BP'S RESPONSE TO ORSTED'S DEADLINE 1 SUBMISSIONS

CONTENTS

Deadline 2 submission

BP'S RESPONSE TO ORSTED'S DEADLINE 1 SUBMISSIONS

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1. INTRODUCTION

1.1 At Deadline 1, Orsted Hornsea Project Four Limited ("Orsted") submitted a joint position statement agreed between Orsted and BP Exploration Operating Company Limited ("bp") (document reference G1.29) (the "Position Statement").

1.2 The Position Statement was prepared to provide the Examining Authority ("ExA") for the Hornsea Project Four ("Hornsea 4") DCO Application with an overview of the ongoing technical discussion between the parties, which are taking place in relation to the potential or otherwise for coexistence between Hornsea 4 and the NEP project (both as described in that Position Statement) within an overlapping area of seabed ("the Overlap Zone").

1.3 Orsted and bp each separately appended (Appendices 1 and 2 respectively) to the Position Statement their individual positions with regard to the potential for coexistence between the two projects in the Overlap Zone, with bp's submission also including an alternative set of protective provisions to be included in the Hornsea 4 DCO (Annex 2 to Appendix 2), together with commentary on the same (Orsted's proposed equivalent protective provisions were included in Part 8 of Schedule 9 to the draft Hornsea 4 DCO).

1.4 bp does not propose to repeat the submissions it made at Deadline 1. This submission is provided to address the submissions Orsted made at Deadline 1 in its appendix to the Position Statement.

1.5 For ease of cross-reference, bp has adopted the same numbering and subject headings used in Orsted's submissions and has only responded where it has anything to meaningfully add to its initial submissions from Deadline 1 and/or further submissions are considered necessary to clarify the position for the ExA.

1.6 bp notes the ExA's published agenda for Issue Specific hearing ("ISH") 1 (for matters relating to the draft Hornsea 4 DCO) on 12 April 2022, and specifically agenda item 4(ii) which covers the protective provisions proposed by Orsted and bp with regard to the Overlap Zone. At Deadline 1, bp had requested an opportunity to participate at the subsequent ISH3 (on offshore environmental matters on 26 April 2022) and had anticipated that the ExA may first wish to hear and query the background/technical evidence and submissions regarding the interface between the parties' respective projects in the Overlap Zone, before then examining (with the benefit of that context) the drafting of the alternative protective provisions in the Hornsea 4 DCO at subsequent hearings. bp is of course happy to progress as the ExA considers appropriate and will attend ISH1 if requested; however, if the ExA is content to defer oral submissions and questioning on the interface in the Overlap Zone until ISH3, the drafting, effect and implications of the two sets of draft protective provisions could then be examined on a more fully informed basis. In the meantime, and cognisant of the fact that the ExA has had to publish its draft agenda for ISH1 without sight of the deadline 2 submissions, bp has provided further written submissions on both sets of protective provisions in sections 6 and 7 below. These

supplement the written explanation of bp's position on protective provisions in sections 12 to 15 of its Deadline 1 submissions.

1.7 For completeness, bp has also provided a response to the ExA's written questions CA.1.18 and INF.1.2 at Annex 1 to this Deadline 2 submission.

2. COMMENTS AGAINST SECTION 2 – BACKGROUND

2.1 *Orsted Submission, Paragraph 2.5* **–**

"On 25 January 2022 the Applicant and bp agreed (subject to certain conditions) to mutually waive certain obligations under the Interface Agreement to allow joint representations to be made for the purposes of obtaining necessary consents for Hornsea Four and the Carbon Storage Project (respectively). The Applicant continues to focus its efforts on progressing a commercial solution between the parties to ensure coexistence in line with its obligations under the Interface Agreement. The Applicant and bp have agreed to the disclosure of the Interface Agreement. The permission of the Crown Estate has also been requested."

2.2 bp's submissions at Deadline 1 set out why bp does not consider siting Hornsea 4 infrastructure above (or near to) its Endurance Store (as defined in Section 1.1 of bp's Deadline 1 submission) to be practically possible in a manner that maintains the viability and deliverability of the East Coast Cluster ("ECC") plan (as described in section 2 of bp's Deadline 1 submission); however, bp remains in discussion with Orsted to seek to reach a mutually acceptable resolution between the parties in relation to the interface between their respective projects in the Overlap Zone.

2.3 bp also set out in section 15 of its Deadline 1 submission why it was necessary for the Interface Agreement ("IA") to be disapplied in the protective provisions to be included in the Hornsea 4 DCO. We are continuing discussions with The Crown Estate (“TCE”) with a view to providing the ExA with a copy of the agreement, along with a summary of its terms and a fuller justification of its disapplication. It is anticipated that this further information will be provided at Deadline 3; however, in the interim, bp has elaborated upon its previous submissions in Annex 2 to this response.

3. COMMENTS AGAINST SECTION 3 – THE NEP PROJECT

3.1 *Orsted submission – section 3.4*

"The applications for the necessary consents for the offshore component of the NEP Project are still to be submitted. The Applicant understands the application to be at the scoping stage with the Environmental Statement to be submitted to BEIS (OPRED) in quarter 2 2022. The Applicant expects to be fully consulted (in line with the obligations under the Interface Agreement) as part of the public consultation process."

3.2 To confirm, it is presently anticipated that the necessary consents for the offshore component of the NEP project (the environmental impact assessment (“EIA”)/ environmental statement (“ES”) and storage permit application) will be submitted to BEIS (Offshore Petroleum Regulator for Environment and Decommissioning ("OPRED")) in September 2022 and to the Oil and Gas Authority ("OGA") in November 2022 respectively.

3.3 The offshore consenting process for CCUS is a different consenting process to that for obtaining a development consent order for ’nationally significant infrastructure’ under the Planning Act 2008; however, it is expected to result in a final decision on a similar timescale to the corresponding DCO application for the onshore components of the NEP project (the "Net Zero Teesside DCO") (discussed in section 7.5 below) and so will not represent a delay to the overall programme. bp anticipates that once it submits the ES as part of the application for approval in September 2022, a formal stakeholder engagement

process will take place at some point between December 2022 and April 2023, with a final determination in May 2023. The decision on the storage permit is expected in June 2023.

3.4 bp carried out an informal scoping consultation in respect of the proposed EIA for the offshore elements of the NEP project in September and October 2021. Orsted were consulted as part of this exercise and submitted their comments to bp in return. bp will have regard to Orsted's comments in finalising its application and accompanying ES and will continue to consult with Orsted as part of the necessary consent process in line with the extant obligations under the IA and the relevant statutory regulations.

