

# 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: 8.30 –Statement of Common Ground with North Tees Limited (“NTL”), North Tees Land Limited (“NTLL”) and North Tees Rail Limited (“NTRL”)



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

**September 2022**

## DOCUMENT HISTORY

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## GLOSSARY

<b>Abbreviation</b>	<b>Description</b>
AD Guidance	Guidance on associated development applications for major infrastructure projects' (April 2013)
AGI	Above Ground Installation
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
Associated Development	Defined under S.115(2) of PA 2008 as development which is associated with the principal development and that has a direct relationship with it. Associated development should either support the construction or operation of the principal development or help address its impacts. It should not be an aim in itself but should be subordinate to the principal development
BEIS	Department for Business, Energy, and Industrial Strategy
CCP	Carbon capture plant
CCGT	Combined cycle gas turbine
CCUS	Carbon capture usage and storage
CEMP	Construction and Environmental Management Plan

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
EIA	Environmental Impact Assessment – the assessment of the likely significant environmental effects of a development, undertaken in accordance with the EIA Regulations
EIA Regulations	Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 (as amended) setting out how the environmental assessment of NSIPs must be carried out and the procedures that must be followed
Electricity Generating Station (or CCGT / Low Carbon Electricity Generating Station)	A new electricity generating station fuelled by natural gas and with a gross output capacity of up to 860 megawatts
EPC Contractor	Engineering, Procurement and Construction contractor who will undertake the detailed engineering design, procurement and deliver the construction of the Proposed Development
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
Limits of Deviation	The limits shown on the Works Plans within which the Proposed Development may be built
NSIP	Nationally Significant Infrastructure Project that must be authorised by the making of a DCO under PA 2008
NTL	North Tees Limited
NTLL	North Tees Land Limited
NTRL	North Tees Rail Limited
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.
Open Space Land	The parts of the Order Land which are considered to be open space for the purposes of section 132

	of the PA 2008 and as shown hatched blue on the Land Plans
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
PCC Site	Power, Capture and Compression Site – the part of the Site that will accommodate the Electricity Generating Station, along with the CCP and high-pressure compressor station
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
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
Site (or Proposed Development Site)	The land corresponding to the Order Limits which is required for the construction and operation of the Proposed Development
SoS	Secretary of State for Business, Energy and Industrial Strategy
SoCG	Statement of Common Ground
Section 35 Direction	The direction under section 35 of the PA 2008 dated 17 January 2020 from the SoS that the Specified Elements together with any matters/development associated with them should be treated as development for which

	development consent under the PA 2008 is required
Specified Elements	Those elements of the Proposed Development that, by virtue of the Section 35 Direction, are to be treated as development for which development consent under the PA 2008 is required being: the CO2 gathering network, including the CO2 pipeline connections from the proposed CCGT Electricity Generating Station and industrial facilities on Teesside to transport the captured CO2 (including the connections under the tidal River Tees), a high-pressure carbon dioxide compressor station to receive captured CO2 from the CO2 gathering network, and a section of the CO2 transport pipeline for the onward transport of the captured CO2 to a suitable offshore geological storage site
STDC	South Tees Development Corporation
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. 8.30) has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the ‘Applicants’) in conjunction with North Tees Limited, North Tees Land Limited and North Tees Rail Limited (hereafter referred to as “NTG”) 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 16<sup>th</sup> August 2021.
- 1.1.3 The SoCG sets out the matters of agreement between the Applicants and NTL, NTLL and NTRL and also explains those matters which, at the time of writing, remain unresolved 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.

### **1.2 Interests**

#### **1.3 NTL Interests**

- 1.3.1 NTL’s land interest in relation to the DCO is:
- 1.3.2 the freehold land comprised under title number CE148565. This interest comprises ownership of land within the link line corridor and land adjoining the linkline corridor that uses or has the benefit of rights to use the link line corridor;
- 1.3.3 leasehold land registered under CE181455.

#### **1.4 NTLL Interests**

- 1.4.1 NTL’s land interest in relation to the DCO is:
- 1.4.2 NTLL’s interests in relation to the DCO concern freehold land CE228878. This land is covered by the DCO despite being outside the physical extent of the established linkline corridor and the reason for the inclusion of this land in NTL/NTLL/NTRL’s view is unnecessary.

