



# 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: February 2025

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**The Planning Act 2008**  
**The Infrastructure Planning (Applications:  
 Prescribed Forms and Procedure)  
 Regulations 2009**  
**The H2Teesside Order 202[ ]**

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**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 

**Ross Nickson**

**Environmental and Social Manager**

**on behalf of H2 Teesside Ltd.**

**Date: 24/02/2025**

Signed 

**Cara Courage**

**Principal Manager, Northumbria Area Team**

**on behalf of Natural England**

**Date: 24/02/2025**



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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:

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- 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]	<p>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.</p> <p>NE provided a range of technical feedback to help inform the DCO Application. Key topics raised in the PINS Scoping Opinion included:</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● The need for and benefits of early consideration of the Proposed Development's relationship with wider environmental issues in the Tees Estuary.</li> <li>● The need to thoroughly assess the potential for the proposal to affect internationally designated sites of nature conservation</li> <li>● A full assessment of direct and indirect effects of the Proposed Development on the features of</li> </ul>



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DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
			<p>special interest within the SSSIs identified in the study area.</p> <ul style="list-style-type: none"> <li>Assessment of impacts from all phases of the proposals on protected species.</li> <li>Details on District Level Licensing for Great Crested Newts.</li> </ul>
14 September 2023	First Consultation (statutory consultation) in accordance with Section 42 of the PA 2008	See Consultation Report [APP-030]	<p>The Applicant issued a Section 42 letter to NE on 14 September 2023 consulting them on the Proposed Development.</p> <p>Natural England provided a range of technical feedback to help inform the DCO Application. Key topics raised in the Statutory Consultation response included:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Natural England’s standing advice on Protected Species and the need for further survey.</li> <li>Emphasis on the importance of the conservation of soil resources.</li> <li>The proposals should complement and enhance local distinctiveness where possible.</li> </ul>
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

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DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
			(HRA) and discuss the mitigations required.
13 December 2023	Second Consultation (statutory and non-statutory) in accordance with Section 42 of the PA 2008.	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 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.
17 September 2024	Statement of Common Ground	REP1-018	Natural England and the Applicant engaged in discussions to agree the contents of this document submitted into the Examination at Deadline 1 [REP1-018].
16 October 2024	Email	n/a	Natural England provided the Applicant with feedback to inform

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DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
			the next iteration of the Statement of Common Ground, which has been used by the Applicant to inform the Deadline 4 update to the document.
17 October 2024	Change Application Report including updated HRA submitted to the Planning Inspectorate	CR1-001 – CR1-050	An amended Report to Inform HRA was submitted to the Planning Inspectorate to accompany the Change Application Report and to respond to Natural England’s Relevant Representations related to the Report to Inform HRA.
22 October 2024	Email	n/a	The Applicant proposed further meetings with Natural England to discuss updates to the Report to Inform HRA.
23 October 2024	Email	n/a	Natural England confirmed via email that the Applicant’s Impact Assessment and Conservation Payment Certificate (IACPC) has been accepted and countersigned.
31 October 2024	Email	n/a	The Applicant confirmed timing on the meeting set for 6/11/24 and provided a proposed agenda to NE.
1 November 2024	Email	n/a	Natural England provided updates on noise disturbance related matters prior to the technical meeting with the Applicant.
6 November 2024	Technical Meeting	n/a	This meeting was arranged to discuss outstanding issues pertaining to Natural England’s Relevant Representation. The main topic discussed were updates to the Report to Inform HRA and included discussion on ecology, marine ecology, noise and ornithology issues.
14 November 2024	Email	n/a	Natural England issued an update to the Applicant regarding further information and confirmation of

