

# **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 H2 Teesside Order

Document Reference: 8.53 Response to Questions raised under Rule 17 letter dated 19 February 2025

Planning Act 2008



**Applicant: H2 Teesside Ltd** 

Date: February 2025

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# **DOCUMENT HISTORY**

DOCUMENT REF	8.53			
REVISION	0	0		
AUTHOR	DWD	DWD		
SIGNED	MS/NC	DATE	24.02.25	
APPROVED BY	DWD			
SIGNED	GB	DATE	24.02.25	
DOCUMENT OWNER	DWD	·		

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#### 1.0 INTRODUCTION

### 1.1 Background

- 1.1.1 This document has been prepared on behalf of H2Teesside Limited (the 'Applicant'). It relates to an application (the 'Application') for a Development Consent Order (a 'DCO'), that was submitted to the Secretary of State for Energy Security and Net Zero ('DESNZ') on 25 March 2024, under Section 37 of the Planning Act 2008 (the 'PA 2008') in respect of the H2Teesside Project (the 'Proposed Development').
- 1.1.2 The Application has been accepted for examination. The Examination commenced on 29 August 2024.

# 1.2 The Purpose and Structure of this Document

1.2.1 This document provides the comments of the Applicant in response to Questions contained in Annex B of the Examining Authority's Rule 17 Letter dated 10<sup>th</sup> February 2025 [PD-020] and the Rule 17 Letter received on 11<sup>th</sup> February 2025.



# 2.0 RESPONSE TO QUESTIONS RAISED UNDER RULE 17 LETTER DATED 19 FEBRUARY 2025

Table 2-1: Applicant's responses

QUESTION	QUESTION TO	QUESTION / MATTER	APPLICANT RESPONSE
1	Applicant	At Compulsory Acquisition Hearing 2 (CAH2), the Examining Authority (ExA) asked the Applicant to explain the need for the Cowpen Bewley Access Track, which is mainly seen in Plot No. 4/24 and is part of Open Space Land. In the submitted document 'Summary of Applicant's Oral Submission at the CAH2' [REP6a-018], the Applicant states at Agenda Item 5(iv) that the track is needed for a circular traffic management route around the Cowpen Bewley Above Ground Installation (AGI). The summary of CAH2 also states that Cowbridge Lane, which is used to access the AGI, is one-way.  Although there is no access from the A1185 onto Cowbridge Lane, the status of a one-way road is not clear and there is no evidence from signage and road markings that the whole of Cowbridge Road is a one-way road. In fact Cowbridge Road would appear to be two-way when accessing from Wolviston Back Lane, past the access AGI and up and beyond the Cowpen Bewley Access Track (Plot No. 4/24). Therefore please provide evidence, in the form of the Road Traffic Order, or other similar Order/ evidence, which details the presence and location of a one-way street that makes the whole/ part Cowbridge Road a one-way Road, including a plan of where the one-way section of the road starts and finishes.	It is correct that there is no evidence that the whole of Cowbridge Lane is a one-way road. The Applicant was pointing out (as observed by the Examining Authority) that 'no entry' signs exists at the end of Cowbridge Lane where it exits onto the A1185 and that the road is a narrow, single-track road with limited opportunities for turning. As such, the Applicant believes that the road is effectively treated and used as a one-way road by local users.  However, the point the Applicant was making in the 'Summary of Applicant's Oral Submission at the CAH2' [REP6a-018] is that a one-way circuit to access the AGI (the green line shown on the figure in REP6a-018) would reduce the potential of a bottle-neck at one access/egress point onto Cowbridge Lane during construction and would remove the need for 'turning circles' or a wider access road that allows for 2-way traffic movement within the woodland park. The use of a one-way circuit access track (following the existing tracks) would lead to lower vegetation clearance within the woodland park.
2	Applicant and any other affected Interested Party (IP)	The Statement of Reasons (SoR) [CR1-013] at paragraph 9.1.36 states the plots required, 4/4 and 4/24, are plots over which the public currently have access but form access tracks rather than woodland. It goes on to state at paragraph 9.1.44 that no permanent surface installation works will be required within the Cowpen Bewley Access Track Open Space and at paragraph 9.1.46 (bullet point one) that the physical appearance of the Cowpen Bewley Access Track Open Space will be unaffected.  The ExA commented during CAH2 that during its Accompanied Site Inspection 3, no existing access track was evident at this location, rather this was an area which has woodland vegetation, trees and no track suitable for use by maintenance or construction vehicles.  Taking this into account, please clarify how the proposed access track would be constructed as required for construction and maintenance access without surface construction and without changing the physical appearance of the Cowpen Bewley Access Track Open Space. Please provide suitable photographs of the existing access track and full details of the existing and proposed access tracks and enabling works required.  In the light of this, please confirm if you consider the statements in the SoR remain correct and if you consider the test under section (s) 132(3) of the Planning Act 2008 (PA2008) remains satisfied.	Photographs of the existing access track through the woodland are provided below. These progress in order from Cowbridge Lane into the woodland along Plot No. 4/24.  As can be seen in the photographs, trimming of overhanging trees/bushes will be required to facilitate construction and ongoing maintenance access. Temporary trackway ground protection mats could be used to facilitate construction access or alternatively localised placement of hardcore to re-enforce the tracks if deemed necessary/preferable. Upon completion of construction any re-enforcement placed could be left to facilitate ongoing use of the tracks by the local community, or removed as desired by STBC.  Either situation will be no less advantageous to STBC or the public as the Applicant understands the access tracks are minimally used at present, and their continued use will be possible in the same way following the Applicant's works. As such improvements to the tracks may facilitate use of these by the public.



