

VPI Immingham OCGT Project

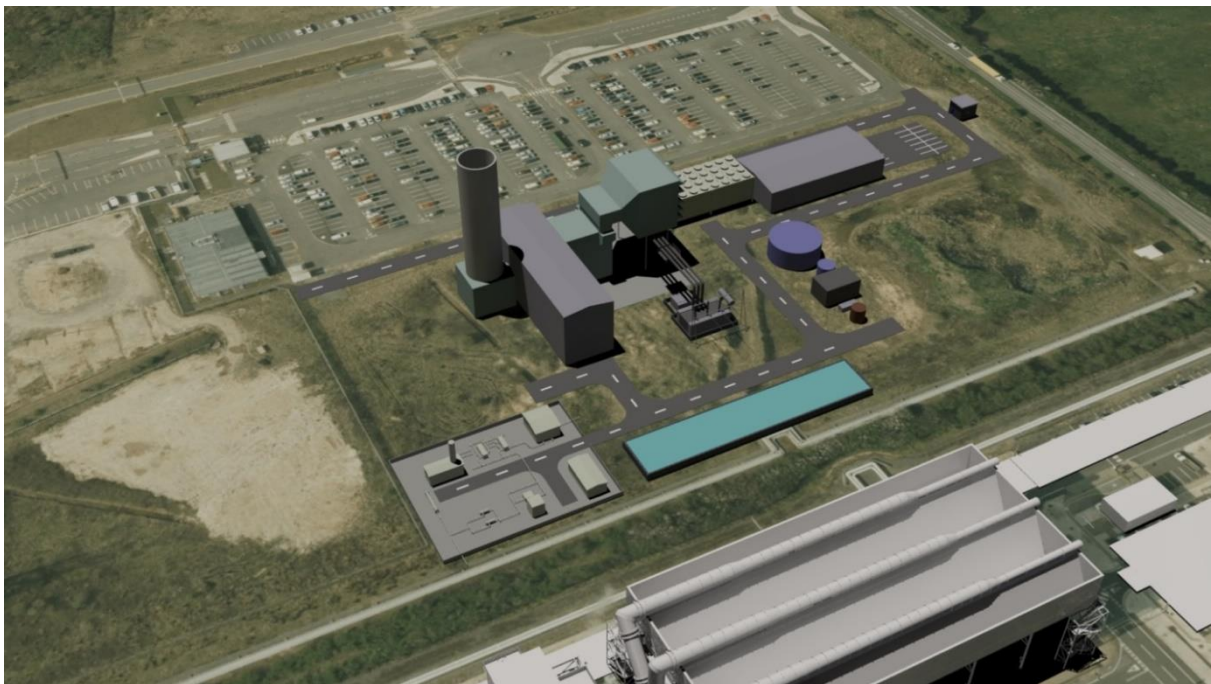
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The Immingham Open Cycle Gas Turbine Order

Land to the north of and in the vicinity of the VPI Immingham Power Station, Rosper Road, South Killingholme, Lincolnshire, DN40 3DZ

