

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: 8.1 – Statement of Common Ground with Redcar and Cleveland Borough Council



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

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GLOSSARY

Abbreviation	Description
Applicants	Together NZT Power and NZNS Storage
CO ₂	Carbon Dioxide
DCO	Development Consent Order
ES	Environmental Statement
ExA	Examining Authority
HoTs	Heads of Terms
Mt	Million Tonnes
NIZ	Northern Industrial Zone
NPS	National Policy Statement
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.
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
PRoW	Public Right of Way
RCBC	Redcar and Cleveland Borough Council
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
SoCC	Statement of Community Consultation
SoCG	Statement of Common Ground
SoS	Secretary of State for Business, Energy and Industrial Strategy
SPD	Supplementary Planning Document
STBC	Stockton-on-Tees Borough Council
STDC	South Tees Development Corporation Teesworks

Work No.	Work number, a component of the Proposed Development, described at Schedule 1 to the Order
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1.0 INTRODUCTION

Overview

- 1.1.1 This Statement of Common Ground (Document Ref. 8.1) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the 'Applicants') in conjunction with Redcar & Cleveland Borough Council (RCBC) in respect of the Net Zero Teesside Project (the 'Proposed Development').
- 1.1.2 The SoCG relates to the application (the 'Application') that has been submitted to the Secretary of State ('SoS') for Business, Energy and Industrial Strategy, under Section 37 of 'The Planning Act 2008' (the 'PA 2008'), seeking development consent for the Proposed Development. The Application was accepted for Examination by the SoS on 16th August 2021. A change request made by the Applicants in respect of the Application was accepted into the Examination by the Examining Authority on 6 May 2022.
- 1.1.3 The SoCG sets out the matters of agreement between the Applicants and RCBC (the 'parties') and also sets out those matters which, at the time of writing, remain to be discussed between the parties.
- 1.1.4 The agreements to date have been reached through consultation and continuing discussions between the parties, including interface meetings and face to face discussions. The parties are committed to maintain regular dialogue through the Examination with the aim of reaching agreement on all relevant matters relating to the Application.

Description of Proposed Development

- 1.1.5 The Proposed Development will work by capturing CO₂ from a new the gas-fired power station in addition to a cluster of local industries on Teesside and transporting it via a CO₂ transport pipeline to the Endurance saline aquifer under the North Sea. The Proposed Development will initially capture and transport up to 4Mt of CO₂ per annum, although the CO₂ transport pipeline has the capacity to accommodate up to 10Mt of CO₂ per annum thereby allowing for future expansion.
- 1.1.6 The Proposed Development comprises the following elements:
- **Work Number ('Work No.') 1** – a Combined Cycle Gas Turbine electricity generating station with an electrical output of up to 860 megawatts and post-combustion carbon capture plant (the '**Low Carbon Electricity Generating Station**');
 - **Work No. 2** – a natural gas supply connection and Above Ground Installations ('AGIs') (the '**Gas Connection**');
 - **Work No. 3** – an electricity grid connection (the '**Electrical Connection**');
 - **Work No. 4** – water supply connections (the '**Water Supply Connection Corridor**');

- **Work No. 5** – waste water disposal connections (the ‘**Water Discharge Connection Corridor**’);
- **Work No. 6** – a CO₂ gathering network (including connections under the tidal River Tees) to collect and transport the captured CO₂ from industrial emitters (the industrial emitters using the gathering network will be responsible for consenting their own carbon capture plant and connections to the gathering network) (the ‘**CO₂ Gathering Network Corridor**’);
- **Work No. 7** – a high-pressure CO₂ compressor station to receive and compress the captured CO₂ from the Low Carbon Electricity Generating Station and the CO₂ Gathering Network before it is transported offshore (the ‘**HP Compressor Station**’);
- **Work No. 8** – a dense phase CO₂ export pipeline for the onward transport of the captured and compressed CO₂ to the Endurance saline aquifer under the North Sea (the ‘**CO₂ Export Pipeline**’);
- **Work No. 9** – temporary construction and laydown areas, including contractor compounds, construction staff welfare and vehicle parking for use during the construction phase of the Proposed Development (the ‘**Laydown Areas**’); and
- **Work No. 10** – access and highway improvement works (the ‘**Access and Highway Works**’).

