

Glyn Rhonwy Pumped Storage Development Consent Order

Statement of Reasons



PINS Reference	EN010072	
Document No.	4.01Rev.1	
Regulation	5(2)(h)	
Author	Burgess Salmon LLP	
Revision	Date	Description
2	26 May 2016	Deadline 4 submission

CONTENTS

Clause	Heading	Page
1	SUMMARY	1
2	INTRODUCTION	1
3	DEFINITIONS.....	2
4	BACKGROUND TO DEVELOPMENT	5
5	DEVELOPMENT DESCRIPTION.....	6
6	NEED FOR THE DEVELOPMENT	7
7	POWERS OF COMPULSORY ACQUISITION	9
9	THE DEVELOPMENT SITE AND ORDER LAND.....	15
10	PLANNING POLICY POSITION.....	17
11	ENGAGEMENT WITH AFFECTED PARTIES	18
12	SPECIAL CATEGORY LAND	21
13	HUMAN RIGHTS.....	25
14	COMPENSATION	26
15	ABSENCE OF IMPEDIMENTS	27
16	CONCLUSION.....	28
17	FURTHER INFORMATION	29
	SCHEDULE 1 - Table of Additional Consents	32

1 SUMMARY

- 1.1 This Statement is submitted by the Applicant to set out the reasons and justification for seeking powers of compulsory acquisition in the application for a development consent order under the Act for the construction and operation of a pumped storage facility with an export capacity of 99.9 megawatts. This Statement has been prepared in accordance with the provisions of Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2007.
- 1.2 This Statement forms part of the suite of documents submitted with the Application for a development consent order including powers of compulsory acquisition. This Statement should be read in conjunction with articles 19 to 27 of the draft Glyn Rhonwy Pumped Storage Order 201[X] (Document Reference: 3.01), the Book of Reference (Document reference: 4.03 Rev1) and the land plans (Document reference: 2.03 Rev1). The Book of Reference identifies those persons with an interest in the Order Land.
- 1.3 The Applicant's rationale and justification for seeking powers of compulsory acquisition are set out herein. The Applicant considers that there is a clear and compelling case in the public interest for the inclusion of powers of compulsory acquisition within the Order to secure the land and interests over and under land which are required for the Development. The public benefit of allowing the Development to proceed outweighs the infringement of private rights which would occur should powers of compulsory acquisition be exercised.

2 INTRODUCTION

- 2.1 This Statement:
- (a) sets out the background against which the Order is made, and provides a description of the Development;
 - (b) explains the need for the Development;

- (c) provides a statement of the statutory authority for the proposed acquisition of land and rights by the Applicant;
- (d) describes the Order lands;
- (e) sets out the policy background;
- (f) explains the relationship between the Order and the Human Rights Act 1998;
- (g) sets out the Applicant's justification for making the Order;
- (h) refers to special categories of land;
- (i) describes the nature of related consents, licences and permissions which will be required for the Development;
- (j) describes the case for acquisition of individual interests and rights and explains the Applicant's engagement with affected landowners and third parties;
- (k) outlines potential barriers to implementation; and
- (l) Considers the funding implications of the Development.

2.2 The purpose of the Order is to authorise the construction and operation of a 99.9MW pumped hydro scheme which will help to meet the identified national need for a diverse mix of energy generating capacity.

2.3 The Applicant has attempted to acquire the rights to land voluntarily and to date has successfully completed agreements with the majority of the known landowners within the Order Limits. The Applicant has been unable to acquire the necessary rights to the remaining Plots and accordingly require to access powers of compulsory acquisition.

2.4 The granting of powers of compulsory acquisition is necessary to allow the Applicant to deliver a nationally significant infrastructure project for which there is a clear, identified, national need.

3 DEFINITIONS

3.1 In this Statement the following definitions have been used;

Act means the Planning Act 2008

Access Land	Means land designated in terms of the Countryside Rights of Way Act 2000 and open to the public for the purposes of recreation
Applicant	means Snowdonia Pumped Hydro Limited, a company incorporated in England (Company Number 08644844) having its registered office at 1 Finsbury Circus, London, EC2M 7SH, who has made the Application and is the proposed acquiring authority for compulsory acquisition purposes.
Application	means the application for development consent made to the Secretary of State for Energy and Climate Change by Snowdonia Pumped Hydro Limited to construct and operate a pumped storage facility with an output capacity of 99.9 mega watts (MW) at the disused Glyn Rhonwy and Chwarel Fawr slate quarries, near Llanberis, Gwynedd, Wales.
Book of Reference	means the document in five parts produced in accordance with the provisions of Regulation 7 and given Document Reference 4.03.
Common or Common Land	means land registered as a Common under the provisions of the Commons Act 1965
Convention	means the European Convention on Human Rights
Development	means a pumped storage facility consisting of upper and lower reservoirs, pipe, a power house, pumping station, spillways and ancillary development with an output of 99.9 megawatts at Glyn Rhonwy and Chwarel Fawr quarries, near Llanberis, Gwynedd, Wales and known as Glyn

Rhonwy Pumped Storage.

Development Site	means the area extending to 91.24 hectares at Glyn Rhonwy and Chawrel Fawr Quarries, near LLanberis shown outlined in red on the plan submitted as part of the Application and given Document Reference .
Funding Statement	means the Funding Statement setting out how the costs of compulsory acquisition will be met submitted as part of the Application in accordance with Regulation 5(2)(h) and given Document Reference 4.02.
Grid Connection Statement	means the statement setting out how the Development will be connected to the grid submitted as part of the Application in accordance with Regulation 6(1)(a)(i) and given Document Reference 9.01.
Guidance	means the Planning Act 2008, Guidance related to procedures for the compulsory acquisition of land published by the Department for Communities and Local Government, September 2013.
LPA	means the Local Planning Authority for the administrative area of the Gwynedd Council.
National Grid	National Grid plc, the systems operator of the grid.
NPS EN1	means the overarching National Policy Statement for Energy (EN-1) published by the Department of Energy and Climate Change, 2011.
Open Space	means any land used for the purposes of public recreation.