Statement of Common Ground with National Grid

The Planning Act 2008



Applicant: VPI Immingham B Ltd

Date: September 2019

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GLOSSARY

Abbreviation	Description
Access	Work No. 2 – access works comprising access to the OCGT Power Station Site and access to Work Nos. 3, 4, 5 and 6;
Access Site	The land required for Work No.2.
AGI	Above Ground Installation – installations used to support the safe and efficient operation of the pipeline; above ground installations are needed at the start and end of a gas pipeline and at intervals along the route.
AONB	Area of Outstanding Natural Beauty
APFP Regulations	The Infrastructure Planning (Applications: Prescribed Forms and Procedures) Regulations 2009
Applicant	VPI Immingham B Ltd
Application	The Application for a Development Consent Order made to the Secretary of State under Section 37 of the Planning Act 2008 in respect of the Proposed Development, required pursuant to Section 31 of the Planning Act 2008 because the Proposed Development is a Nationally Significant Infrastructure Project under Section 14(1)(a) and Section 15 of the Planning Act 2008 by virtue of being an onshore generating station in England of more than 50 Megawatts electrical capacity.
Application Documents	The documents that make up the Application (as defined above).
BEIS	Department for Business, Energy and Industrial Strategy.
CCR	Carbon Capture Ready – a power station is Carbon Capture Ready where it has been demonstrated that: sufficient space is available on or near the site to accommodate carbon capture equipment in the future; retrofitting carbon capture technology is technically feasible; that a suitable area of deep geological storage exists for the storage of captured CO ₂ ; transporting CO ₂ to the storage location is technically feasible and CCS is likely to be economically feasible.
CCS	Carbon Capture and Storage – an emerging technology that enables carbon dioxide produced by burning fossil fuels to be captured and permanently stored, usually in deep geological formations, removing up to 90% of the carbon dioxide that would otherwise be released to the atmosphere.
CEMP	Construction Environmental Management Plan – a plan to outline how a construction project will avoid, minimise or mitigate effects on the environment and surrounding area.
CHP	Combined Heat and Power – A technology that puts to use the residual heat of the combustion process after generation of electricity that would

Abbreviation	Description
	otherwise be lost to the environment.
CO2	Carbon Dioxide – an inorganic chemical compound with a wide range of commercial uses.
COMAH	Control of Major Accident Hazards – Regulations to ensure that businesses take all necessary measures to prevent major accidents involving dangerous substances.
CTMP	Construction Traffic Management Plan – a plan outlining measures to organise and control vehicular movement on a construction site so that vehicles and pedestrians using site routes can move around safely.
CWTP	Construction Workers Travel Plan – a plan managing and promoting how construction workers travel to a particular area or organisation. It aims at promoting greener, cleaner travel choices and reducing reliance on the private car.
DCO	A Development Consent Order made by the relevant Secretary of State pursuant to The Planning Act 2008 to authorise a Nationally Significant Infrastructure Project. A DCO can incorporate or remove the need for a range of consents which would otherwise be required for a development. A DCO can also include powers of compulsory acquisition.
EA	Environment Agency – a non-departmental public body sponsored by the United Kingdom government's Department for Environment, Food and Rural Affairs (DEFRA), with responsibilities relating to the protection and enhancement of the environment in England.
EIA	Environmental Impact Assessment – a term used for the assessment of environmental consequences (positive or negative) of a plan, policy, program or project prior to the decision to move forward with the proposed action.
Electrical Connection	Work No. 5 – an electrical connection of up to 400 kilovolts and controls systems.
Electrical Connection Site	The land required for Work No.5.
EMF	Electromagnetic fields – a physical field produced by electrically charged objects.
EPA	Environmental Protection Act
ES	Environmental Statement – a report in which the process and results of an Environmental Impact Assessment are documented.
Existing AGI	The exiting AGI within the Existing VPI CHP Site.
Existing AGI Site	The land comprising the exiting AGI within the Existing VPI CHP Site.
Existing Gas Pipeline	An existing underground gas pipeline owned by VPI LLP connecting the Existing AGI Site to an existing tie in the National Grid (NG) Feeder No.9 located to the west of South Killingholme.
Existing Gas Pipeline Site	The land comprising the Existing Gas Pipeline and a stand-off either side of it.
Existing VPI CHP Plant	The existing VPI Immingham Power Station. This facility is a gas-fired combined heat and power ('CHP') plant near Immingham providing steam and electricity to the neighbouring refineries and electricity to the National Grid.
Existing VPI CHP Plant Site	The land comprising the Existing VPI CHP Plant, located immediately to the south of the Main OCGT Power Station Site.