1.1.7 The electricity generating station, its post-combustion carbon capture plant and the CO₂ compressor station will be located on part of the South Tees Development Corporation (STDC) Teesworks area (on part of the former Redcar Steel Works Site). The CO₂ export pipeline will also start in this location before heading offshore. The generating station connections and the CO₂ gathering network will require corridors of land within the administrative areas of RCBC and Stockton-on-Tees Borough Council, including crossings beneath the River Tees.

Redcar and Cleveland Borough Council Status and Interests

1.1.8 RCBC is a relevant local authority for the purposes of Section 42(1)(b) of the PA 2008. The majority of the Application Site (the ‘Order Limits’) lies within RCBC’s administrative boundary on the southern side of the River Tees. Some parts of the Application Site lie within the administrative boundary of Stockton-on-Tees Borough Council (STBC) on the northern side of the Tees. A separate Statement of Common Ground is being prepared with STBC.

1.1.9 In addition to being a relevant local authority for the purposes of Section 42(1)(b) of the PA 2008, RCBC is a Category 1 person under Section 44 of the Act as result of having a freehold interest in the dunes, beach and foreshore at Redcar that lie within the Application Site/Order Limits.

The Purpose and Structure of this Document

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

1.1.11 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).

1.1.12 The SoCG is structured as follows:

- **Section 2** – sets out consultation and related discussions held between the Applicants and RCBC.
- **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

Overview

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

Summary of Consultation

2.1.2 **Table 2.1** below provides a summary of how the Applicants have consulted RCBC.

Table 2.1: Summary of Consultation

Consultation Stage/Date	Commentary/RCBC Response
Stage 1 Consultation (non-statutory) – 2 October to 19 November 2019	The Applicants provided an update to Planning Officers on the work being carried out in respect of the Proposed Development and the proposals for future consultation.
Statement of Community Consultation – 4 May to 1 June 2020	<p>The Applicants consulted RCBC on the content of the Statement of Community Consultation (SoCC) in accordance with Section 47 of the PA 2008.</p> <p>RCBC provided a response on 1 June 2020 setting out minor comments on the draft SoCC. The comments provided and how these were addressed are set out in Table 8.1 of the Consultation Report (Document Ref. 5.1).</p>
Stage 2 Consultation (statutory) – 7 July to 18 September 2020 (extended to 25 September 2020 for some parties)	<p>The Applicants consulted RCBC pursuant to Section 42 of the PA 2008.</p> <p>RCBC provided a response on 18 September 2020. The response confirmed in principle support for the Proposed Development but raised issues with regard to the level of detail and project definition within the consultation documents; the extent of land required for the development; and the potential to impact on the comprehensive development of the South Tees/Teesworks area.</p> <p>A response was also provided by the RCBC Climate Change Panel on 18 September 2020. The response was broadly supportive of the potential of the Proposed Development to contribute toward decarbonisation; safeguarding jobs in existing industries on Teesside; and economic development and jobs growth within the region.</p>

	<p>Detailed comments were provided by RCBC Contaminated land on 29 September 2020.</p> <p>Table 15.2A of the Consultation Report (Document Ref. 5.1) provides a summary of the comments received from RCBC and sets out the Applicants' response to those comments.</p>
<p>Section 42 Update Consultation – 7 December 2020 to 25 January 2021</p>	<p>The Applicants consulted RCBC pursuant to Section 42 of the PA 2008 on proposed changes to the Proposed Development, including the Application Site.</p> <p>RCBC provided a response on 26 January 2021. The response requested that consideration be given to extending the CO₂ gathering network to the proposed Tees Valley Energy Recovery Facility.</p> <p>Table 15.2B of the Consultation Report (Document Ref. 5.1) provides a summary of the comments received from RCBC and the Applicants' response to those comments.</p>
<p>Submission of draft DCO and Explanatory Memorandum – 24 February 2021</p>	<p>The Applicants submitted a draft of the DCO and Explanatory Memorandum (EM) to RCBC for comment, specifically Schedule 2 of the DCO setting out the proposed requirements.</p> <p>No comments were received from RCBC on the draft DCO and EM.</p>
<p>Targeted Section 42 Consultation – 26 March to 3 May 2021</p>	<p>The Applicants consulted RCBC in respect of further proposed changes to the Application Site.</p> <p>No comments were received from RCBC.</p>
<p>Section 56 Notification – 25 October 2021</p>	<p>The Applicants notified RCBC of the decision of the SoS to accept the DCO Application for Examination.</p> <p>RCBC did not submit a Relevant Representation in response to the Section 56 notification.</p>
<p>Consultation on proposed changes to the DCO Application – 10 March to 14 April 2022</p>	<p>The Applicants consulted RCBC on the proposed changes to the DCO Application in advance of making a formal change request to the ExA on 28 April 2022.</p> <p>RCBC did not submit any comments on the proposed changes.</p>

2.1.3 Throughout the period leading up to the submission and acceptance of the DCO Application the Applicants have provided updates on progress and any developments to RCBC.

