

DRAFT STATEMENT OF COMMON GROUND WITH CF FERTILISERS UK LTD

HyNet Carbon Dioxide Pipeline DCO

Planning Act 2008

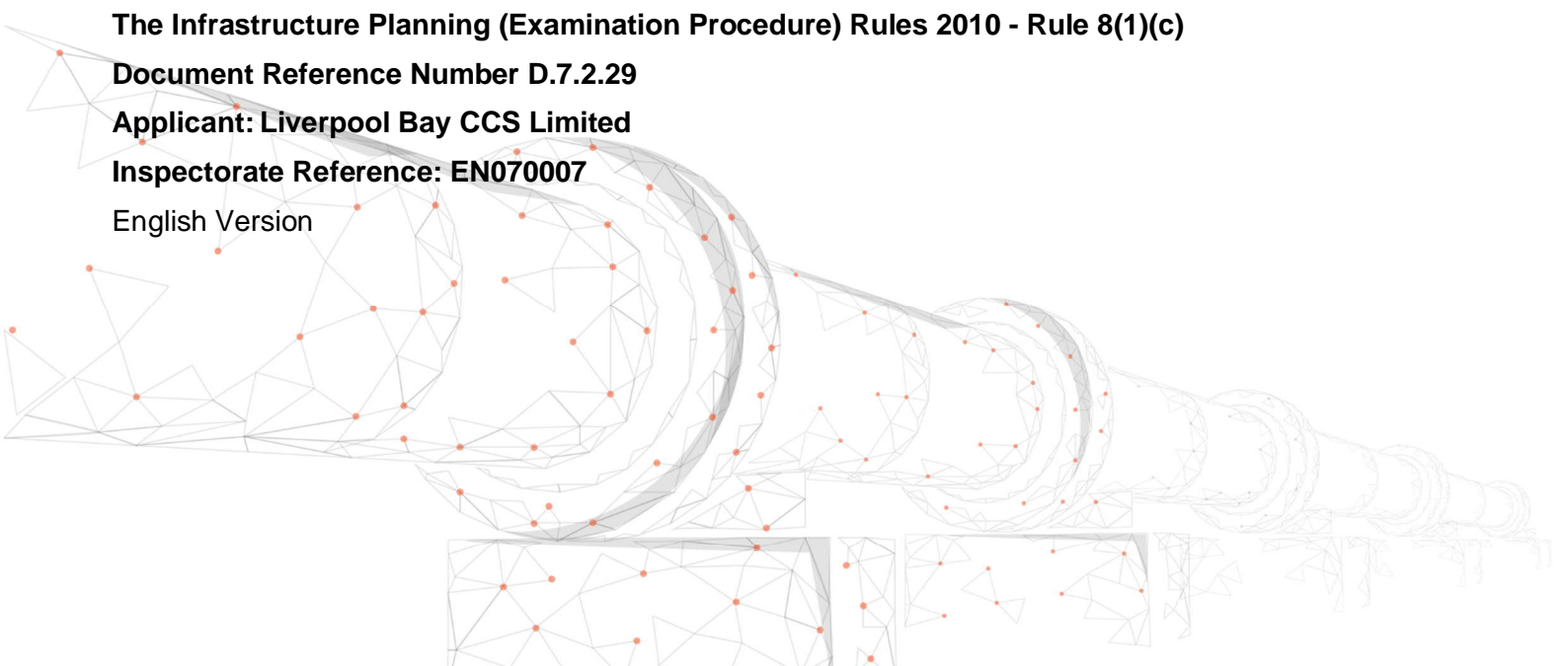
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STATEMENT OF COMMON GROUND

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

Signed

[NAME]

[POSITION]

on behalf of Liverpool Bay CCS Limited

Date: **[DATE]**

Signed

[NAME]

[POSITION]

on behalf of CF Fertilisers UK Ltd

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 CF Fertilisers UK Ltd ('CF').
- 1.1.2. For the purpose of this draft SoCG, the Applicant and CF 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 several matters related to the Development Consent Order (DCO) Proposed Development. It also lists open points on which discussions are ongoing between the Parties. 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 CF 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 DCO PROPOSED DEVELOPMENT

- 1.2.1. HyNet (the Project) is an innovative low carbon hydrogen 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. The detail of the project and the DCO Proposed Development can be found in the main DCO documentation. The DCO 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 DCO Proposed Development impacts CF primarily as a fertiliser manufacturer and land interest.
- 1.2.3. The Applicant has identified the following plots in which CF holds an interest:
- As a direct Land Interest in plots 1-07 as shown in the Land Plans **[CR1-009]**.
 - As an adjacent neighbour in plots 1-05,1-08, 1-09, 1-10, 1-11, 1-12, 1-13, 1-14, 1-15, 1-16, 1-17, 1-18, 1-19, 1a-01, 1a-02, 1a-03, as shown in the Land Plans **[CR1-009]**.
- 1.2.4. A full description of the DCO Proposed Development is detailed in Chapter 3 of the Environmental Statement (ES) **[APP-055]**.

