

H2Teesside Project

Planning Inspectorate Reference: EN070009

Land within the boroughs of Redcar and Cleveland and Stockton-on-Tees, Teesside and within the borough of Hartlepool, County Durham

The H2Teesside Order

Document Reference: 9.7: Statement of Common Ground between H2 Teesside Limited and Natural England

The Planning Act 2008



Applicant: H2 Teesside Ltd

Date: September 2024



The Planning Act 2008

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009

The H2Teesside Order 202[]

Statement of Common Ground between the H2 Teesside Limited and Natural England

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STATEMENT OF COMMON GROUND

This Statement of Common Ground has been prepared and agreed by (1) H2 Teesside Ltd. and (2) Natural England

Signed......
[Name]
[Position]
on behalf of H2 Teesside Ltd.
Date:

Signed......
[Name]
[Position]
on behalf of Natural England
Date:

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1.0 INTRODUCTION AND PURPOSE

1.1 Introduction

- 1.1.1 This Statement of Common Ground ('SoCG') relates to an application (the 'Application') made by H2 Teesside Limited (the 'Applicant'), to the Secretary of State for Energy Security and Net Zero for a Development Consent Order ('DCO') under Section 37 of the Planning Act 2008 (the 'PA 2008') for the H2Teesside Project.
- 1.1.2 The Application has been accepted for examination. The Examination commenced on 29 August 2024.
- 1.1.3 The Examining Authority's ('ExA') Rule 8 letter (Annex B) dated 30 August 2024 confirms that the Applicant should prepare a SoCG with Natural England in respect of the Proposed Development.

1.2 Parties to the SoCG

The Applicant

- 1.2.1 The Applicant is a private limited company aiming to develop and operate the H2Teesside Project, which is an approximately 1.2-Gigawatt Thermal ('GWth') Carbon Capture and Storage ('CCS') enabled Hydrogen Production Facility and associated connections (together the 'Proposed Development') on land in Redcar and Cleveland, Stockton-on-Tees, and Hartlepool (hereafter referred to as the 'Proposed Development Site'). The Proposed Development will support the decarbonisation of UK-produced natural gas in Teesside for use in industrial applications, thus helping to achieve national targets in relation to net zero. It will also be a key contributor to restoring manufacturing jobs in the Tees Valley.
- 1.2.2 The Proposed Development Site covers an area of approximately 508 hectares (ha) and is located primarily within the administrative boundaries of Redcar and Cleveland and Stockton-on-Tees Borough Councils. The Hydrogen Pipeline Corridor (refer to Figure 4-4 in ES Volume II) [APP-087] extends further north-west to also include land within the administrative boundary of Hartlepool Borough Council.
- 1.2.3 The Hydrogen Production Facility will be located at the Main Site within the Teesworks development site, as shown in Figure 4-1: Proposed Development Site Boundary (including location of the Main Site) (ES Volume II) [APP-084].

The Role of Natural England

- 1.2.4 Natural England is a non-departmental public body. Its statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.
- 1.2.5 Natural England's role in relation to the DCO process derives from the PA 2008 and secondary legislation made under the Act. The roles and responsibilities of Natural England under PA 2008 are outlined as follows:



- Natural England is a consultee under Section 42 of the PA 2008, meaning applicants must consult with Natural England before submitting a DCO application;
- NE is the statutory nature conservation body under the Conservation of Habitats and Species Regulations 2019 ('Habitats Regulations') in respect of the Habitats Regulation Assessment ('HRA') process and provides advice to be taken into account by the Secretary of State in his/her consideration of Habitats Regulations matters; and
- Natural England is the licensing authority in respect of protected species and in relation to European protected species under the Habitats Regulations. Annex D of Advice Note 11 'Working with Public Bodies' produced by The Planning Inspectorate sets out in detail the role of the Natural England in the DCO process, including the level of input and agreement that might be expected from the Natural England.
- 1.2.6 In more general terms aside from its responsibilities under PA 2008, Natural England is responsible for:
 - promoting nature conservation and protecting biodiversity, conserving and enhancing the landscape;
 - securing the provision and improvement of facilities for the study, understanding and enjoyment of the natural environment;
 - promoting access to the countryside and open spaces; and
 - encouraging open-air recreation and contributing in other ways to social and economic well-being through management of the natural environment.
- 1.2.7 The Applicant and Natural England are collectively referred to in this SoCG as 'the parties'. The parties have been, and continue to be, in direct communication in respect of the Proposed Development.

