

**SOUTH TEES DEVELOPMENT CORPORATION, SOUTH TEES DEVELOPMENTS LIMITED AND  
TEESWORKS LIMITED**

**RELEVANT REPRESENTATIONS ON THE H2TEESSIDE DCO APPLICATION**

**1 Executive Summary**

- 1.1 The Teesworks site forms part of the UK's largest freeport, and at 4,500 acres, of which roughly 2,000 comprise developable land, it is Europe's largest brownfield site, situated on the previous location of the now-defunct Teesside steel manufacturing facilities to the south of the River Tees, in the Borough of Redcar and Cleveland.
- 1.2 The majority of the site is owned and managed by South Tees Developments Limited (Company No. 11747311) (**STDL**) and overseen by Teesworks Limited (Company No. 12351851), a joint venture private/public sector partnership which has the benefit of options to acquire the site. STDL is a wholly owned subsidiary of a mayoral development corporation, South Tees Development Corporation (**STDC**). The 25-year vision for the Teesworks site is for it to become a world-class industrial site heavily focused on clean energy and advanced manufacturing.
- 1.3 Teesworks Limited submits these relevant representations both in respect of its own interests, and as representative of the interests of STDC and STDL. Unless specifically indicated otherwise, the reference to "**the South Tees Group**" in these representations should be read as meaning all three parties.
- 1.4 The proposed H2Teesside (**H2T**) DCO application was submitted by H2 Teesside Limited (the **Applicant**) on 25 March 2024. The application was accepted for examination by the Planning Inspectorate on 22 April 2024.
- 1.5 The South Tees Group is an in-principle supporter of the H2Teesside proposals. The project will be a significant generator of jobs, directly and indirectly into the Tees Valley and also a contributor to the regeneration of the Teesworks site, with investment in line with the industrial typologies that STDC's) Master Plan seeks to attract.
- 1.6 The Applicant's DCO proposals include extensive powers of permanent acquisition and temporary use over land owned by STDL and Teesworks Limited and/or under option to Teesworks Limited. Accordingly, they are 'affected persons' within the meaning of section 59(4) of the Planning Act 2008 (the **2008 Act**) and as such are statutory parties for the purposes of section 88(3A) of the 2008 Act.
- 1.7 Whilst the South Tees Group has been liaising with the Applicant to reach commercial agreements for H2T's use of land in which it has an interest, the extent of land contained in the application for each work is not defined clearly, lacking both precision and sufficient detail. For instance, it is not clear from the available plans where, within broad areas, the utilities corridors will be located, or whether the existing corridors will be shared with H2T or other projects in the same area. There are also concerns with the potential impact of the proposed works on the highway network and on means of access to the Teesworks site.

- 1.8 The Applicant does not appear to have explained if, and how, it has coordinated its requirements with the details of the recently consented Net Zero Teesside (**NZT**) project, nor has it necessarily liaised sufficiently with the South Tees Group to ensure their respective proposals in the Teesworks site do not conflict. Because the Applicant has maximised its own design flexibility at the expense of precision, and has as yet not shared detailed information about the justification for the details of its H2T Project, the South Tees Group cannot determine the true impact of the Applicant's proposals on its own interests.
- 1.9 The H2T proposals risk sterilising the Teesworks site and negatively impacting the South Tees Group's pre-existing and ongoing development plans, but the Applicant has not offered bespoke protective provisions, in contrast with the consented NZT DCO. The South Tees Group strongly believes that these protections are required for this project as well, and it intends to submit its own preferred form of protective provisions for consideration by the Applicant and the Examining Authority.
- 1.10 In view of the above concerns, which are articulated in greater detail below, The South Tees Group is submitting a **holding objection** to the proposals. However, Teesworks is committed to working with the Applicant to reach agreement on the matters raised in this objection prior to the end of the examination.
- 1.11 Teesworks' Limited, under the umbrella representations led by STDC, was actively involved in the NZT DCO application process and made representations and comments throughout that process. Some of those comments are repeated here because the Applicant has, in certain cases, repeated the same approach taken in the NZT DCO process.

