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Your Ref: EN010103
Our Ref: 13626

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Mr John Wheadon
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Dear Mr Wheadon

APPLICATION REF: EN010103 – THE NET ZERO TEESIDE PROJECT

SECRETARY OF STATE’S REQUEST FOR FINAL UPDATE ON PROTECTIVE PROVISIONS AND OUTSTANDING MATTERS IN RESPECT OF THE NET ZERO TEESIDE DEVELOPMENT CONSENT ORDER (‘THE NET ZERO TEESIDE ORDER’) APPLICATION

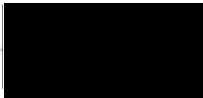
LAND AT AND IN THE VICINITY OF THE FORMER REDCAR STEEL WORKS SITE (TEESWORKS SITE), REDCAR AND IN STOCKTON-ON-TEES

I write on behalf of the Applicants, Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited, in response to the Secretary of State’s request for a final update on protective provisions and outstanding matters on 23rd August 2023 relating to the Net Zero Teesside (“**NZT**”) Development Consent Order (“**DCO**”) Application.

The Applicants’ final update on protective provisions is set out in **Table 1** appended to this letter.

I would be grateful if you could confirm receipt of this submission.

Yours sincerely



Geoff Bullock
Partner – Head of Planning
DWD – on behalf of NZT Power Limited & NZNS Storage Limited

Table 1: Applicants' Final Update on Status of Protective Provisions	
Affected Party	Status of Protective Provisions
Air Products Plc	The parties are engaged in negotiating protective provisions and an asset protection agreement. Most recently the Applicants' solicitor provided comments on the draft documents on 16 May 2023 and held subsequent calls with AP's solicitors in early July. The Applicants have since contacted AP's solicitors to progress matters further, but a response is awaited. The Applicants will continue to seek to reach agreement with Air Products.
CATS North Sea Limited	The parties have agreed the form of side agreement and annexed protective provisions and this has now been completed. The Applicants have been copied into correspondence from CNSL's legal representatives communicating the same to the Secretary of State.
CF Fertilisers UK Limited	The parties agreed the form of side agreement and annexed protective provisions and circulated the documents for electronic signature. However, CFL's solicitors subsequently confirmed in February 2023 that their client no longer intended to pursue their objection to the DCO and would not be completing the side agreement. The Applicants' solicitor has since written to CFL's solicitors to request confirmation that the objection would be withdrawn and are awaiting a response.
Huntsman Polyurethanes (UK) Limited	The parties are engaged in negotiating protective provisions and a side agreement. Most recently the Applicants provided comments on the drafts on 21 March 2023. Comments on the draft have not yet been returned by HPU's solicitors, however the two sets of solicitors have exchanged further emails in July and August 2023. The Applicants will continue to seek to reach agreement with HPU.
National Grid Electricity Transmission Plc	The parties have agreed a form of side agreement and protective provisions and are now proceeding with seeking final internal approvals, signing and completion.
National Grid Gas Plc (now known as National Gas Transmission plc)	The parties have agreed a form of side agreement and protective provisions and are now proceeding with seeking final internal approvals, signing and completion.
Navigator Terminals	The protective provisions were provided in draft to Navigator's legal representatives in March 2022. The Applicants responded on 28 July 2022 to amendments made to the protective provisions by Navigator's legal representations. The accepted amendments are included in Schedule 12, Part 24 of the draft DCO. During ongoing discussion on the voluntary property agreements with Navigator Terminals, the Applicants have received no further comments on the protective provisions.

