

Date: July 2020

Dear Sir/Madam,

**THE NET ZERO TEESSIDE PROJECT – LAND AT AND IN THE VICINITY OF THE FORMER SSI STEEL WORKS SITE, REDCAR AND IN STOCKTON-ON-TEES, TEESSIDE**

**CONSULTATION IN ACCORDANCE WITH SECTION 42 ‘DUTY TO CONSULT’ OF THE PLANNING ACT 2008 & REGULATION 13 ‘PRE-APPLICATION PUBLICITY UNDER SECTION 48 (DUTY TO PUBLICISE)’ OF THE INFRASTRUCTURE PLANNING (ENVIRONMENTAL IMPACT ASSESSMENT) REGULATIONS 2017**

Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited (the ‘Applicants’) are proposing to apply for development consent pursuant to Section 37 ‘Applications for orders granting development consent’ of the Planning Act 2008 (the ‘PA 2008’) from the Secretary of State (‘SoS’) for Business, Energy and Industrial Strategy (‘BEIS’) for the construction, operation and maintenance of the Net Zero Teesside Project (‘NZN’ or the ‘Project’) on land at and in the vicinity of the former SSI Steel Works Site, Redcar and in Stockton-on-Tees on Teesside (the ‘Project Site’).

NZN will be the UK’s first commercial scale, full chain Carbon Capture, Usage and Storage (‘CCUS’) project, with the potential to capture up to 10 million tonnes (Mt) of carbon dioxide (CO<sub>2</sub>) emissions per annum, the equivalent to the annual energy use of up to 3 million homes in the UK. It will comprise a number of elements, including a new gas-fired power station, with state-of-the art carbon capture technology. CO<sub>2</sub> from the power station, as well as from a cluster of local industries on Teesside, will be captured through a common CO<sub>2</sub> pipeline network (a ‘gathering network’) and transported for secure storage at a suitable offshore geological site under the North Sea. NZN will therefore make a significant contribution toward the UK reaching its net zero greenhouse gas emissions target by 2050.

It is anticipated that the proposed application for development consent will be submitted to the Planning Inspectorate (‘PINS’), acting on behalf of the SoS for BEIS toward the end of 2020.

Further information relating to NZN is provided in this letter and on the accompanying USB device, which contains various documents (the ‘Consultation Documents’), including a Preliminary Environmental Information (‘PEI’) Report and a Non-Technical Summary. If you or your organisation is unable to use the USB device the Consultation Documents can be accessed via the Project Website: [www.netzeroteesside.co.uk](http://www.netzeroteesside.co.uk)

A hard copy of the Consultation Documents can also be inspected at an inspection venue (by appointment only) within the vicinity of the Project Site until the 18 September 2020. Details are provided toward the end of this letter.

Any comments and representations you may have on NZT should be submitted to the Applicants no later than 18 September 2020. Details of how to make comments/representations are provided toward the end of this letter.

### **Section 42 ‘Duty to consult’ & EIA Regulation 13 ‘Pre-application publicity under Section 48 (duty to publicise)’**

Section 42 of the PA 2008 ‘Duty to consult’ requires prospective applicants for a DCO to consult on their proposed application with those persons specified in the PA 2008 and in regulations made pursuant to the PA 2008. These persons (‘prescribed persons’) include local authorities, prescribed consultation bodies and affected/potentially affected landowners and other interests in land. The consultation must be carried out prior to submitting the application for development consent to PINS.

The Applicants have identified a number of persons and organisations, which it is required to consult for the purposes of Section 42 of the PA 2008. It has been determined that you or your organisation is, or may be, a ‘prescribed person’ for the purposes of Section 42. The Applicants therefore wish to seek your views on their proposals for NZT.

Section 48 of the PA 2008 ‘Duty to publicise’ also requires applicants for development consent to publicise their proposed application by publishing a notice (a ‘Section 48 Notice’) once in a national newspaper, once in the London Gazette, and in the case of a project like NZT that involves tidal waters the UK marine area, in the Lloyds List and an appropriate fishing journal, and for at least two successive weeks in a local newspaper circulating in the vicinity of the land to which the project relates.

Regulation 13 of ‘The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017’ (the ‘EIA Regulations’) requires applicants, at the same time as publishing the Section 48 Notice, to send a copy of that notice to the ‘consultation bodies’ and to any person notified to the applicant by the SoS under EIA Regulation 11(1)(c).

