chris Leach (Environmental Assessment technical lead, Peter Brett Associates) and Francesca Rowson (Senior Planner, Peter Brett Associates).

- 2.3 The following parties participated in the ISH:
  - 2.3.1 Central Bedfordshire Council ("CBC"):- Roy Romans (Minerals Planning Manager).
  - 2.3.2 Covanta Rookery South Limited ("Covanta"):- David Wood (Hogan Lovells International LLP).
- 3. AGENDA ITEM 3 CONSIDERATION OF ISSUES ARISING FROM THE PROPOSED MODIFICATIONS TO THE AMENDMENTS OF THE RRF ORDER IN SCHEDULE 11 OF THE REVISED DCO
- 3.1 Update on the position of the Applicant and Covanta
- 3.2 **The ExA** asked for an update on the discussions between the Applicant and Covanta surrounding Schedule 11 of the Revised DCO.
- 3.3 **Richard Griffiths** provided an update on behalf of the Applicant. He stated that the position of the Applicant remains unchanged from what is set out in its Response to the ExA's First Written Questions (the "**Response to First Written Questions**") [REP2-016] and in the Opinion of Michael Humphries QC which was included as Appendix H of the same document.
- Mr. Griffiths summarised that the key remaining issue is that there are various powers in the RRF Order which need to be regulated. The only appropriate way to regulate such powers, in order to provide sufficient certainty for the Applicant, is by amending the RRF Order. If the Millbrook Project and the Covanta Scheme (together, "the two Schemes") were coming forward at the same time, then the regulation would be managed through the insertion of protective provisions into each respective Order. Covanta has confirmed in its Relevant Representation [RR-015] that the two Schemes can co-exist and has not provided any reason why the powers in the RRF Order cannot be regulated. The alternative available to the Applicant to amending the RRF Order would be to enter in to an interface agreement with Covanta. There are, however, a number of issues with entering into such an interface agreement with one of the most prohibitive being enforcement. The only recourse available to the Applicant in the event of non compliance by Covanta with the terms of the interface agreement would be to seek an injunction in court. This would not be a satisfactory position and would prejudice the Applicant's position to carry out the authorised development with sufficient certainty. If Covanta became insolvent then the powers in the RRF Order would remain unfettered, for example the power of temporary use of land for maintenance. This could prejudice the Millbrook Project and funding. He added that Covanta's covenant strength is currently weak as its land interest is only in the form of a licence thus it would not be possible to attach a restriction on title in order to secure the interface agreement. Even if Covanta was to acquire title, then issues would still remain regarding the potential transfer of benefit of the RRF Order (in accordance with Article 7).
- For the reasons set out above, and expanded on more fully in the Response to First Written Questions (Questions 1.12.8, 1.12.9, 1.12.10) there is no clear reason why the regulation of the powers under the RRF Order through amendments made through the proposed Millbrook Order would prejudice the construction or operation of the Covanta Scheme. Mr. Griffiths added that the proposed Schedule 11 made it clear on the face of the Order that the two schemes can coexist. Following comments made by Covanta at the last DCO hearing, the provisions had been amended so that the obligations are reciprocal and consistent.

- David Wood on behalf of Covanta set out that he did not have any further comments to add on top of the representations made by Covanta to date and the Opinion of Simon Bird QC [AS-009] submitted to the examination. He set out that it was Covanta's preference to deal with the interaction between the two Schemes by way of an interface agreement, however he agreed that the enforcement issues outlined by Richard Griffiths were valid concerns and he was not going to argue that an interface agreement would be easier to enforce than protective provisions in the RRF Order.