Summary of Discussions

2.1.4 A summary of the discussions that have taken place between the parties to date is set out in **Table 2.2** below. These discussions have focused upon negotiating the necessary rights in respect of RCBC's freehold interest in the dunes, beach and foreshore at Redcar that lie within the Application Site/Order Limits.

Table 2.2: Summary of Discussions

Consultation Stage/Date	Matters Discussed
Teams meeting – 4 May 2021	Meeting between the Applicants and RCBC to discuss Heads of Terms (HoTs)
Teams meeting – 2 November 2021	Negotiations in respect of HoTs.
Teams meeting – 17 November 2021	Further commercial and HoTs negotiations.
Site meeting – 7 April 2022	Site meeting attended by the Applicants and RCBC.
Telephone call – 25 April 2022	Negotiations on final clauses to agreement.

3.0 MATTERS AGREED

3.1.1 This section at **Table 3.1** below sets out the matters agreement between the parties.

Table 3.1 – Matters Agreed

No.	Matter Agreed	Commentary
1.	Adequacy of consultation	<p>It is agreed that the Applicants undertook an appropriate level of consultation on the Proposed Development in advance of the DCO Application being submitted. In its adequacy of consultation response dated 23 July 2021, RCBC stated:</p> <p><i>“The report [the Consultation Report – Document Ref. 5.1] sets out a comprehensive description of the pre-application consultations carried out in respect of the project. The Council notes, in particular, the changes made to the SOCC to deal with the impact of the COVID 19 pandemic and considers these changes to be an appropriate response to that challenge, which still allowed for a comprehensive and meaningful consultation process which allowed stakeholders to submit their comments for consideration.</i></p> <p><i>This Council can confirm that;</i></p> <ul style="list-style-type: none"> <i>(i) in accordance with s42 of the Act (Duty to consult) Redcar and Cleveland Council has been consulted on the proposed DCO application and been given the opportunity to comment and advise on the SOCC and comment on aspects of the proposed development. The Council is satisfied that s42 of the Act has been complied with.</i> <i>(ii) in accordance with s47 of the Act (Duty to consult the local community) the submitted report sets out a comprehensive community engagement strategy that has been completed in advance of the submission of the DCO application. The Council is satisfied that s47 of the Act has been complied with.</i> <i>(iii) in accordance with s48 of the Act (Duty to publicise) this Council is satisfied that the applicant has publicised the proposed DCO application on a comprehensive basis. The</i>

		<i>Council is satisfied that s48 of the Act has been complied with."</i>
2.	The need for and principle of the development at this location.	<p>It is agreed that there is an urgent need for the Proposed Development – as set out in the Project Need Statement (Document Ref. 5.2) and the Planning Statement (Document Ref. 5.3) – in order to provide low carbon electricity generation capacity and a means to decarbonise existing and proposed industrial emitters on Teesside and that this is consistent with the Government’s legally binding commitment to achieve net zero in terms of greenhouse gas emissions by 2050.</p> <p>It is also agreed that the principle of the Proposed Development at this location is acceptable. The Proposed Development involves significant areas of previously developed land and sits within a location that is identified in the local development plan for industrial development, including development related to energy and carbon capture and storage.</p>
3.	National Policy Statements for Energy	<p>It is agreed that the policy framework for examining and determining applications for development consent is provided by the National Policy Statements (NPSs) for energy and that the following NPSs are of relevance to the Proposed Development:</p> <ul style="list-style-type: none"> • the Overarching NPS for Energy (EN-1); • the NPS for Fossil Fuel Electricity Generating Infrastructure (EN-2); • the NPS for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4); and • the NPS for Electricity Networks Infrastructure (EN-5). <p>It is agreed that the above NPSs provide the primary basis for decision-making by the Secretary of State in respect of the DCO Application.</p> <p>The Applicants’ position in relation to Sections 104 and 105 and how policy should be treated is to be set out in an updated Planning Statement (at Deadline 1).</p>