## **2 Background and the potential impact on The South Tees Group**

- 2.1 The Teesworks development comprises approximately 4,500 acres (of which roughly 2,000 comprise developable land) to the south of the River Tees, in the Borough of Redcar and Cleveland. The majority of this land was acquired by STDC under the *South Tees Development Corporation (Land at the former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019* (the **2019 CPO**). All of the land was subsequently transferred to STDL, which is a subsidiary of STDC, and Teesworks Limited retains significant interests in the land – both in terms of ownership and over which it has the benefit of options – within and around the Teesworks development and which will be affected by the H2T project.
- 2.2 Subsequent to the 2019 CPO, Teesworks Limited has been proactive in initiating redevelopment of the Teesworks site, supporting and coordinating enabling works for redevelopment. The regeneration of the area is being supported by Government, who awarded STDC £123 million in funding to undertake land remediation, paving the way for large-scale industrial investment.
- 2.3 To date, the South Tees Group has implemented a number of ground preparation projects across the site, clearing derelict structures and remediating land so as to provide development plots and infrastructure to attract and support end-user developments. In December 2020, outline planning permission was granted for development of 418,000 sqm (gross) of general industrial and storage and distribution uses at the South Bank site.

- 2.4 Throughout 2022, outline planning permission was granted for over 880,000sqm (gross) of floorspace across a further four sites, resulting in planning permission for business/industrial development across much of the Teesworks site including within the H2T Order limits. Planning permissions for end-user developments have since followed, including for the development of a 100,000sgm facility for SeAH Wind's manufacturing of offshore monopiles at South Bank along with the development of a new Quay, both of which are well advanced. Reserved Matters approval has also been granted for a renewable fuels production facility on behalf of Circular Fuels Arboretum and separately for the construction of a Sustainable Aviation Fuels facility on behalf of Willis Sustainable Fuels UK Limited.
- 2.5 In March 2021, as part of the Spring Budget and in recognition of its national significance as a regeneration site, the Teesworks site was announced as one of the first places to receive Freeport status under the new Government policy to create freeports across the country. The Teesworks site now forms a large part of the UK's largest freeport and has been set up to promote the economic growth and commercial development of the Tees Valley by converting assets into opportunities for business investment and economic growth.
- 2.6 The Teesworks site's freeport status means businesses will benefit from a wide package of tax reliefs, simplified customs procedures, streamlined planning processes and government support to promote regeneration and innovation. For example, companies operating within the freeport area can benefit from deferring the payment of taxes until their products are moved elsewhere, or can avoid them altogether if they bring in goods to store or manufacture on site before exporting them again.
- 2.7 To inform STDC's development strategy and to help ensure the comprehensive and efficient use of its land, it developed a master plan which informed the preparation of supplementary planning policy for the Teesworks site. When STDC was established, it was agreed between Tees Valley Combined Authority (which was established by STDC pursuant to its powers under the Localism Act 2011) (**TVCA**) and Redcar & Cleveland Borough Council (**RCBC**) that RCBC would retain planning powers and continue to act as the local planning authority for the Teesworks site in respect of planning policy and development management, and in the processing of planning applications. All planning applications for development proposals within the Teesworks site must therefore be determined in accordance with the adopted Redcar and Cleveland Local Plan unless material considerations indicate otherwise. The Local Plan should therefore constitute an "important and relevant consideration" for the purposes of examining and deciding the H2T DCO application under section 104 of the 2008 Act.
- 2.8 In accordance with the master plan, Teesworks Limited is working closely with STDC, TVCA, RCBC and major operators across South Tees to ensure the full development potential of the Teesworks site and the South Tees area generally is realised, and that its position as an engine for growth in the economy of the Tees Valley is fully capitalised on.
- 2.9 In order for the South Tees Group to realise the full development potential of the Teesworks site, it is seeking to bring those developments forward without undue disruption from the H2T project.
- 2.10 The proposals set out by the Applicant in their application for a DCO present significant concerns to the South Tees Group. These key issues can be split into three groups:

- 2.10.1 **Land and Works** – including concerns over with the extent of land subject to compulsory acquisition or temporary possession;
- 2.10.2 **DCO** – issues with the provisions contained in the draft Order; and
- 2.10.3 **Environment** – comments on several environmental matters arising from a review of the application.

