

Viking CCS Pipeline

9.49 Position Statement on the Benefits of the Proposed Development – Revision A (Tracked)

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Applicant: Chrysaor Production (U.K.) Limited,
a Harbour Energy Company
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Viking CCS Pipeline - Position Statement on the Benefit of the Proposed Development



1 INTRODUCTION

- 1.1 This document has been prepared on behalf of Chrysaor Production (U.K.) Limited ('the Applicant'). It relates to the application ('the Application') for a Development Consent Order (DCO) that has been submitted to the Secretary of State for Energy Security & Net Zero under Section 37 of the Planning Act 2008. The Application relates to the Viking CCS Pipeline that will transport captured carbon dioxide from Immingham to the Theddlethorpe Facility, including a pipeline crossover to the existing Lincolnshire Offshore Gas Gathering System ('LOGGS') offshore pipeline to Mean Low Water Springs (the 'Proposed Development').
- 1.2 The Proposed Development forms part of the wider Viking CCS Project, being a carbon transportation and storage project that includes the Proposed Development, the existing offshore LOGGS pipeline, a new-build offshore injection platform, and the depleted Viking gas fields in the southern North Sea.
- 1.3 This document provides the Applicant's response to Action Point 2 arising from Compulsory Acquisition Hearing 2 [EV7-008]: *"To prepare a written paper re-presenting the benefits in the context of the Viking CCS Pipeline compared to the Viking CCS Project."*
- 1.4 This document also sets out the Applicant's response to Action Point 12 arising from Compulsory Acquisition Hearing 2 [EV7-008]: *"In the context of the project's benefits (in Action Point 2) the Applicant to provide commentary on the need or desirability of a Grampian-style requirement preventing onshore works commencing until offshore consents had been agreed."*
- 1.5 As regards the benefits issue as raised by the ExA, the Applicant's position on the benefits and need case for the Proposed Development is more fully set out within the Need Case for the Scheme [APP-131], the Planning Design and Access Statement [APP-129] and the Planning Design and Access Statement Addendum [REP1-049].
- 1.6 In this context, it is necessary to note by way of preliminary observation, that the 'chain' of carbon capture and storage ("CCS") development has three links: (i) capture of carbon, (ii) transport and (iii) storage. In this regard, the Proposed Development forms one link of the CCS chain (being the 'transport' link). The Applicant submits that there is strong policy support for the development of any single link in the chain. In addition, it is entirely appropriate that, when assessing the benefits of one link in the chain, regard is had to the benefits that will arise when the whole chain is complete.

2 POLICY CONTEXT

- 2.1 An updated suite of National Policy Statements ('NPS') for energy were published by the Department for Energy Security and Net Zero in November 2023. The new suite of NPS were designated and came into force on 17 January 2024, superseding the earlier NPSs for energy. These NPS represent an up-to-date statement of Government planning policy for nationally significant energy infrastructure projects, including carbon capture and storage infrastructure. The content of the updated NPS for energy are important and relevant considerations in the determination of this application.
- 2.2 NPS EN-1 provides considerable policy support for CCS infrastructure. Paragraph 3.5.1 states that there is an "urgent need" for new CCS infrastructure to support the transition to a net zero economy, with paragraph 3.5.2 noting that the Climate Change Committee consider CCS to be a necessity in reaching net-zero. Paragraph 3.5.3 notes that the UK's Net Zero Strategy and Industrial Decarbonisation Strategy have reaffirmed the importance

of CCS infrastructure in decarbonising energy intensive sectors such as chemicals and oil refining.