<p>Network Rail Infrastructure Limited</p>	<p>The parties are engaged in negotiating a side agreement and protective provisions and continue to seek to reach agreement on these documents, with the latest correspondence from NRIL’s solicitors having been received on 27 July 2023 in which they confirmed that they are awaiting instructions. If agreement is not reached, the Applicants’ position remains that compulsory acquisition powers should be granted for the reasons given in the Statement of Reasons [REP12-010] and notes that Network Rail would benefit from the protection of the draft Order protective provisions provided at Part 11 of Schedule 12 to the DCO [REP12-003].</p>
<p>North Tees Group</p>	<p>The parties are engaged in negotiating a side agreement and protective provisions, with the latest draft issued by the Applicants to North Tees Group’s legal representatives on 28 October 2022 and a call held between the parties and their legal representatives on 4 November 2022. The Applicants have not heard from North Tees Group’s legal representatives since this time. The Applicants will continue to seek to reach agreement with North Tees Group. If agreement is not reached, the Applicants’ position remains that compulsory acquisition powers should be granted for the reasons given in, for instance, the Statement of Reasons [REP12-010] and Applicants’ Comments on D12 Submissions [document ref. 9.50] and the Applicants note that the North Tees Group would benefit from the protection of the draft Order protective provisions provided at Part 27 of Schedule 12 to the DCO [REP12-003].</p>
<p>Northern Gas Networks</p>	<p>The Parties were previously engaged in negotiating an asset protection agreement and protective provisions, with the latest draft issued by the Applicants’ solicitors on 5 October 2022. No response was received from NGN until 22 June 2023 when they returned a copy of the documents without any further mark up. The Applicants’ solicitors have since written to NGN on numerous occasions (the most recent being 15 August 2023) to request confirmation as to whether NGN has any further comments on the draft documents or are happy to move to engrossments but no response has been received. The Applicants will continue to seek agreement on the documents.</p>
<p>NPL Waste Management Limited (NPL)</p>	<p>The parties are engaged in negotiating a side agreement and protective provisions. The Applicants will continue to seek to reach agreement on these documents simultaneously with the Heads of Terms (HoT) for the property agreement. The most recent iteration of HoTs was issued by the Applicants on the 23rd August 2023. If agreement is not reached, the Applicants’ position remains that compulsory acquisition powers should be granted for the reasons given in the Statement of Reasons [REP12-010] and notes that NPL would benefit from the protection of the draft Order protective provisions provided at Part 13 of Schedule 12 to the DCO [REP12-003].</p>

<p>SABIC UK Petrochemicals Limited</p>	<p>The parties are engaged in negotiating protective provisions and a side agreement. Most recently the Applicants provided comments on the drafts on 21 March 2023. Comments on the draft have not yet been returned by Sabic’s solicitors, however the two sets of solicitors have exchanged further emails in July and August 2023. The Applicants will continue to seek to reach agreement with Sabic.</p>
<p>South Tees Development Corporation (STDC)</p>	<p>The status of protective provisions negotiations with STDC remain as set out in column 2 at page 14 of the Applicants End of Examination Negotiations Schedule (November 2022) [REP13-021], i.e.:</p> <p>The Applicants submitted their preferred protective provisions in the DCO at Deadline 12 [REP12-003]. STDC also submitted their preferred version at Deadline 12 [REP12-165]. The Applicants have provided comprehensive justification for their final protective provisions in Appendix 1 to the Schedule of Changes to the DCO submitted at Deadline 12 [REP12-005]. It has provided comprehensive comments on STDC’s protective provisions at Appendix 1 of the Applicants Comments on Deadline 12 Submissions (Document Reference 9.50)</p>
<p>North Sea Midstream Partners (NSMP) incorporating Teesside Gas Processing Plant (TGPP) / Teesside Gas and Liquids Processing (TGLP)</p>	<p>The parties are engaged in negotiating protective provisions and a side agreement. However, the position from the Applicants’ perspective remains as per the summary provided in section 8.0 of the document appended to the Applicants’ Response dated 11 April 2023 to the Secretary of State’s Consultation dated 3 April 2023. The Applicants last provided comments on drafts to NSMP/TGPP on 14 June 2023, to which no substantive response has yet been received.</p> <p>The Applicants have continued to engage with NSMP/TGPP’s legal representatives and are awaiting confirmation of a time for a forthcoming call.</p>