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<b>DATE</b>	<b>FORM OF ENGAGEMENT</b>	<b>DOCUMENT REF. (IF ANY)</b>	<b>DETAILS</b>
			agreement on selected Relevant Representations to inform the update of the SoCG for Deadline 4.
19 November 2024	Email	n/a	The Applicant engaged with Natural England regarding placeholder meetings in November, December and January to discuss outstanding matters within the SoCG.
26 November 2024	Technical Meeting	n/a	This meeting was arranged to discuss outstanding issues pertaining to the bird count methodology utilised within the Report to Inform HRA.
28 November 2024	Technical Meeting	n/a	This meeting was arranged to discuss outstanding issues pertaining to the assessment of the SPA and air quality issues.
4 December 2024	Technical Meeting	n/a	This meeting was arranged to discuss provisional results from utilising the updated bird count methodology.
10 December 2024	Technical Meeting	n/a	This meeting was arranged to further discuss the updated bird count methodology to be incorporated into a future iteration of the Report to Inform HRA.
11 December 2024	Technical Meeting	n/a	This meeting was arranged to discuss outstanding matters regarding noise modelling.
18 December 2024	Statement of Common Ground	n/a	The Applicant and Natural England have been in discussions regarding Natural England's Relevant Representation's to inform an update of the SoCG for Deadline 5.
04 December 2024	Email	n/a	Natural England provided bird assessment methodology feedback via email.

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<b>DATE</b>	<b>FORM OF ENGAGEMENT</b>	<b>DOCUMENT REF. (IF ANY)</b>	<b>DETAILS</b>
11 December 2024	Email	n/a	Natural England provided feedback regarding the SSSI assessment and comments regarding the closed loop system (NE12)
18 December 2024	Email	n/a	Natural England provided comments on the following representations: NE2, NE3, NE5, NE6, NE7 and NE14.
06 January 2025	Email	n/a	Natural England confirmed representation NE30 never existed via email.
20 January 2025	Technical Meeting	n/a	This meeting was arranged to present the initial results of an updated Report to Inform HRA, which was subsequently submitted into the Examination at Deadline 6a.
21 January 2025	Email	n/a	In response to follow up queries from Natural England following the technical meeting, the Applicant provided further clarification regarding functionally linked land and mitigation measures.
27 January 2025	Technical Meeting	n/a	This meeting was arranged to discuss air quality matters within the Report to Inform HRA.
30 January 2025	Email	n/a	The Applicant provided Natural England with a guide to the Applicant's Deadline 6a submissions.
6 February 2025	Email	n/a	The Applicant received feedback from Natural England on Relevant Rep Matters NE8, NE12 and NE26.
6 February 2025	Statement of Common Ground	n/a	The Applicant and Natural England have been in discussions regarding Natural England's Relevant Representation's to inform an update of the SoCG for Deadline 7.

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DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
14 February 2025	Email	n/a	Natural England shared feedback on the Applicant’s Report on the Implications for the SSSI.
17 February 2025	Technical Meeting	n/a	A meeting was arranged to discuss all unresolved matters in Natural England’s Relevant Representation.
17 February 2025	Statement of Common Ground	n/a	The Applicant and Natural England have been in discussions regarding Natural England’s Relevant Representations to inform an update of the SoCG for Deadline 7a
24 February 2025	Statement of Common Ground	n/a	The Applicant and Natural England have been in discussions regarding Natural England’s Relevant Representations to inform an update of the SoCG for Deadline 8.

### 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
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 (NE27).
Habitats Regulations Assessment ('HRA') – Ongoing Discussions	The following Relevant Representation matters pertaining to the HRA are agreed between the two parties: NE1, NE2, NE3, NE4, NE5, NE6, NE7, NE8, NE9, NE10, NE11, NE12, NE13, NE17, NE18 and NE28.  Addressing concerns raised by Natural England in their Relevant Representation, the Applicant submitted a revised version of the Report to Inform HRA at Deadline 6a, which included Annexes K and L. Additionally, the Applicant updated the dDCO to meet Natural England's requirement at Deadline 7A that liquid amine waste disposal occurs outside the Tees Nutrient Neutrality catchment.
Effects on Designated Sites – Construction Dust	This matter (NE16) is now agreed between the two parties subject to Natural England being consulted on measures to avoid any Adverse Effects on Integrity from construction dust on protected sites in the Final CEMP(s).
Nutrient Neutrality – Ongoing Discussions	Following the provision of further information by the Applicant, NE20, NE21, NE22 and NE23 are now agreed between the two parties.
Further Bat Surveys – Cowpen Bewley Woodland Park	The two parties have now agreed this matter and Natural England accepts further confirmation of the low roosting suitability of the aforementioned boundary trees. The Applicant agrees that any precautionary felling of trees is conducted at an appropriate time of year avoiding hibernation and maternity periods. This is provided for in the fCEMP. (NE32)