#### **1.5 NTRL Interests**

- 1.5.1 NTRL’s land interest in relation to the DCO is:
- 1.5.2 leasehold land under title number CE236232.

### **1.6 The Purpose and Structure of this Document**

- 1.6.1 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.

1.6.2 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).

1.6.3 The SoCG is structured as follows:

- Section 2 – sets out consultation and related discussions held between the Applicants and NTL, NTLL and NTRL.
- 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 NTG 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 and how NTG have responded to that consultation.

**Table 2.1: Summary of Consultation**

Consultation Stage/Date	NTG 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	N/A
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)	N/A
Consultation on proposed changes to DCO Application – 10 <sup>th</sup> March to 14 <sup>th</sup> 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**

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Topics Discussed</b>
06/20	Enquiry from Ardent	Developers request for information – NTG responded and did not hear anything further.
12/21	Meeting	Proposed Development introduction
26/05/21	Phone call	PX/NTL – survey access.
24/08/21	Site Meeting	
19/09/21	Teams Meeting	HOT negotiations.
21/09/21	Teams Meeting	HOT negotiations
18/10/21	Site Meeting	Marked HOTs and meeting minutes produced.
12/11/21	Phone call	HOT discussions.
18/11/21	Meeting	HOT negotiations.
22/11/21	Phone call	
26/11/21	Phone call	DM/NTG – service charges.
16/12/21	Phone call	NTG/DM – valuation negotiations.
26/01/22	Phone call	NTG/DM – easement term discussions.
30/03/22	Teams Call	HOT negotiations
01/04/22	Teams Call	HOT negotiations
18/05/22	Site Meeting	HOT negotiations and technical interface and engineering meeting. The parties agreed that the CO2 pipe would be laid within the existing linkline corridor of which there is sufficient available space for upto a 22inch pipe.
12/08/22	Teams Meeting	HOT discussions and negotiations.

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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 The Applicants believe 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. The parties agree and acknowledge that the linkline multi-user corridor consists of well-established routings and in NTG's view are vital to unlock developments of adjacent landholdings.

3.2.2 NTG is generally supportive and recognises that the Proposed Development offers emitters in Teesside a potential route to decarbonise through the CO2 Gathering Network. This support is subject to The Applicants entering into contractual arrangements that are consistent with the established use of the linkline corridor reflective of its multi-user and the need to regulate and control activities and enforce obligations on users of the linkline corridor for the benefit of all users.

### **3.3 Easement Term**

3.3.1 As part of the Heads of Terms (non-binding) negotiations, the Applicants have proposed an appropriate easement term as part of the voluntary agreement this is agreed to be in line with the Lease for the CO2 Compression facilities.

### **3.4 Consideration**

3.4.1 Subject to contract, the easement consideration as part of the voluntary agreement has been agreed between the Applicants and NTG.

### **3.5 Existing Operations**

3.5.1 NTG have raised concerns regarding their ongoing operations and workings of the pipeline corridor in terms of construction and operation of the CO2 Gathering Network within their freehold ownership. It is agreed that there should be a collaborative interface management between the parties in terms of use of the corridor but the mechanism for this is yet to be agreed.

### **3.6 CO2 Pipeline Routing**

3.6.1 The parties agree that the CO2 pipe will be laid within the existing linkline corridor of which there is sufficient available space for up to a 22inch pipe.

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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 Rights being sought**

