

# **HyNet Pipeline Development Consent Order**

**Our ref** 41915/05/JG **Date** 20 June 2023

From Encirc

# **Subject Encirc Deadline 4 Representation**

#### Introduction

- 1.1 This relevant representation to the HyNet Carbon Dioxide Pipeline Project ("the Project") is made on behalf of Encirc Limited ("Encirc") to Deadline 4 ("DL4"). It summarises the oral submission made on behalf of Encirc at Hearings on Wednesday 7<sup>th</sup> June and Thursday 8<sup>th</sup> June 2023.
- 1.2 Encirc has already made representations in relation to the Project at Deadline 3 ("DL3") (ref. REP3-050). Representations were also submitted on 13<sup>th</sup> June to a consultation on a change request ("CR1") made by the Applicant, which was accepted by the Examining Authority on 27 March 2023.

## **Access through the Encirc Facility**

- 1.3 At the Hearings, Encirc explained that uninterrupted access to the Encirc Site is essential to the operation of Encirc's business and therefore it is essential that Encirc retains all rights of access which it currently enjoys. The DCO proposes permanent rights of access to Works No.1 through Encirc's facility from the north from Grinsome Road (via plots 1-01, 1-02 then 1-03 and 1-04), and from the south from Ash Road (via plots 1-06a, 1-06b, 1-06c then 1-06 and 1-21).
- Encirc considers that the southern access from Ash Road, which was included as part of CR1, will result in the removal of the need to have a connection through the Encirc site between plot 1-06 and 1-02/1-03. At the hearings, it was suggested that this connection is removed from the draft DCO if not required to provide certainty and comfort for Encirc in terms of access to the site. No connection currently exists between land plots 1-06 and 1-02/1-03, and any such amendment of the internal security fencing line would result in breaches of Encirc's obligations as HMRC bonded warehouse under the provisions on the Customs and Excise Management Act 1979 and subordinate legislation (please see appendix 3 to this submission which provides a short outline of the meaning of an HMRC bonded warehouse). Encirc is also subject to the COMAH Regulations a summary of which is also contained in Appendix 3.
- 1.5 Encirc hopes that discussions with the applicant in respect of Protective Provisions and an associated private Agreement will result in agreement to Horizontal Directional Drilling (HDD) below the rail lines at land plots 1-19, 1-20, 1-22 and 1-23 which will help to lessen the impact of the project on Encirc. On this basis, it was agreed that the permanent rights over 1-21 can be downgraded to temporary.



- HGV movements to Encirc's site via Ash Road are currently restricted by planning permission ref. 18/04948/S73, under which the Glass Manufacturing and Filling Plant operates. Thus, Encirc considers that for access to plots 1-06a, 1-06c, 1-06 and 1-21 should remain for monitoring and maintenance purposes only (subject to Protective Provisions ensuring the continued operation of Encirc's rail terminal and the planned further development of rail infrastructure).
- 1.7 Encirc considers that the northern access through its site, along plots 1-01 and 1-02 is not necessary to provide a road connection to the Ince AGI. A current proposal, subject to a planning application before Cheshire West and Chester Council by Forsa Energy (21/04024/FUL) will provide a direct access route from Grimsone Road to the Perimeter Road (as shown on the site plan at **Appendix 1**). This alternative access to the Ince AGI precludes the need to access the perimeter road through Encirc's facility via plots 1-01, 1-02, and 1-03.
- 1.8 Encirc requires that rail access to its facility is maintained at all times. Encirc has legal obligations to bring a proportion of its raw materials to site by rail. Access to land around the railhead and rail operations must be safeguarded at all times throughout the construction and operation phase of the Project.