### 3 Land and Works

#### *Excessively wide land requirements*

- 3.1 Section 122 of the 2008 Act states that an order granting development consent may only include powers of compulsory acquisition where:
  - 3.1.1 the land is:
    - (a) required for the development to which the development consent relates,
    - (b) required to facilitate or is incidental to that development, or
    - (c) replacement land which is to be given in exchange for the order land under section 131 or 132; and
  - 1.1.1 there is a compelling case in the public interest for the land to be acquired compulsorily.
- 3.2 The *Planning Act 2008, Guidance related to procedures for the compulsory acquisition of land* (DCLG, Sept 2013) (the **Guidance**) requires the Applicant, amongst other things, to satisfy the Secretary of State that:
  - 3.2.1 “all reasonable alternatives to compulsory acquisition (including modifications to the scheme) have been explored”;<sup>1</sup> and
  - 3.2.2 “the land to be acquired is no more than is reasonably required for the purposes of the development”.<sup>2</sup>
- 3.3 Chapter 4 of the Environmental Statement (APP-056) is clear that the area covered by some works is larger than required and that the Applicant is making use of the “Rochdale Envelope” principle, whereby it requires additional flexibility for its Project to be carried forward into the post-consent implementation phase. The South Tees Group draws the Examining Authority’s attention to *the Planning Act 2008, Guidance on the pre-application process* (DLUHC, April 2024)<sup>3</sup> (the **Pre-Application Guidance**) which notes that use of the Rochdale Envelope is by now well-established but also states that taking this approach “*will therefore increase the*

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<sup>1</sup> Paragraph 8

<sup>2</sup> Paragraph 11

<sup>3</sup> [Planning Act 2008: Pre-application stage for Nationally Significant Infrastructure Projects - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/123456/Planning_Act_2008_-_Pre-application_stage_for_Nationally_Significant_Infrastructure_Projects_-_GOV.UK.pdf).

*amount of evidence required to be submitted in support of the application.*” The Applicant has not provided sufficient justification for its excessive land requirements for the Project, most notably around utilities corridors.

- 3.4 Additionally, the South Tees Group understands that the H2T Order Limits includes land falling outside the scope of the option agreement being negotiated for the H2T works (discussed further below), and which is understood to be proposed for HyGreen<sup>4</sup>, NZT and future projects. If the Applicant is not negotiating to acquire that additional land (which covers a significant part of the Teesworks site) for the H2T project, it should not be included within the scope of compulsory acquisition powers contained in the H2T draft DCO.
- 3.5 Additionally, it appears that land in and around plots 14/10, 14/11, 14/12, 14/16, 14/17 and 14/24 as shown on sheet 14A of the Land Plans (AS-003), is already subject to permanent acquisition of rights under the NZT DCO. It also appears that many plots along the highways to the southeast of the main Teesworks site in which the South Tees Group has interests are already subject to the acquisition of rights or temporary possession under the NZT DCO. In each case, the overlap between projects is unclear and it is unclear from the Applicant’s documentation how this impact on land has been minimised, and how the overlapping works will be managed to minimise disruption and sterilisation.

#### ***Utilities corridors***

- 3.6 The South Tees Group’s view is that the Applicant is seeking permanent rights over utility corridors which are wider than reasonably required, may not align with NZT or existing on-site corridors in the same area (see Table 1 below), and are not justifiable having regard in particular to the Guidance cited above. The Applicant should only be seeking compulsory acquisition powers over the minimum amount of land required for the Project, whereas the proposed utilities corridors as shown in the current Works Plans (AS-005) often cover large swathes that the Applicant justifies with the Rochdale Envelope principle. For instance, two water connection options are included within the Order Limits, and the Applicant acknowledges in paragraphs 4.3.30 and 4.3.37 of the Environmental Statement (APP-056) that they are currently shown as one “broad corridor” rather than more realistic ones, “to account for all options”.
- 3.7 Land is also proposed to be acquired for multiple energy supply connection alternatives (paragraph 4.3.25 of the Environmental Statement), pipelines for potential gas supplier connections as potential replacements for specific onsite Project features (paragraph 4.3.10) and potential alternatives for hydrogen transmission routeing and connections (paragraph 4.3.23). The entire main Teesworks site is shown on the Works Plans (AS-005) as being required for many of the utilities corridors, which does not correspond with what is reasonably required – nor with the narrower corridors in the NZT DCO (see further Table 1 below).
- 3.8 The lack of detail on the precise location of final utility corridors within the DCO application and the broad acquisition and use of land in which the South Tees Group has interests hinders the South Tees Group’s understanding of the Project. It may harm future development plans and it potentially prevents the full benefits of the freeport designation from being realised. The use of

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<sup>4</sup> HyGreen is a separate development proposed for the main site, which is anticipated to be consented via planning application to Redcar & Cleveland, the local authority (reference R/2023/0179/SCP).

any utilities corridor permitted by the draft DCO must be conditional upon the potential for the service corridors to change as a result of other developments and permissions on the Teesworks site. It is therefore imperative that the Applicant rationalises the proposed utilities corridors to that which is actually required, and that it seeks to share these corridors with other end users wherever possible.

