

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: 8.25 – Statement of Common Ground with Sabic UK Petrochemicals Limited



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

Date: May 2022

DOCUMENT HISTORY

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GLOSSARY

Abbreviation	Description
Applicants	Together NZT Power and NZNS Storage
Application (or DCO Application)	The application for a DCO made to the SoS under Section 37 of PA 2008 in respect of the Proposed Development, required pursuant to Section 31 of the PA 2008 because the Proposed Development is a NSIP under Section 14(1)(a) and Section 15 of PA 2008 by virtue of being an onshore generating station in England or Wales of electrical capacity of more than 50 megawatts, and which does not generate electricity from wind, and by the Section 35 Direction
DCO	A Development Consent Order made by the relevant Secretary of State pursuant to the PA 2008 to authorise a NSIP. 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
ES	Environmental Statement, documenting the findings of the EIA
ExA	Examining Authority
Land Plans	The plans showing the land that is required for the Proposed Development, and the land over which interests or rights in land are sought as part of the Order
NSIP	Nationally Significant Infrastructure Project that must be authorised by the making of a DCO under PA 2008
NZT Power	Net Zero Teesside Power Limited
NZNS Storage	Net Zero North Sea Storage Limited

NZT	Net Zero Teesside - the name of the Proposed Development.
Order	The Net Zero Teesside Order, being the DCO that would be made by the Secretary of State authorising the Proposed Development, a draft of which has been submitted as part of the Application
Order Land	The land which is required for, or is required to facilitate, or is incidental to, or is affected by, the Proposed Development and over which powers of compulsory acquisition are sought in the Order
Order Limits	The limits of the land to which the Application relates and shown on the Land Plans and Works Plans within which the Proposed Development must be carried out and which is required for its construction and operation
PA 2008	The Planning Act 2008 which is the legislation in relation to applications for NSIPs, including preapplication consultation and publicity, the examination of applications and decision making by the Secretary of State
Proposed Development (or Project)	The development to which the Application relates and which requires a DCO, and as set out in Schedule 1 to the Order
PPs	Protective Provisions
Requirements	The 'requirements' at Schedule 2 to the Order that, amongst other matters, are intended to control the final details of the Proposed Development as to be constructed and to control its operation, amongst other matters to ensure that it accords with the EIA and does not result in unacceptable impacts
SABIC	SABIC UK Petrochemicals Limited
Site (or Proposed Development Site)	The land corresponding to the Order Limits which is required for the construction and operation of the Proposed Development
SoCG	Statement of Common Ground
SoS	The Secretary of State - the decision maker for DCO applications and head of Government department. In this case the SoS for the Department for Business, Energy, and Industrial Strategy
Work No.	Work number, a component of the Proposed Development, described at Schedule 1 to the Order

Works Plans	Plans showing the numbered works referred to at Schedule 1 to the Order and which together make up the Proposed Development
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1.0 INTRODUCTION

1.1 Overview

1.1.1 This Statement of Common Ground (Document Ref. 8.25) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') in conjunction with Sabic Petrochemicals UK Limited (SABIC) in respect of the Net Zero Teesside Project (the 'Proposed Development').

1.1.2 The SoCG sets out the matters of agreement between the Applicants and SABIC 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 Sabic UK Petrochemicals Limited Interests

1.3 Land at Saltholme Billingham

1.3.1 Freehold Interest in the land at Saltholme, Billingham.

1.3.2 Qualified Freehold Interest in land at Saltholme, Billingham west of Seaton Carew Road

1.4 Land at North Tees Works

1.4.1 Leasehold Interest in Land at North Tees Works.

1.5 Land at Seals Sand, Middlesbrough

1.5.1 Leasehold interest in land at Seals Sand, Middleborough.

1.6 Operations & Apparatus

1.6.1 SABIC operates facilities at Wilton International manufacturing primarily ethylene and low density polyethylene (which is manufactured from ethylene). These facilities are linked via a Link Line Corridor and tunnel to its North Tees site which contains three terminals and storage facilities. In addition, there are substantial logistical facilities at Wilton and North Tees, including major storage capacity, a cross-country Link lines network and substantial distribution and shipping services.

1.7 The Purpose and Structure of this Document

1.7.1 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 ('ExA'). It also explains the matters which remain unresolved at the time of writing, but which both parties are working positively toward resolving. As such, it is expected that further iterations of the SoCG will be submitted to the ExA throughout the Examination and prior to the making of any Development Consent Order ('DCO') for the Proposed Development.

1.7.2 The SoCG 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).

1.7.3 The SoCG is structured as follows:

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

2.0 SUMMARY OF CONSULTATION AND DISCUSSIONS

2.1 Overview

2.1.1 This section provides a summary of how the Applicants have consulted SABIC 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 SABIC and how SABIC have responded to that consultation.