  Mr. Wood explained that the differences in the Opinions of Michael Humphries QC and Simon Bid QC were minor and he was not sure where the difference in legal opinion got the parties in practical terms.
- 3.7 **Mr. Griffiths** agreed that the difference in the two Opinions was minor and that there was no disagreement that \$120 of the Planning Act 2008 ("PA 2008") could be used. He stated that whether \$.120(5)(a) or \$120(5)(b)\$ of the PA 2008 is used to amend the RRF Order will ultimately be a matter for the Secretary of State to consider. **The ExA** queried whether there is an alternative option open to the Applicant (other than using \$.120 PA 2008) in order to regulate the interaction between the two Schemes and **Mr. Griffiths** confirmed that there is no other option available which would give adequate certainty to the Applicant for the reasons set out in more detail above and in the Response to First Written Questions. If the RRF Order is not amended then the land would remain sterilised and the Secretary of State would need to explain why it is appropriate to leave the powers unfettered which will prevent development. He argued that the position in Schedule 11 of the Revised DCO is both proportionate and justified and there is nothing before the Examination to say that it is not appropriate. Furthermore, and as set out at paragraph 25 in the Opinion of Michael Humphries QC, the Secretary of State acknowledged that "it would be possible for a future DCO to vary an existing DCO" in the decision letter for the Hinkley Point C Connection Project.
- 3.8 Amendments made in the Revised DCO to Schedule 11
- 3.9 **The ExA** queried the changes which have been made to Schedule 11 of the Revised DCO and the wording of paragraphs 27 and 28.
- Richard Griffiths explained that the deletions made to the definitions in Schedule 11 were for clarification purposes only i.e. removing unused definitions. He set out that the provisions contained in paragraphs 27 and 28 of Schedule 11 are for the benefit of Covanta and in practice mean that if there were breaches of provisions of the RRF Order as a result of the Applicant, then responsibility is removed from Covanta if they were able to prove that such a breach was caused by compliance with paragraph 25 (Regulation of powers over the Millbrook Order land).
- Mr. Griffiths provided an example of how this may work in practice. In the event that Covanta sought temporary use of land for maintenance of planting and there were legitimate concerns expressed by the Applicant over safety that meant that Covanta was not permitted to access the land to maintain the planting, then technically Covanta would be in breach of the RRF Order. In this scenario, paragraphs 27 and 28 which essentially modify the application of s.161 of the PA 2008 so that Covanta would not find itself in breach. Following the 'breach period', and once the legitimate safety concerns of the Applicant had been alleviated, Covanta could then go back and regulate the maintenance of its planting. Mr Griffiths noted that the Applicant cannot unreasonably withhold its consent. The Applicant considers that this approach using s.120(5)(c) PA 2008 would be both necessary and expedient. The Opinion of Michael Humphries QC at paragraph 19 sets out more information in relation to paragraphs 27 and 28 of Schedule 11 and sets out that the provisions are both "necessary and proportionate". However, the Applicant is happy for the provisions to be deleted if necessary as the provisions had only been included in order to assist Covanta.

- 3.12 In response to the ExA's concern that the provisions in paragraphs 27 and 28 may lead to a scenario in which Covanta will be released from obligations, **Mr. Griffiths** explained that it is highly unlikely that a <u>permanent</u> release from obligations under the RRF Order would occur and a breach of obligations would be more likely to occur for a timescale of circa 1-3 weeks. He agreed that the Applicant would consider (alongside Covanta) any relevant scenarios which could occur under the provisions in Schedule 11 which may be of concern and would put forward a position as soon as possible to the ExA.
- 3.13 **Roy Romans** on behalf of CBC confirmed that the provisions in Schedule 11 were acceptable to CBC but CBC would like to know the reasons why consent had been withheld.
- Mr. Griffiths confirmed that Covanta has sent some comments in relation to Schedule 11 to the Applicant and that these will be considered when drafting Revision 2 of the Order. For example, paragraph 58 needs to be kept under review and paragraph 59 needs to be amended as Covanta has commenced construction. Covanta did not have any comments in relation to paragraphs 27 and 28. The ExA encouraged the Applicant and Covanta to reach agreement as soon as practicable and if possible by Deadline 3. Mr. Griffiths confirmed that Covanta and the Applicant would keep the provisions under review in light of the changing position on the ground regarding the Access Road.