4.	Energy and Climate Change Policy	<p>It is agreed that Sections 104 and 105 of the Planning Act 2008 state that in determining applications for development consent, the Secretary of State must have regard to any other matters that are “<i>important and relevant</i>” to the decision.</p> <p>It is agreed that the following statements of Government energy and climate change policy, in particular, are important and relevant:</p> <ul style="list-style-type: none"> • The Clean Growth Strategy (October 2017). • Clean Growth – The UK Carbon Capture Usage and Storage deployment pathway – An Action Plan (November 2018). • The Ten Point Plan for a Green Industrial Revolution (November 2020). • National Infrastructure Strategy: Fairer, faster, greener (November 2020). • The Energy White Paper – Powering our Net Zero Future (December 2020). • Industrial Decarbonisation Strategy (March 2021). • North Sea Transition Deal (March 2021). • Net Zero Strategy: Build Back Greener (October 2021). • British Energy Security Strategy (April 2022).
5.	National Planning Policy	<p>It is agreed that the following national planning policy documents may be important and relevant to the determination of the Application:</p> <ul style="list-style-type: none"> • National Planning Policy Framework (July 2021). • Planning Practice Guidance.
6.	Local development plan documents	<p>It is agreed that within the context of Sections 104 and 105 of the Planning Act 2008 local development plan documents may also be important and relevant. It is agreed that the following local development plan documents that apply to Redcar and Cleveland are of most relevance to the Proposed Development:</p> <ul style="list-style-type: none"> • The Redcar & Cleveland Local Plan and Policies Map (adopted May 2018).

		<ul style="list-style-type: none"> The Tees Valley Joint Minerals and Waste DPDs (adopted September 2011). <p>It is also agreed that the South Tees Supplementary Planning Document (May 2018) may be relevant to the Proposed Development.</p>
7.	Local planning designations	<p>It is agreed that paragraphs 3.3.6 to 3.3.9 of the Planning Statement provide an accurate description of the local planning designations that apply to the Application Site within the administrative boundary of Redcar and Cleveland. The key planning allocations/designations and related policies that apply to the Site are:</p> <ul style="list-style-type: none"> Development Limits – Policy SD3. 30km wind farm safeguarding area for Durham Tees Valley Airport – Policy SD6. Protected Employment Area – Policy ED6. South Tees Development Corporation Area – Policy LS4. Sensitive Landscape Areas – Policy N1. Green Wedges & Strategic Landscape Areas – Policy N2. Primary Open Areas – Policy N3. Teesmouth and Cleveland Coast Special Protection Area 6km Buffer Zone/Ramsar Site & Teesmouth and Cleveland Coast Site of Special Scientific Interest – Policy N4.
8.	Local development plan policies	<p>It is agreed that the following local development plan policies are of relevance to the Proposed Development within the boundary of Redcar and Cleveland:</p> <ul style="list-style-type: none"> SD1 – Sustainable Development. SD2 – Locational Policy. SD3 – Development Limits. SD4 – General Development Principles. SD6 – Renewable and Low Carbon Energy. SD7 – Flood and Water Management. ED6 – Promoting Economic Growth. LS4 – South Tees Spatial Strategy. N1 – Landscape. N2 – Green Infrastructure.

		<ul style="list-style-type: none"> • N3 – Open Space and Recreation. • N4 – Biodiversity and Geological Conservation. • HE2 – Heritage Assets. • TA1 – Transport and New Development. <p>It is agreed that the following policies of the South Tees SPD may be of relevance:</p> <ul style="list-style-type: none"> • STDC1 – Regeneration Priorities. • STDC4 – Economic Development Strategy. • STDC6 – Energy Innovation. • STDC7 – Natural Environmental Protection and Enhancement. • STDC8 – Preserving Heritage Assets. • STDC10 – Utilities. • STDC11 – North Industrial Zone. • STDC12 – North East Industrial Zone. • STDC15 – Coastal Community Zone. <p>It is also agreed that the following policies of the Tees Valley Joint Minerals and Waste DPDs may be of relevance:</p> <ul style="list-style-type: none"> • MWC4 – Safeguarding of Mineral Resources from Sterilisation. • MWC8 – General Locations for Waste Management Sites. • MWC11 – Safeguarding of Port and Rail Facilities.
9.	Planning History and current proposals	It is agreed that Table 3.1 of the Planning Statement provides an accurate description of the planning history and current proposals of most relevance to the Proposed Development.
10.	Location and extent of the Power Capture and Compression (PCC) Site	It is agreed that the location and extent of the PCC Site is appropriate to the Northern Industrial Zone identified in the South Tees SPD, which comprises the former Redcar Steel Works site. Development Principle STDC11 states that the NIZ is an appropriate location for energy innovation and power generation amongst other uses.
11.	Full Chain Carbon Capture and Storage	It is agreed that the Proposed Development provides for the full chain of onshore carbon capture and transport elements of the carbon capture and storage project.