- 3.9 The South Tees Group retain significant concerns about the extent of its land included within the Project's Order limits for utilities. It is also not clear from the application documents why plot 15/243 (and nearby plots) are included, or why they are so extensive, given South Tees Group's understanding of the Applicant's water pipeline requirements.

*Table 1: Teesworks' initial assessment on the interface between the NZT and H2T proposals*

	<b>NZT</b>	<b>H2T</b>
<b>Main sites</b>	<p>The main works area largely falls within the eastern half of the Teesworks site (roughly between plots 375, 402, 457, 399 and 341) and touches the NZT Order Limits to the north and east of the sides only.</p> <p>Specific utilities are discussed below. In terms of the main site, utilities corridors generally run along specific routes within the Order Limits, rather than being shown as occupying the main site in an undifferentiated way.</p>	<p>The main works area is a large block covering the western half of the Teesworks site (roughly between plots 13/19, 14/9, 14/5 and 13/15), extending to the Order Limits toward the north and west of the site and then to the horizontal corridor across the southern side of the main area.</p> <p>Specific utilities are discussed below, but there is not much specific detail included about which main site areas are required for which connections corridors, which are generally far broader than they were for the NZT project.</p>
<b>Temporary compounds</b>	<p>The construction compounds and laydown areas are located south of the main works.</p>	<p>It is not clear how the H2T proposals integrate / dovetail with the temporary land required for the NZT project.</p>
<b>Water corridors</b>	<p>The freshwater connection works run from the main site to the southeast, toward Coatham Marsh before reaching the A1085 at plot 532. The wastewater disposal pipeline runs along the eastern boundary of the main site between plots around 464 and 343. The</p>	<p>The water supply connection works and wastewater disposal works cover much of the eastern half of the main site, as well as the same horizontal corridor that runs across the entire southern border of the main site. This is much wider than the equivalent NZT works.</p>

	<p>replacement outfall extends northeast from the main site from plot 448 and into Tees Bay. No main site land is dedicated to the outfall.</p>	<p>The water supply connection works proceed southeasterly toward Coatham Marsh before reaching the A1085 around plot 15/235. Although this corridor seems to align with NZT's, the South Tees Group has land interests along this corridor and notes concern about its location being incorrectly shown.</p>
<b>Gas corridors</b>	<p>The CO2 gathering network corridor runs across the main site around plot 429 then down its eastern boundary before proceeding westward via the Sembcorp Tunnel, across the River Tees and through Billingham.</p> <p>The CO2 compression station is located elsewhere on the main site, around plots 415 and 402 just below plot 448 and the CO2 export pipeline.</p>	<p>The hydrogen distribution network uses the horizontal corridor that runs across the entire southern border of the main site as described above. Continuing roughly to the southeast, it is broad and includes land where the South Tees Group has interests (including around plots 15/179, 15/182, 15/183, 15/186, 15/187, 15/188, etc.). It appears to overlap with the substation connection. The hydrogen transmission network is currently designed very broadly.</p> <p>The CO2 export pipeline covers much of the eastern half of the main site and the horizontal corridor that runs across the entire southern border of the main site, as described above including over land where the South Tees Group has interests. As with the other utilities corridors, particularly on the main site, it is not clear what works will take place and exactly where within the area.</p>
<b>Electricity corridors</b>	<p>The electrical connection works cover part of the eastern half of the main site roughly between plots 391, 400, 457 and 456 then and extend south along the above-noted main site eastern</p>	<p>The electrical connection works cover much of the eastern half of the main site, as well as the horizontal corridor that runs across the entire southern border of the main site including</p>

	<p>boundary and southeast from there.</p> <p>The substation connections are located to the southeast of the main site.</p>	<p>over land where the South Tees Group has interests. These are both much wider than the equivalent NZT areas and again, it is not clear what works will take place, where, within the area.</p> <p>The substation connections are located to the southeast of the main site.</p>
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3.10 In summary, Table 1 reveals that the extent of the land being sought by the Applicant is very broad. Given the significant impacts of the H2T project on the Teesworks site, compulsory acquisition cannot be justified merely on the basis that it would be more convenient to the Applicant to set its detailed land requirements post grant of a DCO.