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		Please can other affected IPs comment on the use of the existing track and impact of the proposed track with reference to the commitments in the SoR and if you consider the test under s132(3) of the PA2008 remains satisfied.	
3	Applicant	National Gas Transmission PLC's (NGT) DL7A submission [REP7a-059], paragraph 2.8 states you have not provided full justification for changes to its standard Protective Provisions (PP). Please provide full reasoning why you have sought to change the NGT standard PPs.	The Applicant has provided full justification for its proposed changes to paragraphs 6, 7(3) and 11(5) in its PP Position Statement with National Gas Transmission plc ('National Gas') [REP7a-017] ('the Applicant's DL7A position statement'). The Applicant has expanded on these submissions below where appropriate in response to National Gas' DL7A submission



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			[REP7a-059]. The Applicant has also responded to the inclusion of new paragraph 11(7) in National Gas' preferred protective provisions contained in its DL7A submission.
			Restriction on DCO powers (paragraph 6)
			Please refer to paragraphs 1.1 to 1.6 of the submissions in the Applicant's DL7A position statement which sets out the Applicant's justifications for including amendments to paragraphs 6(1) and 6(2).
			National Gas reiterates in its DL7A submission that paragraph 13(2) already imposes an obligation on National Gas not to unreasonably withhold its consent where, amongst other things, National Gas' consent is required in respect of the taking of action by the undertaker. As noted in the Applicant's DL7A position statement, it is critical that the Applicant is confident that it is specifically protected against risks of delay to the Project arising from the restrictions in paragraph 6(1). If, as it has submitted, National Gas considers that it is already beholden to an obligation not to unreasonably withhold or delay its consent in respect of paragraph 6(1) by virtue of paragraph 13(2), this clarification, which does not expand National Gas' existing obligations, should be accepted.
			National Gas states in its DL7A submission that the scope and effect of paragraph 6(2) is uncertain from its drafting. The Applicant submits that its DL7A position statement clearly sets out the scope of paragraph 6(2) and explains that it required to clarify the scope of the agreed restrictions in paragraph 6(1).
			The Applicant reiterates that serious detriment would not be caused to National Gas' undertaking with the agreed compulsory acquisition provisions in place incorporating the proposed amendments.
			Obtaining facilities and rights for alternative apparatus (paragraph 7)
			Please refer to paragraphs 2.1 to 2.3 of the submissions in the Applicant's DL7A position statement which sets out the Applicant's justifications for including amendments to paragraph 7(3).
			National Gas states in its DL7A submission that it would be amenable, in principle, to cooperating with the Applicant in the manner anticipated by paragraph 7(3) but cannot be compelled to take such steps, regardless of the circumstances, and especially where to do so would place it in breach of its licence obligations or wider statutory duties.
			The Applicant reiterates that paragraph 7(3) obliges National Gas to take such steps as are reasonable in the circumstances in an endeavour to assist the Applicant to obtain the