4. COMMENTS AGAINST SECTION 4 – HORNSEA FOUR OFFSHORE WIND FARM

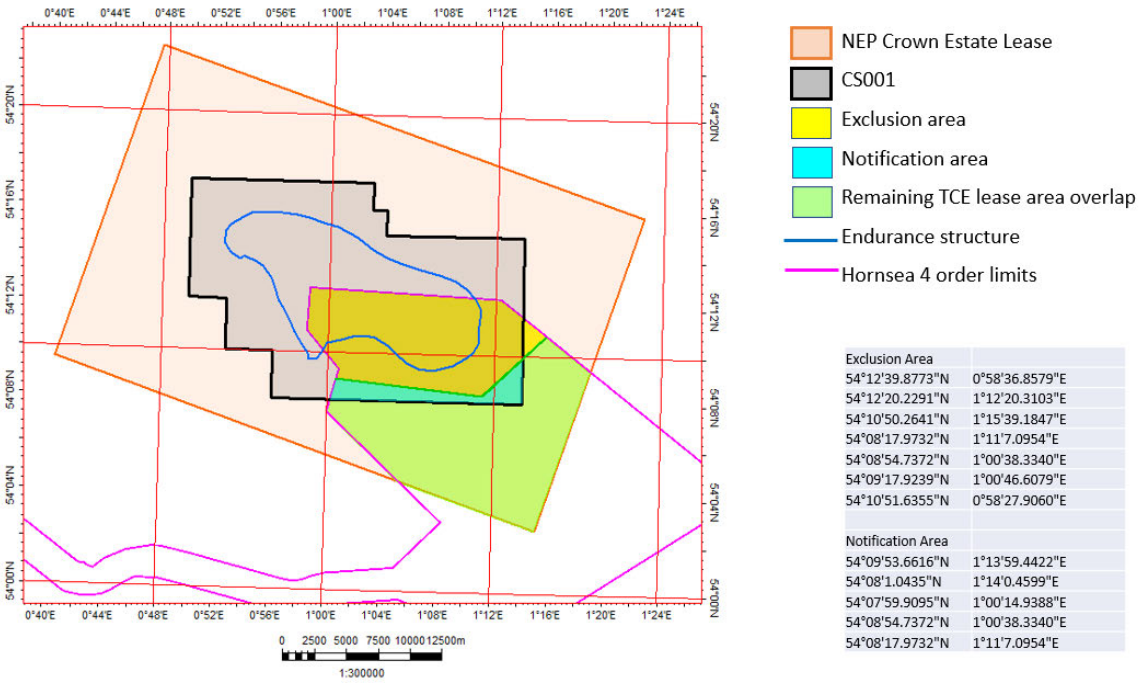
4.1 *Orsted submission – section 4.2.1*

"The area of overlap of the Hornsea Four red line boundary has been reduced to avoid the significant impacts upon ornithological and navigational receptors. In the interim bp have optimised the area required for the CO2 store. The remaining Overlap Zone therefore is as a result of both projects independently optimising their projects within the known constraints and as a consequence of the significant impacts identified. The objective of the Applicant is to avoid or mitigate or compensate (in that order) for all significant impacts. In the case of the NEP Project the Applicant is confident that the impact upon the NEP Project can be mitigated. It is understood pursuant to bp's proposed protective provisions that the objective of bp is to force exclusion so that the Applicant cannot locate turbines in the Overlap Zone rather than focus upon mitigating the impact of either project upon the other."

4.2 Section 5 of bp's Deadline 1 submission explained the background to and evolution of the overlap between the NEP project and Hornsea 4. bp is sympathetic to Orsted's other environmental constraints within its AfL area which has affected their DCO red line boundary and is not criticising those decisions; however, the factual reality is that such decisions have increased the extent of the overlap between the projects.

4.3 In contrast, Section 10 of bp's Deadline 1 submission explains how, through regular technical collaboration with Orsted, bp has refined the area required for NEP's seismic monitoring. This represented a 27% reduction from the original programme, so minimising insofar as possible the extent of the overlap between the respective projects. bp's position is that further technical optimisation is not feasible and the minimum area over which Hornsea 4 infrastructure must be prohibited is that shown as the 'Exclusion area' in Figure 8 of bp's Deadline 1 submission and that referenced in bp's proposed protective provisions (Annex 2 of bp's Deadline 1 submission) (such figure repeated below for ease of reference). To note, a minor update to bp's proposed protective provisions and the corresponding protective provisions plan is included at Annex 3 of this Deadline 2 submission (with explanation for the changes provided at paragraph 2.2 of Annex 2 to this Deadline 2 submission).

Figure 8 from bp's Deadline 1 submission:



4.4 As can be seen from Figure 8, the Exclusion area represents a sub-part of the wider Overlap Zone (with the residual area shown in green). Under bp's proposed solution, Orsted are free to develop in the residual part of the Overlap Zone. For clarity, the Overlap Zone is the totality of the area over which the NEP project's Agreement for Lease area (shown shaded in orange in Figure 8) overlaps with the Hornsea 4 order limits (shown delineated in pink in Figure 8).

4.5 For the reasons set out in bp's Deadline 1 submission (and elaborated upon further in section 5 below), this mutual exclusivity is the only practical solution to enable both projects to come forward. The absence of a viable technical solution means it is not possible to otherwise mitigate their impacts upon one another.

5. COMMENT ON SECTION 5 - STATUS OF DISCUSSIONS

5.1 Orsted make a number of different representations in this section of their submission, which generally can be categorised as either submissions on (i) the technical report bp included as Annex 1 to its Deadline 1 submission and why the conclusions of Orsted's alternative technical report, separately appended to their Deadline 1 submission, should be preferred and (ii) the potential solutions/mitigations available as a result and their interaction with NEP's regulated model and consenting regime. bp has responded in turn to these submissions below.

Response to Orsted's submission on the respective technical reports

5.2 As noted in section 8.6 of bp's Deadline 1 submission, bp considers Orsted's technical report to be consistent with and complementary to the conclusions reached in bp's technical report.

5.3 bp is preparing a separate response to Orsted's technical report which it intends to submit at Deadline 3. However, to highlight and address some of Orsted's supporting narrative from its Deadline 1 submission on this matter:

5.3.1 Whilst a number of submissions are made, the key concession to note is that set out in Section 5.10 which confirms "*the Applicant acknowledges that neither the NEP Overlap Report nor the OREC Co-location Review offer a clear and final solution for the technological considerations and uncertainties of the Endurance*

development, but that is not to say a solution will not be found in the future. As set out above more time is required to find that…". Both parties are aligned that there are no proven technologies that allow for co-existence in the same area of seabed. NEP is targeting its final investment decision ("FID") in 2023 (in order to start construction and enable CO2 injection to commence from 2026 as required by the ECC plan) and it is not realistic for any new robust and reliable solution to come forward within this or a comparative timescale. As set out in section 9.6 of bp's Deadline 1 submission, even if trials of new technologies were implemented today, it would take a number of years to obtain the requisite data to ensure the project could be progressed in reliance on them (noting the regulatory requirements set out in Section 9 of bp's Deadline 1 submission). To confirm, proving the use of new technologies for CO2 measurement, monitoring and verification that meet regulatory requirements will require extended field trials on an operational site to generate the requisite data that will evidence suitability and confidence in replacing existing best available technologies. The problem is further compounded by the NEP project's status as a first-of-a-kind ("FOAK") CCUS development, which means there are no other equivalent sites or developments in the UK that can be used as an analogue to trial and prove alternative solutions.

5.3.2 In section 5.7, Orsted note their willingness to have joint discussions regarding timescales for emerging technology and query bp's assertion of the length of time required for such maturation. To confirm, bp agrees that the emerging technology should continue to be developed and tested and bp has invested in several of the most promising solutions. However, for the reasons articulated above and section 8.5 of its Deadline 1 submission, the development and maturation of the necessary technology is not credibly capable of being delivered in time to facilitate a solution between Hornsea 4 and the NEP project and it is accordingly inappropriate to hold up the delivery of one or both schemes by a number of years in the unrealistic hope that a new solution will emerge.

5.3.3 In sections 5.8 and 5.8.1, Orsted have set out their understanding of bp's approach to and timing for the acquisition of seismic data. In particular, they have queried bp's assertion that the same methodology to obtain such data must be deployed through the lifetime of the NEP project and/or whether an alternative form of technology could be used to inform future surveys if proven. To clarify, repeatability in seismic acquisition is paramount in generating reliable time-lapse images necessary to evidence the CO2 migration within the reservoir. bp has addressed the unique location and geological reasons why 4D vessel towed streamer seismic acquisition is accepted as providing the requisite standard of repeatability and quality of imaging, and the extent and implications of its superiority in those respects when compared to all other known hybrid solutions. Before the regulator would approve any alternative technologies as a replacement for 4D towed streamer seismic acquisition, there would need to be evidence of the successful operational deployment of the technology in question, combined with a demonstration that sufficient mitigation was in place to address risk and post decommissioning liability. If that were to be achieved at some future point, the technical regulator may consider a variation in the monitoring plan under the storage permit. As matters stand, however, there is no acceptable and reliable alternative to 4D vessel towed streamer seismic acquisition.