Order	means the Glyn Rhonwy Pumped Storage Order 201[X].
Order Land	means the land and rights over land for which compulsory powers of acquisition are sought in the Order as set out in the Book of Reference.
Order Limits	means the land to which the Application relates as shown outlined in red on the plan submitted as part of the Application and given Document Reference 2.05.
Plot	means each piece or area of land identified individually in Book of Reference and any reference to a Plot or Plots or a numbered Plot shall be construed accordingly.
PPW	means Planning Policy Wales, seventh edition issued by the Welsh Government in July 2014
PRoW	means a Public Right of Way
Regulations	means the Infrastructure Planning (Applications, Prescribed Forms and Procedure) Regulations 2009 and “Regulation” shall be a reference to the appropriate part of those Regulations
UDP	means the Gwynedd Unitary Development Plan

4 BACKGROUND TO DEVELOPMENT

4.1 The Quarry Battery Company Limited was granted planning permission by Gwynedd Council on the 19th February 2014 (Ref: C12/1451/LL) for the construction and operation of a 600 megawatt hours pumped storage facility, with an output of 49.9 megawatt (MW), at the Glyn Rhonwy and Chwarel Fawr quarries, near Llanberis. The approved development was

determined under the Town and Country Planning Act 1990. Subsequent to the grant of planning permission, The Quarry Battery Company Limited established the Applicant as a special purpose vehicle to take the development of the Development forward. The Quarry Battery Company Limited currently holds a majority shareholding in the Applicant.

- 4.2 Following a review of the approved development in the context of the Capacity Market which was introduced under Electricity Market Reform, the Applicant discussed the approved development with investors and construction contractors and determined that the approved development would be more commercially and economically viable if its generation capacity could be increased. The Applicant identified that a development with capacity of 1.3 million cubic metres of stored water and an output of 99.9MW rather than the 49.9MW approved under the extant planning permission will be more viable. The current Application for the Development therefore seeks consent for the construction and operation of a pumped storage facility with an output of 99.9MW at the Glyn Rhonwy and Chwarel Fawr quarries, near Llanberis in North Wales.

5 DEVELOPMENT DESCRIPTION

- 5.1 The Development is comprised of seven main elements:
- (a) A headpond - upper reservoir;
 - (b) A tailpond - lower reservoir;
 - (c) A power house - containing the combined pump and turbines;
 - (d) A penstock - the pipe connecting the headpond to the power house;
 - (e) A tailrace - the pipe connecting the power house to the tailpond;
 - (f) Pumping station; and

(g) Overflows – a discharge point from the headpond and a joint discharge/abstraction point from the tailpond.

5.2 The Development consists of four works which have subdivided into elements as set out in Schedule 1 of the DCO. Work 1 consists of the works required to form the head pond including the construction of the dam, the formation of new waste slate tips, pipework and overflow and operational fencing, maintenance track and gates. Work 1 also includes a temporary construction compounds and facilities required for the construction of the work, fencing of the construction site, diversion of and provision of alternative access and public rights of way arrangements including relocation of a car park. Plot 65 falls within the area of Work 1.

5.3 Work 2 is the underground penstock which runs from the headpond in the west of the site to the power house towards the east.

5.4 Plots 4 and 7 sit within Works 3A and 3B and 4. Works 3A and 3B include the construction of the underground electricity generating station equipment, the power house building, switchgear station, turbine hall, other ancillary buildings, structures and plant including car parking, security fencing and a temporary construction compound. Work 4 includes the formation of a dam for the tail pond, re-profiling of adjacent spoil mounds and stabilisation of the northern quarry wall, access roads, the construction of joint overflow and abstraction infrastructure, drainage works, and further temporary construction compounds and construction of an underground permanent pumping station, above ground kiosk or control box, a spillway and ancillary infrastructure.

6 NEED FOR THE DEVELOPMENT

6.1 There is a cascade of international and national obligations, directives and policy statements that combine to place the UK on a legally binding path to reduce carbon dioxide emissions on an incremental basis, ultimately by 80% by 2050. At the international level The Kyoto Protocol (to the United Nations Framework Convention on Climate Change

(1997)) forms the highest level of international agreement on Climate Change across 189 States.

- 6.2 At the EU level the "20 20 by 2020 package commits the European Union ("EU") to a 20% reduction in its greenhouse gas emissions by 2020 and sets a target of deriving 20% of the EU's final energy consumption from renewable sources in that same timeframe. In order to achieve the overall EU renewable energy target of 20% individual targets have been set for each Member State (with the UK's target being 15%). The Renewable Energy Directive (2009/28/EC) also provides for European Climate Change Opportunity, where the European Commission set the emissions reduction target at 20% "rising to 30% if there is an international agreement". The Climate Change Act 2008 introduced a legal requirement on the UK Government to cut emissions by 80% compared to 1990 levels by 2050.
- 6.3 The Government has set out their aim to have a diverse mix of electricity generating technologies and fuels. As the UK introduces more low carbon sources of electricity generation, such as onshore and offshore wind, more storage will be needed to manage electricity demand. Solar, wind and tidal energy do not produce electricity consistently and cannot readily respond to changes in demand. NPS EN1 provides (at 3.3.2) that "(t)he Government needs to ensure sufficient electricity generating capacity is available to meet maximum peak demand, with a safety margin or spare capacity to accommodate unexpectedly high demand and to mitigate risks such as unexpected plant closures and extreme weather events". Pumped storage is an efficient electricity storage technology that works at the scale of the National Grid. The system uses electricity to pump water from a lower reservoir to a higher reservoir. Pumping would normally happen during the night when electricity demand is low. During the day, the water is allowed back through a hydro-turbine to generate electricity again to meet sudden spikes in consumer electricity demand. The unique ability of pumped storage to provide electricity quickly is recognised in paragraph 3.3.31 of NPS EN-

1.This type of storage helps the National Grid to balance the supply and demand for electricity from second to second.

6.4 Pumped storage is an aid to a low carbon future. It is flexible and responsive technology which supports and complements the use of renewable energy through the grid. The Development will play a valuable role in balancing supply and demand as the percentage of renewables supplying power to the UK's electricity grid continues to increase. The Development will accordingly contribute towards the UK Government's aim of creating a sustainable mix of energy production sources and assist in meeting low-carbon energy production needs. The role of electricity storage in compensating for the intermittency of renewable energy generation is acknowledged at paragraph 3.3.12 of NPS EN-1.