#### 4. OUTSTANDING CHANGINGS TO BE MADE TO THE NEXT REVISION OF THE DCO

- 4.1 **Mr. Griffiths** set out that while the Revised DCO is in a form which has been agreed with CBC and Bedford Borough Council (together, the "**local authorities**"), the Applicant has identified two errors which will need to be amended in Revision 2 of the draft DCO at Deadline 3:
  - 4.1.1 Schedule 2, Requirement 13(1)(d) in relation to control of noise during construction will be amended in order to refer to the correct British Standard. Currently the Revised DCO states: "BS 4142:2014" but will be amended to refer to: "BS 5228:2009"; and
  - 4.1.2 Schedule 12, paragraph 2(2) in relation to the discharge of requirements will be amended to refer to 28 days instead of 21 as agreed with the local authorities.
- 5. AGENDA ITEM 4 REVIEW OF CHANGES TO THE DRAFT DCO SET OUT IN THE REVISED DRAFT SUBMITTED AT DEADLINE 2 (REP2-015)
- 5.1 The ExA discussed the changes made to the Revised DCO and asked for more information in relation to certain amendments. The table below sets out a summary of the discussions and the Applicant's response regarding each article of the Revised DCO which the ExA requested further information on.

Ref	Change DCO	Made	to	Summary of discussion

1.	Article 2, references to plans, measures, strategies etc.	<b>The ExA</b> asked for clarity in relation to the updates to various plans, measures and strategies which have been referenced in Article 2. <b>Richard Griffiths</b> proposed that the Applicant inserts a schedule in to Revision 2 of the DCO which sets out the latest revisions of such plans, measures and strategies for clarity. He acknowledged that the definition of the environmental statement would need to be updated in order to include the revised construction environment management plan. He confirmed that the relevant documents to be certified had been added to Article 39 of the Revised DCO.
2.	Article 2, definition of "low level restoration scheme (LLRS) baseline works plan"	The ExA queried how the LLRS baseline works plan definition works and ties in with the rest of the Revised DCO.  Mr. Griffiths explained that the definition ties to the definition of "LLRS baseline works" which in turn links to the new Requirement 20 in Schedule 2. Requirement 20 states that no part of the authorised development may commence until the LLRS baseline works have been completed to the reasonable satisfaction of CBC. This ensures that the LLRS works assumed in the baseline for the environmental statement will be completed before the commencement of development.  Roy Romans on behalf of CBC confirmed that the LLRS plan was clear to CBC as enforcing authority and that it was a helpful addition.
		<b>Richard Griffiths</b> agreed that the Applicant would provide the ExA with the plans submitted with the planning permission for the low level restoration scheme of Rookery South Pit (reference number BC/CM/2000/8) at Deadline 3 and such plans are included as Appendix 1 to this written summary.
3.	Article 2, definition of "undertaker"	This definition has been amended in the Revised DCO in order to add National Grid in respect of relevant works.  The ExA queried whether such an amendment to the definition would cause problems for other articles in the Order.  Richard Griffiths confirmed that it did not cause problems and that the articles correctly refer to the "undertaker" in conferring rights in relation to both the Applicant and National Grid in respect of the specific works which they will be carrying out. He explained that for some works, e.g. the Electrical Connection, it is not yet entirely clear who will be carrying out which elements of the works thus works cannot be divided any further. For example, the
4.	Article 30, Statutory	works to the tower would definitely be carried out by National Grid. However the substation will contain elements for both National Grid and the Applicant and it cannot be determined at this stage who will build each element.  This article was not amended in the Revised DCO however the ExA gueried why the article has not been limited
4.	undertakers	to specific parcels of land referenced in the Book of Reference (BoR) as this approach has been adopted for some made Orders.