5.3.4 In section 5.3, Orsted state that parallels can be drawn with their experience working with a number of oil and gas operators in the vicinity of Hornsea 4. bp does not consider these interactions to be comparable as they relate to existing fixed/operational developments with corresponding regulatory certainty. As

explained extensively in bp's Deadline 1 submission and elaborated upon in this submission, neither of those criteria apply to the NEP project.

5.3.5 In section 5.9, Orsted refer to the potential for a sparser turbine layout to mitigate access issues. Whilst bp acknowledges the conceptual principle that fewer turbines can reduce access constraints, this does not provide a practical answer to the access issues in the current circumstances as the locations (and thus the associated corridors) of the wells can only be determined progressively over time as CO2 injection takes place, monitoring occurs and data is acquired concerning the migration and settlement of the CO2 plume (as described in Section 6 of bp's Deadline 1 submission). The inevitable lack of certainty at this stage of the NEP project development means there is no basis from which a sparser layout could be assessed or approved and so this does not represent realistic mitigation that can be relied upon.

Response to Orsted's submissions on the proposed solutions and NEP's regulated model

5.4 bp explained in Section 8 of its Deadline 1 submission why co-location of the Hornsea 4 infrastructure above and near to the Endurance Store (as defined in Section 1.1 of bp's Deadline 1 submission) is not presently viable from a regulatory perspective. Orsted state in Section 5.8.3 of their submission that "*OBN seismic monitoring and short offset towed streamers are available today. The focus therefore is the application of acquiring seismic data for CCUS utilising this existing technology*". As set out in section 5.3 above, whilst it is true that such alternative technologies exist today, they have not been demonstrated to be robust and reliable in field tests or in operation for CO2 monitoring, and thus suitable for approval by the regulator and as the basis for investment in this FOAK project. Orsted accept that the use of such technology is not proven and bp has elaborated further in this submission (section 5.3) why that will not change in the timescales required to enable the NEP project to remain viable in accordance with the ECC plan.

5.5 bp has had extensive engagement with BEIS and the OGA to determine the level of certainty required for the acquisition of seismic surveys, both from the perspective of the regulator of the Carbon Dioxide Appraisal and Storage Licence CS001 that covers the Endurance Store (the “Storage Licence”) and the future investment model. Those discussions have informed bp's proposed development of the NEP project and the submissions made in the Hornsea 4 examination to date. Any alternative approach to that advocated by bp would be purely speculative, which is particularly inappropriate considering the NEP project's position as a FOAK project and the need to ensure there is confidence in the safety of its operations.

5.6 As the regulatory landscape for CCUS continues to evolve, the need for a robust approach to safety will not change, nor will the requirement for it to be informed by use of the best available technology. Whilst cost is a relevant factor (noting Orsted's submissions at section 5.8.2), it is these other factors, that will remain determinative in the future. Further technical investigation and discussion/collaboration with the regulator and Government will no doubt benefit projects in the future; however, there is no scope for further material evolution/change in a timescale that could influence the interface solutions relevant to the NEP project and Hornsea 4 and so project separation is, and will remain, required to enable the NEP project to be delivered in accordance with the ECC plan.

5.7 However, it should also be noted that, in the event that bp is incorrect in its submissions and a robust and reliable technical solution does come forward in unforeseen and unprecedented timescales, bp's protective provisions do not preclude the use of such technology. They are stated to apply unless otherwise agreed between the parties and so

in circumstances where such a solution was to become available, then the provisions could be varied as necessary in view of the same.

5.8 In Sections 5.11 and 5.11.1, Orsted discuss the implications for the Hornsea 4 project were they to be unable to develop in the Overlap Zone. As set out above, bp's proposed protective provisions do not propose to preclude development across the entirety of the Overlap Zone, but rather a sub-part of it – the 'Exclusion Area' defined in bp's protective provisions. It is unclear whether Orsted's figures are representative of the Exclusion Area, or the wider Overlap Zone; however, in any case bp queries the numbers/conclusions provided.

5.9 Orsted suggest in section 5.11.1 that the reduced project area would result in the loss of 45 turbines resulting in a project capacity of 630mw to 675mw depending upon whether a 14MW or 15MW turbine is deployed. It is assumed this was meant to read a project capacity reduced by 630MW to 675MW as there would still appear to be a residual project capacity of approximately 1.9GW (assuming 135 turbines at a 14MW size). Whilst accepting this is less than the current proposed project capacity and secured grid capacity, it would still represent one of the largest offshore wind farms consented globally to date and provide a significant contribution to UK's net zero targets. By way of illustration, Dogger Bank wind farm is presently the largest offshore wind farm proposed to be installed in the world – each of its three phases will have an installed capacity of 1.2GW. Taking the residual capacity of Hornsea 4 of 1.9GW would still make it the largest single phase offshore wind development in the UK and one of the largest in the world. The alternative, allowing Orsted to build their full project extent, would come at the cost of sacrificing the ability to develop the UK's largest and best appraised CO2 store and represent a major obstacle to achieving the UK's CCUS requirements.

6. COMMENTS ON SECTION 6 – THE APPLICANT'S PROPOSED PROTECTIVE PROVISIONS

6.1 Orsted have included draft protective provisions for the benefit of bp (as current holder, together with Carbon Sentinel Limited and Equinor New Energy Limited of the Storage Licence) in Part 8 of Schedule 9 to the draft DCO for Hornsea 4.

6.2 Consistent with their submissions, the Orsted protective provisions are based on the premise that coexistence in the whole of the Overlap Zone is possible and that providing some limited additional time to allow for technology to mature will facilitate this (section 6.3).

6.3 Orsted also suggest that their protective provisions should be preferred as they allow for a decision as to which project should be prioritised in the Overlap Zone to be deferred until after a decision is made on the Hornsea 4 DCO application, arguing this would be undesirable at an early stage in project development (section 6.4).

6.4 As can be seen from the submissions above, bp does not agree that co-existence in the Exclusion Area is possible, nor that there will be sufficient maturation in the technology within the necessary timescales to change that. As such, it is plainly not appropriate or desirable to defer the necessary decision(s) as to which project should be prioritised in the public interest in the Exclusion Area to a future point outside of the Hornsea 4 DCO application. The issues are sufficiently crystallised now, with no realistic prospect of material changes to the decision-making landscape in the timescales envisaged by Orsted's protective provisions.

6.5 Further, it is also considered essential in the public interest for the Secretary of State for BEIS ("SoS") to be the ultimate decision-maker on such issues, having had the benefit of the ExA's scrutiny of the submissions made in the Hornsea 4 examination (which would not be available were the decision to be deferred), and in view of the macro-economic and policy issues involved that the SoS is best placed to adjudicate on. If it is necessary to decide which project should be given priority in the proposed Exclusion Area, that decision

must properly be made by the SoS in the public interest following an examination of the relevant issues held in public in which all interested parties may participate. The alternative, as envisaged by Orsted's protective provisions, would seem to inevitably default to this important decision as to where the public interest lies being taken by an appointed expert (or indeed the Courts) who would not be democratically accountable, and would inevitably be reaching any decision with a more limited context and through a more narrow prism.