## **Future Development**

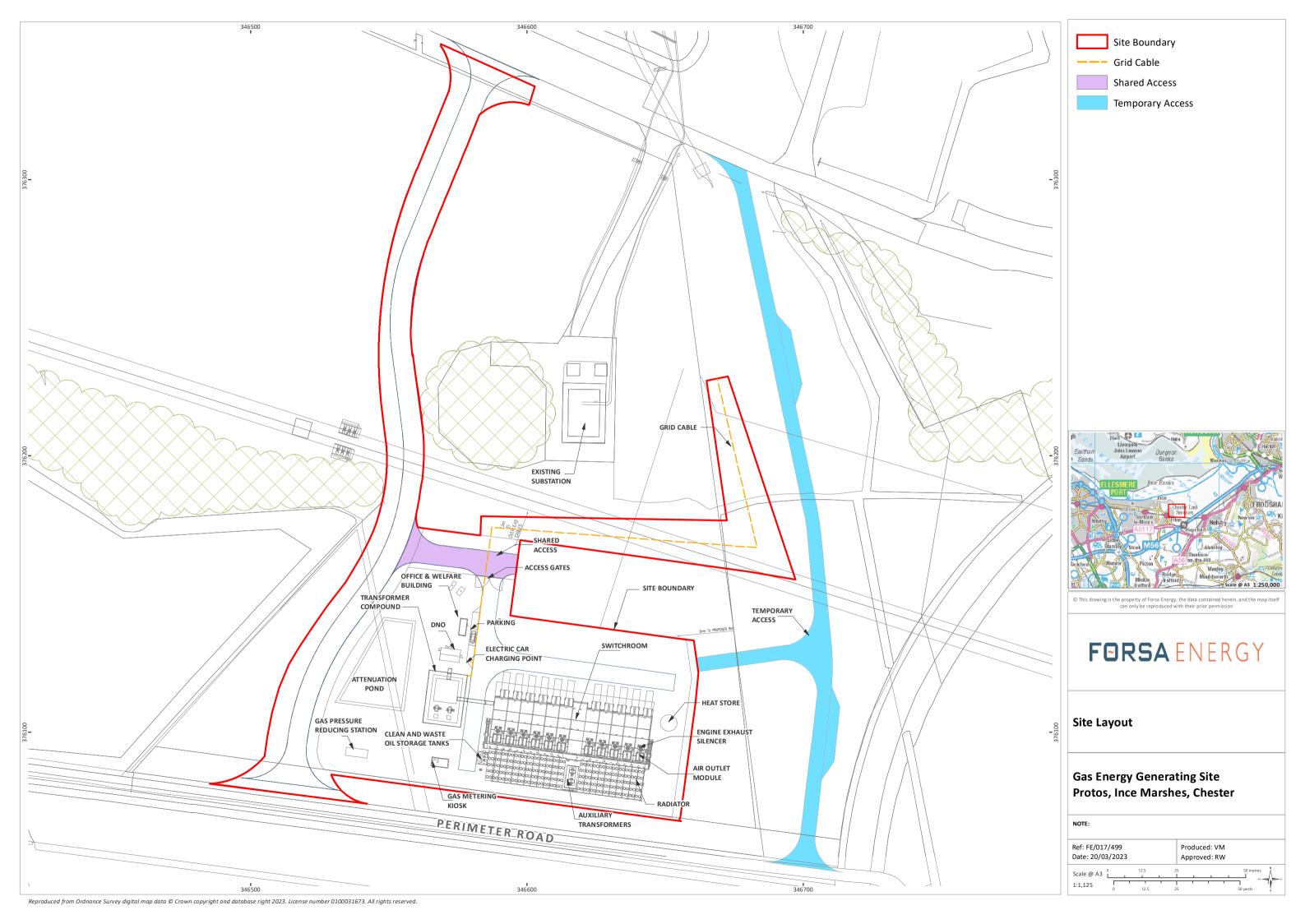
- 1.9 Encirc's representations to DL3 and CR1 made clear its future development plans (automated warehouse, new rail sidings and intermodal area, and hydrogen powered furnace), all of which are either with the local planning authority or well publicised. This future development at the Encirc Site is essential to the future of the Encirc business. These development intentions and their relationship to the submitted DCO were explained at the Compulsory Acquisition Hearing on 7th June 2023.
- 1.10 The site plan for Encirc's automated warehouse development proposal is attached at **Appendix 2**. A full planning application for this development was submitted in February 2023. The site plan shows that rights of access through Encirc's facility, as shown on the Land Plans, are incompatible with these development proposals.
- 1.11 The site plan at **Appendix 2** shows that the internal route marked up for means of access through Encirc's site will be rerouted and no longer exist as shown along plots 1-06 and 1-06a. Plots 1-02 and 1-03 also intersect the site and would be incompatible with Encirc's proposed development.
- 1.12 As part of Encirc's automated warehouse development, the security gatehouse will be placed on land marked as plot 1-06a. Access beyond the gatehouse is restricted in accordance with conditions imposed by HMRC. Encirc's obligations in this respect will need to be complied with at all times.
- 1.13 As explained at Issue Specific Hearing 1, the depth of the pipeline underneath Encirc's facility must not sterilise its future development plans. Encirc's plans for rail development are well publicised in recent rail trials between sites, and new rail sidings and an intermodal