1.3 The Purpose and Structure of this SoCG

1.3.1 The purpose and possible content of SoCGs is set out in paragraphs 58 to 65 of the Ministry of Housing, Communities and Local Government guidance entitled 'Planning Act 2008: examination of applications for development consent' (April 2024). Paragraph 58 of that guidance explains the basic function of SoCGs as follows:

"A statement of common ground is a written statement prepared jointly by the applicant and another party or parties, setting out any matters on which they agree. As well as identifying matters which are not in real dispute, it is also useful if a statement identifies those areas where agreement has not been reached. The statement should include references to show where those matters are dealt with in the written representations or other documentary evidence."

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- 1.3.2 SoCGs are therefore a useful and established means of ensuring that the evidence at the DCO examination phase focuses on the material differences between the main parties, and so aim to help facilitate a more efficient examination process.
- 1.3.3 The purpose of this SoCG is therefore to summarise the agreements reached between the parties on matters relevant to the Examination of the Application and to assist the ExA. It also explains the matters which remain unresolved at the time of writing, but which both parties are working positively toward resolving. As such, it is expected that further iterations of the SoCG will be submitted to the ExA throughout the Examination and prior to the making of any DCO for the Proposed Development.
- 1.3.4 The SoCG has been prepared with regard to the above guidance and is structured as follows:
 - Section 2 sets out the engagement and related discussions held between the parties.
 - Section 3 sets out the matters discussed and agreed to date.
 - Section 4 sets out the matters to be agreed and the proposed way forward.
 - Section 5 sets out the matters, if any, where there is disagreement.



2.0 ENGAGEMENT WITH NATURAL ENGLAND

2.1 Summary of Engagement

2.1.1 A summary of the key engagement that has taken place between the Applicant and Natural England is detailed in **Table 2.1** below.

Table 2.1: Engagement between the Applicant and Natural England.

DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
16 September 2022	Virtual Technical Meeting	n/a	Introductory Meeting with Natural England ('NE').
9 May 2023	Scoping Opinion	See Appendix 1E: Scoping Opinion Responses [APP-188]	A written representation in response to the Planning Inspectorate's ('PINS') consultation on the application for a Scoping Opinion submitted by the Applicant to PINS on 6 April 2023.
			 NE provided a range of technical feedback to help inform the DCO Application. Key topics raised in the PINS Scoping Opinion included: The need to provide a nutrient neutrality assessment and to ensure no additional nitrogen is entering the River Tees as a result of the Proposed Development. The need for and benefits of early consideration of the Proposed Development's relationship with wider environmental issues in the Tees Estuary. The need to thoroughly assess the potential for the proposal to affect internationally designated sites of nature conservation A full assessment of direct and indirect effects of the Proposed Development on the features of special interest within the SSSIs identified in the study area.



DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
			 Assessment of impacts from all phases of the proposals on protected species. Details on District Level Licensing for Great Crested Newts.
14 September 2023	First Consultation (statutory consultation) in accordance with Section 42 of the PA 2008	See Consultation Report [APP- 030]	The Applicant issued a Section 42 letter to NE on 14 September 2023 consulting them on the Proposed Development. Natural England provided a range of
			technical feedback to help inform the DCO Application. Key topics raised in the Statutory Consultation response included:
			The need to assess the Proposed Development's impact on nationally and internationally designated sites through assessments such as the Habitats Regulations Assessment and Nutrient Neutrality Assessment.
			 Natural England's standing advice on Protected Species and the need for further survey.
			 Emphasis on the importance of the conservation of soil resources. The proposals should complement and enhance local distinctiveness where possible.
14 November 2023	Virtual Technical Meeting	n/a	This meeting was to provide NE a progress update on the work done for Ecology, Ornithology, as well as Habitat Regulations Assessment (HRA) and discuss the mitigations required.
13 December 2023	Second Consultation (statutory and non-statutory) in accordance with	Consultation Report [APP- 030]	The Applicant issued a Section 42 letter to NE on 13 December 2023 consulting them on a number of changes to the Proposed Development as a result of further design development and



DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
	Section 42 of the PA 2008.		technical work undertaken and also responses received to the First Consultation.
20 June 2024	Virtual Technical Meeting	n/a	This meeting was arranged to discuss provisional impact assessment and conservation payment certificate (IACPC) queries in relation to Great Crested Newt.
20 August 2024	Virtual Technical Meeting	n/a	This meeting was arranged to discuss Examination programme and actions, collaboration going forward and specific detail on NE Relevant Representations regarding Water Quality and Marine topics.
20 August 2024	Technical Meeting	n/a	This meeting was arranged to discuss Examination programme and actions, collaboration going forward and specific detail on NE Relevant Representations regarding Terrestrial Ecology, HRA and related Noise and AQ topics.
4 September 2024	Consultation on proposed changes to the DCO Application.	n/a	A letter was issued to NE on 4 September 2024 consulting them on a number of proposed changes to the DCO Application.



3.0 MATTERS AGREED

3.1.1 This section sets out the matters agreed between the parties.

Table 3.1: Matters Agreed between the Applicant and Natural England

MATTER AGREED	AGREED POSITION	
DCO requirements	NE agrees with the drafting of DCO Requirements 4, 14, 15 and 20 and has no comments on any other DCO requirements.	
River Tweed Special Area of Conservation ('SAC') and Tweed Estuary SAC	It is agreed that the River Tweed SAC and Tweed Estuary SAC are over 130 km away from the Proposed Development. Given that there are no underwater sound effects in the marine environment which could extend outside of the River Tees, there is considered to be no potential to affect River and Sea Lamprey designated as part of the River Tweed, even if they were passing this location when migrating to the river. These species have been identified as being present within the River Tees, however, there is considered to be no significant effect to these species from the Proposed Development.	



4.0 MATTERS UNDER DISCUSSION

4.1.1 This section sets out the matters under discussion between the parties and the proposed way forward. **Table 4.1** provides a summary of the issues raised between the parties.

Table 4.1: Summary of Matters under Discussion between the Applicant and the Natural England

SOCG ID	MATTER	APPLICANT POSITION	NATURAL ENGLAND POSITION
1.	Habitats Regulations Assessment ('HRA') – Ongoing Discussions	The Applicant notes a number of aspects that have been discussed with NE and/or discussions are ongoing. Resolution of these matters is anticipated to be achieved by updates to the submitted Report to Inform HRA [APP-040] and/or further discussions on the issues raised. The Applicant is anticipating undertaking these updates to submit the updated report alongside submission of the proposed Change Request, to enable any updates to the Report to Inform HRA information required to consider the changes within the Change Request to be included within that update. For the Applicant's specific position on each relevant representation from NE, please refer to the Applicant's Comments on Relevant Representations.	NE is concerned about the Applicant's conclusion of: No Adverse Effect on Integrity ('AEOI') when considering the impacts to designated sites arising from: • aerial emissions; • impacts to surface water runoff, effluent discharge and water availability • habitat loss and disturbance to Functionally linked Land; and • in-combination impacts from the cluster of developments in Teesworks.
2.	Report to Inform HRA Information Requirements	The Applicant will be updating the HRA in response to NE's comments – this includes:	NE advises further information regarding the traffic model should be provided. NE is not clear on which search parameters were used to compose the long list



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		 considering all traffic scenarios (notwithstanding the Applicant has already accounted for TEMPRO growth); 	as well as for identifying projects relevant to the incombination HRA assessment (Ref. NE14).
		 explaining the approach to, and undertaking a review of the developments to be dealt with in the in-combination assessment alongside the review of cumulative developments being undertaken for the ES; and refining the presentation of the assessment results. 	NE advises relevant habitat types and their associated critical loads should be provided for each receptor. NE stated it would be helpful to follow the HRA process to include a table outlining modelling results for each phase (construction/ operation), designated site, and project alone/ in-combination results. At present the information provided in the HRA does not give sufficient information to be able to exclude
		The Applicant will discuss the nature of all of the above with NE, but would note that the	AEOI (Ref. NE15).
		methodology applied for the Report to Inform HRA [APP-040] for H2Teesside, including the assessment of whether the critical level for NOx would be exceeded in the LSE section, aligns with the approach used for the Net Zero Teesside HRA. It also reflects the fact that according to APIS the only SPA/Ramsar interest features of concern regarding	NE advises further information is required on a number of areas including ornithology, water quality and air quality. Neighbouring schemes should be considered within the HRA. At present, NE do not fully understand the Proposed Development's impact on the designated site (Ref. NE19).
		atmospheric pollutants are the nesting terns and nesting avocet which are not sensitive to NOx, acid deposition or ammonia. Therefore, for the SPA/Ramsar the only pollutant that requires	