6.6 It is for these fundamental reasons that bp does not consider the Orsted protective provisions to offer an effective solution to resolve the interface between the projects in the Overlap Zone and why bp's alternative provisions should be preferred (as set out in paragraphs 12, 13 and 15 to bp's Deadline 1 submission and discussed further in response to Section 7 below). However, and without prejudice to bp's primary position articulated above, bp has also offered additional comment against specific principles/provisions within Orsted's draft protective provisions below for completeness:

6.6.1 As noted in Section 6.2(i) of Orsted's submission, the effect of their protective provisions is conditional on the Licence (as defined) having not been terminated and the necessary consents for NEP having been obtained within three months of the Hornsea 4 DCO having been made (paragraph 2 in Part 8 of Schedule 9 to the DCO). It is inappropriate to condition the effect of the provisions by a time limit linked to the award of the Hornsea 4 DCO, which could inadvertently create a situation where a minor delay to the NEP project consenting process (e.g. as a result of the relevant authority requiring more time in which to obtain and consider further submissions) leads to Orsted being unfettered in their ability to construct within the Overlap Zone, in a manner that the decision-maker had not considered at the time of making the DCO. The time conditionality should be deleted.

6.6.2 The construct of the provisions envisages the works within the Overlap Zone being conditional on a Coexistence and Proximity Agreement(s) having been entered into, or it having been agreed between the parties that one is not required (paragraph 4). This Agreement would be informed by a Plan of the Licensee's Works (as defined) to be requested by Orsted, with the provisions also allowing for Orsted to notify the Licensee if it considers the plan provided insufficient detail of various aspects of the Licensee's Works (as defined), including that they had been minimised to avoid adverse effects on Orsted's works (paragraph 8). Importantly, again the central protection of the protective provisions would be removed if "*the plan of the Licensee's Works or additional detail provided pursuant to paragraph 8 above provides insufficient detail for the purposes set out in paragraph 4 above"* (paragraph 9). It is unclear who makes the determination as to the sufficiency of the detail provided, but in any event, it is not appropriate for the provisions to be conditioned in this way. At the very least, the provisions would need to be structured to be reciprocal such that bp could request additional detail from Orsted with no opportunity for Orsted to commence works in circumstances where insufficient detail had been provided. It would seem likely that the dispute resolution provision would need to be expressly applied to any dispute arising in relation to this process given the importance of the issue.

6.6.3 Paragraph 10 specifies what the Coexistence and Proximity Agreement must take account of. If such an agreement is required then bp would also expect that to include factors such as the objectively assessed ability of the Undertaker to site or design the Undertaker's Works in accordance with relevant industry standards and regulations to avoid any adverse effects on the Licensee's Works and the potential commercial implications of the same.

6.6.4 Paragraph 11 sets out the arbitration process to be followed in circumstances where (i) no Coexistence and Proximity Agreement is concluded or (ii) the parties

have not agreed whether paragraph 5 applies within the period specified in paragraph 7. It is not clear what additional circumstance the second limb of this provision is proposed to cover; however, in any case, bp considers the provision should more generally cover issues arising under these protective provisions (as discussed above) and it would seem sensible to just condition the provision such that it applies in circumstances where no agreement has been reached and allow either party to refer the matter for expert determination. Depending on the nature of the dispute referred, bp has significant reservations regarding the practicality of an expert being appointed to determine a dispute which may be highly technical in nature, with no precedent and involving two very different sectors, particularly if matters of compensation and/or financial viability were also being considered. We do not consider that the suggested required experience of any potential arbitrator set out in paragraph 11(b) would be sufficient to enable the arbitrator properly to determine the fundamental issue of co-existence, given there is no direct reference to CCUS experience. As such, it would be more appropriate for all fundamental matters related to co-existence in the Overlap Zone to be determined by the SoS for BEIS, with different processes available for other tiers of dispute.

6.6.5 Paragraph 13 confirms the preservation of the IA and the primacy of its terms in the event of a conflict between it and the terms of the protective provisions. bp has advocated in response to section 7.2 below in Annex 2 of this submission why it is instead necessary to disapply the IA.

7. COMMENTS ON SECTION 7 – BP'S PROPOSED PROTECTIVE PROVISIONS

Response to in principle objections in paragraph 7.1 to the creation of an Exclusion Area

7.1 Section 7.1 of Orsted's position statement makes the following criticisms of bp's proposed Exclusion Area:

7.1.1 **Policy arguments**: It is not policy compliant, and that the *'UK's CCUS ambition is not a requirement of policy but an aspiration in recognition of the known risks in deployment*'. Orsted point to a line in the 6th Carbon Budget, in which the Climate Change Committee stated in December 2020 that: "*Industry must either adopt technologies that use electricity or hydrogen instead of fossil fuels or install carbon capture and storage.*" Orsted reads this as meaning that *'the deployment of CCUS should not be to the detriment of offshore wind which is relatively low risk, low cost and proven low carbon energy production.*'

7.1.2 **Sufficient time to explore technical solutions:** The imposition of an Exclusion Area is premature because there is sufficient time to explore initiatives which would facilitate co-existence.

7.1.3 **Premature due to the early stage of NEP**: The imposition of an Exclusion Area is premature because the future use of the Exclusion Area by NEP is uncertain. Evidence of this is said to be the fact that bp is only in the scoping stage, has not yet submitted its ES with regard to offshore infrastructure, and that the Net Zero Teesside DCO application has been delayed.

7.1.4 **Standby projects as alternative options**: The imposition of an Exclusion Area is inappropriate because the Government has standby projects in case the Track 1 projects (including the ECC to be delivered by NEP) cannot be progressed further 'to technical and/or commercial examination'. Furthermore, the

Government also announced the Scottish Cluster as a reserve cluster. Orsted's implication is that these could be promoted instead of the ECC.

7.2 bp has responded to each of these arguments below.

Policy arguments

7.3 bp set out in sections 2, 3, 4 10, 11 and 14 of its Deadline 1 submission its position with regard to the importance of the NEP project in delivering the Government's ECC plan. We will not repeat those submissions. However, bp does not read anything in the 6th Carbon Budget or elsewhere as suggesting that offshore wind should be preferred over carbon capture and storage because it is a more established technology. Both are needed. Where a choice falls to be made between the deployment of the two technologies in respect of an individual area of the sea bed, it is for the decision-maker to weigh the relative public interest considerations that arise in each instance (as identified in the sections of bp's Deadline 1 submission listed above).

Sufficient time to explore technical solutions

7.4 Please refer to the commentary above in response to sections 5 (Status of discussions) and 6 (The Applicant's proposed protective provisions) of Orsted's position statement.

Premature due to the early stage of NEP

7.5 The Net Zero Teesside DCO examination is expected to commence in May 2022. bp expects to submit its ES for the offshore elements of the NEP project in September 2022 and submit its storage permit application in November 2022. As noted above in Section 3.3, the offshore consenting process for CCUS is a different consenting process to that under the Planning Act 2008 for 'nationally significant infrastructure', and can be left until later in a project's development without giving rise to delay in the overall programme.

7.6 There is no proper basis on which to suggest that the NEP project is at too early a stage to justify the inclusion of protective provisions within the Hornsea 4 DCO which would safeguard the deliverability of the NEP project. The Hornsea 4 DCO examination runs from February 2022 to August 2022. bp therefore has only this window of opportunity to make its case to the ExA for the imposition of what it considers to be critical protective provisions. The SoS will not be required to make his decision until six months thereafter (by February 2023). By that stage the NEP project will be even further progressed, which will provide further reassurance in relation to its deliverability, should that be required.