		Richard Griffiths explained that it was not possible to limit the article to specific parcels of land referenced in the BoR as this would not allow for the scenario in which new apparatus for a statutory undertaker emerged between now and when consent is granted. Amending the article as suggested would fetter the Millbrook Project thus it would not be appropriate to do so. However, the exercise of the powers set out in Article 30 are subject to the restrictions set out in the protective provisions. He confirmed that there is precedent for the current drafting of Article 30 included in the Revised DCO with a recent example in the Wrexham Gas Fired Generating Order 2017. There were no "special reasons" in that case for allowing such an article. Mr. Griffiths confirmed that the Applicant had not received any comments from statutory undertakers or from any other party on the wording of the article.
5.	Article 44, Low Level Restoration Scheme	<b>The ExA</b> queried the purpose of the addition of Article 44 and <b>Richard Griffiths</b> confirmed that the purpose was to prevent the undertaker from being in breach of a condition of the LLRS planning permission (reference number BC/CM/2000/8) and that the article relied on powers under s.120(3) of the PA 2008.
6.	Schedule 1, Authorised Development	The ExA stated that in some other made Orders (for example the Progress Power (Gas Fired Power Station) Order 2015 the Schedule of authorised development has been divided in order to split the Nationally Significant Infrastructure Project from the Associated Development. As this has not been followed universally on all made Orders, the ExA decided that it would be best to leave this matter for the Secretary of State to decide in respect of the Millbrook Project.
7.	Schedule 1, Authorised Development, tailpiece	<b>The ExA</b> queried the use of the tailpiece in Schedule 1 (allowing for such other buildings, structures, works or operations etc.) asking whether this could be made more specific. <b>The ExA</b> set out that such an approach has been adopted in other made Orders for example the National Grid (Richborough Connection Project) Development Consent Order 2017 (the Richborough Order)
		<b>Richard Griffiths</b> explained that any works authorised under the tailpiece would be restricted to the assessment in the environmental statement thus works would not be wide in scope and the authorisation is not open ended. He also contended that the wording in the Richborough Order was, in fact, quite wide. <b>Chris McKerrow</b> on behalf of the Applicant added that part of the rationale for such a tailpiece was that the contractor who will build the Millbrook Project has not yet been selected and designs may vary depending on which contractor is selected in the tender process. For example, the ancillary equipment can vary depending on the design.
		<b>Roy Romans</b> on behalf of CBC queried whether a new requirement could be added in relation to limits of deviation however <b>Richard Griffiths</b> suggested that this would not be appropriate as the Revised DCO already provides under Article 3 that the authorised development is carried out within the order limits.
8.	Schedule 1, Authorised Development, work 1D	The ExA asked about the construction of the LLRS drainage works which are proposed to be different from the one provided for in planning permission reference BC/CM/2000/8. Richard Griffiths explained that the position has been agreed with CBC and that planning permission reference BC/CM/2000/8 will be amended in order to change the approved plan. The revised plan is in production and will be submitted under the approval process

17.	Protective Provisions	Brodrick provided an update on behalf of the Applicant:
13.	Schedule 10, Part 6  Schedule 10, Part 6	The ExA queried the purpose of the changes made to the provisions for the protection for Covanta Rookery South Limited. Richard Griffiths confirmed that the effect of the changes is to make the protection for Covanta reciprocal with the protection afforded to the Applicant in the provisions for the protection of Millbrook Power Limited to be inserted in to the RRF Order under Schedule 11 of the Revised DCO. He explained that various deletions and amendments have been made to this part of the schedule for the purpose of tidying it up e.g. where definitions had not been used.  The ExA asked for an update in relation to the protective provisions contained in Schedule 10 and Claire
12.	Schedule 2, Requirement 21	The ExA set out that the additional article in relation to air safety was a sensible response to the concerns expressed by the Ministry of Defence in its written representation [REP-011]. It was a reasonable approach not to include aviation warning lighting given the proposed relatively low height of the stack.
11.	Schedule 2, Requirement 20	The ExA stated that the addition of a the Grampian condition in relation the LLRS included in the Revised DCO was helpful and asked for clarity regarding the meaning of the phrase included requiring the LLRS baseline works to be completed "to the reasonable satisfaction of CBC".  Richard Griffiths explained that the 'reasonable satisfaction' would be for CBC to determine and that any approval given would be in writing.
		"The method of noise assessment and the establishment of noise limits (which must be in accordance with BS)  Richard Griffiths agreed that the Applicant's Noise Expert would provide some commentary in the explanation of changes to the DCO Revision 2 document regarding how the restriction within the relevant British Standard works in practice.
10.	Schedule 2, Requirement 13	The ExA raised a further point regarding the requirement for the control of noise during construction (Requirement 13) which was discussed in more detail at the Issue Specific Hearing regarding Environmental Matters held on 1 May 2018 and asked whether there is a need for such a requirement if no threshold is provided against which noise can be assessed.  Richard Griffiths set out that the reference to the British Standard would provide a yardstick as has been agreed with CBC. It was agreed that the Order would be amended in Revision 2 at Deadline 3 at 13(1)(d) to refer to:
9.	Schedule 2, Requirements	definition of low level restoration scheme drainage works.  The ExA queried whether when the requirements in Schedule 2 of the Revised DCO refer to Work No. 3, reference should always be to either Work No. 3A or 3B and Richard Griffiths confirmed that the definition at Article 2(5) means that a reference to numbered 'Work No 3' means 3A and 3B (inclusive).
		pursuant to the applicable condition (with the agreement of the landowner, O & Limited) most likely within the next few weeks. Once the plan has been approved, the wording in the Order will be amended so as to delete the