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		consideration is nitrogen deposition at the avocet/tern nesting locations. The project air quality modelling has forecast the effects 'alone' (Table 8B-29 to 8B-32) and 'in combination' (Tables 8B-40 to 8B-43) as presented in ES Appendix 8B (Air Quality) [APP-191].	
3.	Effects on Designated Sites – Construction Dust	The Framework CEMP [APP-043] includes mitigation measures relating to potential dust impacts within Table 7-1. The proposed good practice dust control measures selected originate from the 'high risk' site schedule guidance published by the Institute for Air Quality Management. The control measures were selected based on decades of successful adoption at UK construction sites with the primary aim of minimising emissions at source and thereby minimising the transfer of dust beyond the site boundary. It is assumed that the same measures would be applied as part of the DEMP at decommissioning. All measures deployed to limit dust beyond the boundary of the construction area would protect the Teesmouth & Cleveland Coast SPA/SAC/SSSI as they are proven measures to protect human health and would therefore also protect ecological receptors (which are less sensitive). Table 9-1 within the Framework CEMP	NE advises without mitigation there could be a significant adverse effect on the Teesmouth and Cleveland Coast SSSI/SPA/Ramsar as a result of construction dust, a more robust assessment with a commitment to monitoring should be provided (Ref. NE16).

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		[APP-043] contains a commitment to monitor dust during earth moving activities. This table will be reviewed and updated in the Final CEMP once construction details have been fully defined.	
4.	North York Moors and Durham Coast SACs	Paragraph 4.3.8 of the submitted HRA makes it clear that the contribution of H2Teesside to the in combination impact is effectively zero for nitrogen and the same is true for acid. A review of ES Appendix 8B [APP-191] Tables 8B-31 and 8B-32 shows that the contribution of H2Teesside is less than 0.01kgN/ha/yr for nitrogen (i.e. too small to show in the model) and less than 0.000 for acid). Durham Coast SAC doesn't have any dune grasslands as it is a cliff site. This is why the 5 kgN/ha/yr critical load would not be appropriate for this SAC. The cliffs are magnesian limestone and flushed with calcareous water (Durham Coast SAC – jncc.gov.uk), and therefore the cliff vegetation is calcareous.	NE has advised acid deposition exceeds 1% of the critical load at North York Moors and should be considered in the Appropriate Assessment (Ref. NE24). NE has queried the critical load used for Durham Coast and advises it would be precautionary to include this site in the Appropriate Assessment (Ref. NE25).
5.	Report to inform HRA – Impacts to Seals	Please refer to the Applicant's Comments on the Relevant Representations Ref. NE26 Appendix 2: Technical Note for NE's RR (NE26), for the Applicant's full position on this matter. The information provided concludes that considering the very limited potential for disturbance to seals during the works,	NE have queried Sections 6.5.20 – 6.5.28 of the HRA with regards to Permanent and Temporary Threshold Shifts with regards to seals. NE require further information in this part of the report and advise that further mitigation is required to reduce the disturbance on seals in the vicinity of the Proposed