7 POWERS OF COMPULSORY ACQUISITION

7.1 The Application has been made under the Act for a development consent order granting consent to construct and operate the Development, including powers of compulsory acquisition for the land necessary to do that. In section 120 the Act provides what may be included within development consent orders and that such orders may include provisions on matters ancillary to the development consented. Those ancillary matters may include the acquisition of land and the creation, suspension and extinguishment of interests in or rights over land as set out in Schedule 5 to the Act.

7.2 Section 122 of the Act sets out the purposes for which compulsory acquisition may be authorised and lists the conditions which must be met. This provides that the Secretary of State must be satisfied that the land;

- (a) is required for the development to which the development consent relates;
- (b) is required to facilitate or is incidental to that development; or

(c) is replacement land which is to be given in exchange for the order land under section 131 or 132; and

that there is a compelling case in the public interest for the land to be acquired compulsorily.

7.3 Acquisition of any unknown interests in the ownership of the subsoil of Plots 4 and 7 is sought. This is to ensure that all necessary rights to install, operate, maintain, replace and decommission pipework for abstraction and discharge of water are obtained.

7.4 Plot 65 is required to form a permanent footpath diversion. The applicant requires to be able to create public rights of way over these plots to provide alternatives to those which will be stopped up. Accordingly acquisition is sought to enable the Applicant to create alternative public rights of way. As ownership is only required to make the necessary dedication as a public right of way the Applicant proposes to offer ownership of these plots back. Such an offer would be made following dedication and subject to the reservation of any rights required to retain the public footpath.

Extinguishment of and interference with private rights

7.5 Plot 65 is subject to a number of rights to the benefit of a private water supply. No authority is sought to extinguish those rights however it may be necessary to undertake works which interfere with them in constructing the access on Plot 65. Authority is therefore sought to culvert, replace, divert and otherwise alter any watercourse, pipework or infrastructure related to the private water supply which is situated within Plot 65.

7.6 No extinguishment or interference with the rights of statutory undertakers is sought through compulsory acquisition. The proposed DCO contains provisions regulating the Applicant's rights within the Order limits as regards the apparatus of statutory undertakers

8 JUSTIFICATION FOR COMPULSORY ACQUISITION

8.1 The Applicant has set out the extent of acquisition and the use to which it is intended to put each Plot included within the compulsory acquisition provisions of the Order in Table 1.

Table 1		
Plot	Description of Land	Purpose and Extent of Acquisition
4	182 square metres of land forming part of the disused railway at Llyn Padarn car park, Llanberis currently used as a cycle track	Acquisition of unknown ownership interests in the subsoil only. To permit the installation, operation and maintenance of underground pipes for overflow spillway and abstraction infrastructure.
7	521 square metres of land forming part of the A4086 public highway at Llanberis	Acquisition of unknown ownership interests in the subsoil only. To permit the installation, operation and maintenance of underground pipes for overflow spillway and abstraction infrastructure.
65	4,793 square metres of land at Tyn Yr Onnen, Waunfawr, Caernarfon forming private pasture land	Acquisition of ownership to create and use an access track and to create a permanent diversion of a public right of way.

Site selection

8.2 Glyn Rhonwy was selected following a detailed mapping exercise, undertaken by The Quarry Battery Company Limited in 2011, to examine the feasibility of pumped storage throughout Great Britain against key indicators including:

- (a) the geology, ground conditions and terrain;
- (b) accessibility;
- (c) safety and feasibility of construction;
- (d) the physical shape and sizes of the reservoirs and requirements for dams;
- (e) the distance between the reservoirs and the distance to the distribution network;
- (f) the environmental sensitivity of the site; and
- (g) whether any effects of the development could feasibly be designed out or mitigated.

8.3 It is rare to find the combination of features that make a site suitable for Pumped Storage development. The best sites are not constrained by their grid connection, have significant elevation and meet various environmental parameters. Glyn Rhonwy fits these characteristics. In addition it is a brownfield ex-industrial site and further feasibility and environmental assessment concluded that potential environmental effects could be minimised or mitigated through sensitive design or the application of mitigation measures.

8.4 The site has been selected for redevelopment within the following Gwynedd Council policies:

- (a) Policy C6 Redevelopment Policy - for its proximity to Llanberis and Caernarfon and the role that Gwynedd Council acknowledge

Glyn Rhonwy could play in creating year-round employment (UDP), 4.2.14); and

- (b) For its ability to act as a catalyst for redevelopment in the rest of the Llanberis catchment area as explained in the justification for development given in the Caernarfon Development Catchment Area document of the UDP.

8.5 The size of the dams and reservoirs are primarily driven by the volume of the system and the method of construction to be used. In order to ensure that the dam is constructed with a suitable incline it is necessary to have a sufficient land to allow construction up to the maximum permitted footprint area.

8.6 The penstock route is 114m wide. A single tunnel will be bored and/or blasted within that route and will have a 4.5m internal finished diameter. The width of the route has been determined at 114m to allow flexibility in the precise siting of the penstock having regard to the outcomes of detailed ground investigation and the known dolorite deposits.

8.7 The PRoW and diversion routes are 20m wide, a single PRoW or diversion of appropriate width to its intended use will be created within each plot. The routes to be formed within these plots will be micro-sited having regard to ground conditions and the mitigation of impacts. The area occupied by the PRoWs will be the minimum necessary to permit the works to create and maintain highway and footpaths and ancillary works, including any drainage provision if required.

Consideration of alternatives to Plots affected by compulsory acquisition

8.8 The Applicant has selected the site due to the suitability for pumped hydro which necessitates that some elements must be located in the areas identified in order that the existing quarries can be utilised. The reasons for selecting each of the Plots included within the Order Land are set out in Table 2.

Table 2		
Plots	Proposed acquisition	Reason for selection
4, 7	Acquisition of ownership of the subsoil to permit the installation, operation, maintenance, repair and replacement of underground pipes for spillway and abstraction.	Crossing the cycle track and highway is unavoidable to reach Llyn Padarn. This route avoids existing structures.
65	Acquisition of ownership to create and use an access track and to create a permanent diversion of a public right of way.	The alternative option of placing the diversion on the north side of the Nant Y Betws would have increased the potential for pollutants to enter the watercourse and reduced the land available for slate tips.