7.7 Even in the unlikely event that the NEP project had been abandoned by that stage, the SoS would still need to consider whether to include something similar to bp's proposed protective provisions within the Hornsea 4 DCO in order to safeguard the future ability to utilise the Endurance aquifer for carbon capture and storage, whether by bp or alternative developers.

Standby projects as alternative options

7.8 The 6th Carbon Budget sets out the aim for 20-30 MTPA of CCUS capacity by 2030 through the development of four industrial clusters. In this context it is clear that the UK cannot afford to forego its largest and best appraised CO2 store, which will also act as a hub to enable the subsequent development of smaller nearby stores that could not be viably developed independently. Furthermore, the specific advantages associated with the location of the Endurance Store in close proximity to two of the UK's largest industrial clusters would further exacerbate the adverse impact of its loss. The reference to the Scottish Cluster as an alternative that allows the Endurance Store to remain unused is incorrect. The Government's clearly stated requirement is to develop four CCUS clusters by 2030 at the latest; the status of the Scottish Cluster is a reserve cluster in phase 1 of the CCUS cluster sequencing process that could, if necessary, be developed *before* the selected Track 1 clusters, not *instead of* them. Furthermore, development of the Scottish

Cluster would not meet the need to address the emissions from the industrial clusters on Teesside and the Humber.

Response to legal arguments in section 7.2 in relation to disapplication of the Interface Agreement

7.9 Section 7.2 of Orsted's submission sets out what amount to largely legal objections to the proposed disapplication of the Interface Agreement. These are responded to in the form of a note prepared by Herbert Smith Freehills LLP, included at Annex 2 to this submission.

8. COMMENTS ON SECTION 8 – UK POLICY SUPPORT FOR HORNSEA FOUR AND THE CARBON STORAGE PROJECT

8.1 bp confirms it agrees with the policy position put forward by Orsted in its Appendix 1.2 of its Deadline 1 submission and has no additional comment to make on this particular aspect.

ANNEX 1

bp's response to the ExA's 1st round of written questions

ExQ1	Question to:	Question
CA.1.18	Applicant The Crown Estate BP Endurance	**Burbo Bank DCO and the implications for Part 4 of the BoR [AS-002]** **Applicant:** Part 4 of the Book of Reference [AS-002] and the land plans [APP-210] only detail the onshore interests of the Crown Estate. Conclusions reached by the SoS in the Burbo Bank decision supported a recommendation from the ExA in that case, that where the sole interest of the Crown Estate in land forming part of the sea bed is in the area proposed to be granted to the OWF undertaker, the Crown interest in the sea bed need not be listed in Part 4 of the Book Reference. Given that there is an overlap between the licences granted by the Crown Estate for Hornsea 4 and those for the Endurance Aquifer, the circumstances applicable in the Burbo Bank decision would not appear to apply here. Please explain why Part 4 of the BoR does not itemise both of the offshore affected Crown interests? Can you explain what is the purpose and legal status of the Crown Land – Onshore and Offshore Plans [APP-221] ? **BP Endurance and The Crown Estate:** What is your understanding of the implications of the Burbo Bank decision for this Application? Do you consider that different circumstances apply in this case ie the BoR and land plans should be updated to identify the different interests in the Crown land that is the seabed?
	Bp Response	bp's understanding is that Part 4 of the Book of Reference is to specify the owner of any Crown interest in the land which is proposed to be used for the purposes of the DCO (Regulation 7(1)(d) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009). In that context, it is bp's understanding that to the extent it were necessary to record the offshore Crown interests in Part 4 of the Book of Reference, it would still only record the Crown's ownership interest and not any interest bp had in such land. To that end, bp considers this to be a question more appropriately

ExQ1	Question to:	Question
		answered by the Applicant and The Crown Estate. bp will consider the responses provided by these parties to this question at Deadline 2 and respond in turn at Deadline 3 where considered necessary or helpful. To confirm, bp has responded in its submissions at Deadline 2 to clarify its position with regard to the offshore interface issues between Hornsea Project 4 and bp's NEP project.
INF.1.2	Applicant	**Endurance Carbon Capture and Storage (CCS)** Chapter 11 of the ES [APP—023] acknowledges that in the absence of mitigation that the Proposed Development has the potential to effect Endurance CCS and it indicates that discussions with the promoters of this scheme are "on-going". Can you: i. Provide an update with regards to these discussions. ii. Indicate how the proposed mitigation referred to in the ES [APP-023, eg paras 11.11.3.10, 11.11.7.7 and 11.11.13.7] would be secured. iii. Advise how the conclusion that the impact on Endurance CCS would be negligible [APP023, paras 11.11.3.12, 11.11.7.9 and 11.11.13.13] was reached when the mitigation that might be required is currently unknown and, in any event, appears unsecured. iv. Explain what weight can be given to the conclusion that the impact on Endurance CCS would be negligible given that at this stage it would appear that the mitigation that might be required is unknown and, in any event, appears to be unsecured?
	bp Response	bp has responded in detail in the main body of its Deadline 2 submission regarding the current status of discussions with Orsted regarding the interface between the respective projects. In particular, bp has set out why it will not be possible for both projects to co-exist in the same area of seabed as Orsted have envisaged in the Hornsea 4 DCO application (including within their ES) and proposed protective provisions which secures the necessary separation between the projects. bp provided its comments on Orsted's approach to their ES insofar as it relates to the NEP project in section 16 of its Deadline 1 submission (Appendix 2 to the Joint Position Statement between Orsted and bp (document reference G1.29), and specifically highlighted the areas in which bp considers the assessment to be currently inadequate. bp would direct the ExA to those submissions in the first instance, but bp may wish to make further submissions at a future deadline in view of Orsted's response to this question.

ANNEX 2

bp's response to section 7.2 of Orsted's Deadline 1 submissions

1. INTRODUCTION

1.1 At Deadline 1, bp submitted as part of its joint position statement with Orsted, a copy of the protective provisions ("bp Protective Provisions") which it proposes should be provided within the Hornsea Project Four ("Hornsea 4") DCO for the protection of the Endurance Store (as defined in section 1.1 of bp's Deadline 1 submission).

1.2 As well as providing for an 'Exclusion Area' within which Hornsea 4 infrastructure should not be constructed, the bp Protective Provisions also (i) disapply a commercial agreement which is currently binding on bp, Orsted and the Crown Estate (the "Interface Agreement"); and (ii) provide that no claims for antecedent breach may be brought in respect of the Interface Agreement ("IA"). The relevant extract of the bp Protective Provisions is set out below:

> **Interface Agreement**
>
> 6. From the date of this Order, the Interface Agreement shall no longer have effect, and no claim for any damages may be made as a result of any alleged antecedent breach of the Interface Agreement prior to the date of this Order.

1.3 This note responds to the legal criticisms of bp's proposed disapplication of the IA, as set out in section 7.2 of Orsted's position statement, which was provided to the ExA in Appendix 1 of the 'Position Statement between Hornsea Project Four and bp' at Deadline 1 (document reference G1.29).

2. SUMMARY OF THE CASE MADE BY BP AT DEADLINE 1

2.1 Before addressing Orsted's criticisms of the bp Protective Provisions, and bp's response to these criticisms, we summarise below (to assist the ExA) the justification for disapplication of the IA as put forward by bp at Deadline 1:

2.1.1 The IA was put in place during the pre-feasibility stage of both developments, when it was considered that co-existence in the Overlap Zone would be possible. For all of the reasons set out in bp's Deadline 1 submissions, and elaborated further in bp's Deadline 2 response, bp has concluded that such co-existence is not viable.