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 these points will be the subject of on-going discussion wherever possible to resolve or refine, the extent of disagreement between the Parties.

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2. RECORD OF ENGAGEMENT

- 2.1.1. This chapter provides a summary of the engagement undertaken to date between the Parties in relation to the DCO Proposed Development.

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

| Date | Form of Correspondence | Key Topics Discussed and Key Outcomes |
|--|---|--|
| <p>16th March 2021-31st July 2022</p> | <p>Microsoft Teams meeting between the Applicant and CF (with some in person meetings)</p> <p>CF withdrew from the HyNet consortium in August 2022 due to the Ince site closure</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 CF and the Applicant (Held as part of the BEIS Track 1 selected project, with project stewardship by UKRI) • Discussion of CF's requirements as a potential emitter • Discussion of potential pipeline routing to serve CF's manufacturing site • Discussion and confirmation of CO₂ pipeline routing to service the Ince site • Initial overview of HyNet project and Ince Above Ground Installation (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 CF and the Applicant's roles and responsibilities.</p> <p>The overall agreement of the partners regarding overall system architecture of the broader HyNet, with the Applicant leading the design of the CO₂ transport and storage network.</p> <p>Confirmation of the need for the Ince 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>21/10/22 – 10/11/22</p> | <p>Various Email Correspondence</p> | <p>Key Topics</p> <ul style="list-style-type: none"> • Various correspondence to set up a Teams meeting to discuss the Heads of Terms <p>Discussions and Outcomes</p> <p>Teams meeting arranged for 10/11/2022.</p> |
| <p>10/11/22</p> | <p>Teams Meeting</p> | <p>Key Topics</p> <ul style="list-style-type: none"> • Discussion of the Drainage Heads of Terms issued to CF <p>Discussions and Outcomes</p> <ul style="list-style-type: none"> • Confirmed that the Applicant is not seeking to install the pipeline over CF's land. The option area within the Heads of Terms would be required for a drainage outfall for the Ince AGI. • CF raised concerns regarding the drainage ditch and future maintenance, additional wording would be needed within the Heads of Terms to cover vegetation clearance and a future maintenance obligation. • Further review of Heads of Terms to be carried out by the Applicant. |

| Date | Form of Correspondence | Key Topics Discussed and Key Outcomes |
|----------|-------------------------|--|
| 31/03/23 | Teams Meeting (planned) | <p>Key Topics</p> <ul style="list-style-type: none"> • Review of first Statement of Common Ground (SoCG) draft. <p>Discussions and Outcomes</p> <ul style="list-style-type: none"> • CF confirmed they will review the SoCG draft and revert to the Applicant. |
| 19/04/23 | Teams Meeting (planned) | <p>Key Topics</p> <ul style="list-style-type: none"> • Review of first SoCG Rev A draft. <p>Discussions and Outcomes</p> <ul style="list-style-type: none"> • CF confirmed they will review the SoCG Rev A draft and progressed the discussions, with more areas agreed. |

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3. ISSUES

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

- Engagement, land acquisition, ES & Other Application documents;
- Protos Site Access; and
- Safe Systems of Work

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

| Ref. | Description of Matter | Current Position | Status |
|-------------------------|-----------------------|---|------------------|
| Engagement | | | |
| CF 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 CF Fertilisers UK Ltd's views. CF has been formally consulted on the application as required by the Planning Act 2008 (PA2008). | Agreed |
| CF 3.1.2 | Project Support | CF Fertiliser UK Limited are broadly in support of the proposals that are presented, as they consider that the opportunity provided to their Ince manufacturing site has significant benefits to themselves or a future operator of the site, through presenting the opportunity for CO ₂ to be disposed of in an environmentally responsible manner. | Agreed |
| Land Acquisition | | | |
| CF 3.1.3 | Land Requirements | As part of the DCO Proposed Development, Compulsory Acquisition is proposed but would only be relied upon where suitable agreement cannot be reached. The Applicant is seeking to progress voluntary agreements for all the land and rights required in the first instance. The Parties are continuing discussion regarding land required. | Under Discussion |
| ES | | | |
| CF 3.1.4 | ES - General | The Parties agree that the study area as set out in the ES is appropriate. | Agreed |
| CF 3.1.5 | ES - Drainage | <p>CF have noted that the only direct impact on the Ince site is by the drainage ditch along the southern border of the CF land ownership (outside the factory fence). It appears from what has already been presented that there would be minimal impacts. Representatives from CF have discussed this with the Applicant and indicated a willingness to allow this ditch to be used, subject to the Applicant doing any works necessary to clear and maintain this section of the ditch (to the satisfaction of the inspection panel) and CF not bearing any responsibility for any spillages from the AGI entering the Marsh ditches.</p> <p>The impact proposed on the drainage ditch, located outside of the CF's fence line is expected to be minimal and required for surveying and installation of a drain on the opposite bank during construction and for inspection / maintenance purposes during operation.</p> <p>The drain is required for surface water run off purposes only. The Applicant will be responsible for the quality of the surface water run-off in the drain. Other interested parties (notably Peel NRE Limited and the Environment Agency) have been engaged and are in active communication on this topic.</p> <p>CF Fertilisers previously received Heads of Terms for a lease of part of its land (being part of a drain and associated drainage bank area on the Southern border of CF Fertilisers land). Access and survey rights were also requested over the entirety of the CF Fertilisers site.</p> <p>Since issuing these initial Heads of Terms, the design for the HyNet Carbon Dioxide Pipeline has progressed and been refined. The land requirement has changed as per below:</p> <p>The Applicant requires drainage rights only (not a lease) in the form of a deed of easement over the part of the drain and drainage bank area previously identified (ancillary rights to enter such land to repair and maintain etc. are also required). The</p> | Agreed |