8.9 The development of pumped hydro storage as a necessary component of a sustainable, lower carbon electricity generation and is supported by national policy. The selection of Glyn Rhonwy is supported by local planning policy and is a suitable and sustainable location. The reuse of the existing abandoned slate extraction site reduces the impact of the Development as the existing voids will form the basis of the reservoirs, material extracted will be reused in construction of the dams and the waste slate tips can be located and formed with reference to the existing tips maintaining the character of the site and minimising the visual impact.

8.10 In the absence of compulsory acquisition all of the land required to allow the Development to be constructed and operated may not be acquired and the Development will not proceed. The majority of the land and rights

required for the construction and operation of the Development have been obtained voluntarily. Negotiations with landowners have been ongoing since 2012. In order to progress the Development the Applicant needs to have certainty that the remaining required land can be obtained within a reasonable timeframe and to be able to evidence this certainty to its funders. Given the clear policy support for the development of projects of this type, the granting of powers of compulsory acquisition to the Development represents a proportionate and legitimate interference with private rights for the public benefit.

9 THE DEVELOPMENT SITE AND ORDER LAND

Location

- 9.1 The Development Site covers an area of 91.24 ha located on the slopes of Cefn Du mountain above Llyn Padarn, approximately 1.5km north west of Llanberis and 11km south east of the town of Caernarfon. The Development is located within the administrative boundaries of Gwynedd Council. The Development Site lies within a sparsely populated area and is 1km from the boundary of Snowdonia National Park.

Description

- 9.2 The area subject to the Application is located wholly within the administrative area of Gwynedd Council and comprises of several disused quarries pits and slate tips, woodland, grazing land and an industrial estate platform. The slopes around the quarries are built up with slate waste and interspersed with the remains of outhouses and quarry workings, scattered over steep grazing land. The neighbouring land is mainly agricultural, although, there is an industrial estate between Glyn Rhonwy and the Llyn Padarn and a large industrial complex to the south of the site towards Llanberis. Slate waste mounds lie to the north of the quarry system and other land use consists of open grazing land and commercial forestry in the south west.

- 9.3 Water has collected in two of the quarries, especially in Quarry 6 with an estimated depth of approximately 17m.
- 9.4 Three adopted highways cross the site, including the A4086, Ffordd Clegir and Fford Cefn Du (locally known as 'the Green Road'), as well as several Public Rights of Way (PRoW).
- 9.5 Access to the site is restricted and the quarries themselves are fenced off. Some quarries and buildings, including the industrial estate in the area including Work 4, have suffered vandalism in the form of fly-tipping, graffiti and damage to the fencing.
- 9.6 The majority of the eastern end of the site containing Works 3A, 3B and 4 is in the ownership of Gwynedd Council. The Applicant and Gwynedd Council have entered into an exclusivity agreement dated 5 March 2014 pursuant to which Gwynedd Council has agreed to enter into a 125 year lease of property (as defined therein) to permit the construction and operation of the Development.
- 9.7 The majority of the western end of the site including much of Work 1 is in the ownership of the Crown Estate. The Applicant and The Crown Estate have entered into an option agreement dated 16 March 2015 pursuant to which the Crown Estate has agreed to enter into a 125 year lease of the property (as defined therein) to permit the Applicant to undertake the construction and operation of the Development
- 9.8 On some Plots occupied by Gwynedd Council a risk of unknown ownership interests in the land has been identified. In order to address any unknown interests the specific plots where a risk of unknown interests has been identified have been included within the Order Land to the extent of the unknown interest only.
- 9.9 Option agreements to acquire the necessary rights to or ownership of land and interests required to construct and operate the Development have been concluded for the majority of the site.

10 PLANNING POLICY POSITION

10.1 A detailed consideration of the planning policy position is set out in the Planning Statement (Document reference: 10.01). This section provides a summary of that position.

National Planning Policy

10.2 The National Policy Statement for Energy (NPS EN-1) provides the overarching planning policy which the development will be assessed against in accordance with the Act. In Section 3.1, NPS EN-1 states that, “It is for industry to propose new energy infrastructure projects within the strategic framework set by Government. The Government does not consider it appropriate for planning policy to set targets for or limits on different technologies. The IPC should therefore assess all applications for development consent for the types of infrastructure covered by the energy NPSs on the basis that the Government has demonstrated that there is a need for those types of infrastructure.”

10.3 NPS EN-1 refers specifically to electrical energy storage in Section 3.3. It states that the development and deployment of these technologies at the necessary scale has yet to be achieved and goes on to envisage that high renewable pathways will require more storage into the future. NPS EN-1 acknowledges that storage will play an important role in a low carbon electricity system.

10.4 Planning Policy Wales (PPW) Chapter 12 states that one of the key aims of national policy is to “promote the generation and use of energy from renewable and low carbon energy sources at all scales and promote energy efficiency.” In achieving high renewable pathways and a low carbon electricity system, storage is an essential component and therefore goes towards the policy aim of promoting the generation and use of renewable and low carbon energy sources¹.

Local Planning Policy

¹ Chapter 12

10.5 The UDP comprises the statutory development plan for the area. It is supportive of pumped storage (Policy C27) and the re-use of previously development land at Glyn Rhonwy Redevelopment Site (Policy C6).

Other material planning considerations

10.6 The following policy and guidance represent material considerations to the development proposals

- (a) Minerals Technical Advice Note (MTAN)1: Aggregates promotes the after use of mineral extraction sites for other uses where these are suitable.
- (b) The Gwynedd Local Planning Authority Supplementary Planning Guidance: Development Brief Caernarfon Dependency Catchment Area (2009) identifies Glyn Rhonwy as a redevelopment site for mixed use development which creates quality employment opportunities.
- (c) The emerging Anglesey and Gwynedd Joint Local Development Plan Deposit Plan policy PS7 seeks to ensure that the area realise its potential for renewable and low carbon energy as well as supporting communities which have suffered decline after quarrying has ended.

11 ENGAGEMENT WITH AFFECTED PARTIES

11.1 The Applicant has entered into discussions with the relevant landowners and has successfully reached agreement with the majority of landowners to secure the necessary rights over the land required for the Development rather than seek powers of compulsory acquisition under the Order. Over time, in response to consultation, improved data and impact mitigation, the Development has evolved. Whilst negotiations with landowners has continued over a number of years, as a result of changes to the amount of land required or the proposed use of land,

agreement for the acquisition of rights over or under certain Plots of land have yet to be secured.