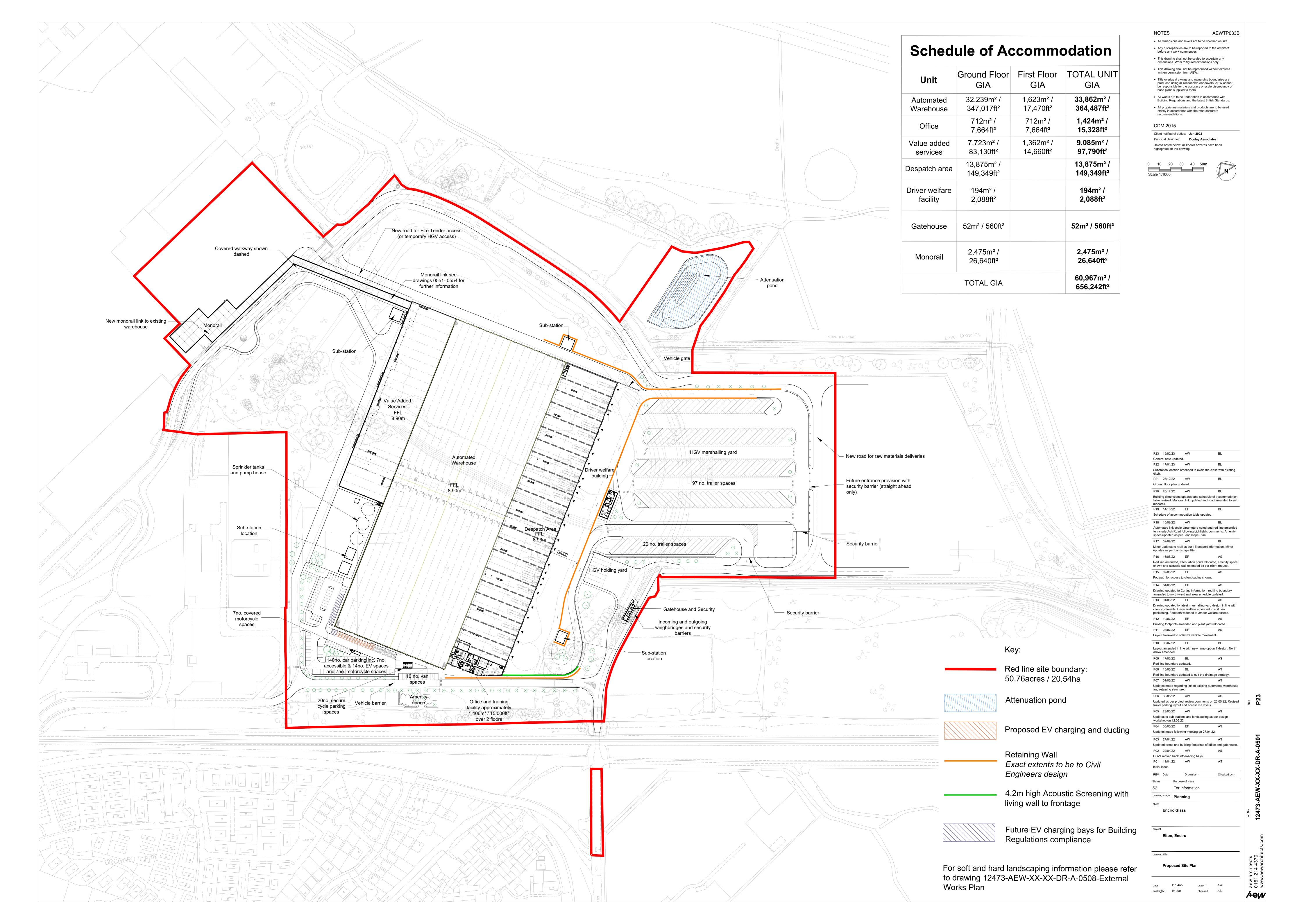


area are in the initial design phase for the site, which will see a new rail facility located approximately 300m along the existing rail lines on site.

## **Agreed Next Steps**

- During the Issue Specific Hearings on 8<sup>th</sup> June 2023, it was agreed that the Applicant would insert Protective Provisions in favour of Encirc. Encirc is hopeful that through these protective provisions the parties will be able to find a way in which the Project can be implemented whilst protecting the operation of the Encirc facility, maintaining the required access to the Encirc Site, and ensuring that Encirc's future development plans can be brought forward. However, until the issues outlined in this relevant representation are resolved with the Applicant, Encirc maintains its objection to the DCO.
- Encirc is engaging with the Applicant in respect of the Protective Provisions and will keep the Examining Authority updated in this regard.
- 1.16 We have received notification of Accompanied Site Visits on 7<sup>th</sup> and 8<sup>th</sup> August, whilst noting that the itinerary has been said, if it is possible Encirc would ask that the Encirc site is included in the visit with a representative of Encirc present to allow the site constraints to be illustrated.





#### **APPENDIX 3**

#### **Bonded Warehouse**

- A bonded warehouse is a secure space in which goods liable to import duty and VAT are stored. Customs duty and VAT payments on these items are deferred until the goods are sold or removed from the bonded warehouse.
- 2. The key use of a bonded warehouse is to manufacture and/or store goods without the implication of VAT/duty until the goods are released. The payment of the VAT/duty will then be made when the goods leave the warehouse or can be 'duty suspended' (i.e. the goods get handed over to the retailers in a 'duty suspended' state and the retailer pays the duty/tax at the point of sale).