- 2.3 Paragraph 3.5.4 sets out the Government’s aim to use carbon capture, utilisation and storage technology to capture and store between 20 to 30 million tonnes of carbon dioxide equivalent annually by 2030, which will *“require the timely development and deployment of CCS infrastructure”*. As paragraph 3.5.5 notes, the UK has one of the largest potential carbon dioxide storage capacities in Europe, with an estimate 78 billion tonnes of carbon dioxide storage capacity under the seabed.
- 2.4 Paragraph 3.5.6 states that *“the deployment of new onshore CO2 pipelines over 16.093 kilometres in length can expand CCS networks and are within scope of this NPS.”*. Paragraph 3.5.8 confirms that CCS technologies, pipelines and storage infrastructure are considered to be critical national priority (“CNP”) infrastructure.
- 2.5 The designation of CNP infrastructure is important in assessing the benefits of the Proposed Development. Paragraph 3.3.63 notes that, subject to any legal requirements, the urgent need for CNP infrastructure in achieving energy objectives, together with national security, economic, commercial and net zero benefits, will in general *“outweigh any other residual impacts not capable of being addressed by application of the mitigation hierarchy”*. It further states that Government *“strongly supports the delivery of CNP infrastructure and it should be progressed as quickly as possible”*.
- 2.6 NPS EN-1 recognises at paragraph 4.9.18 that the chain of CCS has three links: capture of carbon, transport, and storage. The paragraph goes on to recognise expressly that the separate links in the chain may be consented separately, stating that *“[d]ue to the approach of deploying CCS in clusters in the UK with shared transport and storage infrastructure, it is likely that development consent applications for power CCS projects may not include an application for consent for the full CCS chain (including the onward transportation and storage of CO2).”*
- 2.7 When determining the scope of a project that will form part of the CCS chain, Applicants are *“expected to take into account foreseeable future demand when considering the size and route of their investments. Applicants may therefore propose pipelines with a greater capacity than demand, at the time of consenting, might suggest.”* (paragraph 4.9.21).

3 RECENT NSIP DECISIONS

- 3.1 The most recent NPS have been taken into account as part of the decision making for other nationally significant infrastructure projects forming a link in the CCS chain. The Applicant considers these decisions to be informative in the application of policy to the determination of an application for a link in the CCS chain.

HyNet Carbon Dioxide Pipeline

- 3.2 The HyNet Carbon Dioxide Pipeline Order 2024 was granted on 20 March 2024. The scope of the project was for the transport link in the CCS chain, being a 60.4-kilometre pipeline and related infrastructure. The Applicant considers that the scope of the project was comparable to that of the Proposed Development.
- 3.3 The Examining Authority and the Secretary of State both had regard to the 2024 NPS and the wider policy context when assessing the need for the development.¹ Both the Examining Authority and the Secretary of State considered that the need case was made out, assigning it “very great positive weight” in the planning balance.
- 3.4 When considering the socio-economic benefits of the HyNet pipeline, the Examining Authority had regard to the benefits that would be delivered by the wider HyNet Project. The Examining Authority noted that the wider project offered a generational opportunity to deliver extensive decarbonisation of the economy and generate very great economic

¹ See sections 5.2 and 5.3 of the Examining Authority’s Recommendation Report and section 4 of the Secretary of State’s decision letter dated 20 March 2024.

benefits, with the HyNet pipeline being inextricably linked to ensuring the delivery of the wider HyNet Project aims and benefits.² This led to the Examining Authority affording the benefits “very great positive weight” in the planning balance.

- 3.5 Whilst the Secretary of State took account of the wider HyNet Project, they considered it relevant when assessing the planning balance that the full economic benefits from the wider HyNet project are not all attributable to the HyNet pipeline. The Secretary of State therefore afforded “great positive weight” in the planning balance to the socio-economic benefits that would arise from the pipeline.³
- 3.6 The Applicant notes that the DCO for the HyNet pipeline did not include any form of requirement that restricted the onshore works commencing until offshore consents for the wider HyNet Project had been obtained.