Abbreviation	Description
Flood Zone 1	Land with an Annual Exceedance Probability of less than 0.1% risk from fluvial flooding.
Flood Zone 2	Land with an Annual Exceedance Probability of between 0.1% and 1% risk from fluvial flooding.
Flood Zone 3a	Land having a 1 in 100 or greater annual probability of river flooding or land having a 1 in 200 or greater annual probability of sea flooding.
FRA	Flood Risk Assessment – the formal assessment of flood risk issues relating to the Proposed Development. The findings are presented in an appendix to the Environmental Statement.
Gas Connection	Work No. 4 – the new underground and overground gas pipeline
Gas Connection Site	The land required for Work No.5.
GT	Gas Turbines – a type of internal combustion engine, featuring an upstream rotating compressor coupled to a downstream turbine, and a combustion chamber in between.
GW	Gigawatts – unit of power.
HA	Highways Agency (now known as Highways England) – government owned company responsible for managing the strategic road network in England.
ha	Hectare – unit of measurement.
HGV	Heavy Goods Vehicle – vehicles with a gross weight in excess of 3.5 tonnes.
km	Kilometre – unit of distance.
Limits of Deviation	The lateral limits shown on the Works Plan submitted as part of the Application and within which the Proposed Development may occur.
LSE	Likely significant effect, a term used in the ES to describe when effects on a receptor are predicted to be significant
LVIA	Landscape and Visual Impact Assessment
LWS	Local Wildlife Site
m	Metres – unit of distance.
MW	Megawatts – unit of energy.
NATA	New Approach to Appraisal
NELC	North East Lincolnshire Council
NG	National Grid
NGET	National Grid Electricity Transmission plc
NLC	North Lincolnshire Council
NPPF	The National Planning Policy Framework – Policy Framework which was introduced in March 2012 and updated in July 2018. The NPPF is part of the Government's reform of the planning system intended to make it less complex, to protect the environment and to promote sustainable growth. It does not contain any specific policies on Nationally Significant Infrastructure Projects but its policies may be taken into account in decisions on DCOs if the Secretary of State considers them to be both important and relevant.
NPS	National Policy Statements – statements produced by Government under the Planning Act 2008 providing the policy framework for Nationally Significant Infrastructure Projects. They include the Government's view of the need for and objectives for the development

Abbreviation	Description
	of Nationally Significant Infrastructure Projects in a particular sector such as energy and are the primary matter against which applications for NSIPs are determined.
NSIP	Nationally Significant Infrastructure Project – Defined by the Planning Act 2008 and including projects relating to energy (including generating stations, electric lines and pipelines); transport (including trunk roads and motorways, airports, harbour facilities, railways and rail freight interchanges); water (dams and reservoirs, and the transfer of water resources); waste water treatment plants and hazardous waste facilities. These projects are only defined as nationally significant if they satisfy a statutory threshold in terms of their scale or effect. The Proposed Development is a NSIP.
NSRs	Noise Sensitive Receptors – locations or areas where dwelling units or other fixed, developed sites of frequent human use occur.
OCGT	Open Cycle Gas Turbine – a combustion turbine plant fired by gas or liquid fuel to turn a generator rotor that produces electricity.
OCGT Power Station	Work No. 1 – an OCGT power station with a gross capacity of up to 299MW.
OCGT Power Station Site	The land required for Work No.1.
Order limits	The area in which consent to carry out works is sought in the DCO, the area is split into different Work Numbers which are set out Schedule 1 to the DCO and shown on the Works Plans. The Order limits is the same area as the Site .
PA 2008	Planning Act 2008. An Act which provides the need for and the powers to apply for and grant development consent orders ('DCO') for nationally significant infrastructure projects ('NSIP').
PINS	Planning Inspectorate – executive agency of the Ministry of Housing, Communities and Local Government of the United Kingdom Government. It is responsible for examining applications for NSIPs, and reporting to the Secretary of State who makes a final decision on such applications.
PPG	Planning Practice Guidance – guidance expanding upon and supporting the NPPF.
Project Land	The land required for the Proposed Development (the Site) and the land comprising the Existing Gas Pipeline Site. The Project Land is the same as the 'Order land' (in the DCO).
Proposed Development	The construction, operation and maintenance of a new gas-fired electricity generating station with a gross output capacity of up to 299 MW, including electrical and gas supply connections, and other associated development.
PRoW	Public Right of Way
SAC	Special Area of Conservation – High quality conservation sites that are protected under the European Habitats Directive, due to their contribution to conserving those habitat types that are considered to be most in need of conservation.
Site	The land required for the Proposed Development, and which is the same as the 'Order limits' (in the DCO).
SoS	The Secretary of State – the decision maker for DCO applications and head of a Government department. In this case the SoS for the Department for Business, Energy & Industrial Strategy (formerly the

