

Net Zero Teesside Project

Planning Inspectorate Reference: EN010103

Land at and in the vicinity of the former Redcar Steel Works site, Redcar and in Stockton-on-Tees, Teesside

The Net Zero Teesside Order

Document Reference: 8.24 – Statement of Common Ground with Redcar Bulk Terminal Ltd



Applicants: Net Zero Teesside Power Limited (NZN Power Ltd) & Net Zero North Sea Storage Limited (NZNNS Storage Ltd)

Date: May 2022

DOCUMENT HISTORY

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GLOSSARY

Abbreviation	Description
Applicants	Together NZT Power and NZNS Storage
NZT Power	Net Zero Teesside Power Limited
NZNS Storage	Net Zero North Sea Storage Limited
PCC	Power, Capture & Compression
RBT	Redcar Bulk Terminal
RORO	Roll On Roll Off
STDC	South Tees Development Corporation (Landlord of the main NZT site)

CONTENTS

1.0	<i>Introduction</i>	2
2.0	<i>Summary of consultation</i>	4
3.0	<i>Matters Agreed</i>	6
4.0	<i>Matters to be agreed</i>	8

1.0 INTRODUCTION

1.1 Principles & Background

1.1.1 This SoCG (Document Ref. 8.24) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') in conjunction with Redcar Bulk Terminal Ltd (RBT). It relates to the application (the 'Application') for a Development Consent Order (a 'DCO'), that is being 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').

1.1.2 The SoCG sets out the matters of agreement between the Applicants and RBT and also explains those matters which, at the time of writing, remain unresolved between the parties.

1.1.3 The agreements to date have been reached through consultation and continuing discussions between the parties, including interface meetings and regular face to face discussions.

1.2 Redcar Bulk Terminal Ltd Interests

1.2.1 RBT's operations take place over Plots included within the Order limits for the Project. This includes:

- Plot 222, being a section of RBT's Terminal Quay; and
- Plot 223 being the access corridor over the Terminal's Storage Area (the access corridor also known as "Red Main").

1.2.2 With respect to Plot 288 (being part of RBT's rail loading station and road and rail access) the Applicants made a formal change request to PINS in April 2022; following acceptance of this change request the plot has been removed from the Order limits.

1.2.3 NZT seeks to secure a voluntary agreement with RBT to allow for the import of large, out of gauge modules (that cannot be transported by other access routes in the Teesside region due to their size) across the quayside for provision to the NZT main site at STDC.

1.2.4 RBT seeks to secure a voluntary agreement with NZT for provision of these services, and at the same time to protect their ongoing operational commitments to their contracted customers (of prime interest is Anglo American) and that of any future customers.

1.3 The Purpose and Structure of this Document

1.3.1 The purpose of this document is to summarise the agreements reached between the parties on matters relevant to the examination of the Application and to assist the Examining Authority. It also explains the matters which remain unsolved at the time of writing, but which both parties are working positively towards resolving. As such, it is expected that further iterations of this document will be submitted to the Examining Authority throughout the Examination and prior to the making of any DCO Order.

1.3.2 It has been prepared with regard to the guidance in 'Planning Act 2008: examination of application for development consent' (Department for Communities and Local Government, March 2015).

1.3.3 The document is structured as follows:

- Section 2 – sets out consultation and related discussions held between the applicant and RBT
- Section 3 – sets out the matters discussed and agreed to date
- Section 4 – sets out matters to be agreed and proposed way forward

2.0 SUMMARY OF CONSULTATION

2.1 Overview

2.1.1 This section provides a summary of how the Applicants have consulted RBT on the Proposed Development and also sets out the discussions that have taken place between the parties.

2.2 Consultation

2.2.1 **Table 2.1** (below) provides a summary of how the Applicants have consulted RBT and how RBT have responded to that consultation.

Table 2.1: Summary of Consultation

Consultation Stage/Date	RBT Response
Stage 1 Consultation (non-statutory) – 2 nd October to 19 th November 2019	N/A
Stage 2 Consultation (statutory) – 7 th July to 18 th September 2020	N/A
Section 42 Update Consultation – 8 th December 2020 to 25 th January 2021 (further targeted consultations held 12 th February to 16 th March 2021 & 26 th March to 3 rd May 2021)	Acknowledged that the Applicants have held preliminary discussions with RBT but raised concerns with a lack of detail provided to date. Raised a holding objection, while being open to further discussion with the Applicants.
Consultation on proposed changes to DCO Application – 10 th March to 14 th April 2022	N/A

2.3 Discussions

2.3.1 A summary of the discussions that have taken place between the parties is set out in **Table 2.2**. Where appropriate, email follow-up has taken place to provide each party with information to support the progression of discussions.