You have also been identified as a consultation body for the purposes of EIA Regulation 13 and therefore a copy of the Section 48 Notice that is being published is appended to this letter.

### **The Applicants**

Net Zero Teesside Power Limited (‘NZT Power’) and Net Zero North Sea Storage Limited (‘NZNS Storage’) have been incorporated on behalf of OGCI Climate Investments LLP (‘OGCI CI’). OGCI CI is part of the Oil and Gas Initiative (‘OGCI’), a CEO-led consortium that aims to accelerate the industry response to climate change and whose membership accounts for over 30% of global operated oil and gas production. One of OGCI’s key investments is NZT.

OGCI has significant expertise in the field of carbon capture, with 17 of the operational large-scale carbon capture and storage projects worldwide being operated by OGCI members. OGCI has earmarked over \$1 billion for accelerating the deployment of innovative low emissions technology. NZT is one of OGCI’s key investments. Further information on OGCI can be found at: <https://oilandgasclimateinitiative.com/climate-investments/#ccus>

NZT is owned by OGCI CI as a non-operating shareholder. From the end of June 2020, NZT is being developed by five OGCI members companies: BP, Eni, Equinor, Shell and Total, with BP leading as operator. NZT Power and NZNS Storage will promote NZT on behalf of these five member companies.

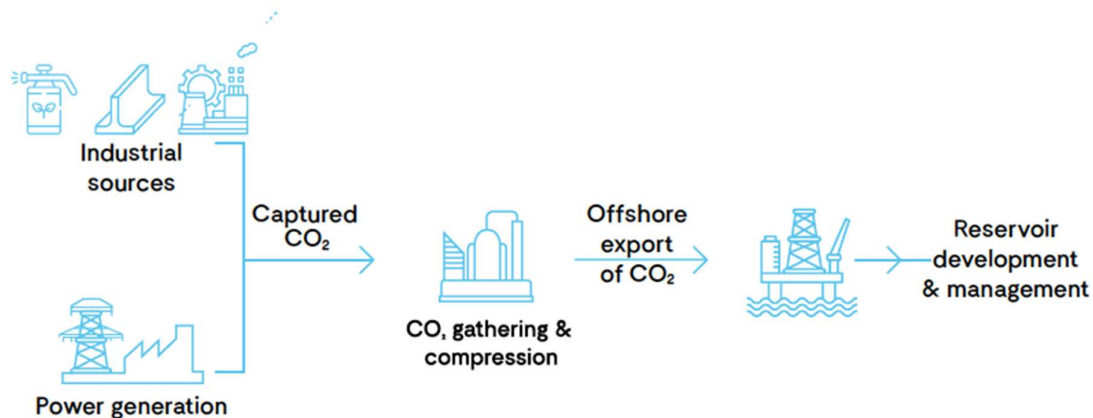
NZT Power will be responsible for NZT in so far as it relates to the construction, operation and decommissioning of the gas-fired power station together with the equipment required for the capture of its CO<sub>2</sub> emissions. NZNS Storage will be responsible for the construction, operation and decommissioning of the equipment required for the high-pressure compression of CO<sub>2</sub> from the power

station and local industries, as well as the CO<sub>2</sub> gathering network and the onshore section of the CO<sub>2</sub> transport/export pipeline.

NZNS Storage will also be responsible for the offshore elements of NZT, comprising the offshore section of the CO<sub>2</sub> transport/export pipeline to a suitable offshore geological CO<sub>2</sub> storage site under the North Sea, CO<sub>2</sub> injection wells and associated infrastructure. The offshore elements of NZT (with the exception of the pipeline crossings of the River Tees and the water outfall from the Project Site) will not be included in the application for development consent and will be subject to separate consent applications.

### What is Carbon Capture, Utilisation and Storage ('CCUS')

Carbon capture, utilisation and storage ('CCUS') is a process that removes CO<sub>2</sub> emissions at source, for example emissions from a power station or chemical manufacturing installation, and then compresses the CO<sub>2</sub> so that it can be safely transported to secure underground storage sites. It is then injected into layer of solid rock filled with interconnected pores where the CO<sub>2</sub> becomes trapped and locked in place, preventing it from being released into the atmosphere. The figure below shows what is involved.