2.1.2 Where it is possible for only one project to proceed in the Exclusion Area, the terms of the IA create the risk of significant future financial liability being incurred by Orsted or bp. The quantum of such a liability is not fixed or capped by the IA and has a wide range of uncertainty. In the case of the new CO2 Transportation and Storage Regulatory (TRI) regime being developed by the Government, it is quite possible that the regulator may 'disallow' any compensation payments bp, on behalf of the Northern Endurance Partnership ("NEP"), was required to make under the IA for the adverse effect of the proposed Exclusion Area on Hornsea 4. If the scale of such compensation payments were large it could render the NEP project uneconomic. The prospect of such costs falling to NEP investors (being disallowed by the regulator) may in itself stop those investors from progressing with the NEP project. Equally, the risk of such compensation payments arising is likely to deter debt funders.

2.1.3 The IA is therefore not appropriate in view of the unfeasibility of co-existence, and its terms now give rise to effects which are adverse to the public interest in the successful delivery of Government policy on the development of CCUS under the new TRI regime.

2.1.4 Disapplying the IA and replacing those of its provisions which remain relevant and appropriate with suitable protective provisions, gives the Secretary of State the

power to grant a DCO for the Hornsea 4 Project which enables both projects to be delivered viably side-by-side. This approach affords Orsted, bp, the ExA, and any other Interested Parties the opportunity to work together through the course of the DCO examination to make any changes or additions to the draft protective provisions which are considered necessary to strike an appropriate balance between the needs of the two projects in the context of the wider Government policy, and the desirability that both projects are facilitated.

2.2 Also as discussed in Section 15 of bp's submissions at Deadline 1 (Appendix 2 to the Position Statement), the bp Protective Provisions would prevent the parties to the IA claiming for antecedent breach of the IA, following the coming into force of the Hornsea 4 DCO. This provision is important because should the DCO be granted with provisions which prevent Orsted from developing Hornsea 4 infrastructure in the Exclusion Area, there is a risk that Orsted could take action against bp under the terms of the IA for bp seeking and obtaining such provisions (at a time when the IA existed and therefore was actionable, before its disapplication by the DCO). Therefore, should the Secretary of State be minded to disapply the IA via the bp Protective Provisions, it is important that its disapplication goes hand in hand with a provision which prevents action for antecedent breach. Without such a provision, there is a risk that bp's action in successfully putting forward protective provisions which restrict the Hornsea 4 development in the Exclusion Area could give rise to significant liability for the NEP project. There is a risk that such liability could render the NEP project unviable, thereby undermining the public interest benefits of disapplication. For this same reason, bp has proposed a minor change to the relevant paragraph 6 of its suggested protective provisions to confirm that, from the date of the Hornsea 4 DCO coming into effect, no award for damages may be made for any alleged antecedent breach of the IA prior to the date of the DCO. This is a minor clarification to the original drafting and is intended to remove any potential ambiguity as to its effect. Updated versions of the protective provisions, showing both that change and an update to the relevant coordinates (to correct previous mapping inconsistencies (confirmed in conference with Orsted)) in tracked-change, and copy of the Protective Provisions Plan (showing edits to include the Title, updated coordinates and remove references from the Legend which are not used in the protective provisions) are included at Annex 3 of bp's Deadline 2 submission.

3. ORSTED'S CRITICISM OF THE DISAPPLICATION OF THE INTERFACE AGREEMENT IN SECTION 7.2

3.1 In summary, Orsted's criticisms are as follows:

3.1.1 **Legal basis and justification:** That it would be an 'abuse of process' and 'as a matter of law ineffective' to disapply the IA via protective provisions. Orsted claim that it 'would not be appropriate for the Secretary of State to interfere with a private contract that has been in place since 2013. If changes are needed to the agreement these should be agreed by negotiation. bp has failed to justify the lawful basis of the proposed disapplication.

3.1.2 **Potential liability known since 2013:** The potential liability under the IA has been known about by those promoting the NEP project since the agreement was entered into in 2013, and this risk should have been factored into the financial modelling. The fact that the project has progressed this far suggests that the potential liability would not render the NEP project unviable.

3.1.3 **Nascent technology should not curtail offshore wind capacity:** The public interest in delivery of the NEP project (a 'nascent technology') should not outweigh the public interest in the Hornsea 4 Project.

3.1.4 **Views of the Crown Estate**: bp has not sought the views of the Crown Estate.

4. BP RESPONSE TO ORSTED'S CRITICISMS IN SECTION 7.2 OF ORSTED'S POSITION STATEMENT

4.1 In this section, we respond to each of Orsted's criticisms in turn:

Legal basis and justification

4.2 We recognise that seeking to disapply a commercial agreement of this sort via provision in a DCO is unusual and possibly unprecedented. However, as a matter of law it is clearly within the vires of the Secretary of State's powers under Section 120(3) of the Planning Act 2008, which authorises the Secretary of State to include any provision "*relating to, or matters ancillary to, the development for which consent is granted*". The existence and impact of an agreement which governs the relationship between the proposed Hornsea 4 Project and another project which forms a key part of the Government's energy and climate policy (the NEP project) is clearly in principle a matter which is related to the proposed DCO development.

4.3 It is therefore not a question of vires, but of bp successfully persuading the Secretary of State that such disapplication is justified in the unique circumstances of this case. That justification, as provided at Deadline 1 and summarised above, essentially relates to the risk that the existence of IA (and its compensation provisions in particular) could render the NEP project unviable.

4.4 This is clearly a 'material consideration' for the Secretary of State in planning terms when determining the Hornsea 4 DCO. It may be that when weighing up the impact on the NEP project against the arguments made by Orsted in relation to the impact on Hornsea 4, the Secretary of State decides (i) not to prevent Hornsea 4 infrastructure within the Exclusion Area (in which case the disapplication of the IA is not needed), or (ii) to prevent the delivery of Hornsea 4 in the Exclusion Area but not to disapply the IA. However, given the importance of the NEP project from a policy and public interest perspective, it is essential that the Secretary of State is aware that he has the option, by virtue of s120(3) of the Planning Act 2008, to disapply the IA should he consider this justified to avoid the risks to the NEP project.

4.5 In principle, of course, the parties to the IA could agree to set it aside and replace it with an alternative commercial agreement which did not jeopardise the viability of either project. Orsted and bp are seeking to find resolution to the issue and a mutually acceptable outcome through the ongoing commercial discussions. However, there is no certainty that agreement will be reached between the parties in the necessary timeframe. It is therefore vital that the ExA engages with the proposed bp protective provisions during the examination and is able to advise the Secretary of State of the full implications of disapplying or not disapplying the IA in circumstances where no commercial resolution has been reached between the parties by the end of the examination.

Potential liability known since 2013

4.6 It is correct to point out that by entering into the IA in 2013 the then parties to the agreement (including Carbon Sentinel Limited (an affiliate of National Grid plc) as the promoter of the White Rose CCS project utilising the Endurance Store) committed to the terms of that agreement, including its compensation provisions. However, as explained in bp's Deadline 1 submission, this was prior to the feasibility stage of both projects, at a time when it was considered that co-existence in the entirety of the Overlap Zone would be possible. As further explained in bp's Deadline 1 submission, following detailed engagement between the parties carried out in accordance with the terms of the IA, bp has concluded that such co-existence is not possible. bp's position is that the Exclusion Area is the minimum area over which Hornsea 4 infrastructure must be prohibited and that further optimisation is not feasible. This could not have been known, and was not known, by the White Rose promoters when the agreement was entered into. Since entering into the IA in 2013, the White Rose promoters had in fact completed various assessments which challenged the technical feasibility of co-existence including identification of the extent of the storage complex requiring towed streamer seismic monitoring. This information is publicly available in the key knowledge deliverables from the White Rose project published

by the Government[1]. Furthermore, the TRI regime currently being developed by the Government was first proposed in 2020, introducing a new proposed economic regulator and creating a risk of disallowance of costs that previously did not exist. National Grid and now the NEP have been investing in their respective projects over subsequent years since 2013 in good faith in the expectation that a technical solution to the overlap would be found. Unfortunately, despite best efforts, such technical solutions to the overlap have not been identified and bp considers that they will not be capable of being developed within timescales necessary to meet the needs of the ECC plan and the Government's aim of 20-30MTPA of CO2 storage capacity by 2030 that the ECC supports.

