

DRAFT STATEMENT OF COMMON GROUND WITH ESSAR OIL (UK) LIMITED

HyNet Carbon Dioxide Pipeline DCO

Planning Act 2008

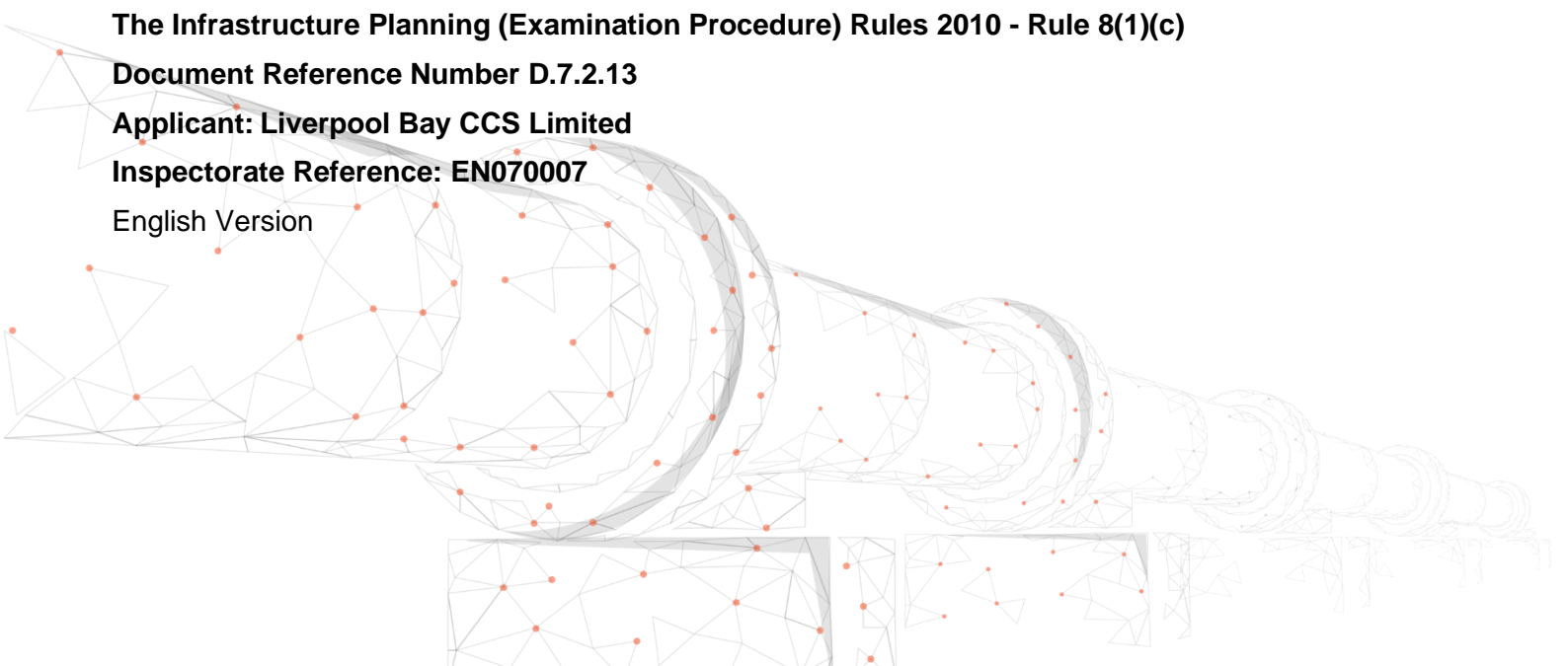
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STATEMENT OF COMMON GROUND

This Statement of Common Ground has been prepared and agreed by (1) Liverpool Bay CCS Limited and (2) Essar Oil (UK) Limited

Signed

[NAME]

[POSITION]

on behalf of Liverpool Bay CCS Limited

Date: **[DATE]**

Signed

[NAME]

[POSITION]

on behalf of Essar Oil (UK) Limited

Date: **[DATE]**

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1. INTRODUCTION

1.1. PURPOSE OF THIS DOCUMENT

- 1.1.1. This draft Statement of Common Ground (SoCG) has been prepared by Liverpool Bay CCS Limited (the Applicant) and Essar Oil (UK) Limited (Essar).
- 1.1.2. For the purpose of this draft SoCG, the Applicant and Essar will jointly be referred to as the 'Parties'.
- 1.1.3. The purpose of this draft SoCG is to set out the agreement that has been reached between the Parties in respect of a number of matters related to the Development Consent Order (DCO) Proposed Development. It also lists any points on which discussions are ongoing. SoCGs are an established means in the DCO planning process of allowing all Parties to identify and focus on specific issues that may need to be addressed during the examination.
- 1.1.4. **Chapter 2** of this draft SoCG records the consultation undertaken with Essar by the Applicant. Chapter 3 of this draft SoCG sets out the areas of agreement in relation to the above matters, and any areas of ongoing discussion between the Parties.

