

Date: 8 December 2020

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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

SECTION 42 ‘DUTY TO CONSULT’ OF THE PLANNING ACT 2008 – UPDATE CONSULTATION

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 (CO₂) 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. CO₂ from the power station, as well as from a cluster of local industries on Teesside, will be captured through a common CO₂ 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.

Section 42 Update Consultation

The Applicants undertook their Stage 2 Consultation on NZN between July and September 2020. At that time, you/your organisation were/was identified as a ‘prescribed person’ (or potentially as being a prescribed person) pursuant to Section 42 of the PA 2008 and related regulations who must be consulted about the Project.

As part of the Stage 2 Consultation, you/your organisation were issued with a ‘Section 42 Letter’ accompanied by a USB device containing various documents (the ‘Consultation Documents’) relating to the Project, including a Preliminary Environmental Information (‘PEI’) Report, and asked to provide any comments by 18 September 2020.

Since the close of the Stage 2 Consultation, the Applicants have undertaken further work on their proposals for NZN. This work has resulted in some changes to the Project, a number of which have been informed by the comments received to the Stage 2 Consultation. The Applicants are therefore undertaking further consultation on the Project to update you/your organisation on those changes and to provide an opportunity for you/your organisation to make comments.

Changes since the Stage 2 Consultation

The substantive changes that have been made to the Project since the Stage 2 Consultation are summarised below:

Confirmation of number of Combined Cycle Gas Turbine ('CCGT') trains within the power station - NZT is a 'first of a kind' Project and the decision has been made to proceed with one CCGT train (790 Megawatts electrical 'MWe' abated/840 MWe unabated) on the Power, Capture and Compression (PCC) Site for the first phase of the Project rather than up to three CCGT trains. This decision has been made in order to demonstrate to the Department of BEIS that carbon capture can be successfully applied to a dispatchable CCGT at a commercial scale before investment decisions are made on whether to increase this to include a second or third CCGT train. Any future CCGT trains will be subject to separate consent applications. The infrastructure needed for building out three CCGT trains will be sized appropriately to achieve the full Project. The CO₂ Export Pipeline will be sized to accommodate the full Project and within the PCC Site space is being set aside for additional compression facilities and any on-site utilities. Water Connections and Gas Connections are likely to be sized for one CCGT train initially with suitable tie-in points made available for future expansion.

Reduction in the area of the PCC Site - there has been a reduction in PCC Site (excluding temporary construction areas) approximately 59.9 hectares to approximately 39.6 hectares in view of decision to proceed with one CCGT train and also due to narrowing of options and corridors to bring connections into the PCC Site.

Reduction in the extent of and options for connection corridors - further assessment work has been undertaken to narrow and reduce the extent of the connection corridors required for NZT from those that were included within the Project Site for the Stage 2 Consultation. In addition, a number of connection corridors have now been removed as another option has been selected or they will not be developed in the first phase of the Project (the latter may be developed at a later stage if required). In particular, the following connection corridors have been removed:

- The potential Gas Connection Corridor through the north of Seal Sands.
- The potential Gas Connection Corridor from Seal Sands to the Redcar Bulk Terminal.
- The underground Electrical Connection Corridor to the east and south of the Wilton International Site.
- The potential CO₂ Gathering Network Corridor through the north of Seal Sands.
- The potential CO₂ Gathering Network Corridor to the Tees Renewable Energy Plant.

Other changes to the Project Site - the further assessment work has necessitated the inclusion of a number of additional areas into the remaining connection corridors within the Project Site for the following:

- To facilitate a corridor for a replacement water discharge pipeline, if required.
- To facilitate a gas connection to the National Grid Gas supply at Seal Sands.
- To facilitate the Gas Connection Corridor by crossing under the River Tees directly from Seal Sands to the PCC Site via a Horizontal Directional Drilled ('HDD') pipeline or bored pipeline tunnel.
- To facilitate an alternative gas connection using the existing Trafigura gas pipeline at Teesport and subsequently connecting to the PCC Site via a HDD pipeline or bored pipeline tunnel.
- To facilitate a change in the orientation of the landward section of the CO₂ Export Pipeline so that it passes to the south of Teesside A and B Windfarms.
- To accommodate potential uncertainty in the location of the former SSI Steelworks outfall within the water discharge corridor.

- The use of a small plot of land in Saltholme, located to the east of the A178 and to the north of Swiss Cottage, as a potential construction laydown area.
- To slightly widen the Electrical Connection Corridor to the north of British Steel at Lackenby to allow minor works on the highway network to facilitate the management and routing of abnormal loads.

The above changes reduce the extent of land included within the Project Site boundary providing more certainty to landowners about the proposals for NZT. In a number of areas, the boundary changes and reductions respond to comments received to the Stage 2 Consultation and which the Project Team has been discussing further with those parties. The changes are also expected to reduce the potential environmental effects of the Project from those presented in the PEI Report at Stage 2, since they will result in a reduction in the size and capacity of the power station, a reduction in the extent of and options for connection corridors, in addition to an increase in the distance between construction works and identified sensitive receptors. The predicted environmental effects of the Project will be further assessed and reported within an Environmental Statement that will form part of the application for development consent.

The current proposed extent of the Project Site boundary is shown on plan ref. NZT_P55_v11 that accompanies this letter. The main changes to the Project Site boundary since the Stage 2 Consultation are shown on plan ref. NZT_P59_v5 (also accompanying this letter).

Update Consultation Documents

This letter is accompanied by the following 'Update Consultation Documents' in order to assist you in considering and commenting on the changes to the Project:

- a plan (ref. NZT_P55_v11) showing the current proposed extent of the Project Site edged red; and
- a plan (ref. NZT_P59_v5) showing the main changes to the Project Site since the Stage 2 Consultation.

The Update Consultation Documents can also be accessed via the Project Website: www.netzeroteesside.co.uk

Responding to the Section 42 Update Consultation

Comments can be submitted in the following ways:

By email: consultation@netzeroteesside.co.uk

By post: Freepost NET ZERO TEESSIDE PROJECT CONSULTATION

All comments must be submitted **no later than 11.59pm on 25 January 2021.**

The comments received to the update 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/>

Next Steps

The Applicants will have regard to the comments received to this Section 42 Update Consultation in finalising their proposals for NZT and the application for development consent. We anticipate that the application will be submitted to the Planning Inspectorate, acting on behalf of the SoS for BEIS toward the end of Quarter 1 2021.

Yours faithfully

Andy Lane – on behalf of NZT Power & NZNS Storage

Enc. Section 42 Update Consultation Documents (x 2 plans)