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			relevant facilities and rights in land and does not require National Gas to use its compulsory purchase powers unless it elects to do so. This drafting does not compel National Gas to act in any way that would breach other obligations (such as those under licences) or statutory duties because such an act would not be "reasonable in the circumstances". This paragraph simply obliges National Gas to cooperate with the Applicant in respect of works that are relevant to the operations of National Gas in circumstances not covered by paragraph 13. As such, the Applicant considers that it should not be the case that NGT's assistance be only at its 'sole discretion', as National Gas suggest.
			The Applicant maintains that this requirement is common in protective provisions on the face of the Order for the benefit of National Gas (see for example paragraph 37(3) of Part 4 of Schedule 12 to the Net Zero Teesside Order 2024, paragraph 35(3) of Part 4 of Schedule 13 to the Heckington Fen Solar Park Order 2025; paragraph 29(3) of Part 4 of Schedule 10 in the A1 Northumberland - Morpeth to Ellingham Development Consent Order 2024 and paragraph 41(3) of Part 4 of Schedule 9 of the A66 Norther Trans-Pennine Development Consent Order 2024).
			Claims under indemnity (paragraph 11)
			Please refer to paragraph 3.1 of the submissions in the Applicant's DL7A position statement which sets out the Applicant's justifications for including amendments to paragraph 11(5).
			National Gas states in its DL7A submission that it is concerned that a requirement in paragraph 11(5) for National Gas to substantiate any cost or compensation claimed under the paragraph 11 indemnity will, in effect, constitute a means through which the indemnity will be capped in practical terms.
			The Applicant rejects this submission. The terms of the indemnity in paragraph 11(1) are clear and National Gas has already agreed in paragraph 11(5) of the protective provisions to provide an explanation of how a claim has been minimised if reasonably requested to do so by the undertaker. Taken in that context, the alternative requirement to provide details to substantiate any cost or compensation claimed is simply an appropriate and reasonable mechanism to allow the Applicant to understand and consider what is being claimed.
			Restrictions on undertaking authorised works (paragraph 11(7))
			National Gas has inserted a new paragraph 11(7) into its preferred form of protective provisions submitted at DL7A.
			National Gas has sought to prohibit the Applicant commencing construction of the authorised works on any land owned by National Gas or in respect of which National Gas has an easement or wayleave for its apparatus or any other interest or to carry out any works



