



HEADS OF TERMS FOR SECTION 106 AGREEMENT

Drax Bioenergy with Carbon Capture and Storage

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations, 2009 - Regulation 5(2)(q)

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Section 106 Heads of Terms

The proposed Section 106 Agreement will bind plots 1-01, 1-02, 1-03, 1-04, 1-05, 1-06, 1-09, 1-10, 01-11, 01-13, 01-16, 01-17, 01-18, 01-19, 01-24, 01-26, 01-27 and 01-30 (on the land plans submitted with the Application, which represents the main site of the authorised development) as well as the Off-Site Provision Area. The Agreement would be entered into by Drax Power Limited (“Drax”), Selby District Council (“SDC”) and North Yorkshire County Council (“NYCC”). This agreement will contain an obligation pursuant to section 106 of the Town and Country Planning Act 1990 and flows from the output of the environmental impact assessment work and, as such, is to be taken into account in the planning balance.

1. SECTION 106 OBLIGATION

1.1 Definitions

1.1.1 **“Application”** means the application for a development consent order under section 37 of the Planning Act 2008 in relation to the Proposed Scheme and submitted to the Secretary of State in May 2022 and given reference number EN010120.

1.1.2 **“Local Employment Scheme”** means a scheme setting out the details and mechanism for securing the use of local labour contractors, goods and services during the construction period and operational period of the Proposed Scheme including:

- (a) the measures that Drax will take in order to ensure that opportunities for local organisations to bid for contracts during the construction period are advertised locally;
- (b) the measures that Drax will take in order to ensure that opportunities for local organisations to bid for contracts during the operational period (for example for maintenance, waste, cleaning or security services) are advertised locally;
- (c) a requirement for Drax to notify SDC and NYCC when the procurement process for any construction contracts required during the construction period is due to begin in order to allow SDC and NYCC to advertise opportunities via any brokerage scheme that they may run;
- (d) a requirement for Drax to notify SDC and NYCC when the procurement process for any operational contracts required during the operational period is due to begin in order to allow SDC and NYCC to advertise opportunities via any brokerage system that they may run;
- (e) the anticipated number of local supplier days that will be hosted by Drax prior to and during the construction period;
- (f) promotion of the Local Employment Scheme and liaison with contractors engaged in the construction of the Proposed Scheme to ensure that they also apply the Local Employment Scheme so far as is practicable having due regard to the need and availability for specialist skills and trades and the programme for constructing the Proposed Scheme;
- (g) a procedure for monitoring of the Local Employment Scheme and reporting the results of such monitoring to the SDC and NYCC including details of origins, qualifications, numbers and other details of candidates; and

- (h) a timetable for the implementation of the Local Employment Scheme.
- 1.1.3 **“Local Liaison Committee”** means a local liaison committee established by Drax in order to liaise during the construction and operational period with local residents and organisations about matters relating to the construction and operation of the Proposed Scheme.
- 1.1.4 **“Off-Site Provision Area”** means an area within Arthur’s Wood and Fallow Field (outside the Order Limits – to be shown on a plan attached to the section 106 agreement) upon which Drax will provide the Off-Site Provision.
- 1.1.5 **“Off-Site Provision”** means:
- (a) compensatory habitat to be provided for bats by the provision of new and enhanced woodland and scrub which will be implemented by retaining an existing scrub parcel in the centre of Fallow Field which will be managed to remove undesirable species and the introduction of species such as dog or field rose *Rosa* sp. and honeysuckle *Lonicera perclymenum*;
 - (b) habitat creation which will include suitable habitat features for a range of terrestrial invertebrate species, including those recorded during the terrestrial invertebrate surveys of the Woodyard;
 - (c) habitat compensation for terrestrial invertebrates using habitat features from the existing Woodyard to create new habitat;
 - (d) replacement habitat for breeding and wintering birds which will include provision of new and enhanced woodland, scrub and species-rich grasslands;
 - (e) replacement habitat for local reptile populations which will include provision of new and enhanced woodland, scrub and species-rich grasslands; and
 - (f) the translocation of individual orchids from the Order Limits to a receptor site (provisionally located within Fallow Field in the Off-Site Provision Area). The receptor site will be prepared with translocated soils from the Woodyard. Individual orchids will be carefully removed from the existing site and replanted at the receptor site.
- 1.1.6 **“Order”** means the development consent order to be made pursuant to the Application.
- 1.1.7 **“Proposed Scheme”** means “authorised development” as defined in Article 2 and Schedule 1 of, and to be authorised by, the Order.

1.2 Local Employment Scheme

- 1.2.1 Prior to commencement of the Proposed Scheme, Drax shall submit the Local Employment Scheme to SDC and NYCC for approval. The following contracts will not be caught by the Scheme:
- (a) the main contract for the design, engineering, procurement, construction, installation, completion, commissioning and testing of the Proposed Scheme (the EPC Contract);
 - (b) any long term service agreement (LTSA) contract with the technology provider of the carbon capture technology relating to the design, build and ongoing maintenance of the carbon capture equipment, and any other LTSA contracts in respect of other elements of the Proposed Scheme (the LTSA Contracts);