The technologies used in CCUS are proven and have been used safely across the world for many years. Storage sites are located several kilometres underground and are subject to stringent tests to ensure that they are geologically suitable. In the UK, it is expected that the storage sites will be located offshore, in areas such as the North Sea.

CCUS is one of a number of technologies that are crucial to reducing CO<sub>2</sub> emissions and combatting global warming. The UK Government has committed to achieving net zero in terms of greenhouse gas emissions by 2050. This is a legally binding target.

### The Project Site

The Project Site lies within the administrative boundaries of both Redcar and Cleveland Borough Council and Stockton-on-Tees Borough Council. It also lies within the boundary of the South Tees Development Corporation ('STDC').

Most of the Project Site lies within the administrative area of Redcar and Cleveland Borough Council, although parts of the CO<sub>2</sub> gathering network and the power station's gas supply connection to the National Transmission System for gas would cross the River Tees into the administrative area of Stockton-on-Tees Borough Council. At this location the River Tees is tidal. In addition, there are

elements of the Project Site which extend into the North Sea/Coatham Sands. These sections of the Project Site are outside the jurisdiction of either local authority and are part of the UK marine area.

A plan is appended to this letter that shows the extent of the Project Site edged in red.

### **Project Description**

As confirmed above, NZT will be the UK's first commercial scale, full chain CCUS project, comprising the following elements:

- a combined cycle gas turbine power station with an abated capacity of up to 2.1 gigawatts output (gross) and post-combustion carbon capture plant;
- cooling water, gas and electricity grid connections for the power station;
- a carbon dioxide CO<sub>2</sub> gathering network, including CO<sub>2</sub> pipeline connections from industrial facilities on Teesside to transport the captured CO<sub>2</sub> (including the connections under the tidal River Tees);
- a CO<sub>2</sub> gathering and compression station to receive the captured CO<sub>2</sub> from the gathering network and power station; and
- a CO<sub>2</sub> transport/export pipeline for the onward transport of the captured CO<sub>2</sub> to an offshore geological storage site beneath the North Sea.

The power station and CO<sub>2</sub> gathering and compression station will be located on part of the former SSI steel works site in Redcar, land that is controlled by the STDC. The CO<sub>2</sub> transport/export pipeline will also start in this location before heading offshore. The power station connections and the CO<sub>2</sub> gathering network will involve land within both Redcar and Stockton-on-Tees, including crossings beneath the River Tees.

All of the above elements will be included in the proposed application for development consent, other than the CO<sub>2</sub> transport/export pipeline, which will be included only up to Mean Low Water Mark ('MLWM'). The CO<sub>2</sub> transport/export pipeline beyond MLWM and the CO<sub>2</sub> storage site in the North Sea will be separately consented.

### **Why is NZT needed?**

Carbon capture is proven technology and is already in use around the world. It has a critical role to play in reducing greenhouse gas emissions and keeping global warming below a two-degree Celsius increase.

Carbon capture will play an important role in meeting energy and climate goals. In the International Energy Agency Sustainable Development Scenario, carbon capture accounts for 7% of the cumulative emissions reductions needed globally to 2040. This implies a rapid scale-up of carbon capture deployment, from around 30 million tonnes (Mt) of CO<sub>2</sub> currently captured each year to 2,300 Mt per year by 2040.

NZT will support the overarching objective of the UK Government to continue transitioning the UK to a low carbon economy. The role that carbon capture technology has to play in achieving this transition is confirmed within the National Infrastructure Plan (2014), the Government's 'Clean Growth Strategy' (2017), the 'Clean Growth - The UK Carbon Capture Usage and Storage deployment pathway - An Action Plan' (2018) and most recently, the Government's commitment to achieve 'net zero' in terms of greenhouse gas emissions by 2050.

The commitment to achieve net zero was enshrined into UK law on 27 June 2019. The commitment is in line with the recommendations of the Committee for Climate Change ('CCC') set out in its report

(May 2019) 'Net Zero – The UK's Contribution to Stopping Global Warming'. The report is clear that if the net zero target is to be achieved greenhouse gas emissions will need to be offset by schemes that are capable of taking away large amounts of emissions from the atmosphere. Carbon capture is identified as having a key role to play in achieving this.

