

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: 8.13 – Statement of Common Ground with PD Teesport Limited (“PDT”)



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
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
CEMP	Construction and Environmental Management Plan
CNSL	CATS North Sea Limited
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.
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
PDT	PD Teesport Limited
PPs	Protective Provisions
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
RBT	Redcar Bulk Terminal Limited
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
Sembcorp	Sembcorp Utilities (UK) 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. 8.13 has been prepared by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the ‘Applicants’) in conjunction with PD Teesport Limited (PDT) 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 PDT 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 PDT Interests

PDT land interests in the Teesside region are illustrated in Appendix A1, their interests in relation to the Proposed Development are summarised as below:

1.2.1 Teesport Estate

Freehold interest in and operator of the Teesport Estate, the fifth largest port in the UK.

1.2.2 CATS North Sea Limited (“CNSL”)

Freehold interest in the land occupied by CNSL. The CNSL Lease is for a term of 99 years from and including 28 August 1991.

1.2.3 Seal Sands Road

Freehold interest in Seal Sands Road.

1.2.4 South Gare Road

Right of way along South Gare Road.

1.2.5 Redcar Bulk Terminal Limited (“RBT”)

Freehold interest in the land occupied by RBT. The lease in favour of RBT is for a term of 40 years from 17 June 1993.

1.2.6 Sembcorp Utilities (UK) Limited (“Sembcorp”)

Freehold interest in part of the CO₂ Gathering Network occupied by Sembcorp.

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 PDT.
- 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 PDT 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 PDT and how PDT have responded to that consultation.

Table 2.1: Summary of Consultation

Consultation Stage/Date	PDT 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	PDT expressed support for the Proposed Development in principle but raised concerns with the proposed order limits. These concerns were with the potential impact on their port operations, services and business interests.
Section 42 Update Consultation – 7 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)	A holding objection was raised, pending appropriate information being made available. PDT requested further information on land requirement and use of the Proposed Development with respect to their interests.
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 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

Meeting Date	Meeting Type	Topics Discussed
June 2020	Introductory Call	Introductory call between PDT and the Applicants
September 2020	Update Meeting	Follow up meeting and update on the land interfaces and key PDT concerns with the extent of the DCO Order Limits

October 2020	Natural Gas Pipeline	Discussion on the suggested natural gas pipeline route proposed by PDT
November 2020	Update Meeting	Update on reductions to the DCO Order Limits related to PDT land following the Stage 2 consultation
December 2020	Email	PDT setting out expectations of coordination between PDT and NZT as regards inclusion of land areas (belonging to PDT) into NZT’s order limits
January 2021	Telephone call	Meeting arranged by PDT to discuss freight logistics options
February 2021	Progress Meeting	Meeting arranged by PDT to discuss updates on key aspects of the application: <ul style="list-style-type: none"> • Applicant presented a revised RLB with removal of option south of Dabholm Gut, an area of concern for PDT • Applicant provided output to PDT on a recently completed constructability workshop which informed strategies, particularly around early works.
July 2021	Progress Meeting	Senior management meeting held at PDT head office to share the project development, PDT history and areas of responsibility/interest in Teesside, and to understand first hand the concerns of both parties to understand areas of common ground.
October 2021	Telephone Call	Introductory discussion between Dalcour Maclaren & PDT
February 2022	Pre-consultation	Potential DCO Changes, Protective Provisions and next steps
March 2022	Progress Meeting	Proposed Development update & alignment on way forward with voluntary agreement
April 2022	Progress Meeting	Progress discussion on PPs
May 2022	Progress Meeting	Discussion principally on SoCG and PPs
June 2022	Telephone Call	Discussion on SoCG, rights of access to RBT and HoTs
<u>July 2022</u>	<u>Telephone Call</u>	<u>Discussion on PPs and HoTs</u>
<u>July 2022</u>	<u>Progress Meeting</u>	<u>Progress discussion on PPs, HoTs and other land agreements</u>
<u>October 2022</u>	<u>Progress Meeting</u>	<u>Discussion on HoTs and way forward for land agreements</u>

3.0 MATTERS AGREED

3.1 Overview

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

3.1.2 Principle of the Proposed Development

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. PDT does not object to the location of the various elements of the Proposed Development providing the Applicant reaches voluntary agreement with PDT. The Applicant has committed to not exercise Compulsory Acquisition powers against PDT once voluntary agreements are in place so far as the Applicant is able to deliver its Proposed Development without the need for the CA powers.

3.1.3 The exclusion of PDT’s interests in the Teesport Estate

The Applicants have shared with PDT the proposed change request which was submitted formally to the ExA on 28 April 2022. Following acceptance by the ExA there are no plots in PDT’s Teesport Estate -included in the DCO.

