

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

Document Reference: 3.2a Supplementary Statement of Reasons

The Infrastructure Planning (Compulsory Acquisition) Regulations 2010 – Regulation 5(b)(ii)



Applicant: H2 Teesside Limited

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1.0 INTRODUCTION

Overview

- 1.1.1 This Supplementary Statement of Reasons (Document Ref. 3.2a) has been prepared on behalf of H2 Teesside Limited (the 'Applicant'). It relates to the application (the 'Application') for a Development Consent Order (a 'DCO'), that has been submitted to the Secretary of State (the 'SoS') for the Department of Energy Security and Net Zero ('DESNZ'), under section 37 of 'The Planning Act 2008' (the 'PA 2008') in respect of the H2Teesside Project (the 'Proposed Development').
- 1.1.2 The Applicant is H2 Teesside Limited, a bp company. H2 Teesside Limited will be the lead developer of the Proposed Development and bp will be appointed as the operator of the Proposed Development. The Proposed Development will support the decarbonisation of UK-produced natural gas by converting it to low carbon hydrogen in Teesside for use in industrial applications, thus helping to achieve national targets in relation to net zero. It will also contribute to restoring manufacturing jobs in the Tees Valley. The Proposed Development will export carbon dioxide (CO₂) to the Northern Endurance Partnership ('NEP') offshore storage facility via NEP infrastructure on the adjacent Net Zero Teesside ('NZN') site, including the high-pressure compression facility and the CO₂ export pipeline.
- 1.1.3 The Applicant is seeking development consent for the construction, operation and maintenance of the H2Teesside Project, including associated development (together the 'Proposed Development') on land within the boroughs of Redcar and Cleveland and Stockton-on-Tees, Teesside and within the borough of Hartlepool, County Durham.
- 1.1.4 Development consent is required for the Proposed Development as it is the subject of a Direction dated 22 December 2022 made by the SoS under sections 35(1) and 35ZA of the same PA 2008. The DCO, if made by the SoS, would be known as 'The H2 Teesside Order' (the 'Order').

The Purpose and Structure of this Document

- 1.1.5 This Statement has been produced because the Applicant has made changes to the Application which involve additional land being included within the Order limits as well as changes to the rights sought over plots already included in the Order limits ('the Additional Land'). The Applicant is seeking to acquire permanent rights over the Additional Land and is providing the information required under the Infrastructure Planning (Compulsory Acquisition) Regulations 2010 ('CA Regulations'). This Statement provides information required under Regulation 5(b)(ii), being a statement of reasons indicating why the Additional Land is required.
- 1.1.6 This Statement should be read in conjunction with the Supplementary Funding Statement (Document Ref. 3.3a), the updated Book of Reference (Document Ref. 3.1) and Supplementary Land Plans (Document Ref. 2.2a).

1.1.7 The document is structured as follows:

- Section 2 – the Changes to the Application;
- Section 3 – the Case for Powers in relation to the Additional Land; and
- Section 4 – Conclusions.

2.0 THE CHANGES TO THE APPLICATION

Overview

- 2.1.1 The Applicant wrote to the Examining Authority on 15 August 2024 (Procedural Deadline A) to provide a Change Notification Report [PDA-019] setting out 14 proposed changes to the Proposed Development as presented within the Application submitted in March 2024. The Examining Authority issued a procedural decision on 21 August 2024 [PD-006] noting the contents of the Change Notification Report and asking the Applicant to submit its formal Change Request (the 'Change Request Application') by 16 October 2024.
- 2.1.2 As set out in the Change Notification Report, the proposed changes can be grouped into four main categories as follows:
- **Category 'A'**: Engineering/design development – Changes 1, 5, 7 and 9.
 - **Category 'B'**: Changes to construction approach – Changes 3, 4 and 6.
 - **Category 'C'**: Other Order limits reductions – Changes 2.A to 2.F.
 - **Category 'D'**: Order limits increases which invoke the CA Regulations – Change 8.
- 2.1.3 The 14 changes are summarised in the Change Notification Report, with the proposed changes described in Section 2.0 and Appendix 1 containing plans showing the location and extent of the proposed changes and the corresponding Order limits changes.

The Additional Land

- 2.1.4 The Additional Land is required to enable the Applicant to utilise an existing natural gas pipeline (National Gas Pipeline) to import its natural gas to the Main Site. The pipeline is currently mothballed and plans are in place to bring it back to service. The pipeline will be classified as an independent gas delivery network so that each of its users need to secure their own relevant land rights to legally enable them to import natural gas through it. It has been added to Schedule 1 (Authorised Development) of the Draft Development Consent Order (Document Reference 4.1) as a new Work No., Work No. 2C.ay ney
- 2.1.5 The Additional Land is identified on the Supplementary Land Plans (Document Ref. 2.2a) coloured blue as:

New plots: Plots 9/48, 9/49, 9/50, 10/48, 11/137, 12/6, 15/245, 15/244.