Table 2.2: Summary of Discussions

Meeting Date	Meeting Type	Topics Discussed
December 2020	Introductions	Introductions, general Proposed Development background and overview of RBT services
April 2021	Progress Meeting	Discussion on RBT support for Proposed Development and voluntary agreement for services
May 2021	Progress Meeting	Discussion on methods for module import
June 2021	Site Meeting	Introduction meeting with Applicant's contractor Saren's

August 2021	Progress Meeting	Review of main outcomes from Saren's report
September 2021	Progress Meeting	Commercial discussions on voluntary agreement
December 2021	Progress Meeting	Commercial discussions on voluntary agreement
February 2022	Pre-consultation	Potential DCO Changes, Protective Provisions and next steps
March 2022	Commercial Meeting	Commercial discussions on voluntary agreement

3.0 MATTERS AGREED

3.1 Overview

- 3.1.1 This section sets out the matters agreed between the parties.
- 3.1.2 RBT does not object to the principle of the underlying Project in terms of the benefits it seeks to deliver to Teesside and region beyond.

3.2 Side Agreement

- 3.2.1 RBT is concerned that the Proposed Development will detrimentally impact upon RBT's ongoing operations and those of its customers if the Compulsory Acquisition powers sought are granted within the DCO. Therefore, negotiations have been held between RBT and the Applicants regarding commercial terms to use RBT's facility for the unloading of equipment, prefabricated production modules and/or material during the construction phase of the Project.
- 3.2.2 The Applicants have been in contact with RBT since Q3 2020 and in February 2021 had further productive discussions with RBT management and in April 2022 reached agreement in principle with respect to the Applicants' proposed use of the RBT facilities. This agreement in principle is detailed in a mutually agreed set of Heads of Terms. The Applicants' preference is to enter into voluntary agreement(s) for use of the noted RBT facilities, further to the agreed Heads of Terms.
- 3.2.3 Parties are therefore working together with a view to putting legal agreements between the Applicants and RBT in place to reflect the commercial agreement recorded in the Heads of Terms for the use of RBT's facilities and to regulate the use of Compulsory Acquisition powers sought by the Applicants if they were granted within the DCO (collectively referred to as the "Side Agreement").

3.3 Impact on Existing Apparatus

- 3.3.1 The Applicants are seeking to install a crane adjacent to the Terminal Quay which will unload equipment, prefabricated production modules, materials (including oversized loads) during the construction phase of the Project.
- 3.3.2 The crane will unload multiple prefabricated production modules from the Applicants' vessels berthed at RBT's Terminal Quay onto Self Propelled Modular Transporters ("SPMTs") which will then drive the modules across Red Main to exit RBT's facility for onward travel to the Project's construction site. This will be undertaken over a period of 36 months. It is currently undetermined how many unloading sessions will be undertaken, but the Applicants and RBT intend to establish a scheduling process or protocol to manage each session.
- 3.3.3 The temporary installation of a crane on RBT's Plots is an option agreed by RBT and NZT, and as further load data becomes available, the parties intend to include any lease area and the commercial terms associated with the temporary installation of a crane, if required by the Applicants, in the Side Agreement.
- 3.3.4 The agreed Heads of Terms provide for an alternative Roll on – Roll off (RORO) procedure for unloading equipment, prefabricated production modules, materials (including oversized loads) from the Applicants vessels when berthed at the Terminal.

The Applicants and RBT recognise the Roll On / Roll Off delivery method as the base case.

4.0 MATTERS TO BE AGREED

4.1 Overview

4.1.1 This section sets out matters to be agreed between the parties and the proposed way forward.

4.2 DCO including Relevant Protective Provisions

4.2.1 Draft protective provisions have been provided to RBT by the Applicants, and whilst these are not yet in agreed form, parties are working together to reach agreement in this respect.

4.3 Impact on Existing and Future Operations

4.3.1 RBT anticipates that the demand for its services will continue to grow during the period of time which the construction phase of the Proposed Development is underway, to move close to full capacity.

4.3.2 RBT wishes to ensure that its ongoing and future operations and contracted customers are not disrupted by the Applicants' actions in seeking to exercise powers of Compulsory Acquisition over RBT's land.