11.2 Two of the Plots (4 and 7) for which acquisition is sought have been included to address unknown interests with whom no agreement can be reached. The Plot 65 landowner is in negotiation with the Applicant but legal agreement has yet to be concluded and therefore cannot yet be relied upon. In order to provide certainty to the Development and ensure funding can be achieved, powers of compulsory acquisition are sought over these Plots. This parallel approach of making the Application (including powers of compulsory acquisition) and conducting negotiations to acquire land by agreement is in accordance with paragraph 25 of the Guidance.

11.3 The methodology behind the Company's attempts to reach agreement is set out below:

- (a) The Applicant initially carried out a desk-based study to reference the land within the boundary of the Development;
- (b) When available, extracts from the Land Registry were sourced to establish ownership, otherwise local agents or site visits were undertaken to establish land ownership boundaries and contact details;
- (c) Letters were then sent to the relevant address informing the identified landowner(s) of the Development which included asking for a confirmation of interests in the land;
- (d) This exercise was followed up with face-to-face meetings with identified landowners to better explain and describe the project, and the proposed use of the relevant land;
- (e) Thereafter with advice provided by land agents and legal advisers, both the Applicant and the identified landowners proceeded to

agree terms for securing the rights to the land and to conclude the necessary legal documentation;

- (f) The Applicant has continued to progress negotiations throughout the DCO process and has been able to request the removal of 8 plots from compulsory acquisition following submission.

11.4 To date the Applicant has secured the majority of the rights in the land required for the Development, however some unknown interests remain. Additionally one negotiation is progressing but legal documentation has not yet been completed. The Applicant is accordingly requesting compulsory acquisition powers for the acquisition of interests not secured by the close of the examination of the Application or where any agreement reached is not complied with.

Plots 4 and 7; Gwynedd Council and unknown interests

11.5 Gwynedd Council are the main landowner for the lower half of the site, including the location of the tailpond, lower dam, power house, lower access roads, spillway, pumphouse and abstraction point. The Council was first contacted regarding the scheme in 2006, but negotiations did not commence until 2009/10. The Council was keen that any planning application was not prejudiced or seen to be pre-determined by a lease arrangement, and negotiations as to securing the rights to land pursuant to a 125 year lease therefore did not commence until more recently. The land required is currently under exclusivity and a lease is expected to be completed shortly with the Council. There remains uncertainty regarding the ownership of the land beneath the highway and the cycle path that run along the western edge of Llyn Padarn and compulsory acquisition of the unknown interests (only) in these areas is sought. Gwynedd Council has been consulted on and consented to the acquisition of unknown interests in Plots 4 and 7.

Plot 65; Tyn Yr Onnen Farm Ltd.

- 11.6 The owner of Tyn Yr Onnen Farm Limited was first contacted in 2013 when negotiations commenced. Heads of Terms have been agreed and the legal drafting of an agreement to purchase the land is being progressed. The Applicant expects to complete the agreement and so not require compulsory acquisition, however as agreement has not yet been completed, the Applicant is seeking powers of compulsory acquisition over the Plot. Should the agreement be completed before any compulsory power is exercised then the Applicant will not seek to acquire Plot 65 compulsorily unless the owner is in breach of their obligations under that agreement.
- 11.7 Plot 65 forms Open Space, accordingly any compulsory acquisition of this Plot will trigger and vesting in Tyn Yr Onnen Farm Limited of Plot 42 as replacement land in accordance with section 131 of the Act. An option agreement to acquire the land holding including Plot 42 has been concluded and the Applicant has accordingly secured the replacement land.

12 SPECIAL CATEGORY LAND

Special Category Land – Open Space

Plot 65

- 12.1 All of Plot 65 is Open Space for the purposes of compulsory acquisition. In order to replace the Open Space affected by the acquisition of Plot 65 the Applicant has secured the right to purchase the replacement land.
- 12.2 Plot 65 is a small area of pasture land lying to the south of the upper reservoir. It is proposed to use this plot to form a permanent diversion of a public right of way. This public right of way will link PRoW 9 Waunfawr with the realigned public road (Fford Cefn Du). Acquisition of the plot is required to allow dedication as a public right of way. It is not proposed to seek any change in the status of Plot 65 which will remain as Access

Land but with a diverted public right of way created over it. The replacement Open Space will be designated as Access Land.

- 12.3 The Applicant proposes to provide replacement Open Space on Plot 42. The neighbouring plot (Plot 43) will be dedicated as Access Land following construction of the Development. The replacement land will accordingly be adjacent to Access Land and the public right of way to be formed on Plot 43 and will therefore benefit from this access link. The proposed replacement land lies within a gap between designated areas of Access Land and within a forested area which is subject to a title burden requiring dedication as Access Land in the future. The Applicant is seeking to acquire the forested area and trigger dedication as Access Land in order to provide replacement Open Space for other land affected by the Development (but not included within compulsory acquisition) as set out in the Common, Access Land and PRoW Strategy (Document reference 4.04). Dedication of the voluntarily acquired forestry land will result in the replacement land area being surrounded on all sides by Access Land. It would therefore be a logical addition to the Access Land and would form part of a parcel of 66 acres of land available for use by the public for recreation. The Applicant accordingly submits that Plot 42 forms replacement land which, once designated as Access Land, will provide the same benefits and rights to the public as the Open Space to be acquired. Accordingly the Applicant seeks in the DCO a statement that the requirements of section 131(4) are met and special parliamentary procedure is not required.

Special Category Land – Common Land

- 12.4 No compulsory acquisition of Common Land is sought under the Order. The Development would cause permanent interference with the rights of Commoners and the Applicant has accordingly sought replacement land. The deregistration of the areas of common and the proposed replacement land will be considered as part of separate Commons Act applications, which will also be seek powers to carry out works on other Common land.