4.7 Reluctantly, therefore, bp has had to make the decision to put these difficulties and their full implications before the ExA and the Secretary of State – together with the only solutions which are realistically possible.

Nascent technology should not curtail offshore wind capacity

4.8 Orsted's position statement suggests that the fact that the NEP project is 'nascent technology' means that it should not be allowed to *'curtail the generation capacity of offshore wind and undermine the path to Net Zero*'**.** While new to the UK, CCUS is a technology that has been developed and improved internationally since the 1970s. CCUS is indeed a nascent industry relative to offshore wind but the technology employed is based on well proven components. Aside from concerns over the interface with Hornsea 4, the NEP project has clearly demonstrated that it can be delivered from a technical standpoint. This is evidenced by its selection by Government as a Track 1 Cluster following a rigorous evaluation in the Government's CCUS Cluster Sequencing Process. It is therefore misleading to in any way suggest that offshore wind should be preferred and allowed to develop unrestricted by the NEP project because the NEP project's delivery in any event cannot be relied upon. This is not the case.

Views of the Crown Estate

4.9 As noted in Section 2.3 of bp's submission to Deadline 2 above, bp is continuing to engage with The Crown Estate with a view to providing the ExA with a copy of the IA, along with a summary of its terms and a fuller justification of its disapplication at Deadline 3.

Herbert Smith Freehills LLP

[1] https://www.gov.uk/government/collections/carbon-capture-and-storage-knowledge-sharing#list-of-peterhead-and-white-rose-key-knowledge-deliverables

ANNEX 3

bp Protective Provisions and Protective Provisions Plan (version 2)

SCHEDULE [ ], PART [ ]
Protection for Carbon Dioxide
Appraisal and Storage Licensee(s)

Application:

1. For the Protection of the Licensee(s) from time to time of United Kingdom Carbon Dioxide Appraisal and Storage Licence CS001, unless otherwise agreed in writing between the Undertaker and the Licensee the provisions of this part of this Schedule shall have effect.

Interpretation:

2. In this Part of this Schedule—

"Activity" or "Activities" means either (i) the activity or those activities (as appropriate) that the Licensee plans to undertake within the Exclusion Area or (ii) the Undertaker's Works and/or any other activity or activities (as appropriate) which the undertaker is proposing that may have an impact on the Licensee's activities within the Exclusion Area;

“Applicable Laws” means applicable laws, rules, orders, guidelines and regulations, including without limitation, those relating to health, safety and the environment and logistics activities such as helicopter and vessel operations;

"Authority" means an authority whether statutory, public, local, European, government department, agency or otherwise;

“BP Exploration Operating Company Limited” means BP Exploration Operating Company Limited, with Company Registration Number 00305943, whose registered office is at Chertsey Road, Sunbury On Thames, Middlesex TW16 7BP;

“Carbon Sentinel Limited” means Carbon Sentinel Limited, with Company Registration Number 08116471, whose registered office is at 1-3 Strand, London WC2N 5EH;

"Consultation Process" means the consultation processes undertaken by or on behalf of an Entity in respect of its project as required by an Applicable Law and/or regulation but excluding any bilateral consultations between the Entity and a particular individual or organisation;

"Entity" means the undertaker or the Licensee as appropriate and "Entities" means both of them;

"Exclusion Area" means any area within the area coloured yellow on the Protective Provisions Plan and as delineated in the Table of Co-Ordinates;

“Good Offshore Wind Farm Construction Practice” means the application of those methods and practices customarily used in construction of wind farms in the United Kingdom Continental Shelf with that degree of diligence and prudence reasonably and ordinarily exercised by experienced operators and contractors engaged in the United Kingdom Continental Shelf in a similar activity under similar circumstances and conditions;

“Interface Agreement” means the agreement dated 14 February 2013 between (1) The Crown Estate Commissioners (2) Carbon Sentinel Limited and (3) Smart Wind Limited, as varied and adhered to by an agreement dated 12 September 2016 between (1) The Crown Estate Commissioners (2) Smart Wind Limited (3) Carbon Sentinel Limited and (4) the Undertaker and a Deed of Covenant and Adherence dated 10 February 2021 between (1) The Crown Estate Commissioners (2) the Undertaker (3) Smart

Wind Limited (4) Carbon Sentinel Limited and (5) BP Exploration Operating Company Limited, or such other agreement as may be entered into by the parties in substitution for those agreements;

“Licence” means the United Kingdom Carbon Dioxide Appraisal and Storage Licence CS001;

“Licensee” means the licensee from time to time of the Licence (or any one of them);

"Necessary Consent" means all consents, licenses, permission, orders, exemptions and approvals required from any Authority in relation to the Activities and shall include, for the avoidance of doubt, all assessments that may be required to be undertaken before the issue of any of the foregoing;

"Notification Area" means any area within the area coloured turquoise on the Protective Provisions Plan and as detailed in the Table of Co-Ordinates;

“Plan of the Undertaker’s Works” means a construction programme, method and details of the proposed location of the Undertaker’s Works and minimum requirements known at that time such as safety in accordance with Good Offshore Wind Farm Construction Practice and Applicable Laws to enable the Undertaker to construct and operate the Undertaker’s Works;

“Smart Wind Limited” means Smart Wind Limited, with Company Registration Number 07107382, whose registered office is at 5 Howick Place, London, England SW1P 1WG;

“The Crown Estate Commissioners” means The Crown Estate Commissioners on behalf of Her Majesty the Queen, acting in exercise of the powers of the Crown Estate Act 1961;

"the Protective Provisions Plan” means the plan entitled Protective Provisions Plan and certified as the Protective Provisions Plan for the purposes of this Part of this Schedule;

"the Table of Co-Ordinates" means the following table:

Exclusion Area	
Latitude	Longitude
~~54°12'39.8773"N~~	~~0°58'36.8579"E~~
~~54°12'20.2291"N~~	~~1°12'20.3103"E~~
~~54°10'50.2641"N~~	~~1°15'39.1847"E~~
~~54°08'17.9732"N~~	~~1°11'7.0954"E~~
~~54°08'54.7372"N~~	~~1°00'38.3340"E~~
~~54°09'17.9239"N~~	~~1°00'46.6079"E~~
~~54°10'51.6355"N~~	~~0°58'27.9060"E~~
54°8'51.929"N	1°0'34.075"E
54°9'13.497"N	1°0'43.850"E
54°10'49.480"N	0°58'21.782"E
54°12'37.143"N	0°58'31.095"E
54°12'17.413"N	1°12'18.263"E
54°10'48.297"N	1°15'35.528"E
54°9'52.770"N	1°13'54.364"E
54°8'17.458"N	1°11'0.989"E
Notification Area	
Latitude	Longitude
~~54°09'53.6616"N~~	~~1°13'59.4422"E~~
~~54°08'1.0435"N~~	~~1°14'0.4599"E~~
~~54°07'59.9095"N~~	~~1°00'14.9388"E~~
~~54°08'54.7372"N~~	~~1°00'38.3340"E~~
~~54°08'17.9732"N~~	~~1°11'7.0954"E~~
54°7'57.201"N	1°0'9.286"E
54°8'51.943"N	1°0'34.082"E

54°8'17.458"N	1°11'0.989"E
54°9'52.770"N	1°13'54.364"E
54°7'57.603"N	1°13'55.408"E

"Undertaker's Works" means the indicative works permitted by this Order.