- 3. Bonded warehouses are strictly controlled by HMRC and all goods must be fully documented before entering. Rules must be strictly followed and there are regular checks to ensure that such warehouses are being used properly.
- 4. As set out in the Government guide, 'Managing your customs warehouse' (Managing your customs warehouse GOV.UK (www.gov.uk), Customs warehouse stock records must always show the current stock of goods under the procedure (real time).
- 5. Given the rules and regulations which must be complied with and the need for accurate records to be kept, it is essential that Encirc can effectively manage access to its site to ensure that these obligations can be complied with and its business can operate effectively.

#### Control of Major Accident Hazards (COMAH) Regulations 2015

- 6. The COMAH Regulations were introduced to help both prevent and moderate the impact of accidents involving dangerous substances. These regulations mainly impact the chemical industry, but also apply to storage facilities.
- 7. Under the Regulations, every operator is subject to a duty to take all measures necessary to prevent major accidents and to limit their consequences for human health and the environment and also must demonstrate to the competent authority that it has taken all measures necessary as specified in these Regulations.
- 8. Operators must have in place major accidence prevention policies which can be effectively implanted to prevent or limit the impact of a major accident.
- 9. It is therefore essential for Encirc to have control over its site boundaries and site access and to ensure that it can comply with its obligations under the COMAH Regulations.
- 10. The Encirc facility involves large operation with 2x 900 tonnes per day glass furnaces being run which involve dangerous substances. In this context, site security/control and access are vital.