Abbreviation	Description
	Department for Energy and Climate Change).
SPA	Special Protection Area – strictly protected sites classified in accordance with Article 4 of the EC Birds Directive. Special Protection Areas are Natura 2000 sites which are internationally important sites for the protection of threatened habitats and species.
SUDS	Sustainable Urban Drainage System
SWMP	Site Waste Management Plan (SWMP)
TA	Transport Assessment
TCPA 1990	Town and Country Planning Act 1990 (as amended) – the Act that regulates the majority of development of land in England and Wales, but which is not directly applicable to this proposed development as it is a NSIP, regulated by the Planning Act 2008.
Temporary Construction and Laydown	Work No. 3 – temporary construction and laydown areas comprising hard standing, laydown and open storage areas, contractor compounds and staff welfare facilities, vehicle parking, roadways and haul routes, security fencing and gates, gatehouses, external lighting and lighting columns. There are three construction and laydown areas included in the Application.
Temporary Construction and Laydown Site	Land Required for Work No. 3.
TLOR	Total Lindsey Oil Refinery
TTWA	Travel to Work Area – statistical tool used by UK Government agencies and local authorities to indicate an area where the population would generally commute to a larger town or city for employment purposes.
Utilities and Services Connections	Work No 6 – utilities and services connections to the OCGT Power Station.
Utilities and Services Connections Site	The land required for Work No.6 – the land required for the utilities and services connections to the OCGT Power Station.
Vitol	Vitol Group – the owner of VPI LLP and VPIB.
VPIB	VPI Immingham B Limited – the Applicant
VPI LLP	VPI Immingham LLP – the owner and operator of the Existing VPI CHP Plant.
WebTAG	Web-based Department of Environment, Transport and Regions Document. Transport Analysis Guidance.
Work No.1	An OCGT power station (the ‘OCGT Power Station’) with a gross capacity of up to 299MW.
Work No.2	Access works (the ‘Access Site’), comprising access to the Main OCGT Power Station Site and access to Work Nos. 3, 4, 5 and 6.
Work No.3	Temporary construction and laydown area (the ‘Temporary Construction and Laydown’) comprising hard standing, laydown and open storage areas, contractor compounds and staff welfare facilities, vehicle parking, roadways and haul routes, security fencing and gates, gatehouses, external lighting and lighting columns;
Work No.4	An underground and overground gas pipeline (the ‘Gas Connection’) of up to 600 mm (nominal internal diameter) for the transport of natural gas to Work No. 1.

Abbreviation	Description
Work No.5	An electrical connection (the 'Electrical Connection') of up to 400 kilovolts and control systems.
Work No.6	Utilities and services connections (the 'Utilities and Services Connections').
WSI	Written Scheme of Investigation – a method statement or a project design to cover a suite of archaeological works for a site.