1.2. THE PROPOSED DEVELOPMENT

- 1.2.1. HyNet (the Project) is an innovative low carbon hydrogen production and carbon capture, transport and storage project that will unlock a low carbon economy for the North West of England and North Wales and put the region at the forefront of the UK's drive to Net-Zero. Detail of the project and the Proposed Development can be found in the main DCO documentation. The Proposed Development and this SOCG relate to the onshore CO₂ pipeline element of HyNet only. Other elements of HyNet are subject to separate consenting processes and are not addressed here.
- 1.2.2. The Proposed Development impacts Essar primarily as an assets owner, land rights holder and landowner and developer.
- 1.2.3. The Applicant has identified the following plots in which Essar hold an interest: 3-04, **3-05**, 3-06, 3-07, 3-08, 3-09, 3-10, 3-11, 3-12 and **3-15** as referenced in the Land Plans [**APP-008**] and Essar are currently reviewing these plots (shown in bold) to confirm their accuracy.
- 1.2.4. A full description of the Proposed Development is detailed in Chapter 3 of the Environmental Statement (ES) [**APP-055**].
- 1.2.5. Essar are a key participant, active in the Project, delivering infrastructure on the Stanlow Manufacturing Site and are keen to work with the Applicant to deliver a well-structured interface between their developments, to ensure safe construction, operation and efficient land use.

1.2.6. The Applicant is engaging with Vertex Hydrogen Limited (Essar own a majority stake hold in this business), separately with regard to their interests.

1.3. **TERMINOLOGY**

1.3.1. In the Issues tables in **Chapter 3** of this draft SoCG, 'Agreed' and 'Not Agreed' indicates a final position, and 'Under Discussion' indicates where matters will be the subject of on-going discussion between the Parties.

2. RECORD OF ENGAGEMENT

2.1.1. This Chapter provides a summary of the engagement to date between the Applicant and Essar in relation to the Proposed Development.

Table 2-1 – Record of Engagement in relation to the Proposed Development

Date	Form of Correspondence	Key Topics Discussed and Key Outcomes
<p>16th March 2021- Present</p>	<p>Microsoft Teams meeting between the Applicant and Essar (with some in person meetings)</p>	<p>Key Topics</p> <ul style="list-style-type: none"> • Project management, technical interface and directorial leadership meetings between HyNet partners held as part of the Industrial Decarbonisation, including Essar and the Applicant (Held as part of the BEIS Cluster Sequencing Phase 2, Track 1 selected project, with project stewardship by UKRI) • Discussion of Essar’s requirements as an emitter • Discussion of pipeline routing to serve Essar’s manufacturing site & planned development by Vertex Hydrogen Limited (Vertex) • Discussion and confirmation of CO₂ pipeline routing to service the Stanlow site. • Initial overview of HyNet project and Stanlow AGI location. • Technical details of the CO₂ specifications (including temperature, pressure and compositional ranges), led by the Applicant). <p>Discussions and Outcomes</p> <p>Confirmation of the overall architecture of the broader HyNet project and clarification of Essar and the Applicant’s roles and responsibilities.</p> <p>The alignment regarding overall system architecture of the broader HyNet project, with the Applicant leading the design of the CO₂ transport and storage network.</p> <p>Confirmation of the need for the Stanlow site to contain a key AGI, linked to multiple emitters on site.</p> <p>Agreement of the CO₂ specification between the parties (managed via separate commercial process).</p>
<p>Mar 2021- Dec 2022</p>	<p>Microsoft Teams meeting between the Applicant and Essar (with some in person meetings)</p>	<p>Key Topics</p> <ul style="list-style-type: none"> • Discussion of AGI location • Discussion of AGI size requirements • Discussion of access routing to the AGI site • Discussion of 24/7 access requirements to the AGI site • Discussion of drainage requirements of the AGI site • Discussion of construction layout requirements on Essar’s site • Discussion of the underground CO₂ pipelines <p>Discussions and Outcomes</p> <p>Confirmation that the AGI will be contained on Essar owned property at the Stanlow Manufacturing Complex.</p> <p>Confirmation of the AGI location on the Stanlow Manufacturing Complex.</p>

