

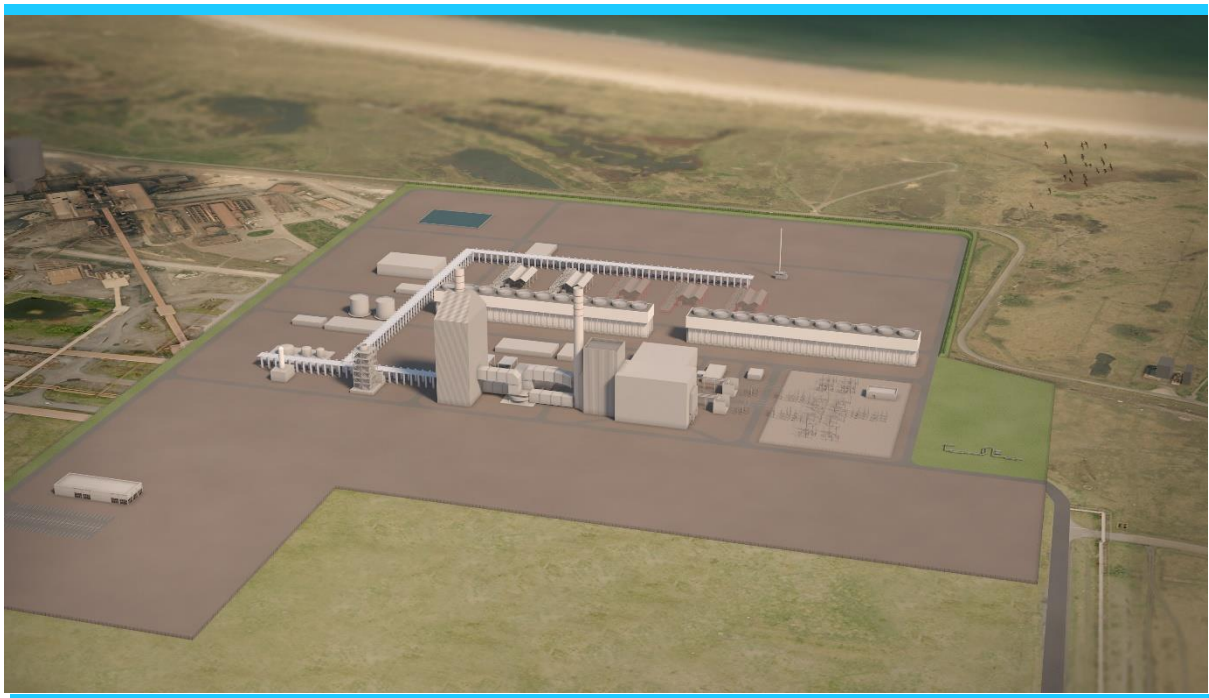
# Net Zero Teesside Project

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: 8.9 – Statement of Common Ground with National Grid Gas Plc



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

Date: May 2022

## DOCUMENT HISTORY

Document Ref	8.9		
Revision	1.1		
Author	Jason Rundle		
Signed		Date	26 May 2022
Approved By			
Signed		Date	26 May 2022
Document Owner			

## 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
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
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
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
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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## CONTENTS

<b>1.0</b>	<b>Introduction .....</b>	<b>1</b>
<b>2.0</b>	<b>Summary of Consultation and Discussions.....</b>	<b>2</b>
<b>3.0</b>	<b>Matters Agreed .....</b>	<b>4</b>
<b>4.0</b>	<b>Matters to be Agreed .....</b>	<b>6</b>

## TABLES

	Table 2.1: Summary of Consultation .....	2
	Table 2.2: Summary of Discussions .....	3

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## 1.0 INTRODUCTION

### 1.1 Overview

- 1.1.1 This Statement of Common Ground (Document Ref. 8.9) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the ‘Applicants’) in conjunction with National Grid Gas Plc (“NGG”) 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 NGG 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.
- 1.1.4 It is acknowledged by the Parties that until NZT sign a Gas Construction Agreement and Network Exit Agreement and enter into any formal Land arrangements, a connection is not agreed.

### 1.2 NGG Interests

- 1.2.1 National Grid Gas has high pressure gas transmission pipelines and above ground associated apparatus located within or in close proximity to the proposed order limits. The transmission pipeline forms an essential part of the gas transmission network in England, Wales and Scotland.