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<b>MATTER AGREED</b>	<b>AGREED POSITION</b>
Water Vole Surveys and Appendix 12F [APP-206]	Following confirmation from the Applicant that updated water vole surveys would be undertaken post-consent in 2025 in areas where nesting birds were a limitation, the two parties have agreed this matter. (NE33)
North York Moors and Durham Coast SACs	NE initially queried the critical load used for Durham Coast and advised it would be precautionary to include this site in the Appropriate Assessment. NE also advised acid deposition exceeds 1% of the critical load at North York Moors and should be considered in the Appropriate Assessment. However, following discussions with the Applicant, NE accepted that the modelled deposition at the North York Moors did not represent a significant effect (NE24). NE also accepted grey sand dunes do not form a feature of the Durham Coast SAC and the critical load value used by the Applicant is acceptable. This matter is now agreed between the two parties (NE25).
Other valuable and sensitive habitats and species, landscapes and access routes	Following the Applicant's D2 and D3 submissions, this matter is now agreed between the two parties (NE36).
Report to Inform HRA Information Requirements	<p>The Applicant prepared an updated version of the Report to Inform HRA at Deadline 5. Natural England subsequently confirmed within their Deadline 6A submission [REP6a-034], that the additional information presented in the revised Report to inform HRA shows that the effects of traffic in combination have been considered in the assessment and screened into the appropriate assessment. This matter is now agreed between the two parties (NE14).</p> <p>In addition, the Applicant prepared a revised version of the Report to Inform HRA at Deadline 6a and updated the fCEMP at Deadline 7A to meet Natural England's requirement that the mitigation is secured, subsequently the approach to the HRA and updates to the in-combination assessment are now agreed between the two parties (NE15 and NE19).</p>
Biodiversity Net Gain Provision	The Applicant is currently in discussions with a number of stakeholders regarding environmental enhancements however these are unlikely to be committed to before the end of the Examination process. In Natural England's Deadline 6a submission [REP6a-034], they have deferred this matter to the Examining Authority (NE34).



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<b>MATTER AGREED</b>	<b>AGREED POSITION</b>
Best and Most Versatile Land	The Applicant prepared a technical note to address Natural England’s NE35 at Deadline 5 regarding BMV land, this was subsequently agreed by Natural England in their Deadline 6a submission [REP 6a-034]. This matter is now agreed between the two parties (NE35).
Report to inform HRA – Impacts to Seals	The Applicant prepared a further technical note on this matter, submitted as an Annex to the updated Report to Inform HRA at Deadline 6a. Following the provision of this further information, Natural England had no additional queries. This matter is now agreed between the two parties (NE26).
DCO Requirements	Natural England has no further comments on the wording of Requirements 4, 14, 15 and 20 within the draft DCO. This matter is now agreed between the two parties.

#### 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	REPRESENTATION REFERENCES	APPLICANT POSITION	NATURAL ENGLAND POSITION