- (c) any contract for the manufacture, supply, delivery or removal of the proprietary solvent used in the Proposed Scheme; and
 - (d) contracts for any works conducted by National Grid Electricity Transmission and/or National Grid Carbon Limited, or contracts with any successor body or other company responsible for the transport and storage of carbon dioxide from the Proposed Scheme.
- 1.2.2 Drax and SDC and NYCC shall work together to establish the initiatives set out in the Local Employment Scheme.
- 1.2.3 Drax shall not commence the Proposed Scheme until the Local Employment Scheme has been approved by SDC and NYCC and Drax shall thereafter carry out the approved Local Employment Scheme until the Proposed Scheme is decommissioned in accordance with the Order.
- 1.2.4 Drax shall use reasonable endeavours to procure that the contractors engaged in the construction of the Proposed Scheme assist in the implementation of the Local Employment Scheme.
- 1.2.5 For the avoidance of doubt, the Local Employment Scheme shall not require Drax, or any contractors, to award any contract for the construction or operation of the Proposed Scheme to any specific company.
- 1.2.6 Drax shall implement the Local Employment Scheme in accordance with the timetable contained in the approved Local Employment Scheme **PROVIDED THAT** Drax may from time to time seek approval for revisions of the Local Employment Scheme from SDC and NYCC.
- 1.2.7 Drax shall use reasonable endeavours to procure that the contractors engaged in the construction of the Proposed Scheme interview and, if appropriate, recruit suitably qualified applicants as part of the Local Employment Scheme including providing such assistance as is reasonably practicable to those contractors.
- 1.2.8 Drax shall:
- (a) advertise invitations to tender for all contracts for the provision of services and materials to the Proposed Scheme in at least one local newspaper with a circulation in all areas within a 25 mile radius of the Site (save in respect of the contracts referred to in clause 1.2.1); and
 - (b) invite at least two companies who have responded to an advertisement and whose principal offices are located within a 25 mile radius of the Site to tender for each contract in relation to the construction of the Proposed Scheme including in relation to the supply of materials and services,
- PROVIDED THAT** nothing shall require Drax to award any contract for the construction or operation of the Proposed Scheme to any such company.
- 1.2.9 Drax shall be under no obligation to invite any company or advertise any contract for the provision of services and materials where, to Drax's knowledge, there is no company within a radius of 25 miles of the Site that is capable of fulfilling any such contract **PROVIDED THAT** it notifies SDC and NYCC of the contracts to which this applies (save in respect of the contracts referred to in clause 1.2.1).

1.3 Local Liaison Committee

- 1.3.1 From the commencement of the Proposed Scheme Drax shall establish a Local Liaison Committee.
- 1.3.2 Drax shall invite SDC, NYCC and local parish councils to nominate representatives to join the Local Liaison Committee.
- 1.3.3 The local parish councils for the purpose of paragraph 1.3.2 are:
- (a) Airmyn Parish Council;
 - (b) Barby with Osgodby Parish Council
 - (c) Barlow Parish Council;
 - (d) Brayton parish Council;
 - (e) Bubwith Parish Council;
 - (f) Camblesforth Parish Council;
 - (g) Carlton Parish Council;
 - (h) Cliffe Parish Council;
 - (i) Drax Parish Council;
 - (j) Gowdall Parish Council;
 - (k) Hemingbrough Parish Council;
 - (l) Long Drax Parish Council;
 - (m) Newlands Parish Council;
 - (n) Rawcliffe Parish Council;
 - (o) Selby South Town Council;
 - (p) Selby East Town Council;
 - (q) Snaith and Cowick Town Council; and
 - (r) Wressle Parish Council.
- 1.3.4 Drax shall provide an appropriate venue for meetings of the Local Liaison Committee.
- 1.3.5 The Local Liaison Committee must:
- (a) include representatives of Drax; and
 - (b) meet quarterly during the construction and operation of the Proposed Scheme, starting within one month of the commencement of construction of the Proposed Scheme, unless otherwise agreed by the majority of members of the Local Liaison Committee.

1.4 **Ecological off-site improvement works & river habitat**

- 1.4.1 Prior to commencement of the Proposed Scheme, Drax must carry out an update to the Biodiversity Net Gain Assessment submitted with the Application) for the Proposed Scheme to account for the detailed design of the Proposed Scheme and submit this for approval to SDC at the same time as submitting a detailed landscaping and biodiversity strategy under Requirement 6 of the Order.
- 1.4.2 This updated Biodiversity Net Gain Assessment must set out how the Proposed Scheme will deliver a 10% net gain, including in respect of river habitat, including:
- (a) identifying upon which land, any habitat creation or modification works that will be necessary to deliver that 10% net gain will take place;
 - (b) if such land is not currently within Drax ownership, confirming how Drax will be taking sufficient property interest to deliver and maintain that land to ensure it remains suitable for the habitat requirements; and
 - (c) for works that are not within the Off-Site Provision Area, setting out the works to be undertaken to deliver the required habitat and identifying how consent for the works necessary to deliver the required habitat is to be secured.
- 1.4.3 Any off-site habitat required to deliver the 10% net gain which is not contained within the Off-Site Provision Area must be:
- (a) delivered prior to completion of the Proposed Scheme; and
 - (b) must be maintained and managed for a period of at least 30 years.
- 1.4.4 Any works to the Off-Site Provision Area must not commence until a detailed landscape and biodiversity strategy which deals with the proposals for the delivery of the Off-Site Provision on the Off-Site Provision Area is approved under Requirement 6 of the Order.
- 1.4.5 The Proposed Scheme must not commence until the Off-Site Provision has been delivered on the Off-Site Provision Area.
- 1.4.6 Any works within the Off-Site Provision Area must be carried out, maintained and managed for a period of at least 30 years in accordance with any detailed landscape and biodiversity strategy which deals with the proposals for the Off-Site Provision Area that is approved under Requirement 6 of the Order.