### 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 (‘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.
- 1.3.2 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).
- 1.3.3 The SoCG is structured as follows:
- Section 2 – sets out consultation and related discussions held between the Applicants and NGG.
  - 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 NGG on the Proposed Development and also sets out the discussions that have taken place between the parties.

2.1.2 The Application for the Proposed Development was submitted in July 2021.

2.1.3 The Application was accompanied by a Gas Connection Statement prepared to comply with Regulation 6(1)(a)(ii) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009, which requires the Applicant to provide "a statement of who will be responsible for designing and building the gas pipeline connection to the generating station".

### 2.2 Consultation

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

**Table 2.1: Summary of Consultation**

Consultation Stage/Date	NGG Response
Stage 1 Consultation (non-statutory) – 2 <sup>nd</sup> October to 19 <sup>th</sup> November 2019	N/A
Stage 2 Consultation (statutory) – 7 <sup>th</sup> July to 18 <sup>th</sup> September 2020	Provided a summary of existing apparatus within or close to the proposed Order Limits.  Outline the requirements for working close to their apparatus.
Section 42 Update Consultation – 8 <sup>th</sup> December 2020 to 25 <sup>th</sup> January 2021 (further targeted consultations held 12 <sup>th</sup> February to 16 <sup>th</sup> March 2021 & 26 <sup>th</sup> March to 3 <sup>rd</sup> May 2021)	Reiterated NGGs position outlined in the previous consultation response.  Requires that acceptable protective provisions are to be included in the DCO.
Consultation on proposed changes to DCO Application – 10 <sup>th</sup> March to 14 <sup>th</sup> April 2022	Responded with no comments

### 2.3 Discussions

2.3.1 A summary of the discussions that have taken place between the parties is set out in the table 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**

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Topics Discussed</b>
Jan 2020	Introductory Meeting	Initial general project background and overview meeting
Mar 2020	Progress meeting	Technical requirements discussions, scoping, connection option discussions.
May 2020	Online Teams meeting	Technical requirements discussions
Jun 2020	Online Teams meeting	Technical requirements discussions
Jul 2020	Online Teams meeting	Technical requirements discussions, ramp rates discussions.
Aug 2020	Online Teams meeting	Technical requirements discussions, scoping, connection option discussions.
Oct 2020	Online Teams meeting	Gas connection application and PARCA planning. Pre-application Connection Statement discussions.
Dec 2020	Online Teams meeting	Gas connection application process review, and Application submitted.
Feb 2021	Online Teams meeting	Application kick-off meeting
Mar-Apr 2021	Online Teams meeting	Pre-Submission SOCG/Connection Statement agreed
Apr 2021	Progress Meeting	NGG confirm initial technical assessments, timing of next steps, revised full application (planned for 2023).

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## 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 There is an urgent need for the Proposed Development, relating both to the provision of low carbon electricity and the need to provide for the collection, compression and transport of carbon dioxide from a range of emitters in the Teesside area.

### 3.3 MATTERS NOT IN DISPUTE BETWEEN THE PARTIES – GAS CONNECTION

3.3.1 This section sets out the matters agreed between the parties. This has been achieved through the various meetings and communications between NGG and the Applicant, including studies by both parties.

The Gas Connection comprises all the necessary elements to enable gas to be imported to the Power generation equipment and steam raising plant from the National Gas Transmission System at a suitable rate and pressure.

3.3.2 The National Grid Gas Connection will be a Minimum Offtake Connection (MOC) comprising of a connection to the National Gas Transmission System together with associated valve arrangement within a compound and a Remote Telemetry Unit (RTU) to enable communication with the Gas National Control Centre (GNCC).

3.3.3 The MOC will be designed, constructed, owned and operated by NGG.

3.3.4 The MOC does not include the primary protection device for the downstream system, pressure reduction, gas quality monitoring or measurement.

3.3.5 As set out in section 4.0 of the NZT Gas Connection Statement, NZT submitted a connection application to NGG in December 2020 which was formally accepted by NGG on the 7th February 2021. Later in 2021, NGG completed an initial study and concluded confirmed to the Applicants that sufficient capacity was available in the gas network and advised that the full connection application was not required. Both parties then agreed to continue working together with respect to the requirements for the Gas Connection with a view to a resubmit a full application for Connection Offer in early 2023.