12.	Land negotiations	It is agreed that HoTs for an option agreement and easement for apparatus required for the Proposed Development within the area of dunes, beach and foreshore for which RCBC is a freeholder owner have been successfully negotiated.

4.0 MATTERS TO BE AGREED

- 4.1.1 This section at **Table 4.1** below sets out the matters remaining to be agreed between the parties.
- 4.1.2 It is relevant to note that the Applicants are not aware of, and have not received any, comments or representations from RCBC that raise concerns or objections to the matters listed below. Neither has RCBC submitted a Relevant Representation in respect of the Proposed Development. The Applicants will continue to engage with RCBC early in the Examination period to discuss these matters, taking account of the Council’s Local Impact Report, in order to reach agreement.
- 4.1.3 The matters below include those listed in the ExA’s Rule 6 letter dated 11 April 2022.

Table 4.1 – Matters to be Agreed

No.	Matter to be Agreed	Commentary/ Agreement Sought
1.	EIA assessment methodology	The assessment methodology set out at Chapter 2 ‘Assessment Methodology’ of the Environmental Statement (ES), Volume I (Document Ref. 6.2.2) is appropriate and proportionate.
2.	Alternatives	The approach to the assessment of alternatives is appropriate and proportionate.
3.	Design Parameters	The adoption of the ‘Rochdale Envelope’ approach and the use of maximum design parameters set out at paragraphs 4.2.4 to and at Table 4-1 of Chapter 4 ‘Proposed Development’ of the ES, Volume I (Document Ref. 6.2.4) for assessing the likely significant effects of the Proposed Development is appropriate and proportionate.
4.	Cumulative and Combined Effects Project List	The list of projects at Table 24-5 of Chapter 25 ‘Cumulative and Combined Effects’ of the ES, Volume I (Document Ref. 6.2.25) used for the cumulative and combined effects assessment of the Proposed Development is appropriate.
5.	DCO Requirements	The drafting of the DCO requirements is appropriate.
6.	Schedule 13 of the Draft DCO	The procedure for the discharge of the DCO requirements is appropriate.
7.	Design	That the design of the Proposed Development is appropriate and represents ‘Good Design’.

8.	Construction effects	The assessment of construction effects.
9.	Air Quality and Emissions	The assessment of effects on air quality.
10.	Biodiversity and Ecology	The assessment of effects on biodiversity and ecology and the approach to biodiversity enhancement and biodiversity net gain.
11.	Climate Change	The assessment of effects on climate change.
12.	Landscape and Visual	The assessment of effects on landscape and visual amenity.
13.	Geology, Hydrogeology and Contaminated Land	The assessment of effects on geology, hydrogeology and contaminated land.
14.	Historic Environment	The assessment of effects on the historic environment.
15.	Major Accidents and Hazards	The assessment of effects in respect of major accidents and hazards.
16.	Noise and Vibration	The assessment of effects in terms of noise and vibration.
17.	Socio-economics and Tourism	The assessment of effects in terms of socio-economic and tourism.
18.	Traffic and Transport	The assessment of traffic and transport effects.
19.	Public Rights of Way (PRoW)	The assessment of effects on and management of PRoW.
20.	Water Environment	The assessment of effects on the water environment.
21.	Local Development Plan Policies	That the Proposed Development complies with relevant policies.
22.	Land Agreements	Legal documents in respect of the HoTs agreed between the parties for an option agreement and easement for apparatus required for the Proposed Development within the area of dunes, beach and foreshore for which RCBC is a freeholder owner, are being progressed.

