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Date: 02 October 2024
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To Whom it May Concern

Planning Act 2008 – Section 89 and The Infrastructure Planning (Examination Procedure) Rules 2010

Application by H2Teesside Limited for an Order Granting Development Consent for the H2Teesside Project

Unique Reference: 20049379

Response to Deadline 2 – Response to Applicant Comments on RR

This letter is sent on behalf of Sembcorp Utilities (UK) Limited (“Sembcorp”), registered as an Interested Party for the above application, in accordance with Deadline 2.

1. Response to Applicants Response to RRs

Please see below for Sembcorp response to the Applicant Response to RR.

2. Notification of wish to attend ASI

Sembcorp will attend any ASI’s and would request that the following locations are included:

- Wilton estate; and
- The elements of the link line corridor adjacent to Dabholm Gut.

I trust that the below is clear however please do not hesitate to contact me should you have any queries.

Yours sincerely

Zara Darragh
Associate
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Sembcorp’s Response to the Applicant’s Response to the RR

	Sembcorp Relevant Representation Issue	Applicant Response	Proposed Further Comment from Sembcorp
1.	<p>Sembcorp considers that the Applicant should seek to protect Sembcorp’s assets, interests and the key role that it performs in managing critical infrastructure in the area. This is best achieved by private treaty negotiation rather than by compulsion. Notwithstanding this, and to the extent that compulsory acquisition is proposed, it is imperative that appropriate protective provisions are incorporated into any DCO proposed for the project; currently there appear to be none. Due to the similarities between the projects, the starting point for these provisions should be those agreed in relation to the Net Zero Teesside Order 2024.</p> <p>4.3 Sembcorp would encourage the Applicant to engage with it as early as possible in relation to any private treaty acquisitions that it may decide to pursue.</p>	<p>The Applicant and Sembcorp Utilities UK Limited (Sembcorp) have agreed that the bespoke NZT DCO Protective Provisions are a suitable starting point for the negotiation of protective provisions on H2Teesside, subject to project-specific amendments to be agreed between the parties. The Applicant’s legal and technical teams are undertaking a detailed review of the interactions on H2Teesside and a meeting is being arranged between the parties’ legal and technical teams to discuss the interactions in further detail.</p>	<p>Sembcorp have not yet received the draft protective provisions and therefore cannot comment as to whether these are reflective of the agreed principles.</p>

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	4.4 Sembcorp proposes that the DCO include protective provisions in relation to Sembcorp’s interests, which should be based on those agreed for the proposed Net Zero Teesside Order. Sembcorp proposes to work with the Applicant to agree suitable protective provisions		
2.	Sembcorp seeks to protect and maintain its pipeline corridor...the pipeline corridor is fundamental in serving an array of businesses and customers both on Teesside and nationally. Sembcorp is concerned that any acquisition rights (and potential interference with existing rights) over the Sembcorp Pipeline Corridor will cause significant disruption to the pipelines. In addition, such disruption may have significant health and safety implications since some facilities within the Wilton complex are on the register maintained by the Health and Safety Executive (HSE) under the COMAH Regulations	The Applicant notes Sembcorp’s concerns and believes that these can be addressed adequately via the bespoke Protective Provisions referred to above. The Applicant is committed to adhering to safety standards and to working collaboratively with all relevant stakeholders to ensure that these safety concerns are adequately addressed, especially given the COMAH status.	As above, Sembcorp have not yet received the draft protective provisions and therefore cannot comment as to whether these are reflective of the agreed principles.
3.	If the Applicant seeks compulsory acquisition or extinguishment of rights within the operational area of the integrated Sembcorp Pipeline Corridor, the potential for the timing of acquisition and development and for the interference with access, operations	The Applicant notes Sembcorp’s concerns and believes that these can be addressed adequately via the bespoke Protective Provisions referred to above	As above, Sembcorp have not yet received the draft protective provisions and therefore cannot comment as to whether these are reflective of the agreed principles.

	<p>and other upgrade proposals could be significantly detrimental to the continuing safe and economic operation of plant, both that of individual operators at Wilton and within the wider cluster served by the Corridor. Furthermore, the acquisition of new rights (and potential interference with existing rights) may be of significant detriment to the any future development proposals.</p>		
<p>4.</p>	<p>Sembcorp is now in contact with several parties seeking to promote nationally significant infrastructure as well as important Tees Valley Developments on both sides of the Tees, most notably: 3.10.1 Net Zero Teesside – a collection of industrial, power and hydrogen businesses which aim to decarbonize their operations through the deployment of carbon capture utilization and storage (CCUS). DCO project currently granted. 3.10.2 Lighthouse Green Fuels – a project that will make sustainable aviation fuel (SAF) from non-recyclable waste and waste biomass at Alfanar’s Billingham site, Stockton-on-Tees, UK. DCO project, at pre application stage. 3.10.3 Wavecrest Energy LNG import facility – a project to construct a new LNG import facility. 3.10.4 H2NorthEast is a major project to build a 1GW CCUS-</p>	<p>The Applicant would like to note that it is the only low carbon hydrogen project currently selected by DESNZ as part of the Track 1 Cluster Sequencing process in Teesside.</p> <p>Furthermore, the Applicant would like to make clear that the relevant UK Government developed business model for low carbon hydrogen production plants restricts and in some instances prevents the ability to share infrastructure with other projects</p>	<p>Whilst the Applicant’s responses are noted, this does not address the important requirement to design infrastructure within the Sembcorp Pipeline Corridor which maximises future capacity and does not unnecessarily increase the infrastructure complexity and costs of subsequent projects (irrespective of whether they are Track 1 Cluster Sequencing Projects).</p> <p>Sembcorp has a key role in guiding development within the Sembcorp Pipeline Corridor to ensure that the available capacity is used as safely and efficiently as possible. It is hoped that this can be addressed in PPs.</p>

