HyNet North West

DRAFT STATEMENT OF COMMON GROUND WITH ENCIRC LIMITED

HyNet Carbon Dioxide Pipeline DCO

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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) Encirc Limited

| Signed |
|--|
| [NAME] |
| [POSITION] |
| on behalf of Liverpool Bay CCS Limited |
| Date: [DATE] |
| |
| Signed |
| [NAME] |
| [POSITION] |
| on behalf of Encirc |
| 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 Encirc Limited ('Encirc').
- 1.1.2. For the purpose of this draft SoCG, the Applicant and Encirc 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 still ongoing between the Parties. SoCGs are an established means in the Development Consent Order (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 Encirc 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 (DCO) impacts Encirc primarily as glass manufacturing company and in respect of certain land interests. Encirc, part of the Vidrala group, is a market leader in glass container design, manufacturing, bottling and logistics solutions for the UK and European food and beverages industries. The site operates the largest container glass furnace in the world, which is one of two furnaces on site producing approx. 500,000 tonnes of glass (>2 billion bottles) per year. The site contract fills approximately 200m litres of beverages product per annum and is a fully bonded site, authorised to receive, process, store and distribute alcoholic beverages. The value of tax and duty handled on behalf of HMRCannually is in excess of £500m. The site is COMAH registered.
- 1.2.3. The Applicant has identified the following plots in which Encirc hold an interest:

1-01, 1-01a, 1-02, 1-03, 1-06, 1-06a, 1-06b, 1-06c, 1-20, 1-21, 1-22, 1a-01, 1a-02, 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 consolidated Environmental Statement (ES) [REP4-029], submitted at Deadline 4. On 12 July 2023, the ExA accepted the Applicant's Change Request 3, subsequently the description of the development will be updated in accordance with Change Request 3 Environmental Technical Note [CR3-019], towards the end of the Examination._

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.

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.

| Date | Form of Correspondence | Key Topics Discussed and Key Outcomes |
|------------------------|---|---|
| March 2022 – July 2022 | Various eemail correspondence between the Applicant and Encirc | Key Topics Access discussion for surveys General Project Updates Discussions and Outcomes Various Access requests from the Applicant to Encirc. The Applicant issued a new survey access licence to a various correspondence around the use of the Encirc agreement wording. |
| 11/07/2022 | Letter from the Applicant to Encirc | Key Topics Heads of Terms Discussions and Outcomes The Applicant issued the Heads of Terms to Encirc for |
| 08/08/2022 | Email correspondence between Encirc and the Applicant | Key Topics Access discussion for surveys Heads of Terms feedback Discussions and Outcomes Encirc provided feedback on the licence agreement w Applicant agreed to review the wording of this. Encirc also provided feedback to the Heads of Terms issue Applicant they would not be interested in a lease agreement concerns regarding their main access road, existing right of agreed they support the project and would like to work with |
| 10/08/2022 | Encirc submitted their consultation response to the Applicant | Key Topics Encirc's key concerns issued to the Applicant Discussions and Outcomes The Applicant received the concerns and took them in feedback. |
| 18/08/2022 | Site meeting between the Applicant and Encirc | Key Topics Access discussion for surveys General Project Updates |

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

to Encirc. The Applicant and Encirc had irc Access track and the licence

for Review.

t which the Applicant provided. The

sued on 1111 July 2022 advising the nent as proposed by the Applicant due to at of ways and a working rail line. Encirc with the Applicant to continue negotiations.