- 4.2.1 The Applicants submitted a change application in April 2022, which in NTG's opinion represented a minimal reduction of the area over which rights required by the Applicants over the NTG estate in order to execute the development.
- 4.2.2 NTG are not satisfied and believe the rights applied for by the Applicants are excessive given they are significantly wider than the current pipeline corridor and block emergency access/ egress routes. NTG believe the nature of the rights being sought are too extensive, wide ranging and in part, inappropriate.
- 4.2.3 The Applicants confirmed in their response to NTG's Written Representation that following NTG's feedback and further site surveys that the Order Limits within NTG's land holdings could be reduced. The Applicants submitted a change request to the ExA at Deadline 6, this removed plots 128b, 129, 129a, 129b, 129c, 131, 132, 132a, 132b from the Order Limits. There was also a reduction in the nature of rights sought from new rights to temporary possession for a portion of plot 124. This resulted in the removal of plots 124c, 124e and 124f as they were merged into 124b. Appendix 1A is included to illustrate the geographic extent of the Order Limit reductions and to the nature of rights to land which is retained within in the Order Limits.
- 4.2.4 NTG will submit their land plans in response to ExQ1 CA.1.8 to show comparison with Appendix 1A as opposed and the DCO plans.
- 4.2.5 In NTG's view a significant proportion of land over which permanent rights are being sought could be removed or amended to Temporary use of land and in relation to which it is proposed to extinguish or suspend easements, servitudes and other private rights. In NTG's view, there cannot be a case for the compulsory acquisition of rights nor a right to extinguish existing easements in pipeline corridors where this will negatively impact NTG, NTG's tenants or limit its or their future developments for an established, multi-user commercial corridor
- 4.2.6 The Applicants view is that they have reduced the nature and extent of rights sought over NTG's interests to that which is necessary to deliver the proposed development. Compulsory acquisition of new rights is sought over the linkline corridor and existing access tracks in order to secure the required pipeline easement and associated access rights to construct and maintain the asset.

### **4.3 Heads of Terms**

4.3.1 The Applicants and NTG have been negotiating Heads of Terms for an Option Agreement and Easement for the installation and operation of apparatus required for the Proposed Development. Several clauses remain unagreed and the parties are working together in order to agree the outstanding terms.

#### **4.4 Option Area**

4.4.1 NTG believe the extent of the option area is too large.

#### **4.5 Financial Security**

4.5.1 The level of financial security offered by the Applicants is under discussion and linked to NTG's proposals with regard to the repair, insurance and the position on indemnities being resolved.

#### **4.6 Construction Period**

4.6.1 Time periods for carrying out construction works on NTG's land holdings are not agreed and under discussion in relation to its impact on the multi-user linkline corridor.

#### **4.7 Protective measures**

4.7.1 Due to the nature of NTG's landholdings and various interests, protective provisions are being progressed between the parties.

#### **4.8 Repair, maintenance and liability**

4.8.1 Levels of obligation on the Applicants to repair and maintain apparatus are not agreed and under discussion. NTG require consistency with established linkline corridor obligations on the basis of the multi-user nature of the linkline corridor. The obligations within the linkline corridor are not agreed and under discussion.

4.8.2 NTG do not consider that their requests for obligations to repair and maintain are unreasonable as they are consistent with established covenants binding the service corridor and simply require the Applicants to keep the relevant apparatus in a state of good repair and condition expected of a reasonable and prudent constructor. NTG's position is that this is not unreasonable given that they are bound by this covenant as are entities using the service corridor including without limitation by way of example Sembcorp and Sabic.

4.8.3 The Applicants position is that the CO2 Gathering Network pipeline would be a regulated asset. The Applicants would have a legal obligation to construct and maintain the apparatus in line with regulatory standards to secure an operational license.

4.8.4 NTG are seeking to ensure that levels of insurance are consistent with existing practice and that there is an adequate mechanism for insurance levels to be increased over time considering the potential for a 60 year easement.

4.8.5 The Applicants position is that they have proposed appropriate levels of insurance and liability.

#### **4.9 Decommissioning and removal**

4.9.1 Provisions with regard to decommissioning and removal of the Applicant's apparatus are not agreed and under discussion.

#### **4.10 Compulsory acquisition**

4.10.1 Discussions are continuing in relation to this issue. The Applicants have committed to not exercise CA powers against NTG once an Option agreement is in place so far as the Applicants are able to deliver its Proposed Development without the need for the CA powers.

4.10.2 NTG's position is that there must be an absolute commitment not to exercise CA powers against (nor should the Applicants be able to extinguish rights in) the linkline corridor once an Option agreement is in place because of the impact this could have on NTG and/or upon other apparatus owners with pipelines in the linkline corridor. NTG contends that the grant of any CA powers to the Applicants could upset the role NTG plays in the linkline corridor for all those with apparatus within it.

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## Appendix A1 – Indicative Land Planaction Mark Ups