

# Deadline 4 submission Kellas Midstream Limited / CATS North Sea Limited



## 1 INTRODUCTION

- 1.1 This submission is made on behalf of Kellas Midstream Limited (Kellas) and CATS North Sea Limited (CNSL) in respect of Deadline 4 of the H2Teesside Development Consent Order Application (reference EN070009).
- 1.2 This submission summarises the oral submissions made on behalf of Kellas Midstream Limited and CATS North Sea Limited at Compulsory Acquisition Hearing 1 (CAH1) on Wednesday 13 November 2024.

## 2 SUMMARY OF SUBMISSIONS MADE AT CAH1

### Background to CATS Terminal and pipeline

- 2.1 CNSL is an owner and the operator of the Central Area Transmission System (CATS).
- 2.2 Kellas and CNSL are supportive of the principle of the Proposed Development.
- 2.3 However, Kellas and CNSL have outstanding concerns that granting the DCO in its current draft form, and based on the information within the application documents, could have an unacceptable impact on CATS.
- 2.4 CATS is one of the largest UK North Sea natural gas transportation and processing systems and can carry approximately 25% of daily UK gas demand. It is essential national infrastructure necessary for the operation at any one time of approximately 30 oil and gas fields in the North Sea.
- 2.5 In their relevant representation [RR-037] and written representations [REP2-082] the CATS assets are referred to broadly in two parts – one being the CATS terminal (Plots 9/6 – 9/10 on the Land Plans [AS-003]) and the other aspect being the CATS pipelines. **[Post hearing note:** CNSL have an interest in the following plots on the Land Plans, where they either have assets, such as pipelines, or have existing rights such as access rights 5/46, 7/16, 7/18, 7/19, 7/20, 7/21, 7/22, 7/26, 9/1, 10/17, 10/29, 10/30, 10/31, 10/32, 10/33, 10/34, 10/35, 10/36, 11/1, 11/2, 11/3, 11/31, 11/33, 11/35, 11/37, 11/42, 11/50, 11/52, 11/60, 11/61, 11/65, 11/68, 11/70, 11/100, 11/101, 11/123, 11/132, 11/133, 12/2, 12/4, 14/31, 14/32, 14/33, 14/35, 14/37, 14/39, 15/11, 15/12, 15/13, 15/14, 15/15, 15/16, 15/22, 15/33, 15/34, 15/40, 15/41, 15/42, 15/43, 15/48, 15/54, 15/69, 15/70, 15/73, 15/76, 15/78, 15/83]

### Concerns raised by CNSL

- 2.6 CNSL has raised a number of concerns about the potential impacts due to the Proposed Development. This concern is driven by the fact that the CATS terminal is a COMAH facility and the CATS pipelines are major accident hazard pipelines. Any adverse impact on the ability for CNSL to operate it safely is unacceptable and represents a potential danger to the public, and the greatest risk comes from accidental damage due to third party works.
- 2.7 To date, CNSL consider that the engagement from the Applicant has been unsatisfactory in both communicating its intentions and addressing CNSL's concerns.
- 2.8 Engagement between CNSL and the Applicant was summarised as follows:

- (a) 25 October 2023 – CNSL and Kellas submitted a consultation response to the Applicant advising that protective provisions would be required and requesting monthly meetings be put in place.
  - (b) 22 January 2024 – CNSL and Kellas submitted a statutory consultation response to the Applicant, which included its preferred form of protective provisions.
  - (c) 28 June 2024 – CNSL and Kellas submitted a relevant representation in respect of this application.
  - (d) 8 November 2024 – the Applicant shared Heads of Terms with Kellas/CNSL, however these are not project-specific and cross-refer to what was agreed between CNSL and the applicant for the Net Zero Teesside Project.
  - (e) 11 November 2024 – The Applicant has responded to CNSL’s request for protective provisions with comments.
- 2.9 Whilst the recent engagement is welcome, CNSL consider that this now needs to continue with the applicant to work towards a solution and be meaningful engagement on points CNSL have raised.
- 2.10 CNSL’s concerns can be broadly split between the construction phase and the operational phase.
- (a) Construction impacts:
    - (i) Operations in proximity to the CATS pipeline and terminal need to be suitably managed due to the risk that they pose. This is particularly the case when the CATS terminal is, in essence, the host for the Applicant’s feedstock connection - one end of their whole hydrogen production process - and yet the details of the design are absent, and what detail CNSL has come from its engagement with the Net Zero Teesside Project. It is unclear to CNSL what is proposed for the Proposed Development. This activity within the CATS terminal could be hugely disruptive to CATS operations.
    - (ii) A key concern is the proposed crossing of the River Tees, with the proposal to create a new tunnel underneath and crossing the existing CATS tunnel. There is concern that this poses significant risk to the existing tunnel in which the CATS pipeline is situated.
    - (iii) This can be suitably managed through a combination of protective provisions being included in the DCO and pro-active technical engagement.
  - (b) Operational design impacts – once installed, there can still be further impact on CNSL’s assets, for example there is a need to ensure there is no detrimental impact on the existing cathodic protection for the CATS pipelines. Those operational impacts need to be managed. In the absence of design definition from the Applicant, CNSL will have to increase its inspection and monitoring of its infrastructure to determine if there is any threat to its integrity.

**CNSL proposed resolution and progress towards that**

- 2.11 CNSL consider that their concerns can be made by the agreement of protective provisions in suitable terms and establishing regular technical communication from the Applicant. The CNSL and Kellas do not currently have sufficient technical information, which needs to be provided alongside protective provisions.
- 2.12 CNSL and Kellas do not consider that it is justifiable for the Applicant to simply cross-refer to the Net Zero Teesside project. Each project needs to be assessed on their own merits.

2.13 CNSL will continue to work with the Applicant with a view to reaching a resolution.

2.14 At this point, and on a protective basis, Kellas and H2NE are maintaining their objection to the DCO.

**Burges Salmon LLP**

**20 November 2024**