

Change 1: Update on negotiations and implications

“The ExA note, with regard to Proposed Change 1: *potential to increase the frequency of freight train movements to facilitate bulk material imports by rail*, that the Applicant is involved in on-going negotiations with Network Rail and freight operating companies. The applicant should provide an update of the position with respect to these negotiations along with an outline of its intended approach and any implications for the change request should this potential not be realised.”

1 NETWORK RAIL

1.1.1 SZC. Co has been in discussion with Network Rail since 2011 in relation to the necessary work and agreements required to enable the Sizewell C Project to be served by rail for the delivery of construction materials. A brief timeline is set out below.

- In the period 2011-2016 SZC Co. and Network Rail worked together to establish rail freight principles for the Project which were the subject of Stage 1 and Stage 2 consultation in November 2012 and November 2016 respectively.
- SZC Co. and Network Rail (the “Parties”) signed a Basic Services Agreement in November 2015 to review a rail freight pre-feasibility study.
- July 2016: A Development Services Agreement was signed by the Parties to complete GRIP 1 and undertake GRIP 2 feasibility work.
- June 2017: Network Rail completed GRIP 2 feasibility study.
- July-December 2017: Engagement took place between the Parties on level crossing upgrades or closures required for the East Suffolk line.
- May 2018: Network Rail issued level crossings reports detailing proposed footpath diversions etc.
- January 2019: Stage 3 consultation including road and rail-led alternative proposals.
- June 2019: GRIP 2+ report issued and in August 2019 GRIP 2+ Order of Magnitude Cost issued.
- October 2020: A Basic Services Agreement was signed by the Parties for Network Rail to act as sponsor to support and guide the work on the rail freight strategy.

- November 2020: A Basic Services Agreement was signed by the Parties for the capacity analysis for pathing studies.
- December 2020: A SZC Co./Network Rail Project Board was established to formalise close joint working.

1.1.2 The engagement with Network Rail is highly collaborative. It principally operates through a fortnightly Project Board attended by senior representatives of the Parties. The Project Board keeps a tracker of issues, with timelines and responsibilities. The joint working is proving very effective, with an open sharing of relevant information. All relevant topics are in scope including:

- the condition, upgrading, design, implementation and operation of the Saxmundham to Leiston branch line;
- the suitability of the East Suffolk line to meet the required demand;
- freight logistics: including the freight management strategy, freight operating companies and rail pathing;
- SZC Co. is working closely with Network Rail to understand the feasibility of procuring “strategic freight paths” which could secure some rail freight capacity on the wider network earlier than using the standard industry processes;
- potential enhancements to the East Suffolk line; and
- the DCO examination.

1.1.3 SZC Co. and Network Rail are working together to agree further details of the anticipated works and rail freight strategy. However, pending agreement on those issues, it remains Network Rail’s position that it cannot give definitive answers as to whether the proposed rail freight strategy is possible and what mitigations are required to allow the programme to progress. However, both parties are working to address Network Rail’s concerns.

1.1.4 The Parties have applied an increased level of resource to the rail freight strategy as the discussions have progressed. Network Rail has appointed a project sponsor and additional design resource as well as making senior management time available for the fortnightly Project Board meetings, ad hoc meetings and a fortnightly progress report meeting with the local authorities. Both parties have appointed lawyers who have developed a process by which agreements can be put in place as required in good time. These are still under discussion. Both parties are confident that the relevant agreement will be entered into shortly. SZC Co.’s appointed consultants, WSP, are working to a detailed work schedule to generate design and other information to meet the Project requirements. This work

is proceeding to schedule and collaboratively with Network Rail towards the next principal design milestone, GRIP 3.

- 1.1.5 Good progress is being made through the discussions. For example, on 15 January 2020, Network Rail completed a Quality Assessment Review of a pathing study undertaken on behalf of SZC Co., which confirmed:

“The analysis produced has passed quality assurance, and Network Rail is able to support the use of this analysis to show the feasibility of operating up to four tpd (trains per day) in each direction to and from Sizewell”.