		<p>Confirmation in principle that Gate 6 off Pool Lane will be used as the AGI access route, with a commitment that 24/7 access to named individuals can be given.</p> <p>Confirmation in principle that the surface water drainage from the Applicant's AGI will be connected to the Essar drainage system.</p> <p>Confirmation in principle of the availability of land for construction laydown area located adjacent to the AGI compound.</p> <p>Discussion of power requirements.</p>
11/01/2023	In person meeting between Essar and the Applicant, held at HyNet Offices, Thornton Science Park, Pool Lane, CH2 4NU.	<p>Key Topics</p> <ul style="list-style-type: none"> ▪ Introduction to Essar's newly appointed Real Estate Manager ▪ Wider context overview of the project and overview of the discussions and agreements in principle made to date. The Applicant gave an overview of their technical design and design assumptions. <p>Discussions and Outcomes</p> <p>Essar advised that any lease for the AGI site / pipeline would be with Essar as opposed to Vertex Hydrogen.</p> <p>The Applicant re-iterated that 24/7 unrestricted access would be required to the site.</p> <p>The Applicant provided Essar with a site plan highlighting that the civils/road layout is not yet fully defined. Essar will look to present a more updated configuration of their site at the next meeting.</p> <p>The Applicant confirms a temporary works area will be required however until there is no set timescales for the length of time on construction and compounds. The Applicant confirmed that due to the proximity of a major construction compound nearby, the use of the onsite construction area is expected to be minimised.</p> <p>Essar raised a question regarding contaminated land and whose responsibility it would be to rectify. This was left open for further discussion.</p> <p>Essar advised there is an aspiration to come to a voluntary agreement for land acquisition and they advised he will review the HoTs in further detail and provide comments in future focused commercial discussions.</p>
03/02/2023	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> • Meeting held at the request of the Applicant, with Essar in order to confirm a number of key technical design aspects. <p>Discussions and Outcomes</p> <p>Confirmation that Gate 6 off Pool Lane will be used as the AGI access route, with a commitment that 24/7 access to named individuals can be given. Essar proposed a new road layout, which was agreed in principle.</p> <p>Discussion that the surface water drainage from the Applicant's AGI will be connected to the Essar drainage system. Essar will install suds drainage ponds. Essar will review and confirm that the Applicant's AGI surface water drainage can be connected to this system.</p> <p>Confirmation the land for construction laydown area located adjacent to the AGI compound.</p> <p>Confirmation of the pipeline to the AGIs will be sub-surface and will only be above ground within the AGI limits.</p>

		<p>The routing and easement of this sub surface pipework will need confirmation. The Applicant is carrying out work to further assess the details of this crossing, ahead of detail engineering.</p> <p>Discussion of power requirements, the Applicant is reviewing options provided by Essar in order to give feedback and a decision</p>
08/02/2023	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> • Meeting held between Essar and the Applicant in order to discuss Heads of Terms and land acquisition <p>Discussions and Outcomes</p> <p>Discussion around valuation of the land required for the AGI and pipeline. The Applicant advised that the land values provided in the initial HoTs provided by the Applicant, provide a base for further commercial discussion. Discussion on annual consideration payment for the compound. The Applicant has advised they will continue to review consideration payments so that they are in line with market comparables. Discussions and negotiations are ongoing.</p> <p>Discussion on the 999 year lease term, Essar believe the term is excessive for the purpose of this development. The Applicant is to have a further internal discussion on the term and will provide a response in due course.</p>
27/02/2023	Vertex hosted tour of the Applicant team on the Stanlow site	<p>Key Topics</p> <ul style="list-style-type: none"> • Guided site visit on a coach, featuring future AGI sites and Hydrogen Production Plant Sites. <p>Discussions and Outcomes</p> <p>The Applicant was appreciative for the tour given by Essar/Vertex.</p>
31/03/2023	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> • Meeting held between Essar and the Applicant to review first revision draft of the SoCG <p>Discussions and Outcomes</p> <p>Updated position on the Statement of Common Ground and issuance of WIP SoCG for Essar review and comment prior to Rev1 formal issue</p>

3. ISSUES

3.1.1. This chapter sets out the areas of agreement in relation to specific issues relating to the Proposed Development, and any areas of ongoing discussion between the Parties. The topics discussed between the Applicant and Essar are as follows:

- Engagement Land & Other Application Documents;
- CO₂ Network Connections;
- Provision and Integration of Utilities;
- Right of Access;
- Surface Water and Flood Risk, and Drainage Strategy;
- Committed Developments (Stanlow AGI Site); and
- Issues related to the Proposed Development - Draft DCO (including requirements to the draft DCO).