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1. INTRODUCTION

1.1 Overview

- 1.1.1 This Statement of Common Ground ('SoCG') (Application Document Ref: 8.5) has been prepared on behalf of VPI Immingham B Ltd ('VPIB' or the 'Applicant'). It relates to the application (the 'Application') for a Development Consent Order (a 'DCO') submitted to the Secretary of State (the 'SoS') for Business, Energy and Industrial Strategy under section 37 of the Planning Act 2008' (the 'PA 2008').
- 1.1.1 VPIB is seeking development consent for the construction, operation and maintenance of a new gas-fired electricity generating station with a gross output capacity of up to 299 megawatts ('MW'), including electrical and gas supply connections, and other associated development (the 'Proposed Development'). The Proposed Development is located primarily on land (the 'Site') to the north of the existing VPI Immingham Power Station, Rosper Road, South Killingholme, North Lincolnshire, DN40 3DZ.
- 1.1.2 A DCO is required for the Proposed Development as it falls within the definition and thresholds for a 'Nationally Significant Infrastructure Project' (a 'NSIP') under section 14(1)(a) and sections 15(1) and 15(2) of the PA 2008. The DCO, if made by the SoS, would be known as the 'VPI Immingham OCGT Order' (the 'Order').

1.2 VPI

- 1.2.1 VPI Immingham LLP ('VPI LLP') owns and operates the existing VPI Immingham Power Station, one of the largest combined heat and power ('CHP') plants in Europe, capable of generating 1,240 MW (about 2.5% of UK peak electricity demand) and up to 930 tonnes of steam per hour (hereafter referred to as the 'Existing VPI CHP Plant'). The steam is used by nearby oil refineries to turn crude oil into products, such as gasoline. The land comprising the Existing VPI CHP Plant is hereafter referred to as the 'Existing VPI CHP Plant Site'.
- 1.2.2 VPI LLP is a wholly owned subsidiary of the Vitol Group ('Vitol'), founded in 1966 in Rotterdam, the Netherlands. Since then Vitol has grown significantly to become a major participant in world commodity markets and is now the world's largest independent energy trader. Its trading portfolio includes crude oil, oil products, liquid petroleum gas, liquid natural gas, natural gas, coal, electricity, agricultural products, metals and carbon emissions. Vitol trades with all the major national oil companies, the integrated oil majors and independent refiners and traders. For further information on VPI LLP and Vitol please visit:
- <https://www.vpi-i.com/>
- 1.2.3 VPIB has been formed as a separate entity for the purposes of developing and operating the Proposed Development.

1.3 The Site

- 1.3.1 The Site is primarily located on land immediately to the north of the Existing VPI CHP Plant Site, as previously stated. Immingham Dock is located approximately 1.5 kilometres ('km') to the south east of the Site at its closest point. The Humber ports facility is located approximately 500 metres ('m') north and the Humber Refinery is located approximately 500m to the south.

- 1.3.2 The villages of South Killingholme and North Killingholme are located approximately 1.4 km and 1.6 km to the west of the Site respectively, and the town of Immingham is located approximately 1.8 km to the south east. The nearest residential property comprises a single house off Marsh Lane, located approximately 325 m to the east of the Site.
- 1.3.3 The Site comprises the following main parts:
- OCGT Power Station Site;
 - Access Site;
 - Temporary Construction and Laydown Site;
 - Gas Connection Site;
 - Electrical Connection Site; and
 - Utilities and Services Connections Site.
- 1.1.2 The Site is located entirely within the boundary of the administrative area of North Lincolnshire Council ('NLC'), a unitary authority. The different parts of the Site are illustrated in the Works Plans (Application Document Ref: 4.3).
- 1.1.3 The Site has been selected by the Applicant for the Proposed Development, as opposed to other potentially available sites, for the following reasons:
- it comprises primarily of previously developed or disturbed land, including land within the operational envelope of the Existing VPI CHP Plant Site;
 - it is situated in an industrial setting with few immediate receptors and is not particularly sensitive from an environmental perspective;
 - it is primarily located adjacent to the Existing VPI CHP Plant, which provides visual screening and synergies in terms of the existing workforce, and utilities and service connections;
 - it benefits from excellent grid connections (gas and electricity) on the Existing VPI CHP Plant Site; and
 - it benefits from existing highway accesses onto Rosper Road, with the latter providing a direct connection (via a short section of Humber Road) to the Strategic Highway Network (A160) a short distance to the south of the Site.
- 1.3.4 A more detailed description of the Site is provided in Environmental Statement ('ES') Volume 1 Chapter 3 'Description of the Site' (Application Document Ref: 6.2.3).