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			within 15 metres of National Gas' apparatus until certain conditions have been satisfied relating to the procurement of acceptable security and insurance by the Applicant.
			The Applicant submits that the inclusion of paragraph 11(7) and related definitions are unnecessary and not appropriate and should not be included in the protective provisions on the face of the Order.
			The Applicant notes that National Gas already has the benefit of various controls in place in the protective provisions in respect of controlling impacts of works in respect of its apparatus. The Applicant has agreed, subject to the two amendments outlined above, to include National Gas' standard compulsory acquisition provisions in the protective provisions on the face of the Order. National Gas must approve any 'specified works' (as broadly defined in the protective provisions including reference to a 15 metre protected area) and can require modifications to plans submitted as reasonably necessary to secure its apparatus against interference or risk of damage for the provision of protective works or to provide and secure proper and convenient means of access to any apparatus. Works must be executed in accordance with approved plans that can be amended from time to time by agreement between National Gas and the Applicant and National Gas is entitled to watch and inspect the execution of those works. National Gas has a broad right to carry out or require the Applicant to carry out protective works which must be completed to National Gas' satisfaction prior to the commencement of any specified works.
			Finally, National Gas has the benefit of a wide-ranging indemnity which applies most relevantly to damage or interruption of supply by reason or in consequence of the construction of any works authorised by the protective provisions, or in consequence of the construction, use, maintenance, or failure of any authorised development by or on behalf of the Applicant, any act or default of the Applicant (or any person employed or authorised by the Applicant) in the course of carrying out works, any subsidence resulting from works and any damage to apparatus or alternative apparatus or property of National Gas.
			With these measures in place, the provisions ensure that there is no realistic prospect that proposed works will have a detrimental impact on the ability of National Gas' apparatus to be protected and to continue to operate, and the Applicant's proposed terms provide the appropriate balance to ensure the Proposed Development can come forward and National Gas is protected.
4	Applicant	In the light of South Tees Group's (STG) DL7A submission [REP7a-077], please provide a full explanation as to why no negotiations or approaches have been made regarding the acquisition of land at the Foundry/ main site out with that for Phase 1 of the Proposed Development. Please provide the ExA with clarification as to why there should be no doubt that phase 2 will be constructed, noting the particular circumstances the STG find themselves in regarding their obligation to develop the land in question.	Please refer to the Applicant's Response to STG's Deadline 7A Submissions (Document Ref: 8.52 (Topic 1)).

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5	National Grid Electricity Transmission	At DL7A the Applicant submitted a document entitled 'Saltholme Interaction Report' [REP7a-015] that summarised the negotiations and recent optioneering in regard to the Saltholme Substation. Please provide a response to this submission, with a particular focus on the Applicant's suggested options for the design of the substation upgrade. Please also provide an answer to Question 4 of the ExAs Rule 17 letter of 10 February 2025 [PD-020].	N/A
6	Applicant	Noting the comments of Natural England (NE) in its response to the ExA's Rule 17 questions dated 10 February 2025 [REP7a-061] concerning mitigation and monitoring of noise and visual disturbance to Special Protection Area (SPA) birds during construction, the Applicant is requested to submit an updated Framework Construction Environmental Management Plan (CEMP) that includes a commitment to measures during the wintering period of October to March (including the further mitigation for noise of up to 10dB), and reflect its commitment to monitoring in Table 10-1. The Applicant is requested to explain what steps would be taken to consult NE on the final measures and how this would be secured in the Development Consent Order (DCO).  In addition to the above, NE advise  i) you have committed to monitoring of bird populations both during the construction and post construction phases of the proposed development and this should be secured within the CEMP. NE also advise that it should be consulted on this; and  ii) if details provided within the phasing plan (Chart 1: Indicative Outline Construction Programme, Annex J (Assessment of Impacts Upon the Waterbird Assemblage of The Teesmouth and Cleveland Coast SPA/ Ramsar Accounting for the Project Work Phases) and Annex K (Response to NE's Relevant Representation NE5 regarding Lamax)) are to	Please refer to the Applicant's Environmental Position Statement (Document Ref. 8.51).