Drax Bioenergy with Carbon Capture and Storage Project

- 3.7 The Drax Power Station Bioenergy with Carbon Capture and Storage Extension Order 2024 was made on 16 January 2024. The project scope was the extension to an existing biomass generating station, to include the construction, operation, and maintenance of post-combustion carbon capture technology. This infrastructure formed part of the first link in the CCS chain.
- 3.8 The Examining Authority in its recommendation report considered submissions made that the project should not be considered without the transportation pipeline and storage in place. It was noted that the pipeline that would form the transport link in the CCS chain was subject to a separate DCO application yet to be made. Similarly, the offshore pipeline and storage was being developed by a third party. Those other links in the CCS chain were outside the control of the applicant.⁴
- 3.9 The Examining Authority noted that the (then draft) NPS acknowledged that applications may be made separately for different elements of the CCS chain. It went on to conclude that as a CCS project, the development would make a meaningful contribution to meeting the need for new low carbon capture infrastructure, and would help in the transition to a low carbon system. The Examining Authority afforded this “very great weight” in the planning balance. The Secretary of State agreed with this analysis and the weight given to the principle of the development.⁵
- 3.10 The Examining Authority in considering this application assessed whether a requirement in the DCO should be imposed restricting commencement of development until an Environmental Permit and consents for the transport and storage of carbon dioxide were in place. Reference was made to requirement 33 of the Keadby 3 (Carbon Capture Equipped Gas Fired Generating Station) Order 2022 that imposed such a restriction.
- 3.11 The Examining Authority concluded that such a requirement was unnecessary, a conclusion with which the Secretary of State agreed.⁶ There was a distinction between the Drax project and Keadby 3, where the Keadby 3 project would result in new CO₂ emissions without the carbon capture infrastructure being in place. The Examining Authority concluded that there was nothing that indicated the necessary consents would not be granted. The Examining Authority referenced the fact that NPS EN-1 states that links in the CCS chain are likely to come forward as separate applications.

² Examining Authority’s Recommendation Report at 5.12.67

³ At paragraph 4.80 of the Secretary of State’s decision letter dated 20 March 2024.

⁴ See paragraphs 3.2.58 – 3.2.74 of the Examining Authority’s Recommendation Report

⁵ See paragraphs 4.5 and 4.6 of the Secretary of State’s decision letter dated 16 January 2024.

⁶ See paragraphs 7.3.22 of the Examining Authority’s Recommendation Report and paragraphs 7.5 – 7.9 of the Secretary of State’s decision letter dated 16 January 2024

4 BENEFITS OF THE PROPOSED DEVELOPMENT

4.1 The Proposed Development will be the 'transport' link in the CCS chain. NPS EN-1 identifies an urgent need to develop low carbon infrastructure, including CCS pipelines. The Proposed Development will help meet this urgent need.

~~4.2 The Examining Authority at Issue Specific Hearing 2 asked the Applicant to clarify the direct benefits that would arise from the Proposed Development. Chapter 16: Socio-Economics of the Environmental Statement [APP-058]. Assessed from an environmental impact assessment perspective what the impacts on socio-economics receptors during the construction phase. Overall, it was considered that there would be a minor beneficial effect (in EIA terms) from the Proposed Development. This would include:~~

~~(a) The Proposed Development will generate employment during the construction phase. It is estimated that the average workforce, after taking into account leakage, displacement, and multiplier effects, is calculated to be 222.~~

~~(b) The construction phase will result in Gross Value Added generation in the local economy. It is calculated that approximately £4.2 million within the 60-minute drive time area and £9.7 million elsewhere will be generated, resulting in a total of £13.9 million.~~

~~(c) The Proposed Development will provide training and upskilling opportunities including apprenticeships during the construction phase, these will be detailed within the contractors Skills, Employment and Supply Chain Plan which is a requirement of the Draft Construction Environmental Management Plan [REP3-011]. If feasible, the Proposed Development will provide training and upskilling opportunities including apprenticeships during the construction phase.~~

4.34.2 The Applicant considers that it is relevant to have regard to the wider CCS chain in assessing the benefits that the Proposed Development will deliver. The Proposed Development will form an essential part of the CCS chain required to decarbonise the Humber region. The Humber area emits approximately 20 million tonnes of CO₂ per year and emits more CO₂ than any other UK region due to the volume and type of industry and energy operations. The Proposed Development will provide transport for up to 10 mtpa of CO₂ by 2030 and 15 mtpa by 2035 – potentially providing access to storage for more than 50 per cent of CO₂ emissions from the region.