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		the noise from the pipeline construction is not considered to result in a barrier to seal movement between Greatham Creek and Seal Sands. Therefore, a pre-construction monitoring plan is not considered appropriate. The mitigation recommended is considered sufficient to reducing any noise produced during construction to below ambient (as per the updated noise modelling), even without considering the avoidance of the most sensitive period for seals at Seal Sands.	Development. NE advise that pre-construction monitoring is carried out to assess the behaviour of seals in the area under "normal" conditions. Further monitoring should be carried out during construction to assess the efficacy of mitigation measures. If behaviour indicating disturbance is noted, further mitigation must be put in place (Ref. NE26).
6.	ES Appendix 8B and the HRA	ES Appendix 8B [APP-191] shows that in combination acid deposition at Hart Bog SSSI is 0.005 keq which is over 1% of the critical load, and PEC is exceeded. However, the contribution of H2Teesside is 0.000 i.e. effectively zero at the distance at which Hart Bog is situated. With regard to the Teesmouth and Cleveland Coast SSSI, paragraph 12.6.16 shows that 'in combination' nitrogen deposition is forecast to be 13.89 kgN/ha/yr, whereas N deposition in 2003 was up to 14.77 kgN/ha/yr. Therefore, a net improvement in nitrogen deposition is forecast and nitrogen deposition rates are forecast to be materially lower than they were when the habitat in question	 NE has raised specific issues in relation to Appendix 8B [APP-191] and the HRA (Ref: NE32), as follows: Acid deposition exceeded 1% of the acid critical load at Hart Bog SSSI so should be considered. (Table 8B-43). Natural England do not agree with the statement in section 12.6.16 of the HRA NE do not therefore consider that the assessment demonstrates no damage to Teesmouth and Cleveland Coast SSSI (Ref. NE31).

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		established. While the dune system is not 'new', the habitat structure has extensively changed due to slag deposition and movement from at least the 1940s to the early 2000s. In these decades N deposition will have been higher than it is now due to much higher NOx emissions (and was certainly higher in 2003 than it is now according to APIS). For example, UK N deposition reduced from 465 kt N in 1990 to 278 kt N in 2017 (Tomlinson et al, 2021). This position was submitted into the Examination for the consented Net Zero Teesside DCO and enabled no likely significant effects to be reported for this site by that applicant. That was subsequently accepted by the Examining Authority/Secretary of State for that DCO, and it would be inconsistent to take a different approach for the Proposed Development.	
7.	Nutrient Neutrality – Ongoing Discussions	The Applicant's position with regards to nutrient neutrality is set out in the Applicant's Comments on the Relevant Representations, specifically NE20, NE21, NE22 and NE23. Discussions with NE are ongoing and will be progressed and reported through this SoCG.	NE's position with regards to nutrient neutrality is set out in their RRs, specifically NE20, NE21, NE22 and NE23. Discussions with the Applicant are ongoing and will be progressed and reported through this SoCG.

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8.	Further bat surveys – Cowpen Bewley Woodland Park	Three trees within Cowpen Bewley Woodland Park were assessed as having 'low' suitability for roosting bats based upon their size and age. Limitations were noted during the ground level assessment (which was completed from within the Country Park), namely limited access and visibility due to dense vegetation and scrub. The trees are located on the boundary of the Northern Gas Network ('NGN') substation which could not be accessed at the time of survey. The trees were assessed as low suitability (with reference to the Bat Conservation Trust's good practice guidelines in place at the time of survey (Colins, 2016)). Access was granted to undertake a ground level bat roost assessment from within the NGN substation on the 13 August 2024. The ground level assessment was undertaken by a NE Level 2 bat survey licence holder qualified in tree climbing and aerial rescue. Trees were inspected using binoculars from within the NGN substation and then from within the country park.	NE recommends further survey in Cowpen Bewley Woodland Park with regards to bats. The trees would need to be climbed to allow inspection for roosting bats or potential roost features ('PRFs') if they are to be removed during works. If this is not possible due to access issues or any other appropriate reason, further justification and evidence could perhaps be gained through emergence surveys to support the wider impact assessment (Ref. NE32).
		The previous assessment of 'low' suitability is considered to remain correct. With reference to the	