- 12.5 Parts of the Order Limits falls within registered commons CL15, CL18 and CL19. The interference with CL18 and CL19 is limited in that the temporary diversion route crosses these areas of Common Land. The Development will interfere with the rights of commoners on Common CL15 by reducing access to pasture and reducing access to the quarry area.
- 12.6 Much of Work 1 is situated on CL15 and includes the area where the upper reservoir will be formed and which will be permanently fenced. The permanent loss to the common will be 32 acres. This is proposed to be replaced by 40 acres of grazing on land immediately to the north of the existing common giving an overall benefit to the common of 8 acres. The Applicant has commissioned a survey and report on the features and conditions of the existing Common and replacement land to allow a full consideration of the impact of the Development. This will be fully considered as part of the applications to be made by the Applicant under the Commons Act 2006 to be submitted as soon as possible following the submission of the Application. The Applicant has assessed the level of interference with commoners' rights and where interference is temporary have proposed the further provision of replacement land for the use of the commoners to offset that interference. The temporary interference with the common will affect 30 acres of commons. The provision of temporary replacement land extending to 25 acres located adjacent to the exchange land to be provided in place of the area of permanent interference has been secured by the Applicant.
- 12.7 All of the exchange land for the area of CL15 to be deregistered is Access Land. The Access Land is the only available, suitable land adjacent to the Common which can be offered as replacement land. The replacement of Common Land with Access Land would reduce the area of open space available for public recreation overall. The Applicant recognises that a net loss of open space is undesirable and has accordingly negotiated the acquisition of 64.2 acres of forestry land to the south of the Development Site, which acquisition will allow the Applicant

to exercise a covenant requiring designation of this land as Access Land and make the forestry open to public access for recreation. The objective of this is to replace the loss of Access Land caused by the change in status of Access Land to Common Land.

- 12.8 Overall the permanent area of Open Space land including Common Land and Access Land following the construction of the Development would be increased thereby providing an overall long term public benefit in terms of Open Space.

Statutory Undertakers

- 12.9 Gwynedd Council has an ownership interest in two Plots (4 and 7) over which compulsory acquisition of any unknown interest is sought in order to allowing the laying of pipes required for the abstraction and discharge of water. The Council's interest is not being acquired as a suitable right has been agreed voluntarily. There is some dubiety as to the extent of the Council's interest and compulsory acquisition of any other interest is sought to regularise the position and protect the undertaker. Plot 7 forms part of the A4086 public highway; while the Council owns the land to either side of the highway it cannot be conclusively shown that the subsoil of the adopted highway is in their sole ownership. Compulsory acquisition of any unknown in interest in the subsoil of the adopted highway is accordingly sought.

- 12.10 Statutory undertakers rights and apparatus have been identified in plots 4 and 7. The Applicant is in negotiation with the affected statutory undertakers to agree how the authorised development can be installed in coexistence with statutory undertakers apparatus. As set out in this statement no powers to extinguish the rights of statutory undertakers are sought. The DCO will provide appropriate powers to control any interaction with both known and unknown statutory undertakers.

13 HUMAN RIGHTS

- 13.1 The Human Rights Act 1998 incorporated the Convention into domestic law. The Convention includes provision in the form of Articles, the aim of which is to protect the right of the individual.
- 13.2 Section 6 of the Human Rights Act prohibits public authorities from acting in a way which is incompatible with the Convention and in exercising its powers of compulsory acquisition the Applicant is acting as a public authority for the purpose of the Human Rights Act 1998 so must be conscious of the need to strike a balance between the rights of the individual and the interests of the public.
- 13.3 Various Convention rights may be engaged in the process of making and considering a compulsory purchase order, notably Article 1 which protects the right of everyone to the peaceful enjoyment of possessions—no-one can be deprived of possessions except in the public interest and subject to relevant national and international laws. Further, in relation to Article 8 (right to respect for private and family life and home) rights may only be restricted if the infringement is for a legitimate purpose and is fair and proportionate in the public interest.
- 13.4 The Order has the potential to infringe the rights of the affected parties. Such infringement has to be weighed against the public benefit in allowing the Order. There would be significant public benefit brought about by the Development to which the scheme relates. As demonstrated by national policy there is a clear public interest in enabling the development of pumped hydro storage facilities to support the expansion of renewable energy generation. The public benefit should be weighed against the limited land take, and that the Applicant is seeking the minimum rights necessary to allow the Development to succeed.
- 13.5 The rights of owners of interests in the Order Land under the Human Rights Act 1998 have been taken into account by the Applicant when

considering whether to make the Order and in considering the extent of the interests to be comprised in the Order. The Applicant considers that there is a compelling case in the public interest for confirmation of the Order and that the Order, if confirmed, would strike an appropriate balance between public and private interest. The Applicant has had due regard to the requirement to minimise interference wherever possible and is only seeking to acquire the minimum land reasonably necessary to allow the Development to proceed.

- 13.6 It is also a right to have a fair and public hearing. As explained in section 11 above, appropriate consultation took and is taking place in the planning process with an opportunity given for interested parties to make representations and the Applicant remains committed to pursuing active engagement with landowners in with regard to compulsory acquisition. Those directly affected by the Order will be entitled to statutory compensation.

14 COMPENSATION

- 14.1 The Applicant is a subsidiary of The Quarry Battery Company Limited (“QBC”). The Applicant was established as a special purpose vehicle to progress the Development. QBC is at the forefront of developing new large scale electricity storage projects that are now considered as a fundamental requirement in decarbonising the UK electricity infrastructure.
- 14.2 The cost of constructing the Development is approximately £160million. This figure includes £1.5 million for the costs of acquiring land both compulsorily and under option together with rental costs of leased land throughout the build phase. The budget has accordingly made substantial provision for land costs and compensation claims.
- 14.3 The Development has been funded by private equity to date. In order to undertake construction of the Development borrowing in the form of commercial debt and the investment of further equity will be required.

Currently QBC holds a majority shareholding in the Applicant. In order to meet the capital cost of the Development the Applicant will require to issue further shares, this may result in QBC no longer retaining its majority shareholding position. The Applicant has engaged in discussions with various institutions which demonstrate that the Development will meet the investment return hurdle rate and will be able to secure commercial funding at an acceptable cost.

14.4 The Applicant, on the basis of advice received from Bilfinger GVA, specialist compensation surveyors and valuers, determined that the maximum liability to compensation for land and rights which may be compulsorily acquired would be £19,000. The proposed Development Consent Order contains, at article 25 a requirement that this sum is secured for the benefit of affected landowners before any power of compulsory purchase can be exercised. As it is anticipated that Plot 65 currently included within the compulsory acquisition powers will be acquired by voluntary agreement, the Order seeks the flexibility to reduce the secured amount to reflect that. Such reduction will be subject to the written approval of the relevant planning authority in order to ensure that landowners and rights holders remain properly protected.