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		change it must be consulted on such changes.	
		Please respond to i) and ii) above and advise how consultation is to be secured within the CEMP/ DCO or provide wording within these documents to secure such consultation.	
7	Applicant	NE notes "the Report to Inform the Habitats Regulation Assessment and Annex J considers habituation to current sources of noise and visual disturbance by SPA birds is provided as justification as to why the predicted activity from the construction phase of the project will not result in harmful effects on bird populations.". However, NE advises it does not accept this justification and requires demonstration as to how the predicted noise, noise source and visual disturbance is comparable and compatible to those currently tolerated by SPA bird populations. Please advise how you intend to resolve yours and NE's differing position in this regard, within the remaining examination period, and how such a resolution, if any, is to be secured within the DCO or other relevant document.	Please refer to the Applicant's Environmental Position Statement (Document Ref. 8.51).
8	Applicant	NE notes that there is a possibility of noise/ visual disturbance during any maintenance/ repair work, especially on the Above Ground Infrastructure (sic) sites. NE advises such works have the potential to exceed 55db in noise, especially if works require the breaking of concrete and that a DCO requirement is needed to ensure consultation with NE on maintenance/ repair works on areas outside the main site to determine the potential for bird disturbance and any avoidance steps or mitigation required. NE advises it has come to the above opinion based on the details provided in the Report to Inform the Habitats Regulation Assessment and Annex K, however, it considers if these details are to change it must be consulted on such changes. Please advise how you intend to address the above mentioned concerns raised by NE regarding consultation on:  i) maintenance/ repair works on areas outside the main site to determine the potential for bird disturbance and any avoidance steps or mitigation required; and  ii) changes to the details provided in the Report to Inform the Habitats Regulation Assessment and Annex K.  In addition to the above, please advise how the above is secured/ to be secured in the DCO or other relevant Examination document.	Please refer to the Applicant's Environmental Position Statement (Document Ref. 8.51).
9	Applicant	The ExA notes that the Applicant will provide further information in respect of NE8 at DL8. In doing so, the Applicant is requested to respond to NE's advice [REP7a-060] (Statement of Common Ground (SoCG) Update) that monitoring of noise and visual disturbance to SPA birds during operation should be secured in the DCO.  NE also advises monitoring of birds during the operational phase at the development should also take place, in order to better understand the application technology and its potential to result in disturbance impacts on SPA bird populations, and this should also be secured through a Requirement in the DCO.	Please refer to the Applicant's Environmental Position Statement (Document Ref. 8.51).



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		The ExA considers an updated version of the Schedule of Operational Mitigation and Monitoring [APP-042] should be provided to incorporate any additional commitments required in relation to noise and visual disturbance during operation. Additionally, the ExA would seek your response to NE's comments, as precis above, and provide wording for the inclusion such Requirements within the DCO or provide justification as to why such additional Requirements are not necessary.	
10	Applicant	The ExA notes the Applicant's commitment in the Outline Landscape and Biodiversity Management Plan [REP7-021] regarding habitat restoration timescales (immediately after construction works are complete) and monitoring. The Applicant is requested to explain how this commitment aligns with Requirement 22 of the draft DCO [REP7a-003], which requires approval of the scheme for restoration of land used temporarily for construction and restoration within 1 year of final commissioning.	Please refer to the Applicant's Environmental Position Statement (Document Ref. 8.51).
11	Applicant/ NE	The ExA notes NE's Key Point NE31, related to conclusions on effects from air quality emissions to Teesmouth and Cleveland Coast Site of Special Scientific Interest (SSSI), still remains outstanding and is not agreed (See NE's DL7A update related to its comments on the SoCG [REP7a-061]).  NE has reviewed the Report to Inform Assessment of Air Quality Impacts on Teesmouth and Cleveland Coast SSSI [REP7-027] and agreed Adverse Effect on Integrity to the SPA can be excluded based on the assessment, but does not agree that the assessment excludes harm to the SSSI due to impact on vegetated designated features cumulatively. It notes the project alone adds 1.1% of critical load for nitrogen deposition and 10.1% incombination. It states no mitigation has been secured but points out it has previously advised on mitigation.  The Applicant in response [REP7-027] suggests strategic action could be carried out but NE consider this approach not to be established and therefore cannot be relied on as mitigation for this project. The ExA notes the Applicant, in its response to second written questions concerning the Habitat Regulations Assessment [REP5-042], did not identify any non-strategic mitigation but made reference to Critical National Priority, as referred to in Paragraph 4.2.17 of NPS EN-1. The Applicant's Environmental Position Statement [REP7a-039] maintained it was a small contribution and not appropriate for the project to assume responsibility for strategic mitigation. It committed to setting out its position in relation to NPS policy at DL8.  Please advise on how the Parties intend to resolve this matter.  Does NE have any advice on project specific mitigation that could be implemented?	Please refer to the Applicant's Environmental Position Statement (Document Ref. 8.51).
12	Applicant/ PD Teesport Ltd	The ExA notes PD Teesport Ltd's DL7a submission [REP7a-067], especially it's comment	The Applicant and PD Teesport are engaging frequently and productively to agree an appropriate solution in respect of the proposed disapplication of the Tees and Hartlepools