	update	
	upuate	- Part 3 for the protection of National Grid. <b>Claire Brodrick</b> confirmed that two side agreements were entered in to on 17 April 2018: (1) between the Applicant and National Grid Gas plc; and (2) between the Applicant and National Grid Electricity Transmission plc. The provisions contained for the protection of National Grid in Schedule 10 are agreed and National Grid has withdrawn its representation.
		- Part 4 for the protection of EPN. <b>Ms. Brodrick</b> confirmed that a side agreement was entered in to between the Applicant and EPN on 30 November 2017 and that the provisions contained for the protection of EPN in Schedule 10 are agreed.
		- Part 5 for the protection of Anglian Water. <b>Ms. Brodrick</b> confirmed that the wording contained in Schedule 10 of the Revised DCO contains the minor amendment requested by Anglian Water and that the protective provision are in agreed form.
		Claire Brodrick set out that the CLH oil pipeline will also be affected by the Millbrook Project and that discussions with CLH are ongoing. CLH would prefer an asset protection agreement as opposed to protective provisions in the Order. In the unlikely event that the asset protection agreement is not agreed before the end of the Examination then protective provisions will be added to the Order for the benefit of CLH.
15.	Proposed protective provisions for the benefit of Network Rail	Claire Brodrick explained that the Applicant was in discussions with Network Rail (NR). In the written representation of NR submitted at Deadline 2 [REP2-037], NR has requested protective provisions to be added to the Order. The Applicant is in the process of arranging a meeting with NR's legal team to discuss this issue. Whilst the Applicant is conscious of the need to ensure safety in relation to NR's assets, it does not consider that such provisions are required particularly given that NR does not have any proprietary interests or apparatus within the order limits.
		<b>Ms. Brodrick</b> explained that in respect of the RRF Order there were interactions which necessitated the inclusion of protection provisions for the benefit of NR (for example a crossing of the railway with electrical cables and works to the Green Lane level crossing). <b>David Wood</b> on behalf of Covanta confirmed that protective provisions for NR had been included within the RRF Order because there were specified works which required NR's approval.
		<b>Roy Romans</b> on behalf of CBC enquired as to whether appropriate requirements could be drafted in order to alleviate the concerns of NR, however it was agreed that this did not need to be considered until discussions between the Applicant and NR's legal team had taken place.

#### 16. AGENDA ITEM 5 – NEXT STEPS AND ANY OTHER BUSINESS

- Richard Griffiths confirmed that negotiations regarding the terms of the s.106 agreement were ongoing and that the Applicant had recently received preliminary comments from both CBC and the Forest of Marston Vale. The Applicant was waiting for full comments from CBC. Such comments will be taken in to account in the next revision of the agreement.
- The Applicant agreed to submit a further revised version of the draft DCO at Deadline 3 (Revision 2) incorporating the minor changes outlined above and taking in to account any points agreed and updated following discussions with Covanta.
- 16.3 **The ExA** indicated that further hearings on the DCO would not be likely to be required.

### **APPENDIX 1**

LLRS PLANS FOR THE PLANNING PERMISSION FOR THE LOW LEVEL RESTORATION SCHEME OF ROOKERY SOUTH PIT (REFERENCE NUMBER BC/CM/2000/8)