- 1.1.6 The joint work is focussed on the practical work and agreements necessary to ensure the provision of rail services to Sizewell in accordance with the requirements of the construction programme. The Parties are aware that these are matters on which the Examining Authority will want to satisfy itself. Accordingly, the Parties are working towards a Statement of Common Ground, in time for Deadline 1 in the Examination.

- 1.1.7 It is the intention of the parties to confirm in the Statement of Common Ground, or as soon as possible before or after submission of the Statement of Common Ground:

- The Parties are continuing to work closely and constructively with the aim of delivering the necessary capacity for the Sizewell C Project's rail freight strategy (details of joint working etc);
- the Parties have signed a legal frameworks agreement and have agreed to work together with the aim of delivering 2 tpd by December 2022 and 4 tpd per day by August 2023 (i.e. to be operational);
- the level of capacity is available (i.e. the relevant train paths are available for the number and timing of trains required);
- design has reached a sufficient stage to enable the Parties to confirm that there are no anticipated design impediments and the principle of the proposed design and works is acceptable;
- the principles of the Rail Noise Mitigation Strategy are agreed and no impediment is anticipated in their delivery;
- there is no legal, financial, operational or other impediment anticipated;
- GRIP 3 has been signed off;
- the Parties have committed to the enforceable implementation of the Rail Noise Mitigation Strategy;

- all legal agreements necessary by the relevant stage of the programme are signed; and
- (potentially and if appropriate) legacy enhancements to the East Suffolk line have been designed and there is a high level programme and agreement in place for their delivery so that the DCO can commit to them being in place by a specified date.

1.1.8 At present, SZC Co. has no reason to believe that this timetable will not be met.

2 FREIGHT OPERATING COMPANIES

2.1.1 In parallel, discussions are continuing with freight operating companies. The Project's requirement for bulk materials necessitates a considerable requirement for rail transport which for UK based supply is the optimum transport mode for these materials. To date SZC Co.'s logistics and procurement teams have engaged with all the bulk material suppliers (who in turn have discussed their requirements with Railfreight Operating Companies ("RFOCs")) and also directly with RFOCs to understand their capability and willingness to work on the Project. Without exception the RFOCs have provided evidence of their capability and continue to demonstrate a commitment to be involved with the Project (either directly or indirectly via the material supplier).

2.1.2 This engagement with the RFOCs involves and will continue to involve commercial discussions, along with their input into the Project rail infrastructure requirements, network freight capacity, train path and timetable planning, branch line operation, other modal shift opportunities and the risk management associated with a project of this scale. The requirements for rail transport are of a scale that this is a highly desirable Project for the RFOCs. Consequently, there are excellent levels of engagement and these are progressing at an increasing level of detail as the project moves forward.

3 IMPLICATIONS IF INCREASED FREQUENCY NOT REALISED

3.1.1 The Examining Authority has asked what the implications might be for the change request should the potential to increase the frequency of freight train movements not be realised.

3.1.2 The change request does not propose any alteration to the rail infrastructure applied for within the Application. It seeks acceptance of revised assessments which would enable (amongst other things) increased rail freight movements to be utilised as part of the Freight Management Strategy. Without acceptance of the change request, restrictions could be imposed within the DCO to limit rail freight movements to those assessed in the originally submitted Application.

- 3.1.3 SZC Co. has no reason to anticipate that the current discussions with Network Rail will be unsuccessful. The Parties are committed to work together to achieve the rail freight capacity described in the updated Freight Management Strategy (AS-280).
- 3.1.4 If for any reason, however, the potential to increase rail freight movements is not realised, the implications would be an increase in HGV movements. The submitted Application describes the position inherent in the rail movement assumptions set out at that time: namely up to 2 trains per day during the early years and up to 3 trains per day during the peak construction period. Table 4.1 of the updated Freight Management Strategy sets out the implications of different alternatives. This includes the implications of 0, 2 or 3 trains per day and describes the implications for HGV movements.
- 3.1.5 Other practical implications would include a need to re-examine the logistical and contractual obligations necessary to optimise the use of the proposed temporary BLF but Table 4.1 reflects what SZC Co. believes to be achievable outcomes for materials movement through the BLFs.