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		concerning its preferred PPs would substantially resolve the objections to the DCO application, with the exception of the proposed disapplication of the Tees and Hartlepool Port Authority Act 1966, as more particularly described in its 'Summary of Oral Representations' [REP4-048]. Bearing in mind the limited time remaining in the Examination, the ExA would ask how this matter can be resolved to the satisfaction of both parties and whether the parties are actively engaging with a view to coming to an amicable solution.	Port Authority Act 1966, in particular regarding the licence process at section 22 of this Act. Discussions have taken place between the parties during the course of 19 and 20 February and remain ongoing to agree the principles of a drafting solution.  It is anticipated that drafting within the side agreement and protective provisions will provide for a similar, expedited process to the section 22 licensing process on a contractual basis, which would provide a compromise between the parties' respective interests i.e. the Applicant's need to construct the Proposed Development quickly and without impediment, and PD Teesport's interests as harbour authority to protect the area within its jurisdiction and third party users.  The Parties remain optimistic that agreement can be reached on a side agreement and protective provisions prior to the end of examination.
13	Applicant	The ExA notes PD Teesport Ltd's DL7a submission [REP7a-067], especially it's comment that it has not received a clear assurances or explanation from the Applicant that the proposed River Tees crossing would not interfere with development of its proposed container port development, in particular the proposed piling operations to the potential depth of 35 metres, which would be within the Order limits and the parameters of the Tees Crossing works.  In seeking to address this PD Teesport Ltd state its proposes PPs, through the addition of a protection which would require any proposed tunnelling or micro bore construction to be a minimum off 60 metres deep, would provide an appropriate vertical separation to its proposed works.  The ExA notes the Applicant's Summary of Oral Submissions at the Issue Specific Hearing 4 [REP6a-020] stated the proposed trenchless crossings will be installed at a minimum depth of 25 metres below the bed of the River Tees at the deepest point of the crossing and a maximum depth of 60 metres.  With a view to resolving this matter the ExA would ask the Applicant to respond to PD Teesport Ltd's suggestion, commenting on whether it would be possible to specify the trenchless crossing be installed at a depth of 60 metres, and if so to amend all the relevant documentation, as necessary, specifying this depth. If it is not possible to specify the above mentioned depth, please provide a fully reasoned justification as to why it is not possible.	The Applicant and PD Teesport have been engaging on this issue frequently and most recently held a technical meeting on 20 February 2025 and the parties' legal advisors have had subsequent discussions on 20 February.  The Applicant acknowledges that PD Teesport plans to construct a proposed container port development in the vicinity of the proposed trenchless crossing and is committed to working collaboratively with PD Teesport to arrive at a solution that enables both projects to be brought forward without impediment.  The parties have agreed, in principle, to an approach which would allow the proposed trenchless crossing to be constructed whilst also providing PD Teesport with sufficient comfort that the proposed trenchless crossing will not adversely impact its proposed container port development pilings.  Drafting is to be agreed between the parties to reflect the principles most recently agreed on this issue and the parties remain optimistic that a side agreement and protective provisions can be agreed before the end of examination.  In respect to whether it would be possible to specify that the trenchless crossing can be installed at a specific depth of 60 metres, the Applicant is unable to commit to this depth at this stage as the crossing remains subject to detailed design. Detailed design is progressing having regard to the existing assets within the River Tees and PD Teesport's container port development (including its piling) and the Applicant is confident that a mutually acceptable solution will be able to be reached.

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