14.5 Bilfinger GVA were also retained to undertake an independent exercise to determine the scope and cost of blight exposure for the Development. This has been reassessed following the removal of plots from compulsory purchase. On the basis of this re-assessment, the Applicant has concluded that there are no potential blight plots remaining.

15 ABSENCE OF IMPEDIMENTS

15.1 A table showing all of the other consents and licences required to construct and operate the Development and setting out how the Applicant proposes to deal with each is attached at Schedule 1. It is considered that none of these other consents or licences represents an impediment to the delivery of the Development.

Grid connection

15.2 The Development will be connected to the electricity distribution network via a new electrical connection. This will be exported from an onsite substation to an offsite substation near Pentir. The provision and consenting of the grid connection will be determined at a later stage following options, appraisal and costing but will be undertaken either by the distribution network operator or an independent connection provider. Given that the grid connection route will run mainly along the adopted highway it is considered that this is not an impediment to the delivery of the Development. Further detail on the proposed grid connection statement is provided in the Grid Connection Statement (Document 7.01).

Commons Act applications

15.3 The Applicant has prepared applications for consent to execute works on the Common (section 38) and to deregister the parts of the Common where the development of the Development will permanently interfere with the rights of the commoners (section 16). These applications will be submitted shortly. As summarised herein the public benefit for the granting of such consent can be demonstrated and it is not considered that the need to obtain these other consents represents an impediment to the delivery of the Development.

16 CONCLUSION

16.1 The land and other interests, together with the suspension and extinguishment of matters affecting the Order Land, subject to compulsory acquisition in the Order represents the minimum level of interference reasonably required to facilitate the Development. The purpose of the powers of compulsory purchase for the Development in the Order justify interfering with the rights of those persons with an interest in the land proposed to be acquired. Furthermore, the land

identified to be subject to compulsory acquisition is no more than is reasonably necessary for that purpose and is therefore proportionate.

16.2 The need for the Development, suitability of the Order Land and the support for such projects in NPS EN-1 demonstrates that there is a compelling case in the public interest for the land to be acquired compulsorily. All reasonable alternatives to compulsory acquisition have been explored. The Applicant has clearly set out what each Plot of the Order Land will be used for and why it is required. Given the national and local need for the Development and the support for it found in policy, as well as the suitability of the Order Land, compulsory acquisition of the Order Land, other interests together with the suspension and extinguishment of matters affecting the Order Land identified by the Applicant for the Development is justified.

16.3 The requisite funds to meet any costs of land acquisition and compensation payable as a result of the use of powers of compulsory acquisition should the Development proceed, have been included in the budget for the Development.

16.4 The Applicant therefore respectfully submits, for the reasons explained in this Statement, that the inclusion of powers of compulsory acquisition in the Order for the purposes of the Development meets the conditions of Section 122 of the Act. For the reasons summarised in this Statement, the Applicant considers the Order to be within the necessary statutory powers and that a compelling case exists in the public interest which justifies the making of the Order.

17 FURTHER INFORMATION

Inspection of Documents

17.1 Hard copies of the Application may be examined at:

- (a) Gwynedd Council Headquarters, Castle Street, Caernarfon, LL55 1SE; and

- (b) Llyfrgell Llanberis Library, Capel Coch Road, Llanberis, LL55 4SH

17.2 Electronic copies may be inspected at:

- (a) Llyfrgell Caernarfon Library, Pavilion Hill, Caernarfon, LL55 1AS
- (b) Waunfawr Surgery, Liverpool House, Waunfawr, LL55 4AG
- (c) Llyfrgell Deiniolen Library, Tŷ Elidir, High Street, Deiniolen, LL55

Negotiation of Sale

17.3 The Applicant believes it is in contact with all relevant owners and occupiers. Owners and occupiers of property affected by the Order who believe they are affected but who are not in contact with the Applicant should contact Snowdonia Pumped Hydro;

By mail at: Snowdonia Pumped Hydro, FREEPOST Ceeda, 14 High Street, Yarm, TS15 9AE

or by email to: info@snowdoniapumpedhydro.com.

Compensation

17.4 Compensation for the compulsory acquisition of land is governed by statute. The Department of Communities and Local Government has published series of booklets on compensation which may be of interest to affected persons;

- (a) Booklet No. 1 - Compulsory Purchase Procedure;
- (b) Booklet No. 2 - Compensation to Business Owners and Occupiers;
- (c) Booklet No. 3 - Compensation to Agricultural Owners and Occupiers;
- (d) Booklet No.4 - Compensation for Residential Owners and Occupiers; and

-
- (e) Booklet No.5 – Reducing the Adverse Effects of Public Development: Mitigation Works.

17.5 Copies of these booklets are obtainable, free of charge, from:

Communities and Local Government Publications

Camberton House

Goldthorpe Industrial Estate

Rotherham S63 9BL

Tel: 0300 123 1124

www.gov.uk/government/collections/compulsory-purchase-system-guidance

Schedule 1 - Table of Additional Consents

In this table:

“Q1” means Quarry 1, known as Chwarel Fawr, lying within Work 1 and forming the site of the upper reservoir and dam of the authorised development.

“Q6” means Quarry 6, known as Glyn Rhonwy, lying within Work 4 and forming the site of the lower reservoir and dam of the authorised development.