1.4 The Existing Gas Pipeline

- 1.4.1 In addition to the Site, the Application includes provision for the use of an existing gas pipeline (the 'Existing Gas Pipeline') to provide fuel to the Proposed Development. The Existing Gas Pipeline was originally constructed in 2003 to provide fuel to the Existing VPI CHP Plant. The route of the pipeline runs from a connection point at an above ground installation (the 'Existing AGI Site') within the Existing VPI CHP Plant Site to a tie in point at the existing National Grid ('NG') Feeder No.9 pipeline located to the west of South Killingholme.

- 1.4.2 A small part of the Existing Gas Pipeline Site lies within the administrative area of North East Lincolnshire District Council ('NELC'), the neighbouring local authority.
- 1.4.3 The Applicant is not seeking consent to carry out any works to the Existing Gas Pipeline and, as a result, it does not form part of the Site or Proposed Development. It is included in the Application on the basis that the Applicant is seeking rights to use and maintain the pipeline and it is therefore included within the DCO 'Order land' (the area over which powers of compulsory acquisition or temporary possession are sought). The area of land covered by the Existing Gas Pipeline, including a 13 m stand-off either side of it to provide for access and any future maintenance requirements, is hereafter referred to as the 'Existing Gas Pipeline Site'.
- 1.4.4 The Site and the Existing Gas Pipeline Site are collectively referred to as the 'Project Land'. The area covered by the Project land is illustrated in the Location Plan (Application Document Ref: 4.1).
- 1.4.5 The Existing Gas Pipeline has not been assessed as part of the Environmental Impact Assessment ('EIA') carried out in respect of the Application. This is on the basis that it is a pre-existing pipeline and the Applicant is not seeking consent to carry out any works to it. Further explanation in respect of this matter is provided in ES Volume 1, Chapter 1 'Introduction' and Chapter 3 'Description of the Site' (Application Document Ref: 6.2.3).

1.5 The Proposed Development

- 1.5.1 The main components of the Proposed Development are summarised below, as set out in the draft DCO (Application Document Ref: 2.1):
- Work No. 1 – an OCGT power station (the 'OCGT Power Station') with a gross capacity of up to 299MW;
 - Work No. 2 – access works (the 'Access'), comprising access to the OCGT Power Station Site and access to Work Nos. 3, 4, 5 and 6;
 - Work No. 3 – temporary construction and laydown area ('Temporary Construction and Laydown') comprising hard standing, laydown and open storage areas, contractor compounds and staff welfare facilities, vehicle parking, roadways and haul routes, security fencing and gates, gatehouses, external lighting and lighting columns;
 - Work No. 4 – gas supply connection works (the 'Gas Connection') comprising an underground and/or overground gas pipeline of up to 600 millimetres (nominal internal diameter) and approximately 800 m in length for the transport of natural gas from the Existing Gas Pipeline to Work No. 1;
 - Work No. 5 – an electrical connection (the 'Electrical Connection') of up to 400 kilovolts and associated controls systems; and
 - Work No 6 – utilities and services connections (the 'Utilities and Services Connections').
- 1.5.2 It is anticipated that subject to the DCO having been made by the SoS and a final investment decision by VPIB, construction work on the Proposed Development would commence in early 2021. The overall construction programme is expected to

last approximately 21 months and is anticipated to be completed in late 2022, with the Proposed Development entering commercial operation later that year or early the following year.

- 1.5.3 A more detailed description of the Proposed Development is provided at Schedule 1 'Authorised Development' of the draft DCO (Application Document Ref: 2.1) and ES Volume 1, Chapter 4 'The Proposed Development' (Application Document Ref: 6.2.4).
- 1.5.4 The areas within which each of the main components of the Proposed Development are to be built are shown by the coloured and hatched areas on the Works Plans (Application Document Ref: 4.3).