Table 3-1 – Engagement, Land & Other Application Documents

Ref.	Description of Matter	Current Position	Status
Engagement			
Essar 3.1.1	Engagement	The Parties agree that engagement has been ongoing in the pre-application period (as set out in the record of engagement) and the Applicant has sought to bring forward a design which has had regard to Essar's views. Essar has been formally consulted on the application as required by the Planning Act 2008.	Agreed
Land			
Essar 3.1.2	Land Requirements	As part of the DCO Proposed Development, Compulsory Acquisition is proposed. Essar objects to the proposed acquisition of its land, interests and rights identified within the Book of Reference with the plots show on the Land Plans [APP-008]. The Parties are continuing discussion regarding land required and its scheduling for holistic site planning. The length of term of lease of 999 years is viewed as excessive by Essar for the purposes of this development. The Applicant is reviewing this internally and will be reverting with a response.	Under discussion
Other application documents			
Essar 3.1.3	Other application documents	Essar are currently reviewing the Book of Reference that to ensure that its interests are correctly reflected [AS-023]. The Applicant intends to assist Essar in highlighting the relevant documentation pertinent to Essar's interests	Under discussion

Table 3-2 – CO₂ Network Connections

Ref.	Description of Matter	Current Position	Status
Essar 3.2.1	Significance	In principle, Essar supports the DCO Application's objective of delivering a CO ₂ Transport and Storage network. Essar supports the principle of the Proposed Development, but need to be mindful of any other site operations and applicants that may be sited in close proximity	Under discussion
Essar 3.2.2	Pipe line route siting	The Parties are in discussion regarding the location and width of easement, with adjacent developments on the Essar site under planning taking this routing in to account. The Parties have agreed that the proposed CO ₂ Transport pipelines (online coming from the Ince AGI and one leaving to the Northop Hall AGI) at the Stanlow site will be routed underground to the Stanlow AGI. It was noted by all that there are several proposed pipeline sections coming into the estate towards Vertex/Stanlow/Refinery and the actual positions are yet to be confirmed. The Applicant is aware of this and will take this into account in determining the detailed design. Connections from the Stanlow site to the Stanlow AGI will cross the AGI boundary fence above ground. Ownership of the pipework connecting back to the emitter plant from the AGI line, outside of the AGI's boundary fence will not be the responsibility of the Applicant. The specific location and arrangement of the battery limit conditions between the two facilities will continue to be refined and agreed between the two parties through detailed design.	Under Discussion

Ref.	Description of Matter	Current Position	Status
		Essar and the Applicant are collaboratively working together regarding pipeline routing of the Vertex Natural Gas line and the Applicant's lines, as well as working together regarding producing a farming impact assessment report for impacted adjacent landowners. Finalisation of the natural gas routing is on-going.	
Essar 3.2.3	Stanlow AGI detailed connections and design	<p>The Parties agree that the Stanlow AGI (Work No.9) [APP-010] can be accommodated within the Work area, Essar are currently reviewing the plot areas and land plans in the Work area.</p> <p>The Parties continue to work together on elements of the detailed design to ensure that the AGI, and in particular connections to it, can be accommodated.</p> <p>The Applicant will continue to consult Essar on the developing design of the infrastructure during detailed design.</p>	Under Discussion
Essar 3.2.4	Construction scheduling	<p>The Parties agree that the Proposed Development, other planned DCO applications impacting the site and Essar's proposals for its business/site can coexist, and that construction works can be managed to prevent conflict between them. The Parties are working together to review their relevant construction timelines and how interactions between these developments can be managed. These will be confirmed by both parties during their respective detail design.</p> <p>The Parties agree to develop a collaborative construction plan as the projects progress to detailed engineering.</p>	Under Discussion

Table 3-3 – Provision and Integration of Utilities

Ref.	Description of Matter	Current Position	Status
Essar 3.3.1	Utility requirements	<p>The Applicant seeks confirmation regarding the relationship between Essar and Vertex land interests.</p> <p>The Applicant considers that the routing and provision of utilities (namely, electrical power and drainage connection) used by the AGI will be provided for by Essar, as part of wider Stanlow site developments and that the size of the power demand is manageable within Essar's plans for the site development and their discussion with third party utility providers. Essar have provided the Applicant with a Technical Note (for Electrical Infrastructure). The Applicant will continue engagement regarding this matter.</p>	Under Discussion
Essar 3.3.2	Utility connection	The Parties are engaging in ongoing discussions on the integration of the utilities to the Stanlow Site.	Under Discussion
Essar 3.3.3	Utility scheduling	The Parties are engaging in ongoing discussions on the time for utility installation (especially timing for electrical power connection)	Under Discussion