enabled low carbon hydrogen production facility next to the CATS terminal on Teesside. 3.10.5 Whitetail Clean Energy power station - a 350 MW power plant with CCS at Sembcorp's site. 3.10.6 Teesside Green Lithium - large-scale lithium refinery. 3.11 To varying degrees, these projects wish to utilise the Sembcorp pipeline corridor. Whilst Sembcorp seeks to work collaboratively with all developers, it is concerned that those promoting these projects should coordinate and collaborate with each other in relation to their infrastructure requirements. In particular, because of the complex and heavily developed areas through which the Sembcorp pipeline corridor navigates, it is constrained and has a finite capacity and, as currently designed, it is unlikely to accommodate all of the infrastructure required to enable the above mentioned projects.

Sembcorp considers that all developers wishing to install new infrastructure in the pipeline corridor should; 3.12.1 explore the possibilities for sharing such infrastructure - for example hydrogen and gas pipelines; and 3.12.2 Consider design solutions which facilitate the most efficient use of space and maximise the current and provide for future capacity of the pipeline

	<p>corridor. 3.13 If each developer operates in a silo then the ultimate capacity of the pipeline corridor may be unnecessarily constrained and other NSIP infrastructure obstructed. For example, the continued addition of pipelines to the corridor is likely to make it exceptionally difficult and uneconomic to add a pipe rack to the corridor, which could significantly increase its capacity, thereby unlocking other projects and achieving greater public benefits. Design solutions which allow one NSIP project to proceed to the detriment of others must surely be avoided.</p>		
<p>5.</p>	<p>In addition to the efficient and coordinated approach to the addition of new infrastructure in the pipeline corridor, Sembcorp also wishes to note that another significant constraint in the area is the ability for pipelines to cross the River Tees. Very little capacity remains within existing tunnels under the Tees and Sembcorp has worked with the Applicant to explore the opportunity to construct a new tunnel. In light of such concerns, Sembcorp met with the Applicant several times to discuss the viability of a third tunnel option although discussions halted before agreement was reached. Sembcorp had understood that the Applicant had sufficient information to</p>	<p>The Applicant has explored and exhausted alternative options for the river crossing. The Applicant also notes that there are already seven existing crossings of the River Tees at this crossing location and the presence of these does not currently mean that the land is sterilised. This was explained by the Applicant at ISH1, a summary of why is provided in the Summary of Oral Submissions at ISH1.</p>	<p>It is not Sembcorp's position that the land is currently sterilised but the Applicant's proposal being routed beneath existing infrastructure is likely to make further crossings technically challenging and significantly more expensive such that they may become unviable. The Applicant appears not to have considered this impact in any detail notwithstanding having clearly considered the option of an additional multi-user tunnel and not reported on this exercise in the alternatives chapter of its Environmental Statement.</p>

progress the third tunnel option and is surprised to note that this appears not to have been taken forward in the DCO application and supporting Environmental Statement. In fact, Sembcorp has not been able to locate any consideration of this alternative in the application documents, despite this being a significantly better option for the broader Teesside industrial cluster.

In the meetings with the Applicant, Sembcorp explained that additional HDD and microbore tunnels under the Tees would be likely to make it materially more complex to construct a new tunnel 3 under the Tees in the future. The crossing areas already contain a number of tunnels and pipelines, with each new one creating a further subterranean obstruction for any infrastructure that follows. It has reached the point whereby further microbore or HDD construction would make a third infrastructure tunnel potentially unviable. In this way, the Applicant's preferred solution may have the effect of constraining other national infrastructure projects which require infrastructure that crosses the river. A third tunnel option would not only serve the Applicant, but would enable other important projects to proceed and Sembcorp considers that this should be

	<p>properly explored and taken forward by the Applicant.</p> <p>4.2 Sembcorp would encourage the Applicant to re-consider the construction of a new tunnel crossing under the River Tees in order to avoid sterilising other important infrastructure projects in the Teesside cluster.</p>		
	<p>Any proposed use or works to any access roads will need to be carefully considered and any impacts on Sembcorp's operations avoided/mitigated. Where any rights relate to private roads, there are also potential cost implications associated with damage/wear and tear, which will need to be addressed by the Applicant.</p>	<p>The Applicant is willing to discuss these cost implications and will discuss these as part of the Protective Provisions negotiations which have commenced. Please see more detail on protective provisions above.</p>	<p>Sembcorp have not yet received the draft protective provisions and therefore cannot comment as to whether these are reflective of the agreed principles.</p>