into consideration for subsequent

| Date | Form of Correspondence | Key Topics Discussed and Key Outcomes |
|-------------|--|--|
| | | Discussions and Outcomes |
| | | Encirc raised concerns regarding the access issues, or proposed future development over the Applicants option |
| | | The Applicant agreed to review the access and besport The Applicant advised that the Order Limits cannot be Encirc future development. Site layout plans of the pro- been requested by the Applicant. |
| August 2022 | Various email correspondence between the Applicant and | Key Topics |
| | Encirc | Access discussion for surveys |
| | | Discussions and Outcomes |
| | | The Applicant provided Encirc with an updated supple further feedback was provided on this by Encirc which |
| | | |
| 13/12/2022 | Microsoft Teams call between Encirc and the Applicant | Key Topics |
| | | Access at Ince AGI site |
| | | Discussions and Outcomes |
| | | The Applicant shared approximate traffic movement d |
| | | The Applicant agreed to share post submission design to share future development plans which may conflict confirm further consultation since DCO submission. |
| 07/02/23 | Microsoft Teams call between Encirc and the Applicant | Key Topics |
| | | Access to the Ince AGI Site for surveys |
| | | Discussions and Outcomes |
| | | The Applicant and Encirc agreed to put an agreement land for surveys. |
| | | |
| 15/03/23 | Microsoft Teams call between Encirc and the Applicant | Key Topics |
| | | Future access at Ince AGI site |
| | | Genral Project Update |
| | | Discussions and Outcomes |

| , consideration payments and their otion area. boke the Heads of Terms accordingly. be changed to avoid the proposed proposed future development had also |
|---|
| plementary access licence agreement, ch the Applicant agreed to review. |
| details with Encirc. Ign plans which remove conflict. Encirc ct with Order Limits. The Applicant to |
| nt in place to allow access over Encirc's |
| |

| Date | Form of Correspondence | Key Topics Discussed and Key Outcomes |
|---------------------|---|---|
| | | The Applicant and Encirc had a general update follow Applicant committed to review and update the Heads Encirc's concerns. |
| | | The Applicant offered to draft an SoCG and share wit |
| 27/04/23 | Heads of Terms Draft Issued by the Applicant | Key Topics Update Heads of Terms sent to Encirc, aiming Discussion and Outcomes Encirc are reviewing the documentation |
| 27/04/23 | Microsoft Teams call between Encirc and the Applicant | Key Topics Meeting to review RevA draft of SoCG Discussions and Outcomes The Applicant gave an update on their DCO process. The Applicant and Encirc Applicant's first draft of the |
| 08/06/23 - 09/06/23 | Face to face discussions between Encirc and the Applicant | Key Topics Discussion to address the points raised by Encirc Discussions and Outcomes Progression in mutual position and commitment for full |
| 23/06/23 | Microsoft Teams call between Encirc and the Applicant | Key Topics Property Matters Discussions and Outcomes Continued commercial and protective provision discussion |
| 29/06/23 | Protective Provisions sent from the Applicant to Encirc | Key Topics Protective Provision Draft sent to Encirc Discussions and Outcomes Encirc reviewing document. |
| 18/07/23 | Microsoft Teams call between Encirc and the Applicant | Key Topics Statement of Common Ground Rev B Review Discussions and Outcomes |

owing from previous meetings. The ds of Terms agreements to address vith Encirc. ng to address main issues identified SS. ne SoCG. irc in the CAH1 and ISH2 hearings r future Teams meeting to resolve points cussions between the Parties.

| Date | Form of Correspondence | Key Topics Discussed and Key Outcomes |
|------|------------------------|---|
| | | Consensus on the items on the common position of the between the parties. |

the Statement of Common Ground

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 Encirc are as follows:

- Engagement, & Other Application documents;
- Issues related to Access to Adjacent Land;
- Issues related to Access to Encirc Land;
- Issues related to Future Development Plans;;
- Issues related to Operational Impacts; and
- Issues related to the Draft DCO.