Table 3-4 - Right of Access

Ref.	Description of Matter	Current Position	Status
Essar 3.4.1	Stanlow AGI location	The Applicant has proposed a layout at Stanlow AGI which has assumed access points that are viable and deliverable. Essar have raised a potential conflict with the Stanlow AGI access and its proposals. The Parties are engaging in ongoing discussions regarding this matter and will work together to produce a mutually acceptable detailed design.	Under Discussion

Ref.	Description of Matter	Current Position	Status
Essar 3.4.2	Point of Access	<p>The Applicant has proposed the primary access road from Pool Lane to the AGI via Stanlow Gate 6. The Applicant has proposed a secondary access off the A5117. Whilst expected not to be used, this has been included in the case of oversized equipment/AILs needing to enter site.</p> <p>Essar have informed the Applicant that Chester West and Chester Council (CWCC) have raised concerns over the Applicant's proposed use of the gate directly off the A5117. The Applicant confirms with Essar that they intend to use Gate 6 of Pool Lane as the main construction access for the development.</p> <p>Where Essar requires to realign any part of the existing access within its site as part of its proposals away from the route set out within the Proposed Development such realigned access will be suitable for use by and made available to the Applicant. As only the access within the site would be realigned, the transport assessment for the Proposed Development would be unaffected and any works to create a realigned access would be consented under the relevant Essar consent. The Applicant agrees that this is appropriate subject to a suitable realigned access being available would agree not to use compulsory powers to retain the route shown on the DCO plans.</p> <p>The Applicant has noted this and is undergoing a routing review based on the trenchless crossing of the A5117.</p>	Agreed
Essar 3.4.3	Operational Access	<p>The Parties agree that 24/7 Stanlow access to agreed named personnel of The Applicant via Gate 6, as shown on the Works Plans [APP-010] is acceptable. These named personnel will have undergone Stanlow site checks and an induction process. They will only enter the Stanlow site for maintenance and operational duties related to the Applicant's AGI, pipeline easement and related infrastructure.</p>	Agreed

Table 3-5 Surface Water and Flood Risk, and Drainage Strategy

Ref.	Description of Matter	Current Position	Status
Essar 3.5.1	Surface Water Management (Stanlow AGI and adjacent land)	<p>The Applicant has considered and provided appropriate surface water management. Cumulative impacts with regard to adjacent developments are continually under review and when further detail is available, it will be considered as part of surface water management at the Stanlow site.</p> <p>The Applicant and Essar have regularly reviewed the location of Stanlow AGI in regard to flooding potential. It is proposed that appropriate documentation be incorporated showing Surface water Management and a register indicating relevant impacts i discussed further between the parties in the future. The Surface Water Drainage details can be viewed as part of the DCO application, namely in the Environmental Report – Outline Surface Water Drainage Strategy [APP-241], The Environmental Report - Outline Surface Water Drainage Strategy - Annex C - DCO Sites Surface Water Storage Volume Estimates 01 [APP-244], Outline Surface Water Drainage Strategy - Annex D – Correspondences [APP-245] and the drainage strategy is included on sheet 9 of BVS and AGI Landscape Layouts [APP-023]</p>	Under Discussion
Essar 3.5.2	Existing and Proposed Drainage	The Parties are engaging in ongoing discussions as part of the Stanlow AGI site development.	Under Discussion
Essar 3.5.3	Mitigation	The Parties are engaging in ongoing discussions as part of the Stanlow AGI site development.	Under Discussion

Table 3-6 –Committed Developments (Stanlow AGI Site)

Ref.	Description of Matter	Current Position	Status
Essar 3.6.1	Future Proposed Development	The Parties are working on a strategy relating to adjacent developments, several of which require the Applicant's and other pipeline infrastructure to be established	Agreed
Essar 3.6.2	Stanlow Site	The Applicant acknowledges that the Stanlow Site is safeguarded through CWaC Local Plan Part One Policies STRAT 4 and ENV 8; and Local Plan Part Two Policy EP6. The Applicant is also aware and through engagement, has an understanding of adjacent activities of this site. The Parties will continue engagement to ensure the two can co-exist.	Agreed
Essar 3.6.3	Mitigation	Discussions between the Parties regarding mitigation are being developed as part of the Stanlow AGI site development and HoT Discussions between the Parties	Under Discussion

Table 3-7 - Issues related to the DCO Proposed Development - Draft DCO (including requirements to the draft DCO)

Ref.	Description of Matter	Current Position	Status
Essar 3.7.1	DCO	The content of this submission is under review and further comments are to follow.	Under Discussion