

STATEMENT OF COMMON GROUND WITH VERTEX HYDROGEN LIMITED

HyNet Carbon Dioxide Pipeline DCO

Planning Act 2008

The Infrastructure Planning (Examination Procedure) Rules 2010 - Rule 8(1)(c)

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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

Signature



Martin Currie

Director

on behalf of Liverpool Bay CCS Limited

Date: 11/09/23

Signed: Richard Holden

Richard Holden

Project Manager

on behalf of Vertex Hydrogen Limited

Date: 08/09/23

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1. INTRODUCTION

1.1. PURPOSE OF THIS DOCUMENT

- 1.1.1. This Statement of Common Ground (SoCG) has been prepared by Liverpool Bay CCS Limited (the Applicant) and Vertex Hydrogen Limited (Vertex).
- 1.1.2. For the purpose of this SoCG, the Applicant and Vertex will jointly be referred to as the 'Parties'.
- 1.1.3. The purpose of this SoCG is to set out the status as between the Parties on a number of matters related to the proposed development (Proposed Development) which are the subject of the Development Consent Order (DCO). 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 subsequent stages of the process including the examination.
- 1.1.4. **Chapter 2** of this SoCG records the consultation undertaken with Vertex by the Applicant in relation to the DCO. Chapter 3 of this 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. The 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 Vertex as an adjacent infrastructure developer. Vertex is developing a carbon capture project that is expected to connect to the DCO Proposed Development.
- 1.2.3. The Applicant has identified the following plots in which Vertex hold a future planned interest:
3-11, 3-14, 3-16, 4-06, 4-09, 4-10, 4-12, 4-13, 4-14, 4-15, 4-16. 4-17, 4-18 as referenced in the Land Plans **[CR3-003]**
- 1.2.4. A full description of the DCO Proposed Development is detailed in Chapter 3 of the consolidated Environmental Statement (ES) **[REP7-036]**, submitted at Deadline 7.

- 1.2.5. Vertex are a key partner, active in the Project, delivering infrastructure on and around 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. Vertex is a joint venture, formed by Essar Oil UK Limited (Essar) and Progressive Energy Limited (PEL) incorporated on 2nd December 2021. Prior to this date, their interests were discussed with the Applicant via Essar and PEL; both of which are also partners, active in the Project.

1.3. TERMINOLOGY

- 1.3.1. In the Issues tables in **Chapter 3** of this 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"> • Monthly project management, technical interface and directorial leadership meetings between various parties, including Essar and the Applicant (meetings held as part of the BEIS Cluster Sequencing Phase 2, 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 with respect to AGI site design, construction and operation.</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 a 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>

		Confirmation in principle of the availability of land for construction laydown area located adjacent to the AGI compound. Discussion of power requirements.
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>
11/05/23	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> General Project Update Position regarding the possible inclusion of Vertex Hydrogen with the Essar SoCG Discussion of land handover condition principles <p>Discussions and Outcomes</p> <p>Further meeting on w/c 15 May 23 to be held to aim to resolve the SoCG document between the legal teams.</p> <p>The SoCG will be subject to further review and update after a technical workshop, planned on 16 May 2023 in which technical points related to site handover, construction phase integration and site safety management will be discussed between Essar, the Applicant and other third party users of adjacent land.</p>
16/05/23	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> Integration of Construction and Commissioning activities in the AGI area of Stanlow Refinery. Meeting was held including The Applicant, Essar and other AGI users (namely Cadent Hydrogen and Vertex Hydrogen) on site <p>Discussions and Outcomes</p> <ul style="list-style-type: none"> Project Technical Points including: <ul style="list-style-type: none"> Requirement for schedule integration between all parties. Site roads layout and access provisions. Condition of AGI locations and pipeline route corridors at handover for construction. Arrangements for provision of construction phase and long-term operations phase power. Spoil storage. Drainage provision. Application of CDM regulations and co-ordination of the parties. <u>Safety and Hazard / Risk Management, and the need for a single party with overall ownership and responsibility.</u>
28/06/23	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> General Project Update