| Ref. | Description of Matter | Current Position | Status |
|------------------------------------|-----------------------------|--|--------|
| | | easement will include obligations on the developer not to interfere with, damage or affect any existing drainage and not to release any hazardous substances. The Applicant no longer requires access rights over the remainder of CF Fertilisers site, and this is reflected in the Heads of Terms document issued on 31 March 2023. | |
| CF 3.1.6 | ES - Drainage | A scope of a legal agreement to handle the details of the relationship regarding this drainage ditch needs further discussion This is being addressed as part of the ongoing commercial discussions.. | Agreed |
| Other Application Documents | | | |
| CF 3.1.7 | Other application documents | CF agrees that its interests are correctly reflected in the Book of Reference [CR1-022]. | Agreed |

Table 3-2 – Protos Site Access

| Ref. | Description of Matter | Current Position | Status |
|----------|-----------------------|--|--------|
| CF 3.2.1 | Site Access | The Applicant does not intend to stop-up the common site access on Grinsome Road or any other road that would impact access to the Protos site (which includes the CF site). The Applicant's contractor (once appointed) will inform CF (and the owner / other occupiers of the Protos Site) on the relevant draft construction traffic management plan before it is submitted to the Local Planning Authority for their approval. Access to the Protos site will be safely maintained and operational impacts to the stakeholders involved will be minimised wherever practicable. CF notes that in the possible construction period, there could be demolition works on the CF Site. The Applicant noted this. The Applicant submitted a change request to the ExA on 27 March 2023, which would require CF consultation on the access through Grinsome Road (shown over 1a-01 and 1a-02 on the Land Plans [CR1-009]). This change request has been formally accepted by the ExA on 24 April 2023, and CF will be contacted as part of the formal consultation process. | Agreed |

Table 3-3 – Safety Systems of Work

| Ref. | Description of Matter | Current Position | Status |
|----------|-----------------------|--|--------|
| CF 3.3.1 | Safe System of Work | It was noted in the Relevant representation by CF that their Ince site was subject to a COMAH consultation zone. However, in the meeting on 31 March 2023 CF confirmed that all inventories of dangerous substances have been removed from the CF site and the site is no longer designated as a COMAH site by the HSE. The Applicant is committed to implementing safe systems of work, and will ensure that, when available, the contractor discusses the construction scope with CF and agrees to a safe system of work. It should also be noted as outlined in Table 13.1 – Excluded Receptors of Chapter 13 of the 2022 ES [APP-065], “Employees of the Applicant and/or its suppliers, whether during construction, operation, or maintenance of the DCO Proposed | Agreed |

| Ref. | Description of Matter | Current Position | Status |
|------|-----------------------|---|--------|
| | | <p><i>Development</i> are excluded from the assessment as the “<i>Employer’s commitment and obligations to manage risks to employees are addressed in the Health and Safety at Work etc Act 1974.</i>” On this basis, further assessment within Chapter 13 (Major Accidents and Disasters) of the 2022 ES [APP-065] of the potential impact on workers during the construction, operation and maintenance of the DCO Proposed Development have not been considered further.</p> <p>In-line with the Applicant’s commitment to compliance with relevant health and safety legislation [APP-065], the Applicant will prepare a Health and Safety Management System in line with the Register of Environmental Actions and Commitments (REAC) D-MD-004 and D-MD-005 [CR1-109] prior to the construction stage which will include emergency arrangements for both on and off-site scenarios, as secured through the Construction Environmental Management Plan (CEMP) and the Outline Operational and Maintenance Environmental Management Plan (OMEMP) under Requirement 5 and 17 of the dDCO [CR1-017] respectively. During the development of the emergency plan, the Applicant will engage with the operators of COMAH sites in close proximity to the DCO Proposed Development (This engagement will no longer need to include CF Fertilisers UK Ltd, due to the withdrawal of COMAH classification from the Ince site).</p> | |