

The Drax Power (Generating Stations) Order

Land at, and in the vicinity of, Drax Power Station, near Selby, North Yorkshire

Proposed Heads of Terms for a Development Consent Obligation



The Planning Act 2008
The Infrastructure Planning (Applications: Prescribed Forms and Procedure)
Regulations 2009 – Regulation 5(2)(q)

Drax Power Limited

Drax Repower Project

Applicant: DRAX POWER LIMITED
Date: May 2018
Document Ref: 7.1
PINS Ref: EN010091

Document History

Document Ref	7.1
Revision	001
Author	Abigail Sweeting
Signed	Date 18/05/2018
Approved By	Richard Griffiths
Signed	Date 18/05/2018
Document Owner	Pinsent Masons LLP

Contents

1	INTRODUCTION	1
2	DRAX'S PROPOSED POSITION REGARDING AREAS FOR MITIGATION BY WAY OF DEVELOPMENT CONSENT OBLIGATION	2
2.2	Apprenticeships	2
2.3	Local Employment Scheme	2
2.4	Heritage	4

1 INTRODUCTION

- 1.1.1 Drax Power Limited (the Applicant or Drax) is proposing to repower up to two existing coal-fired units (known as Unit 5 and Unit 6) with gas – this means the existing coal-fired units would be decommissioned and replaced with newly constructed gas-fired units utilising some of the existing infrastructure. Each unit, which is a new gas fired generating station in its own right and are termed Unit X and Unit Y, would comprise combined cycle gas turbine (CCGT) and open cycle gas turbine (OCGT) technology. Each new gas generating unit would use existing infrastructure, including the cooling system and steam turbines, and would each have a new capacity of up to 1,800 MW, replacing existing units each with a capacity of up to 660 MW. Each unit would also have a battery storage capability of up to 100 MW (subject to technology and commercial considerations). Should both units be repowered, the new gas-fired units / generating stations would have a combined capacity of up to 3,600 MW and a combined battery storage capacity of up to 200 MW (totalling a capacity of up to 3,800 MW) (the Proposed Scheme).
- 1.1.2 The Applicant is seeking consent for the flexibility to either repower one unit (i.e. construct a single generating station known as Unit X with up to 1,800 MW generating capacity and an up to 100 MW battery storage capacity) or to repower two units (two generating stations known as Unit X and Unit Y and each with an up to 1,800 MW generating capacity and each with its own up to 100 MW battery storage capacity). The decision as to whether Drax repowers two units and constructs two gas fired generating stations as opposed to a single unit is a commercial decision that can only be taken post any consent being granted.
- 1.1.3 As the Proposed Scheme will generate over 50 MW of electricity it is a nationally significant infrastructure project as defined in sections 14(1)(a) and 15 of the Planning Act 2008 (PA 2008) and requires a development consent order (DCO) from the Secretary of State. In accordance with the PA 2008, the application for the DCO will be submitted to the Planning Inspectorate, which will examine the application prior to the determination of the application by the Secretary of State.
- 1.1.4 The Proposed Scheme would be located within the area administered by Selby District Council (SDC) and North Yorkshire County Council (NYCC). Both SDC and NYCC consider that in order to make the Proposed Scheme acceptable in planning terms, development consent obligations should be secured within an agreement pursuant to section 106 of the Town and Country Planning Act 1990 (TCPA 1990).
- 1.1.5 This statement sets out the proposed heads of terms for such an agreement. Drax will progress discussions on these heads of terms with SDC and NYCC during the pre-examination process and will aim to complete the agreement prior to the end of the examination (so that the agreement can take into account any examination points, should any arise).

2 DRAX'S PROPOSED POSITION REGARDING AREAS FOR MITIGATION BY WAY OF DEVELOPMENT CONSENT OBLIGATION

2.1.1 There are two areas where Drax, in discussions with SDC and NYCC, considers that there is a need for development consent obligations:

- socio-economics. This is to ensure that the benefits of the Proposed Scheme are realised for the local community; and
- heritage. This is to respond to a request from Heritage England regarding the identified impact on Drax Abbey through the Environmental Assessment.

2.1.2 Drax therefore proposes a section 106 development consent obligation agreement covering the following:

2.2 Apprenticeships

- Should apprenticeship opportunities arise in respect of the construction, maintenance and / or operation of the Proposed Scheme, Drax will:
 - advertise such opportunities through its own website,
 - notify SDC and NYCC of the opportunities so that they may advertise the opportunities via their own portals;
 - notify local schools within the vicinity of the Site of the opportunities so that they may advertise the opportunities via their own portals; and
 - attend any career events held by local schools within the vicinity of the Site in order to promote the opportunities.