		<ul style="list-style-type: none"> • SoCG Setup with respect to Essar and Vertex Hydrogen • Discussion on how to best progress discussions <p>Discussions and Outcomes</p> <p>The Applicant to send out Plan and updated SoCG ahead of Meeting on 7 July to aid in background regarding property discussions.</p> <p>The Applicant and Essar will continue their discussions on site handover in parallel meetings (which involves other parties).</p> <p>The Applicant will prepare a combine Essar / Vertex Hydrogen SoCG for the parties joint review, but will split these up for submission to the Examination Process</p>
Various dates	Two weekly frequency Stanlow AGI area interface meetings, held between the parties, plus Vertex , Cadent H2 project and Penspen.	<p>Key Topics</p> <ul style="list-style-type: none"> • Safety studies, site safety management, site access, integration of construction schedules, integration of overall site plan (for AGI area), utilities <p>Discussions and Outcomes</p> <p>The above topics are being progressed between the parties and other parties involved in the provision of facilities in the AGI area, all associated with the Hynet Project. All parties are engaged and working on a collaborative basis. An action list is maintained between the parties and is used as a meeting agenda to ensure progress and consistency.</p>
18/08/23	Call over Mobile Phone	<p>Key Topics</p> <ul style="list-style-type: none"> • Progression of key issues • SoCG Closeout <p>Discussions and Outcomes</p> <p>Organised Teams Meeting for 22/08/23</p>
22/08/23	Meeting held over Microsoft Teams	<p>Key Topics</p> <ul style="list-style-type: none"> • Progression of key issues • SoCG Closeout <p>Discussions and Outcomes</p> <p>The Parties agreed a unified follow-up with other stakeholder (e.g. the Environment Agency) in order to progress the conversation. The Applicant will send Vertex an updated SoCG for review.</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 Vertex are as follows:

- Design, including interface and joint process safety reviews
- Issues related to the DCO Proposed Development - Draft DCO (including requirements to the draft DCO)
- CO₂ Network Connections

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

Ref.	Description of Matter	Current Position	Status
Engagement			
Vertex 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 Vertex's views. Vertex has been formally consulted on the application as required by the Planning Act 2008.	Agreed
Land			
Vertex 3.1.2	Land Use	The Parties commit to continue this regular interaction as the projects progress into their next stages.	Agreed
ES			
Vertex 3.1.3	ES	The Parties agree that the study area as set out in the DCO ES is appropriate.	Agreed
Other application documents			
Vertex 3.1.4	Other application documents	The Book of Reference currently lists no land interests in which Vertex hold an interest, reflecting the title records reviewed by the Applicant related to this development.	Agreed

Table 3-2 – Issues related to Design and Construction

Ref.	Description of Matter	Current Position	Status
Vertex 3.2.1	Pipeline Deconflict	<p>The Parties are seeking to co-ordinate the routing of their assets to ensure the assets are deconflicted and constructable.</p> <p>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.</p> <p>Connections from the other facilities on the Stanlow site to the Stanlow AGI will cross the AGI boundary fence above ground. Design, Construction, Operation and Ownership of the pipework connecting back to the emitter plant from the AGI fenceline, outside of the AGI's boundary fence will not be the responsibility of the Applicant. The specific location and arrangement of the battery limit position and conditions between the two facilities will continue to be refined and agreed between the two parties through detailed design.</p> <p>Vertex and the Applicant have a shared goal in the routing of Vertex's natural gas pipeline and the Applicant's CO2 pipelines to minimise conflicting routing. The Parties have worked collaboratively to date and plan to continue this way of working. In the event where routing cannot be fully deconflicted due to specific limitations (especially local to the Stanlow AGI), the parties will work together to ensure that both sets of pipelines can be successfully installed within the same corridors. The parties will</p>	Agreed

Ref.	Description of Matter	Current Position	Status
		ensure that advocacy for such a goal is shared with external stakeholders including the respective planning authorities, recognising that the schemes only work to capture and transport CO2 emissions with all pipelines installed. The Parties commit to continue this regular interaction as the projects progress into their next stages.	
Vertex 3.2.2	Easement Management	The Parties are in discussion to agree the best method to protect their respective assets where the easement of their pipeline developments interact. The Applicant seeks to continue engagement with Vertex regarding asset protection.	Agreed
Vertex 3.2.3	Vertex Assets	The Applicant seeks confirmation regarding the relationship between Essar and Vertex land interests. Vertex confirms the intention is for the land interests on Stanlow Manufacturing complex will be owned by Essar.	Agreed
Vertex 3.2.4	Vertex Requirements	Vertex and Essar request visibility of construction schedule on the AGI. The Parties agree to share their AGI construction schedules to ensure co-ordinated construction planning. The Parties commit to continue this regular interaction as the projects progress into their next stages.	Agreed

Table 3-3 – Issues related to Utility Provision

Ref.	Description of Matter	Current Position	Status
Vertex 3.3.1	Electricity Supply	Vertex has confirmed that they will supply the Applicant with permanent electricity for the Stanlow AGI. The Parties will continue to engage with technical planning of this activity. The Parties will continue to discuss this in further detail in commercial discussions. The Parties commit to continue this regular interaction as the projects progress into their next stages.	Agreed