1.6 The purpose and structure of this document

- 1.6.1 The purpose of this SoCG (see section 2 of this document) is to set out the agreement that has been reached between VPIB and National Grid Electricity Transmission Plc ('NGET') and National Grid Gas Plc ('NGG') in respect of the following matters relating to the Proposed Development:
- electricity grid connection;
 - land matters and the potential for interference with assets owned by NGET; and
 - gas connection.
- 1.6.2 In addition, this SoCG also sets out where matters remain to be resolved (see section 3 of this document).

2. MATTERS AGREED

2.1 Grid Connection

- 2.1.1 VPI LLP has an existing connection agreement with NGET in relation to the Existing VPI CHP Plant.
- 2.1.2 In November 2016, VPI LLP began discussions with NGET regarding the export of an additional 600 MW through the existing NGET substation on the Existing VPI CHP Site. NGET indicated that a connection would be possible and either a modification application or new application would need to be submitted to NGET to identify what, if any works would be required.
- 2.1.3 On 4 January 2017, VPI LLP submitted a draft Grid Modification Application to NGET for review pursuant to a formal Modification Application. NGET ratified the draft Modification Application and subject to detailed design data, indicated that a connection could be secured.
- 2.1.4 A formal application was not submitted by VPI LLP; however, through 2017 and 2018 NGET and VPI LLP continued dialogue with regard to potential projects and connection options at the NGET substation.
- 2.1.5 On 7 June 2018, VPI Immingham Energy Park A ('VPI EPA'), a sister company of VPIB, submitted a Modification Application for a 50 MW increase in VPI LLP's existing Transmission Entry Capacity ('TEC') to export power from a new gas fired power generating plant. This related to the proposed gas-fired power station adjacent to the Proposed Development, and which has been consented by way of a planning permission (Reference: PA/2018/918). NGET made a formal connection offer and on 12 September 2018 the offer was accepted, thereby entering into agreement to secure 50 MW TEC for VPI EPA.
- 2.1.6 On 14 January 2019 VPIB introduced NGET to the development of a 299 MW OCGT (i.e. the Proposed Development) and the desire to connect at the NGET substation on the Existing VPI CHP Site with a provisional connection date of October 2022. As there had been previous works to investigate a potential 600 MW connection, NGET was confident that a connection at the substation would be possible, however this could only be confirmed through a feasibility study.
- 2.1.7 NGET has undertaken an initial connection assessment which considered the current generation background and network's topology and has not identified any immediate issues with a new 299 MW generation plant connecting at Humber Refinery 400 kV substation. NGET has also confirmed that following submission of a formal application, full system studies will be completed to reflect the latest background generation which will enable the full extent of enabling works required to be identified and that a connection can be secured through a Grid Connection Application.
- 2.1.8 Following VPIB's submission of a Grid Connection Application, NGET will submit a Connection Agreement offer to VPIB which will comprise a Connection Agreement, a Construction Agreement, a connection date and technical details of the connection location and equipment to be installed.

- 2.1.9 Following VPIB's acceptance of the offer, NGET will begin procurement and planning works to provide a grid connection as agreed in the Connection Agreement. The required completion date for the connection work is Q4 2022, a date which both parties currently believe will be met.
- 2.1.10 If this Application is successful and a DCO is made for the Proposed Development, then the Applicant will grant or transfer such powers to NGET as are included in the Order that NGET requires to construct, operate and maintain the Electrical Connection Works.
- 2.1.11 The above is set out in the Applicant's Grid Connection Statement (Application Document Ref: 5.7).
- 2.1.12 It is agreed that suitable progress has been made in terms of obtaining a connection to the electricity grid and that NGET does not foresee any issues in facilitating the required connection.