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

| Ref. | Description of Matter | Current Position | Status |
|--------------|-----------------------------|--|------------------|
| Engagement | | · | 1 |
| Encirc 3.1.1 | Engagement | The Parties agree that engagement has been ongoing in the pre-application period in respect of access to the Encirc Land for surveys. In the post-submission period (as set out in the record of engagement) Encirc and the Applicant have had further discussions which through change requests and the negotiation of heads of terms for land rights agreements and protective provisions, the Applicant has sought to bring forward a design which has had regard to Encirc's views. Encirc has been formally consulted on the application as required by the Planning Act 2008 (PA2008). | Under Discussion |
| Encirc 3.1.2 | Project Support | Encirc is an active member of the wider HyNet project and supports the Applicant in providing critical infrastructure to enable Project viability. Encirc has the potential to become a customer of some of the HyNet Project partners. | Agreed |
| Other Applic | ation Documents | | |
| Encirc 3.1.3 | Other application documents | Encirc agrees that its interests are correctly reflected in the Book of Reference [REP3-014]. | Under Discussion |
| | | Encirc are currently reviewing this document | |

Table 3-2 – Issues related to Access to Adjacent Land

| Ref. | Description of Matter | Current Position | Status |
|-----------------|--|--|------------------|
| Encirc 3.2.1 | Access for Construction on the Protos Site | The Applicant intends to use the land parcels labelled as Plots 1-02 and 1-03 in the Land Plans [CR2-004], [REP2-004] for access to the site for the construction (and related activities), and operation of the Ince AGI. | Under Discussion |
| | | Encirc have noted that this access route has been provided to facilitate the undertaking of surveys. Encirc have requested that alternative routes be used for future access requirements for the construction and operation of the development of the Project. | |
| | | 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 | |
| | | The Applicant notes this position and has made Encirc aware that this is the main road that accesses the Protos site in its current situation. The Applicant has followed up with land use proposals in the voluntary agreement process. | |
| | | The Applicant has sent updated Heads of Terms, aiming to address these concerns, Encirc are reviewing the documentation and will revert with feedback. | |
| | | The use of these plots will also depend on Peel NRE's potential construction of access roads to the Protos site and their suitability. The Applicant is addressing this option as part of the Protective Provision conversations. | |
| Encirc 3.2.2 | Access over Grinsome Road | 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 Encirc site. The Applicant's appointed Construction Contractor will consult Encirc (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 approval. | Agreed |

| Encirc 3.2.3 | Access over Grinsome Road to Encirc Land | Access to the Encirc site will be safely provided at all times and operational impacts to the stakeholders involved will be minimised wherever practicable. Access provisions are being included in the protective provisions discussions. | Under Discussion |
|-----------------|---|--|------------------|
| | | Any interruption to Encirc will be minimised and is anticipated to be very short in duration. The Parties will set up construction traffic steering groups to plan construction activities to ensure the impact to Encirc's business is minimised. | |

| Table 3-3 – Issu | ues related to | Access to | Encirc Land |
|------------------|----------------|-----------|-------------|
| | | /10000010 | |