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		current BCT guidelines, the trees were assessed as PRF-I. It is not safe to climb and inspect these trees due to the presence of dense scrub and proximity to the NGN substation. To complete emergence surveys effectively, surveyors would need to be positioned within the country park and the NGN substation. Electronic equipment, camaras and mobile phones are not permitted within the NGN substation for safety reasons. Therefore, emergence surveys cannot be completed. If the trees are identified for removal at detailed design stage, it is recommended that precautionary soft felling methods are followed. This approach is	
		considered proportionate for a low suitability or PRF-I tree.	
9.	Water Vole Surveys and Appendix 12F [APP-206]	A desk study and field surveys have been conducted to inform the Proposed Development. During the 2023 field surveys, limitations were encountered due to the presence of nesting birds in areas to the north of Greatham Creek, Holme Fleet, and Belasis Beck. These areas were subsequently surveyed later in the season to avoid disturbing the nesting birds.	NE advises a second water vole survey should be conducted prior to works proceeding, this is considered best practice. NE have not been able to review Appendix 12F [APP-206] due to redaction (Ref. NE33).

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		The Proposed Development has been designed to minimise potential impacts on watercourses and water voles wherever possible. This includes implementing buffer zones to protect suitable habitats. Water bodies to the north of Greatham Creek will be avoided through the use of Horizontal Directional Drilling ('HDD'). Impacts on ditches within the Brinefields (Sabic) will be mitigated by using existing access tracks and applying buffer zones around the ditches. Belasis Beck was surveyed in 2022 for the NZT development, with evidence of water voles, such as latrines and feeding remains, being recorded. Although the 2023 survey of Belasis Beck was limited due to nesting birds, feeding remains were still recorded, indicating the presence of water voles. Similarly, feeding remains at Holme Fleet suggest the presence of water voles in this watercourse.	
		As works will not commence on site until Q4 2025, updated water vole surveys are proposed to inform the final mitigation requirements, including the need for a development licence. This is secured via the Framework CEMP [APP-043]. Following these updated surveys, a water vole impact avoidance	



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		strategy will be prepared if required. This document will outline all measures and supervision required to ensure legislative compliance during the construction of the Proposed Development.	
		The Applicant has provided the figures contained within Appendix 12F [APP-206] to NE.	
10.	Biodiversity Net Gain Provision	The Applicant has set out its position on this matter in the Planning Statement. It will engage with NE as part of its overall discussions on seeking to deliver net gain for the Proposed Development.	NE advises that although not mandatory for NSIPs currently, net gain provision should be secured through the Proposed Development. Engagement throughout the process with NE is recommended (NE34).
		Nonetheless, the Applicant is committed to ensuring no net loss as a minimum.	
11.	Best and Most Versatile Land	BMV land across the Proposed Development Site is limited, with the majority of the Main Site and Connection Corridors classified as Urban and Non-Agricultural. A small portion of the Hydrogen Pipeline Corridor north of the River Tees has land classified as Grade 3, 4 and 5. As a worst case scenario Grade 3 land, at the Cowpen Bewley Replacement Land, is assumed to be Grade 3a, making it BMV land for the purposes of the	NE considers appropriate mitigation to prevent the loss of BMV land, should be set out within the assessment. This would require a detailed ALC survey of the pipeline routes to inform restoration. The following actions should be undertaken: • For all areas in which POST-1988 ALC Survey information is not available, an ALC survey should be undertaken. • The colours used for mapping should be underted.
			 The colours used for mapping should be updated to match standard ALC colours.

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		assessment presented in ES Chapter 10 'Geology, Hydrogeology and Contaminated Land' [APP-062]. Taking into account the above, the Applicant does not propose to undertake supplementary ALC surveys of the Proposed Development Site at this time. However, the Applicant recognises the need for careful soil management and handling. The Framework CEMP [APP-043] will be amended to include the production of a Soils Management Plan ('SMP'), included as part of the Final CEMP, produced prior to construction. ES Figure 10-1 [APP-110] is for artificial geology/made ground only. ES Figure 10-19 [APP-137] will be updated to include the correct colours for each ALC grade at Deadline 2.	 The soil information presented (Figure 10-1 [AP 110]), should include the mapped soil association. The consideration of soil handling should be expanded in a Soils Management Plan (SMP) (RNE35). 	ons.
		No further updates are anticipated to be submitted.		

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5.0 MATTERS NOT AGREED

5.1.1 **Table 5.1** provides a summary of the issues not agreed between the parties.

Table 5.1: Summary of Matters Not Agreed

SOCG ID	MATTER	APPLICANT POSITION	NATURAL ENGLAND POSITION