Consent / Licence / Permit		Regulatory Regime	Consenting Authority	Status
1	Electricity Generation Licence	Electricity Act 1989	Office of Gas and Electricity Markets (OFGEM)	An exemption, as specified in the Electricity Act, has been submitted (19th March 2016)
2	Building Regulation approval	Building Regulations 2010	Gwynedd Council	Application to be made following granting of the DCO for the design of the power house.
3	European Protected Species Licences	Conservation of Habitats and Species Regulations 2010	NRW	A European Protected Species Licence will be required due to the presence of Lesser Horseshoe Bat in the tunnels. This has been approved (ref 61619). A European Protected Species Licence will also be required for the translocation of floating water plantain prior to construction if found within the working width for the spillway, this will be identified during

Consent / Licence / Permit	Regulatory Regime	Consenting Authority	Status
			pre-construction site investigation and a Licence sought if required.
4 Badger Sett Closure Licence	Protection of Badgers Act 1992	NRW	The Phase 1 Habitat Survey identified a badger sett within the Order Limits. Subsequent surveys have found no use during the works. A pre-construction survey will be undertaken and the appropriate will license obtained prior to construction.
5 Health and Safety related consents	Health & Safety at Work Act 1974 All other relevant legislation	Health & Safety Executive (HSE)	Applications to be made by the Principal Contractor before construction commences
6 Abnormal Loads For delivery of abnormal loads via the agreed delivery route	Road Vehicles (Authorisation of Special Types) (General) Order 2003	Department for Transport, Highways Agency, Gwynedd Council Highway Authority or police / bridge	This has not been sought within the DCO as this will be undertaken through the Construction Traffic Management Plan (Requirements 6 and 11). In addition, the appropriate applications will be made by the Contractor prior to construction commencing.

	Consent / Licence / Permit	Regulatory Regime	Consenting Authority	Status
			owners (if any and as appropriate)	
7	Section 61 consent Control of noise on construction site	Control of Pollution Act 1974	Gwynedd Council	Agreement on operational hours and working methods will be sought from Gwynedd Council, through the construction Noise Management Plan (Requirement 6) and pollution consent will be required for work outside normal hours outlined within the DCO Requirements.
8	Abstraction Licence	Water Resources Act 1991	NRW	An abstraction licence for the initial filling of the reservoir from Llyn Padarn has been approved by NRW on the 20 th July 2015 ref WA/065/0016/007 for up to 2000m ³ a day, a variation to this licence has been submitted (ref WPCC4512) and is due to be determined on 05 June 2016.
9	Consent must be obtained for electro-fishing and removal of caught fish.	Section 5(2) or, from January 2011, 27A of the Salmon and Freshwater	NRW	Consent required from Environment Agency prior to the commencement of electro-fishing if required. Preconstruction surveys will determine if fish are present

Consent / Licence / Permit	Regulatory Regime	Consenting Authority	Status
	Fisheries Act 1975		and electro fishing is required.
10 Approval for translocation of species	Wildlife & Countryside Act 1981	Gwynedd Council	Method statement to be agreed with NRW for the translocation of slowworms from within work areas 1, 3A, 3B and 4 inclusive.
11 Storage of materials within the floodplain	Land Drainage Act	NRW	Storage of materials should be outside of the floodplain as far as reasonable practicable but any requirement to store materials within the floodplain must be agreed with NRW.
12 Diversion of Public Rights of Way (PRoWs)	Section 257 of the Town and Country Planning Act 1990.	Gwynedd Council	Temporary closure and diversion of PRoWs during construction, and permanent diversion for Q1 in operation. To be secured through the DCO.
13 Flood Defence Consent	Section 109 Water Resources Act 1991 Section 28E Wildlife and Countryside Act 1981	NRW	For the installation of the pumping station and discharge / abstraction outlet. This has been submitted and approved by NRW ref NE2014LD130.
14 Common Land Applications	Commons Act 2006	Welsh Government	Consent from the Welsh Ministers will be required to de-register part of the common (supplying exchange land in

Consent / Licence / Permit		Regulatory Regime	Consenting Authority	Status
				return), and for temporary works on the common land at the Development. Applications have to be made in both cases. These applications are being prepared, but have not yet been submitted. Informal consultation has taken place to inform the application, some responses have been made by local residents and other interested parties, results of the consultation will be included in the application. The Applicant is working on an agreement with the commoners to reduce any potential impact. They are also progressing with a local land agent who is liaising with the welsh government to quantify any potential changes to any commons management scheme in place on the common and how best to deal with these during the construction period and operation.
15	Environmental Permit	Environmental Permitting Regulations	NRW	Should the water currently contained within Q6 be found to be contaminated

Consent / Licence / Permit		Regulatory Regime	Consenting Authority	Status
		2012		during preconstruction survey (Requirement 7 and 15), then prior to discharge the water will be treated. Permits to be sought as outlined in item 18 below.
16	Section 278	Highways Act 1980 / Town & Country Planning Act 1980	Gwynedd Council	It has been determined that the road improvements required to Ffordd Cefn Du will be carried out under a Section 278 Highways Act Agreement from the A4085 to Q1 and any improvements needed to the access from A4086 to Q6. This Agreement is being progressed with Gwynedd Council and the landowner (TCE).
17	Tree Felling Licence and Removal of Trees subject to Tree Preservation Orders (TPO)	Environmental Impact Assessment (Forestry) Regulations (1999) Town & Country Planning Act 1990	NRW	At Q1, forestry needs to be removed for public rights of way. Trees surrounding Q6 and Llyn Padarn are subject to a blanket TPO and are likely to be removed to facilitate the construction of the Development. This consent will be secured through the DCO.
18	Water Discharge Activity	Environmental Permitting Regulations	NRW	Separate permits to discharge are required for de-watering activities from both Q1 and Q6,

Consent / Licence / Permit		Regulatory Regime	Consenting Authority	Status
		2012		<p>scour valve discharge and any ongoing discharge required after the construction phase is completed. Applications have been submitted to NRW (ref WPC4518), these permits will be determined by 18/6/16)</p> <p>NRW have requested further information which is being provided by the Applicant by 27th April 2016.</p> <p>The request for information is likely to result in a delay to securing the consents, however determination is still likely to be before the Examination closes.</p>
19	Storage of Explosives	Explosives Regulations 2014	Health & Safety Executive	The Principal Contractor and their explosives expert will determine the license applicable for the storage of explosives and the security arrangements required.
20	Stopping Up and Diversion of Highways	Section 247 and 248 of Town & Country Planning Act	Secretary of State / Gwynedd Council / Gwynedd	Temporary stopping up will be required on Ffordd Cefn Du, Clegir Road (only during high risk activities such as blasting and excavation) and the

Consent / Licence / Permit	Regulatory Regime	Consenting Authority	Status
	1990	Highway Authority	internal Glyn Rhonwy Industrial Estate roads. No diversions are proposed. To be secured through the DCO. (Schedule 4)