## 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	REPRESENTATION REFERENCES	APPLICANT POSITION	NATURAL ENGLAND POSITION
1	ES Appendix 8B and the HRA	NE29 and NE31	<p>A meeting between Natural England (NE) and the Applicant was held on 17 February 2025.</p> <p>Regarding construction stage impacts NE provided feedback that 'construction traffic Nitrogen deposition would be 2% of the Critical Load from the project alone immediately adjacent to the road (&lt;1% at 20m from the edge of the road). It is highlighted that this would be temporary, and that critical loads are representative of long-term change. However, in this case "temporary" is 5 years – and it would add to a site already exceeding the critical load for those 5 years – therefore further information is needed to explain whythere would not be harm in the specific locations identified adjacent to roads.'</p> <p>The applicant will work with NE to provide further information and resolve this point for Deadline 8.</p> <p>In regards to operation, NE agrees that the contribution of operational emissions from</p>	<p>Natural England have reviewed the Applicant's Report on the Implications for the SSSI submitted at Deadline 7, and have provided feedback. At present, Natural England is unable to agree this matter. It is Natural England's opinion that mitigation is required in respect of the operational cumulative effects of N-deposition on the Teesmouth and Cleveland Coast SSSI.</p> <p>Deadline 8 Update:</p> <p>Natural England reviewed the H2 Teesside report on Air Quality Impacts on Teesmouth and Cleveland Coast SSSI and provided comments on February 14, 2025. While they agree that there is no adverse effect on integrity (AEoI) for the Teesmouth and Cleveland Coast SPA, they dispute the claim that air pollution impacts on the SSSI can be excluded.</p> <p>Natural England's position is that:</p> <ul style="list-style-type: none"> <li>The project alone would contribute 1.1% of the critical nitrogen deposition load (0.11</li> </ul>

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SOCG ID	MATTER	REPRESENTATION REFERENCES	APPLICANT POSITION	NATURAL ENGLAND POSITION
			<p>H2Teesside to nitrogen deposition impacts on SSSI interest features is very small (being 0.11 kgN/ha/yr for operational nitrogen deposition). NE does not agree with the Applicant's assessment that harm to the Teessmouth and Cleveland Coast SSSI is excluded. This is because of the potential impact on the designated vegetated features cumulatively with other development proposed or expected around Teesside.</p> <p>NE expressed the view that this cumulative effect requires mitigation particularly regarding nitrogen deposition on the SSSI. The Applicant maintains that, given the small contribution of the project to cumulative nitrogen deposition (i.e. a worst-case operational nitrogen deposition impact of 0.11 kgN/ha/yr or approximately 10% of the forecast cumulative impact), it is not proportionate for this project to assume responsibility for strategic mitigation addressing the cumulative effects of multiple developments.</p> <p>The Applicant will set out its position on this matter in relation to NPS policy in its Deadline 8 submissions.</p>	<p>kgN/ha/yr) and 10.1% in combination (1 kgN/ha/yr).</p> <ul style="list-style-type: none"> <li>No mitigation has been secured, and the project has not demonstrated that harm to the SSSI can be ruled out.</li> <li>Natural England advises that mitigation is necessary to address cumulative nitrogen deposition impacts.</li> <li>A strategic approach to mitigation is mentioned in the report but is not yet established, so it cannot be relied upon for this project.</li> </ul> <p>Natural England previously provided mitigation advice on December 18, 2024, but their concerns remain unaddressed.</p>

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SOCG ID	MATTER	REPRESENTATION REFERENCES	APPLICANT POSITION	NATURAL ENGLAND POSITION
			<p>Deadline 8 Update: The Applicant considers that the nitrogen deposition effects of the Proposed Development have been mitigated as far as practicable at this stage such that the project effects are at or close to the threshold of insignificance, but that a more strategic consideration of nitrogen deposition needs to take place in Teesside to enable the cumulative effects of planned industrial projects in the area to be appropriately managed. For further details, refer to Annex B of <i>8.50 Environmental Position Statement – Deadline 8</i>.</p> <p>The Applicant is committed to (but does not rely on for its case) voluntarily working with Natural England, the Environment Agency and the TVCA among others to develop a strategic monitoring and evaluation plan for the Teesmouth and Cleveland SSSI, recognising that this sits outside the specific remit of this Proposed Development. In particular, the mechanism for delivering the strategic approach will not be secured in the DCO, instead it will progress independently of the timeline for the implementation of this project.</p>	