2.3 Local Employment Scheme

- Prior to commencement of the Proposed Scheme, Drax shall submit the Local Employment Scheme to the SDC and NYCC for approval. The following contracts will not be caught by the Scheme:
 - The main contract for the design, engineering, procurement, construction, installation, completion, commissioning and testing of the Proposed Scheme (the EPC Contract); and
 - The main contract for the provision of long term maintenance services consisting of parts, scheduled outage services and unscheduled outage services in respect of the Proposed Scheme (the LTSA Contract).
- Drax and SDC and NYCC shall work together to establish the initiatives set out within the Local Employment Scheme.
- Drax shall not commence the Proposed Scheme until the Local Employment Scheme has been approved by SDC and NYCC and Drax shall thereafter carry out the approved Local Employment Scheme until the Proposed Scheme is decommissioned in accordance with the Development Consent Order.

- Drax shall use reasonable endeavours to procure that the contractors engaged in the construction of the Proposed Scheme assist in the implementation of the Local Employment Scheme.
- For the avoidance of doubt, the Local Employment Scheme shall not require Drax, or any contractors, to award any contract for the construction or operation of the Proposed Scheme to any specific company.
- Drax shall implement the Local Employment Scheme in accordance with the timetable contained in the approved Local Employment Scheme **PROVIDED THAT** Drax may from time to time seek approval for revisions of the Local Employment Scheme from SDC and NYCC.
- Drax shall use reasonable endeavours to procure that the contractors engaged in the construction of the Proposed Scheme interview and, if appropriate, recruit suitably qualified applicants as part of the Local Employment Scheme including providing such assistance as is reasonably practicable to those contractors.
- Drax shall:
 - advertise invitations to tender for all contracts for the provision of services and materials to the Proposed Scheme in at least one local newspaper with a circulation in all areas within a 25 mile radius of the Site (save in respect of the EPC Contract and the LTSA Contract); and
 - invite at least two companies who have responded to an advertisement and whose principal offices are located within a 25 mile radius of the Site to tender for each contract in relation to the construction of the Proposed Scheme including in relation to the supply of materials and services
PROVIDED THAT nothing shall require Drax to award any contract for the construction or operation of the Proposed Scheme to any such company.
- Drax shall be under no obligation to invite any company or advertise any contract for the provision of services and materials where, to Drax's knowledge, there is no company within a radius of 25 miles of the Site that is capable of fulfilling any such contract **PROVIDED THAT** it notifies SDC and NYCC of the contracts to which this applies.
- Local Employment Scheme means a scheme setting out the details and mechanisms for securing the use of local labour contractors goods and services during the construction period and operational period of the Proposed Scheme including:
 - the measures that Drax will take in order to ensure that opportunities for local organisations to bid for contracts during the construction period are advertised locally;
 - the measures that Drax will take in order to ensure that opportunities for local organisations to bid for contracts during the operational period (for example for maintenance, waste, cleaning or security services) are advertised locally;
 - a requirement for Drax to notify SDC and NYCC when the procurement process for any construction contracts required during the construction period is due to begin in order to allow SDC and NYCC to advertise opportunities via any brokerage scheme that they may run;

- a requirement for Drax to notify SDC and NYCC when the procurement process for any operational contracts required during the operational period is due to begin in order to allow SDC and NYCC to advertise opportunities via any brokerage scheme that they may run;
- the anticipated number of local supplier days that will be hosted by Drax prior to and during the construction period;
- promotion of the Local Employment Scheme and liaison with contractors engaged in the construction of the Proposed Scheme to ensure that they also apply the Local Employment Scheme so far as is practicable having due regard to the need and availability for specialist skills and trades and the programme for constructing the Proposed Scheme;
- a procedure for monitoring of the Local Employment Scheme and reporting the results of such monitoring to SDC and NYCC including details of the origins, qualifications, numbers and other details of candidates; and
- a timetable for the implementation of the Local Employment Scheme.

2.4 Heritage

- Drax shall use reasonable endeavours to procure the installation of an interpretation panel on the public right of way (reference 35.47/6/1) passing between Drax Priory and the Proposed Scheme and at the Drax Visitors Centre, prior to the full commissioning of Unit X.
- The interpretation panel shall be designed to enhance the appreciation of Drax Abbey and shall be in accordance with Chapter 8 (Historic Environment) to the ES (document reference 6.1). Drax shall liaise with Historic England and North Yorkshire County Council (as the body responsible for the public right of way) in relation to the design, content and installation of the panel.