4.44.3 As required by NPS EN-1, the Applicant has had regard to future demand when considering the size and route for the pipeline. The Proposed Development will form the backbone of a CCS network in the region, providing an opportunity for future connections from emitters.

4.54.4 Whilst the benefits that arise from the Proposed Development are not delivered by the pipeline alone, that does not mean that they should be disregarded in the decision making for this Application. In fact, the Applicant submits that it would be a fundamental error to do so. It is entirely appropriate to have regard to the full benefits that would be delivered from the Viking CCS Project as a whole. The policy in NPS EN-1 supports such an approach, which has been followed on recent decisions such as HyNet.

4.64.5 The Applicant considers that the need case for the Proposed Development should be afforded very great positive weight in the planning balance.

4.74.6 The Applicant recognises that the socio-economic benefits of the Viking CCS Project as a whole are not directly applicable to the Proposed Development. The Applicant considers that the Secretary of State's assessment on such matters on the HyNet pipeline decision was a reasonable approach. Whilst that took account of the economic benefits that would derive from the wider project, the overall weight in the planning balance reflected the fact that these were indirect benefits, rather than direct ones.

4.84.7 The Applicant submits that the Examining Authority and the Secretary of State can take a similar approach in the assessment of ~~socio-economic~~ benefits for this Application. That

analysis can have regard to the ~~economic~~ benefits that derive from the Viking CCS Project, but can acknowledge that they don't directly arise from the Proposed Development. The Applicant submits that when considered in this context, the ~~socio-economic~~ benefits of the Proposed Development should be afforded great positive weight in the planning balance.

5 THE NEED FOR A REQUIREMENT LINKING THE ONSHORE AND OFFSHORE WORKS

- 5.1 The Applicant set out at Q1.1.8 of its Response to the Examining Authority's First Written Questions [REP1-045] why it considered it unnecessary from an environmental assessment perspective to impose a requirement that restricted the commencement of the Proposed Development until all offshore consents are in place. The Applicant made reference to the Secretary of State's decision letter for the Triton Knoll Offshore Wind Farm Order 2013.
- 5.2 The Applicant's position remains that imposing such a requirement is unnecessary. Significant capital expenditure will be required to construct the Proposed Development. It is not economically realistic that the Applicant would build the proposed Development without certainty that the consents for the offshore scheme will be granted. This commercial interdependency between the onshore and offshore infrastructure forming the wider Viking CCS Project means that the Examining Authority and the Secretary of State can be confident that the Proposed Development will only be built as part of the wider project, and therefore the benefits will be delivered.
- 5.3 NPS EN-1 recognises that that the different links in the CCS chain are likely to come forward in different consent applications. There is no suggestion in EN-1 that such a requirement should be imposed in DCOs for part of the chain to tie them to the others. The Applicant submits that the correct approach was taken in the HyNet Carbon Dioxide Pipeline Order 2024 and the Drax Power Station Bioenergy with Carbon Capture and Storage Extension Order 2024 where no such requirement was imposed.
- 5.4 The Applicant notes that it has already been granted three carbon storage licences by the North Sea Transition Authority (CS005, CS023 and CS024) in respect of these depleted gas fields. The next stage will be for the Applicant to obtain a carbon dioxide storage permit from the North Sea Transition Authority under Regulations 6 to 8 of the Storage of Carbon Dioxide (Licensing etc.) Regulations 2010. The Applicant has no reason to consider that such an application will not be granted.

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