| Ref. | Description of Matter | Current Position | Status |
|----------------|--|--|------------------|
| Encirc 3.3.1 | Access to Construction Area on Encirc's land interest | The Applicant has included provision for access from the plots labelled as 1-02 and 1-03 through to Plot1-06, (and then following on to Plots 1-06a, 1-06b and 1-06c) as shown in the Land Plans [CR2-004], [REP2-004]. Encirc has informed the Applicant that there is a continuous fence line between these Plots and at this point there is no existing gated access between them. Encirc stressed the importance of maintaining the continuity of their fence line for their business operations. This is particularly important given Encirc's obligations to HMRC as a bonded warehouse and also a Lower Tier COMAH site. It is essential that Encirc complies with all obligations at all times. | Under Discussion |
| | | As part of the Applicant's Change Request 1, the Applicant has extended the red line boundary to include Ash Road (Plots 1- 06a, 1-06b and 1-06c shown in the Land Plans [CR1-009]) , with the intention for this to be the main access point to Encirc's land - this is subject to a consultation process. | |
| | | After further discussion, the Applicant plans to change the category of a section of 1-06 (to be labelled 1-06d in Change Request 3), to highlight rights to this land are only required during construction. | |
| | | Discussions ongoing between the parties in relation to access and the conditions which would need to be imposed. | |
| Encirc 3.3.2 | Operational / Maintenance Access | The Applicant intends to use the entrance from Ash Road as the primary and only required access for operational and maintenance access to the pipeline within Plot 1-20 and 1-22 as shown in the Land Plans [CR2-004], [REP2-004]. This is subject to a consultation process. | Under Discussion |
| | | The Applicant is current reviewing the responses made by Encirc. However, both Parties are progressing conversations regarding the Ash Road access becoming the primary construction / operational access point to the plots highlighted above. The final access requirements will be documented in a private agreement and also in the protective provisions. | |
| Encirc 3.3.3 C | Construction Access | The Applicant intends to use the entrance at Ash Road as a primary access for construction activities within plots 1-20 and 1-22. The Applicant is aware that this access has some restrictions for oversized HGVs. In the event that oversized HGVs are required for construction activities, the Applicant has proposed an alternative route to Encirc, which is currently under Heads of Terms discussion between the Parties. | Under Discussion |
| | | In the event that these proposals are not acceptable to Encirc, the Applicant will use the access from Grinsome Road. This access will be a new access through the fence. If any gap through the Encirc fence between plots 1-02/1-03 and 1-06 is made, the Applicant will commit to pay for the appropriate temporary security detail required and for restoration works upon completion of the works requiring departure/oversized HGVs. Encirc have emphasised its concerns about the use of this road and the appropriateness of the road for HGVs and two way traffic. The parties have agreed that these points will be covered in the protective provisions under discussion. | |

| | | Encirc have also emphasised that the Applicant must pay a proportionate share for the maintenance of any ac used and make good any damage which is caused to the road to ensure that Encirc retain access to its site. T Ash Road south of plot 1-06b, where Encirc has an obligation to maintain the carriageway in the interests of lo Any interruption to Encirc will be minimised and is anticipated to be very short. The Parties will set up construct |
|--------------|---------------|---|
| | | steering groups to plan construction activities to ensure the impact to Encirc's business is minimised. |
| | | Any changes to the fence line (which is strongly objected to by Encirc) and related provisions will need HMRC approval as Encirc are a bonded site and any amendments must go to them for a variation to current approval temporary). |
| | | This point is reflected in the Protective Provision drafting, currently under review. The Applicant also wishes to covered through a Heads of Terms agreement. |
| Encirc 3.3.4 | Future Access | Encirc have made the Applicant aware that their development plans could change the access routing to the Pl and 1-22 as shown in the Land Plans [CR1-009] and that an alternative route would be provided as part of the development proposals. |
| | | The Applicant is content as long as an alternative access route suitable for the Project needs is maintained co This is being handled under Heads of Terms and Protective Provisions discussion. |
| | | Encirc's future development plans (automated warehouse, new rail sidings and intermodal area, and hydrogen furnace), all of which are either with the local planning authority or well publicised, will include the installation or railway tracks / sidings to be installed over plots 1-22, 1-21 and 1-06. This development is essential to the futu Encirc business and Encirc's compliance with its obligations and shall not be prejudiced by the proposed deve Applicant is currently reviewing their response. |

Table 3-4 – Issues related to Future Developments

| Ref. | Description of Matter | Current Position | Status |
|--------------|--|--|------------------|
| Encirc 3.4.1 | Future development on Pipeline easement | Upon completion of construction, the Applicant requires a 24.4 m easement corridor surrounding the pipeline. A small length of pipeline crosses Encirc's land interest in Plots 1-20 and 1-22 as shown in the Land Plans [CR1-009]. | Under Discussion |
| | | Encirc have made the Applicant aware of future development intentions in the area. The Applicant has made Encirc aware that it will need to assess any proposals for the use of the land within the pipeline easement on a case-by-case basis, to ensure safe operation and integrity of pipeline, and the ability to access the pipeline for maintenance if required. | |
| | | Encirc's 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, will include the installation of further railway tracks / sidings to be installed over plots 1-22, 1-21 and 1-06. This development is essential to the future of the Encirc business and Encirc's compliance with its obligations. The Applicant is currently reviewing their response. | |