The Undertaker's Works

3. The undertaker must not construct any of the authorised project within the Exclusion Area.

4. The undertaker must not commence construction of any of the authorised project within the Notification Area unless the undertaker has submitted to the Licensee, not less than 56 days' prior, a Plan of the Undertaker's Works within that area and must have regard to any written representation received from the Licensee on the same.

5. Nothing in this paragraph precludes the undertaker from submitting at any time or from time to time, but in no case less than 56 days before commencing construction, a new plan, instead of the plan previously submitted in accordance with paragraph 4 above, and having done so the provisions of this Schedule will apply to and in respect of the new plan.

Interface Agreement

6. From the date of this Order, the Interface Agreement shall no longer have effect, and no claim may be made, nor award granted, for any damages ~~may be made~~ as a result of any alleged antecedent breach of the Interface Agreement prior to the date of this Order.

Collaboration

7. Each Entity shall consult early and fully with the other as part of any Consultation Process it is conducting for the purpose of applying for and procuring any Necessary Consent required in connection with their Activities (as relevant).

8. The Entities shall set up an interface management group comprising the project managers for each Entity's proposed Activities, and such other technical person as each determines necessary, who shall meet at six monthly intervals or at such frequency as the Entities reasonably determine necessary to discuss and understand the respective Entities' Activities and their impact on each other's Activities.

9. In or pursuant to such six monthly meetings held in accordance with paragraph 8 above, each Entity shall act reasonably in providing to the other Entity information (other than third party proprietary information) on its Activities, and such information shall be at a sufficient level of detail to allow the other Entity to understand the impact on their proposed Activities.

10. The Entities shall act in good faith in seeking to negotiate any crossing agreement required to facilitate each Entity's projects. The form of crossing agreement will be based on the Oil and Gas UK Industry Model Form: Pipeline Crossing Agreement (2015) or such other form published by Oil and Gas UK as may be current from time to time amended as necessary to reflect crossing of a pipeline by an electricity cable or cables, or vice versa.

Notices

11. Any notice or other written communication required shall be sufficient if made or give to the other Party by personal delivery or by first class post, postage prepaid, to the address set out below:

if to the undertaker, at:

[ ]

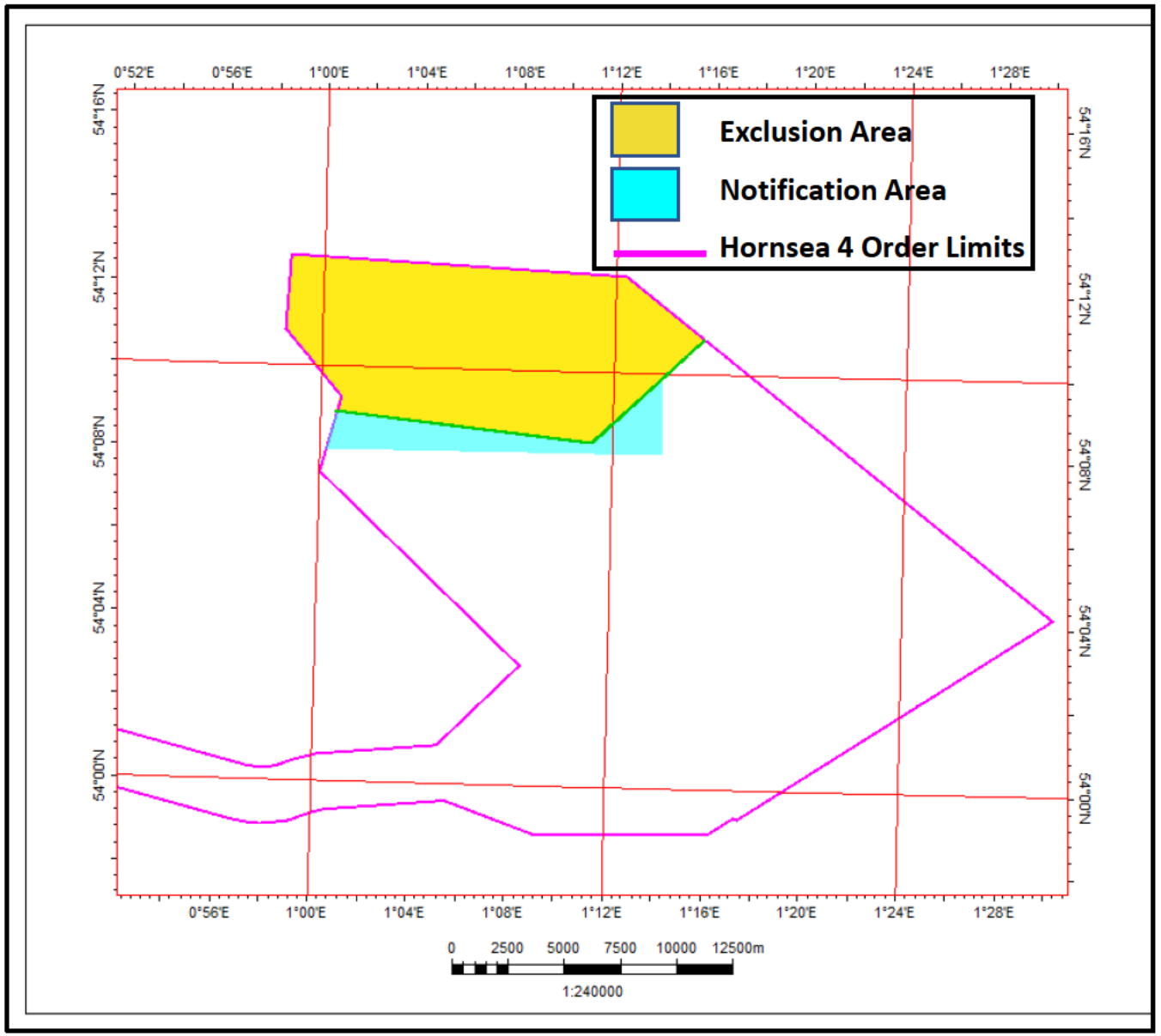
if to the Licensee at:

Andy Lane, VP CCUS Solutions and MD Net Zero Teesside
Email: [redacted]
Address: Chertsey Road, Sunbury-on-Thames, Middlesex TW16 7BP

By way of copy to Clare Haley
Email: [redacted]
Address: Chertsey Road, Sunbury-on-Thames, Middlesex TW16 7BP

12. Notices or written communications made or given by personal delivery shall be deemed to have been sufficiently made or given when sent (receipt acknowledged), or if posted, 5 business days after being placed in the post, postage prepaid, or upon receipt, whichever is sooner.

Protective Provisions Plan



Exclusion Area

Longitude	Latitude
1° 0' 34.075" E	54° 8' 51.929" N
1° 0' 43.850" E	54° 9' 13.497" N
0° 58' 21.782" E	54° 10' 49.480" N
0° 58' 31.095" E	54° 12' 37.143" N
1° 12' 18.263" E	54° 12' 17.413" N
1° 15' 35.528" E	54° 10' 48.297" N
1° 13' 54.364" E	54° 9' 52.770" N
1° 11' 0.989" E	54° 8' 17.458" N

Notification Area

Longitude	Latitude
1° 0' 9.286" E	54° 7' 57.201" N
1° 0' 34.082" E	54° 8' 51.943" N
1° 11' 0.989" E	54° 8' 17.458" N
1° 13' 54.364" E	54° 9' 52.770" N
1° 13' 55.408" E	54° 7' 57.603" N