2.2 Land Matters and Interference with Assets Owned by NGET and NGG

- 2.2.1 NGET benefits from a lease of the substation within the Existing VPI CHP Plant Site. The substation itself is excluded from the Order Limits but rights associated with the substation (such as access and other matters as set out in NGET's lease) are within the Order Limits. NGET also has overhead lines which are within the Order Limits. NGET had informed the Applicant that it intends to use the rights under that lease and their statutory undertakers' powers to connect the Electrical Connection to the NGET substation.
- 2.2.2 The Applicant is seeking to secure the necessary rights over all of the Order land by agreement in parallel with the Application. To the extent that rights are required from landowners or other parties (including statutory undertakers) for the construction and operation of the Proposed Development, the Applicant is working closely with them to seek to achieve this.
- 2.2.3 NGG has an AGI and high pressure gas pipeline within or adjacent to the Order Land, relating to the Existing Gas Pipeline. NGG does not have any apparatus or land within the Order Limits.
- 2.2.4 It is agreed that productive discussions have taken place in relation to protective provisions and a related agreement, but these are not yet agreed. The parties do not foresee any issues preventing them reaching agreement on these matters.

2.3 Gas Connection

- 2.3.1 VPI LLP has a Network Exit Agreement (NExA) with NGG for a connection to the National Transmission System (NTS) at the Existing VPI CHP Plant. The agreement has been in place since 2003 and provides for up to 2.8 GWh/hour of gas flow for the 1218 MW Existing VPI CHP Plant.
- 2.3.2 In November 2016, VPI LLP began discussions with NGG regarding the proposed construction of a new gas fired power plant adjacent to the Existing VPI CHP Plant Site. VPI LLP stated that the proposed plant would require up to an additional 1 GWh/hour of gas capacity supplied from the NGG network connection. A draft connection application was submitted to NGG in December 2016 to facilitate

discussion to determine if there is sufficient gas capacity at NGG Feeder No. 9 to supply the proposed new gas fired power plant.

- 2.3.3 Following application and through subsequent discussions, NGG confirmed that the existing NExA has a maximum connection of 4.6 GWh/hour meaning that up to 4.6 GWh/hour of gas can be accommodated through the connection at Feeder No. 9. This is more than the combined consumption of 3.8 GWh/hour and demonstrates the connection can accommodate the additional unit.
- 2.3.4 In June 2017, further discussions were held with NGG regarding possible connection and commercial arrangements of utilising the Existing Gas Pipeline in connection with the Proposed Development. NGG identified two commercial arrangements which are suitable for the Proposed Development, both of which require a modification to the existing NExA and additional metering to be installed. The metering would be on the Gas Connection i.e. Work No. 4.
- 2.3.5 Through discussions between May and July 2019, NGG confirmed that due to the Proposed Development connecting to the Existing Gas Connection, it will be classed as a Connected Systems Entry Point (CSEP) which will require a modification to the current VPI LLP NExA. NGG also identified that the reconfigured connection (with the addition of VPIB) would undergo a commissioning process to ensure that, for example, the metering and telemetry systems are working correctly.
- 2.3.6 The modification to the NExA would be completed through a formal application via NGG's Application to Offer 'A2O' process which can be completed within a few months. Installation of additional metering will be undertaken by VPIB during construction of the Gas Connection. The timing of the NExA modification will be agreed through ongoing dialogue with NGG to meet the Proposed Development commissioning date of quarter 4 2022. NGG have also informed VPI that they will also need to submit a Planning & Advanced Reservation of Capacity Agreement (PARCA) application if VPI wish to secure firm capacity for the additional capacity above the capacity obligation for the exit point, given the current obligation is 67 GWh/day whereas the combined requirement would be 76.8 GWh/day. VPI could opt to secure off-peak capacity as an alternative to make up the shortfall.
- 2.3.7 It is agreed that suitable progress has been made in terms of obtaining a connection to the gas grid and that NGG does not foresee any issues in facilitating the required connection.

3. MATTERS TO RESOLVE

3.1.1 The parties have yet not agreed the protective provisions and related side agreement to protect NGET's and NGG's land interests and apparatus in the event that the DCO is granted and implemented.

Signed.....

Name.....

On behalf of VPI Immingham B Limited

Signed.....

Name.....

On behalf of National Grid Gas plc and National Grid Electricity Transmission plc