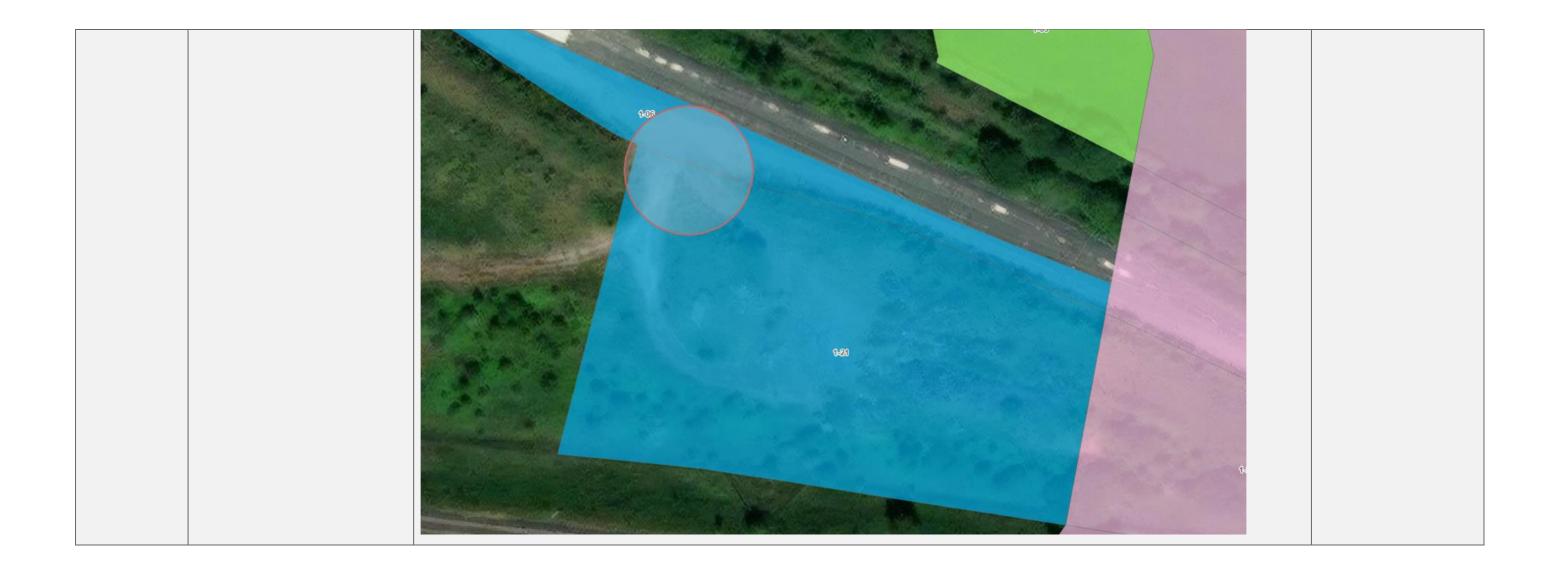
Table 3-5 – Issues related to Operational Impacts

| Ref. | Description of Matter | Current Position | Status |
|--------------|-----------------------|---|------------------|
| Encirc 3.5.1 | Railway Crossing | Encirc notes Plot 1-20 as shown in the Land Plans [CR1-009] is over a working railway line and no development can take place in the area. | Under Discussion |