The executive summary to the CCC report (page 12) highlights that carbon capture is crucial to the delivery of zero greenhouse gas emissions and that it is of strategic importance to the economy. However, it raises a concern that carbon capture has barely started in the UK - of the 43 large-scale projects operating in the world, none are in the UK. The report goes on to state that the remaining greenhouse gas emissions in the UK must be offset by removing CO<sub>2</sub> and permanently storing it through technologies such as carbon capture. The important role of carbon capture is also stressed in terms of capturing the CO<sub>2</sub> from the production of hydrogen (given the ambition to move to a hydrogen economy that is seen as critical to achieving net zero) and from non-renewable electricity production (page 23). Carbon capture is therefore a necessity not an option.

### **Environmental Impact Assessment**

NZT is an Environmental Impact Assessment ('EIA') development for the purposes of EIA Regulations. The Applicants are therefore required to carry out an EIA of NZT and to submit an Environmental Statement ('ES') with the application for development consent, assessing the likely significant effects arising from the Project on the environment. The Applicants have already notified the SoS under Regulation 8(1)(b) of the EIA Regulations that they propose to provide an Environmental Statement ('ES').

Environmental information which the Applicants currently have is being made available during the consultation on NZT in the form of a Preliminary Environmental Information ('PEI') Report and Non-Technical Summary.

### **Consultation Documents**

The USB device that accompanies this letter contains the following Consultation Documents in order to assist you in considering and commenting on the Project:

- A plan showing the extent of the Project Site edged in red and the development areas of the Site (Figures 3-2A – 3-2E of the PEI Report);
- the PEI Report and its Non-Technical Summary; and
- the Section 48 Notice that is being published.

If you are unable to use the USB device the Consultation Documents can be accessed via the Project Website: [www.netzeroteesside.co.uk](http://www.netzeroteesside.co.uk)

If you are unable to use the USB device or access the Project Website, please email: [consultation@netzeroteesside.co.uk](mailto:consultation@netzeroteesside.co.uk) or telephone: **020 7489 4830**.

Details of a location where a hard copy of the Consultation Documents can be inspected free of charge is provided below. However, given the current Covid-19 pandemic ('coronavirus') and the Government's guidance, and in the interests of health and safety, we strongly encourage you to use the alternative methods of inspecting the Consultation Documents that we have provided, as described above. Inspection of the Consultation Documents at the location below will be by **appointment only** and will require up to 48 hours' prior notice. It is very important that you do not visit without an appointment. You will be asked to complete a Covid-19 Visitor Declaration prior to your visit. Appointments can be arranged by email: [consultation@netzeroteesside.co.uk](mailto:consultation@netzeroteesside.co.uk) or

telephone: **020 7489 4830**. Visiting arrangements will be explained to you prior to your visit. Visiting arrangements and opening times may be subject to change by the Applicants or the operators of the inspection location.

Inspection Location	Opening Times
South Tees Development Corporation, Management Offices, Redcar, TS10 5QW	Monday to Friday between 10am and 4pm excluding public holidays.

It is important that you observe all the latest Government and NHS guidance relating to Covid-19 if you wish to visit the above inspection location. Under current NHS guidance, you should not visit the inspection location if you are at high risk or very high risk from Covid-19: <https://www.nhs.uk/conditions/coronavirus-covid-19/people-at-higher-risk-from-coronavirus/whos-at-higher-risk-from-coronavirus/>. You must not visit the inspection location if you are unwell, have symptoms of Covid-19, or have recently been in contact with someone with Covid-19.

#### **Responding to the Consultation**

Comments can be submitted in the following ways:

**By email:** [consultation@netzeroteesside.co.uk](mailto:consultation@netzeroteesside.co.uk)

**By post:** Freepost NET ZERO TEESSIDE PROJECT CONSULTATION

All comments must be submitted **no later than 18 September 2020**.

The comments received to the consultation may be made public. However, no personal information will be published unless necessary (such as under a statutory duty which the Applicants or SoS has). We will take reasonable care to comply with the requirements of the General Data Protection Regulation. It is important that you read our Privacy Notice which can be found at: <https://www.netzeroteesside.co.uk/consultation-privacy-notice/>

Yours faithfully

**Andy Lane – on behalf of NZT Power & NZNS Storage**

Enc. Plan of the Project Site  
Section 48 & EIA Regulation 13 Notice  
USB device