3.3.6 Preliminary studies by NGG have indicated that there are no major concerns to making available the required gas capacity at the proposed NGG connection point. Capacity is reserved by NZT entering into a Planning and Advanced Reservation of Capacity Agreement (PARCA). NZT has not applied for or entered into a PARCA to reserve any network capacity at this time, although this is anticipated in 2023.

3.3.7 A ramp rate pre-study has been completed which identifies that a ramp rate study is not required at the proposed NGG gas connection location, based on the information provided in the NZT connection application. There have been no operational



concerns raised at this stage that would affect the ability of NGG to provide gas at the ramp rates included within the NZT application.

- 3.3.8 It is understood that NZT will enter into a Network Exit Agreement (NExA) with NGG following the construction process and prior to the flow of any gas through the Gas Connection.
- 3.3.9 It is understood that agreements between NGG and 3<sup>rd</sup> party connected parties may be required to facilitate the NGG Connection.
- 3.3.10 Preliminary work on the Gas Connection layout has been completed by NZT in collaboration with NGG. The preliminary indicative layout is provided as Appendix A. It is understood, based on the draft DCO submission information shared with NGG in March 2021, that whilst the layout is indicative, there is sufficient room within the DCO red line boundary for the construction and future operation of the Gas Connection at the location proposed.
- 3.3.11 It is understood that NZT will need to sign a Gas Construction Agreement and agree to National Grid Standard Conditions of Contract for the Gas Connection.
- 3.3.12 It is agreed that NZT will secure the necessary temporary permissions, consents and land rights, including those for access, to enable NGG to construct the Gas Connection. It is agreed that NZT will meet any conditions associated with the above to enable the Gas Connection by NGG.
- 3.3.13 It is agreed that NZT will secure the necessary permissions, consents and land rights, including those for access, for NGG to site and operate the MOC. It is agreed that NZT will meet any conditions associated with the above to enable the operation of the MOC by NGG.
- 3.3.14 As per the National Grid Standard Conditions of Contract, it is agreed NZT will provide 3<sup>rd</sup> party services to facilitate the Gas Connection by NGG. This may include, but is not limited to, the provision of an electrical supply and communications infrastructure (currently ASDL line).
- 3.3.15 It is agreed that NZT will be responsible for the removal / diversion of any third party services as may be required to enable the Gas Connection.

It is agreed that NZT will undertake any environmental, ecological, archaeological, land contamination, flood risk or other required surveys and mitigations that may be required to enable the Gas Connection.

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## 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 MATTERS NOT AGREED, PART OF DEVELOPMENT PLAN

4.2.1 The layout of the NGG MOC including routing of the inlet pipeline has not yet been finalised and therefore cannot be agreed. The drawing provided as Appendix A is an indicative layout only. The Parties agree that based on the current information there is sufficient land (total area) shown in the Gas Connection and AGI Plans Sheet 5 [AS-159]. The Parties will discuss the final arrangements and routing at the detailed design stage.

4.2.2 The location of the Remote Telemetry Unit (RTU) to enable NGG to communicate with the Gas National Control Centre (GNCC) has not been agreed at this time, however this will be discussed by the Parties and addressed at the detailed design stage. The RTU may be within the MOC or may be located closer to the NZT gas quality monitoring and measuring equipment.

4.2.3 The nature of the connection onto the National Grid Transmission System is has not yet been agreed. This will be discussed by the Parties at the detailed design stage.

4.2.4 It is not understood whether the gas connection could be undertaken under live conditions or require a full shut down of the pipeline, with associated 3rd party agreements to be reached. This will be discussed by the Parties and with any applicable 3<sup>rd</sup> party at the detailed design stage.

4.2.5 A full programme of works and arrangements for construction of the NGG MOC to ensure that all aspects of the Construction (Design and Management) Regulations 2015 are met has not yet been agreed. This will be discussed by the Parties and addressed at the detailed design stage.

4.2.6 Protective Provisions associated with protection of the National Grid existing assets are required. These are not yet agreed and Protective Provisions will need be agreed post the NZT DCO submission, along with a side agreement between the Parties addressing insurance/surety and any other specific interactions arising from the Project.