| Under Discussion |
|------------------|
| |
| |
| |

| | | The Applicant confirms that the proposal in this plot is for subsurface works only using a trenchless method in a minimise impact to the railway and ensure its operation is not affected by direct construction works. |
|--------------|---------------------|--|
| | | The Applicant is reviewing the possibility of carrying out a single trenchless crossing, covering land plots from 7 (including Plots 1-19, 1-20, 1-22, 1-23 and 1-24). This is being carried forward as a design option and, if select trenchless crossing pit would not be required in plot 1-22. The decision on which crossing construction technic utilised will be made in detailed design, and therefore both options are currently being assessed as part of the |
| | | Encirc have emphasised to the Applicant the importance of retaining access at all times to and use of the railwa carrying out of Encirc's business and its future plans for redevelopment in this area. The matters will be dealt w protective provisions which are currently being discussed between the parties. |
| | | Any interruption to Encirc will be minimised and is anticipated to be very short. The Parties will set up construct steering groups to plan construction activities to ensure the impact to Encirc's business is minimised. |
| | | The Applicant has requested details of the technical authority managing Encirc's railway spur and has requested meeting. The Applicant has suggested the use of Network Rail's construction standards as a starting point for of The Applicant is awaiting confirmation of personnel to be included in this review from Encirc. |
| Encirc 3.5.2 | Railway Surveys | The Applicant notes that at points during construction, non-intrusive surveys of the railway will be required. |
| | | The Applicant will work with Encirc to ensure the timing of these surveys do not have an adverse operational in Encirc's business and will ensure compliance with any conditions of access imposed by Encirc, due to regulate their HMRC and COMAH site status. |
| | | Encirc have requested an impact survey before and after the trenchless crossing construction works. |
| | | The Applicant confirms that settlement monitoring will be conducted before, during and after any trenchless cro railways. |
| Encirc 3.5.3 | Construction Impact | Encirc have requested that Plot 1-21 as shown on the Land Plans [CR1-009] is reduced in both area and that the rights sought is changed from permanent to temporary. The Applicant notes this and has confirmed that this larequired if two separate trenchless crossings are required (one for each railway). The land has been minimised operational impact, The wide parcel of Plot -21 has been selected to ensure there is flexibility of access, based terrain at that location. It has been labelled as permanent access to ensure there is operational access over the is being discussed further in the Heads of Terms discussion. |
| | | The Applicant has reviewed the possibility of carrying out a single trenchless crossing and will progress this as option. This will be confirmed during detailed design. |
| | | The Applicant has included this land with rights for operational access the access from 1-06 present in the nort of Plot 1-21, as highlighted in the below image. The Applicant is aware of Encirc's future development plans in is proposing that a suitable agreement can be made via Protective Provision conversations. |
| | | |

| Agreed |
|------------------|
| |
| |
| Under Discussion |
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| |
| |



| | | The Applicant has agreed to give Encirc an overview of what the operational checks of plot 1-22 will required to allow Encirc to fully assess the proposals. The discussions of the use of plot 1-21 are ongoing. | |
|--------------|---------------------------------------|---|------------------|
| Encirc 3.5.4 | Future Development Plans | Encirc have shared details of its future development plans which are currently with the LPA for determination or in the public domain. It is essential that these important plans can be brought forward and these points are to be covered in the protective provisions and by private agreement. | Under Discussion |
| Encirc 3.5.5 | Encirc Compliance with Obligations | Encirc is subject to a number of obligations as an HMRC bonded warehouse and also as a COMAH registered site. It is essential that all obligations are complied with at all times. This point is to be included in the protective provisions. The Applicant confirms their intent to comply with the above referenced obligations, and agree that these points should be covered in the protective provisions. | Under Discussion |

| Ref. | Description of Matter | Current Position | Status |
|--------------|-----------------------|--|------------------|
| Encirc 3.6.1 | DCO Support | The parties have agreed that protective provisions for the benefit of Encirc shall be included within the DCO. The terms of these provisions are currently under discussion between the parties. | Under Discussion |