Plots where the rights sought have changed: 9/2, 9/3, 9/4, 9/5, 11/1, 11/2, 11/3, 11/22c, 11/25a, 11/28, 11/29, 11/31, 11/45a, 11/53, 11/60, 11/62a, 11/65, 11/66, 11/70, 11/101, 11/123, 11/124, 11/132, 11/133, 11/138, 12/2, 12/3, 12/4, 12/6, 15/82, 15/84, 15/86, 15/87, 15/88, 15/106, 15/244, 15/245.

2.1.6 The Applicant is in commercial discussions for a Gas Transportation Agreement to secure the import of natural gas and the land rights to enable this option. Without the Additional Land the Applicant would not be able to ensure that this option is available for the delivery of the Proposed Development.

Other changes to the Order limits

2.1.7 The Change Notification Report also encompassed a number of other changes to the Order limits, including:

- Reductions to the Order limits, where land has been removed entirely and therefore no development is proposed within those areas and no powers in relation to the land are sought; and
- Parts of the Order limits where powers sought have reduced, from freehold acquisition to new rights or temporary possession or from new rights to temporary possession. These are recorded in the Book of Reference submitted alongside this report.

2.1.8 There are no areas within the existing Order limits where greater powers (i.e. freehold acquisition where previously new rights or temporary possession was sought, or new rights where previously temporary possession was sought) are sought pursuant to the Change Request Application.

3.0 THE CASE FOR POWERS IN RELATION TO THE ADDITIONAL LAND

Required for the Proposed Development

- 3.1.1 The Additional Land is required for the Proposed Development, for the purposes set out in Section 2. Section 6 (specifically from paragraph 6.1.6 onwards) of the Statement of Reasons [APP-024] sets out the need for the Order land and the powers sought over it more generally, including those parts where the permanent acquisition of new rights is sought.

Compelling Case in the Public Interest

- 3.1.2 Section 7.1.1 onwards of the Statement of Reasons [APP-024] sets out the compelling case in the public interest for the land powers sought in the Application and which applies equally to the Additional Land. The supply of natural gas through the Additional Land services the operation of the Hydrogen Production Facility, the compelling case for which is made out in the Statement of Reasons.

The Planning Statement [APP-031] also considers the Proposed Development against Government policy which sets out a clear and urgent need for the Proposed Development.

Legitimate Purpose, Necessary and Proportionate

- 3.1.3 The use of the Additional Land and the interference with those with an interest in it is considered to be for a legitimate purpose, necessary and proportionate, i.e. the delivery of natural gas to facilitate the production of hydrogen.

Alternatives

- 3.1.4 The use of the Additional Land is required in order to be able to construct the Proposed Development, and there is therefore no alternative to seeking powers in respect of it. The main alternatives considered in relation to the Proposed Development are set out in paragraphs 6.1.32 to 6.1.48 of the Statement of Reasons [APP-024]. There is no alternative to the Additional Land since it is required for the import of natural gas to the Hydrogen Production Facility, as explained in Section 2.
- 3.1.5 The additional land for the natural gas pipeline is required to enable the import of natural gas to the Proposed Development. The additional land covers an existing natural gas pipeline that is planned to be brought back into service with a view to supplying H2Teesside and other proposed developments with natural gas. The Applicant in its DCO Application submission had already included a natural gas pipeline corridor. That natural gas pipeline corridor is the new spur that is proposed to be built and tied into the existing pipeline. By adding the existing natural gas pipeline, the Applicant is ensuring that all the rights needed to deliver natural gas to H2Teesside are covered within the application end-to-end.

Human Rights

- 3.1.6 The position in relation to human rights is set out at Section 11 of the Statement of Reasons [APP-024] and applies equally to the Additional Land, the proposed use of which is legitimate and the purposes (delivery of the Proposed Development) are sufficient to justify interference with the human rights of those with an interest in it.

Special Category Land

- 3.1.7 The Additional Land does not involve any special category land.

Negotiations in relation to the Additional Land

- 3.1.8 As stated in Section 2 above, the Applicant is currently in commercial discussions for a Gas Transportation Agreement to commercially secure the import of natural gas and the land rights to enable the use of the pipeline. The Applicant will provide updates to the Examining Authority in relation to the Additional Land as part of updates on negotiations with the owner of the pipeline (Sembcorp).

4.0 CONCLUSIONS

- 4.1.1 This Supplementary Statement of Reasons outlines the alterations to and within the Order limits arising from the Applicant's Change Request Application. It establishes the requirement for the Additional Land and the powers to acquire permanent rights over the land. Without the Additional Land, the Applicant will not be able to import natural gas through this existing pipeline to the Main Site of the Proposed Development.