Table 2.1: Summary of Consultation

Consultation Stage/Date	SABIC 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	<p>Raised concerns on the impact of CA powers on their operations, Seal Sands Rd and common infrastructure overseen by Sembcorp.</p> <p>Highlighted the sensitive nature of SABICs infrastructure and any potential effects the construction and operation of the Proposed Development could impose on them.</p> <p>Applicant should consider the cumulative impacts of the Application with existing Dogger Bank and York Potash DCOs.</p> <p>Requested further engagement with the Applicant on technical and operational matters and protective provisions.</p>
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)	N/A
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 detailed discussions that have taken place between the parties is set out in **Table 2.2** below. 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

Date	Correspondence	Detail
16/08/21	Email	Intro email with HOTs issues (inc. plan).
24/08/21	Email	Holding email from SABIC.
09/09/21	Email	SABIC email regarding the option agreement rent and terms.
28/09/21	Email	DM email regarding proposed rent.
28/09/21	Email	SABIC email regarding their rental expectations.
07/10/21	Email	DM email regarding rental payments and site use during the option agreement.
07/10/21	Email	SABIC confirming agreeable terms.
08/10/21	Email	DM email requesting solicitor details.
11/10/21	Email	SABIC email requesting fee undertaking and amendment to HOT plan.
14/10/21	Email	DM email regarding solicitor contact and option area.
18/10/21	Email	SABIC email regarding option area boundary.
22/11/21	Email	DM email regarding option area and revised payment.
24/11/21	Email	SABIC confirmation to proceed with updated terms and option area.
01/12/21	Email	Finalised terms sent to SABIC – request for confirmation of acceptance.
03/12/21	Email	SABIC confirmed agreed HOTs.
24/02/22	Pre-consultation meeting	Proposed Development update, overview of proposed changes to DCO Application and focused discussion on Sembcorp No. 2 Tunnel interface
22/04/22	Email	DM request for confirmation that the DCO land plans can be updated to include a section of their land.
25/04/22	Email	SABIC approval regarding DCO land plan update.

3.0 MATTERS AGREED

3.1 Overview

3.1.1 This section sets out the matters agreed between the parties.

3.2 Principle of the Proposed Development

3.2.1 The parties agree that there is an urgent need for the Proposed Development in order to provide low carbon electricity and the means to decarbonise other existing and proposed emitters in Teesside. Sabic does not object to the location of the various elements of the Proposed Development which are relevant to its land and operations.

3.2.2 Compound area on land at Saltholme Road

3.2.3 A voluntary Agreement has been reached that the existing SABIC Compound on land at Saltholme Road will be used as a Construction Compound area in connection with the Applicant's project. The legal documents are currently in discussion.

3.3 Additional Land included in the DCO application (Plot 67a)

3.3.1 SABIC have given written confirmation that a small area of land adjoining their compound site can be included with the Applicants DCO application. Following acceptance of the Applicants change request, submitted on 28th April 2022, plot 67a has been added to the Application Order Limits.

3.4 Protective Provisions & Side Agreement

3.4.1 The parties' intention is to progress protective provisions, with a view to reaching agreement in this respect during the course of the Examination.

3.5 SABICs Existing Apparatus

3.5.1 Both the Applicant and SABIC have agreed to continue with engagement during the design of the Proposed Development in order to minimise and/or mitigate the impact it will have on SABICs existing apparatus.

3.5.2 During a pre-Consultation interface briefing the Applicant held with SABIC representatives in February 2022, the Applicant shared pre-FEED constructability details with SABIC on the proposed use of the Sembcorp No 2 tunnel for the Carbon Dioxide Gathering Network (Work No. 6). Technical representatives from SABIC were given the opportunity to review the current proposal and provide comments. The Applicant and their nominated contractors will continue to engage in this manner.

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 SABIC have several operational concerns with the proposed development

4.2.1 The Applicants recognise SABIC concerns regarding the effect of the Proposed Development on existing apparatus and operations within the DCO area. The Applicants confirm that Protective Provisions have been provided to SABIC for discussion.

4.2.2 SABIC is also concerned in relation to the proposed powers of compulsory acquisition, in particular power to override its existing rights and create rights which are not compatible with its existing rights, and the taking of temporary possession in respect of the Link Line Corridor near the A1085.

4.3 Legal Agreement

4.3.1 Legal documents referred to in 3.1.3 are being drafted by the Applicants and will be shared with SABIC shortly.

4.4 Protective Provisions

4.4.1 Protective Provisions were initially sent to SABIC in April 2021. The Applicants are currently awaiting comments from SABIC but understand that SABIC are open to progressing Protective Provisions.