3.1.4 CATS North Sea Limited (“CNSL”) – Plots 110, 112, 113, 114

It has been agreed with PDT that the Applicants will deal directly with CNSL with a view to reaching a voluntary agreement for an underlease of Plot 112 and associated easements over Plots 110, 113 & 114. The underlease will be subject to the consent of PDT as landlord.

3.1.5 Seal Sands Road – Plots 98, 111, 126, 136, 137, 142a, 143, 144, 145, 146, 147, 148, 150, 151, 152, 153, 158a, 166a, 176a, 183a, 184a, 185a, 186, 187, 188, 189, 192

The principle of construction and operational access by the Applicants along Seal Sands Road is agreed.

Protective provisions (‘PPs’) will provide for co-operation between the parties in relation to their respective operations and potential interactions.

PPs ~~have been agreed between the parties and included in the dDCO submitted at Deadline 8 [REP8-003] were initially sent to PDT in May 2021 and are currently being progressed by both parties.~~

3.1.6 South Gare Road – Plots 305, 378, 474, 475, 477

The Applicants note the concerns raised by PDT regarding unrestricted access being available to their operational facilities at South Gare. Although some traffic management may be required on limited occasions, the Applicants can commit to maintaining unrestricted access to PDT and its interested parties/private users.

PPs will provide for co-operation between the parties in relation to their respective operations and potential interactions.

~~PPs have been agreed between the parties and included in the dDCO submitted at Deadline 8 [REP8-003]PPs were initially sent to PDT in May 2021 and are currently being progressed by both parties.~~

3.1.7 Redcar Bulk Terminal Limited (“RBT”) – Plot 222

The Applicants note PDT’s interests in and rights to use and access the RBT berth.

These interests and rights will be dealt with in the PPs.

~~PPs have been agreed between the parties and included in the dDCO submitted at Deadline 8 [REP8-003]PPs were initially sent to PDT in May 2021 and are currently being progressed by both parties.~~

It has been agreed with PDT that the Applicants will deal directly with RBT with a view to reaching a voluntary agreement for a Port Services Agreement. The Port Services Agreement will be subject to the review of PDT as Landlord.

3.1.8 Sembcorp Utilities (UK) Limited (“Sembcorp”) CO₂ pipeline – Plots 142, 142b, 158, 166, 166b, 171, 171b, 176, 176b, 183, 184, 190, 191, 191a, 191b, 194

~~Following progress with both Sembcorp and PDT it has now been agreed that the Applicants will progress with a voluntary agreement directly with PDT in respect of rights for the relevant section of the CO₂ Gathering Network. The Applicants have issued draft Heads of Terms to PDT. The Applicants are dealing directly with Sembcorp in respect of rights for the relevant section of CO₂ Gathering Network.~~

~~It has been agreed with PDT that the Applicants will deal directly with Sembcorp with a view to reaching a voluntary agreement in respect of rights for the relevant section of the CO₂ Gathering Network. The Agreement will be subject to the review of PDT as Landlord.~~

3.1.9 Sembcorp Utilities (UK) Limited (“Sembcorp”) CO₂ pipeline – Plots 91, 92

It is understood that Sembcorp is unable to grant specific access rights over the prescribed route in Plots 91 & 92. The Applicants ~~will be submitting~~ have issued draft Heads of Terms to PDT in respect of access over Plots 91 & 92 to the Sembcorp pipeline corridor for the CO₂ Gathering Network pipeline.

3.1.10 Teesside Gas Processing Plant (“TGPP”) – Plot 108

The Applicants ~~have received confirmation from both TGPP and PDT that access rights for plot 108 are to be secured directly from PDT. The Applicants have issued draft Heads of Terms for plot 108 to PDT. is pursuing a voluntary agreement with TGPP which will secure access rights to their site during construction and operation.~~

3.1.11 HDD Tees Crossing and Temporary Construction and Laydown for HDD Tees Crossing – Plots 127, 133, 134, 140, 154, 159, 160, 161, 163, 164, 167, 168, 170, 176a, 181, 183a, 184a, 185, 185a, 191

The Applicants submitted a change request at Deadline 6, which was subsequently accepted for examination by the ExA [PD-017]. As a result, the HDD Tees crossing option was removed from the draft DCO. The following plots were removed from the

~~Order Limits: 127, 133, 134, 140, 154, 159, 160, 161, 163, 164. have completed the initial phase of FEED to determine the technical feasibility of Work No. 6 Option 3 (Sembcorp Tunnel). Following this the Applicants will be bringing forward updated Application documents that will select the Sembcorp Tunnel option and remove Work No. 6 Option 2 (horizontal directional drill) from the draft DCO.~~

~~On submission of these documents, the plots listed above associated with Work No. 9B will no longer be required for the HDD Tees Crossing. Those plots that are not subject to other Work Nos. will be removed from the Order Limits. Therefore, the Applicants will no longer progress with draft Heads of Terms for these PDT land interests.~~

3.1.12 Protective Provisions

~~Protective provisions have been agreed by both parties and included in the dDCO at Deadline 8 [REP8-003].~~

3.1.13 Decommissioning

~~The Applicants updated the draft DCO at Deadline 4 [REP4-002] to include a new limb that states where the relevant planning authority does not approve a decommissioning environmental management plan or evidence that any necessary planning consents have been granted for decommissioning submitted by the undertaker, then within a period of 2 months from the notice (or such period as may be agreed with the relevant planning authority) a further submission must be made. This was to address comments from PDT. PDT have made no further comment on the wording of Requirement 32.~~

3.1.14 Harbour Master

~~The Applicants held a meeting with the harbour master on 7 July 2022. The Applicants shared construction programme information with the harbour master. This included discussions on vessel activity in the Tees for import of AILs via Redcar Bulk Terminal. The Applicants will continue to engage with the harbour master as the design develops and the construction programme is refined.~~

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.

4.1.2 Land Powers within the DCO

The Applicants ~~is~~are unable to agree to the removal of CA powers at this stage and is obliged to seek compulsory rights as part of their DCO application in order to execute the development if an agreement cannot be reached. The Applicants preference, wherever possible, is to conclude a voluntary agreement with PDT.

4.1.3 CATS North Sea Limited (“CNSL”) – Plots 110, 112, 113, 114

The Applicant is working with PDT to conclude a voluntary agreement for an Option and Lease and associated PPs. Commercial terms are being put forward to CATS for a lease of the AGI site and associated easements.

The commercial terms will include a clause setting out that the Applicants would not exercise CA powers, in relation to the Option area, unless the grantor was in breach of the Option or in respect of third party interests or restrictions in the Option area.

The position of PDT in relation to 3.1.4 is conditional upon the Applicant reaching a legally binding agreement with CNSL. The objection of PDT to the DCO will stand until such time as the legally binding agreement is in place.

4.1.4 Seal Sands Road – Plots 98, 111, 126, 136, 137, 142a, 143, 144, 145, 146, 147, 148, 150, 151, 152, 153, 158a, 166a, 176a, 183a, 184a, 185a, 186, 187, 188, 189, 192

The principle of construction and operational access by the Applicants along Seal Sands Road is agreed. The legal route to document the rights is the subject of ongoing discussion.

4.1.5 Redcar Bulk Terminal Limited (“RBT”) – Plot 222

The position of PDT in relation to 3.1.7 is conditional upon the Applicant reaching a legally binding agreement with RBT. The objection of PDT to the DCO will stand until such time as the legally binding agreement is in place.

4.1.6 Sembcorp Utilities (UK) Limited (“Sembcorp”) CO2 pipeline – Plots 142, 142b, 158, 166, 166b, 171, 171b, 176, 176b, 183, 184, 190, 191, 191a, 191b, 194

~~Heads of Terms are to be agreed with PDT in respect of easement and access for these plots. The position of PDT in relation to 3.1.8 is conditional upon the Applicant reaching a legally binding agreement with Sembcorp. The objection of PDT to the DCO will stand until such time as the legally binding agreement is in place.~~

4.1.7 Sembcorp Utilities (UK) Limited (“Sembcorp”) CO2 pipeline – Plots 91, 92

Heads of Terms are to be agreed with PDT in respect of access over Plots 91 & 92 to the Sembcorp pipeline corridor for the -CO₂ Gathering Network pipeline.

~~4.1.8 — Protective Provisions~~

~~The Applicant is in active discussion with PDT on PPs but they are not yet agreed.~~

~~4.1.9 — Decommissioning~~

~~The Applicants have removed the trigger for the submission of the decommissioning environmental management plan being within 12 months of the date that the undertaken decides to decommission in the draft DCO submitted at Deadline 2. Furthermore, the Applicants have made further amendments to Requirement 32 in the draft DCO submitted at Deadline 4, in line with PDT’s representations.~~

4.1.8 Teesside Gas Processing Plant (“TGPP”) – Plot 108

Heads of Terms are to be agreed with PDT in respect of access over plot 108.

5.0 APPENDIX A1

5.1 PDT River Map (The Ports of Teesport and Hartlepool)