3.11 To address this, the South Tees Group requires that the DCO application is amended to:

3.11.1 rationalise the proposed pipeline routes, which as currently proposed will sterilise future projects in the area to the detriment of future job creation and investment in Tees Valley. Interference with existing and planned development at the Teesworks site could be minimised by:

- (a) reducing the width of the utility corridors such that they correspond to the extent of land that will reasonably be needed;
- (b) utilising existing utility corridors within the Teesworks site, including those included in the NZT DCO; and
- (c) engaging with the South Tees Group regarding how various overlapping projects in the area can be carried out compatibly and successfully.

3.11.2 provide greater clarity and certainty as to any temporary use of the South Tees Group's land; and

3.11.3 provide the South Tees Group with a consent mechanism over any proposed exercise of works and land powers over the Teesworks site, given the potential impact of the combined effects of the H2T, NZT and Hygreen projects.

3.12 The South Tees Group also notes that there are no easement agreements in place for the Applicant's proposed utilities corridors. The relevant member of the South Tees Group is willing to provide the necessary easements for services and access, provided that the connection route and extent of the corridors are agreed, and the corridors do not prejudice current or future services required by other developments on the Teesworks site.

3.13 The South Tees Group raised its concerns about the extent of land take in its response to statutory consultation, and requested that meaningful discussions be held as a matter of urgency. The Applicant has not subsequently engaged in any such discussions. The South Tees Group therefore questions whether section 122 of the 2008 Act and the associated

Guidance has been complied with insofar as the South Tees Group's interests in land are concerned. The Applicant has not demonstrated that all of the land subject to compulsory acquisition and temporary possession is required, and therefore a compelling case in the public interest has not been made out for the extent of powers being sought.

### ***Streets, rights of way and accesses***

- 3.14 The Applicant seeks rights over streets, rights of way and accesses in which the South Tees Group has an interest, and a suite of related works powers is contained in the draft Order. At this stage, the Applicant has not provided sufficient information for the South Tees Group to understand what precisely is being proposed. The South Tees Group will require protective provisions in the draft DCO to protect its interests in this regard. Based upon an initial review of the DCO application, the following observations are made.
- 3.15 The proposed access for which the Applicant seeks rights in plots [15/237] (and nearby plots) is unacceptable to the South Tees Group because it interferes with a planned park and ride site, which Teesworks is developing to support the NZT DCO. The South Tees Group requires this access to be relocated.
- 3.16 The Project's Temporary Traffic Regulation Plans (AS-009) show restrictions being proposed at the A1085 roundabout access to the Teesworks site, specifically "*lane closure, temporary 30mph speed limit, parking restrictions*". As this roundabout forms a major route of access into the site, the South Tees Group queries the justification for the restrictions and requests more information about their duration and the specific parking restrictions being envisioned. Mitigation may be required.
- 3.17 The A1085 roundabout is shown in drawing 9 of the Access and Rights of Way Plans (APP-011) and forms the major access point to the Teesworks site. The South Tees Group is concerned about the Applicant's use of this roundabout in general, and it requires more information from the Applicant to assist in understanding the potential impacts.
- 3.18 The use of any access route permitted by the draft Order must be conditional upon the potential for the routes of access to change as a result of other developments and permissions on the Teesworks site.
- 3.19 Land in which the South Tees Group has an interest is being used to facilitate access to, and make highway improvements in relation to, the Project. This includes land around the Ore Terminal, and land to the southeast of the main site around The Fleet and along the A1053 corridor, as shown on sheets 14A and 15 of the Land Plans (AS-003). This land is not associated with a particular work number, and the Works Plans (AS-005) also show land to be acquired or used for these purposes without further specifications. The Applicant therefore does not demonstrate that the land is "reasonably required" for the purposes of the Project, in line with the Guidance.
- 3.20 Additionally, some of the land to be acquired for highways improvements around the Ore Terminal and toward the Steel Works is within the Teesworks site and appears to overlap with land to be acquired for the same purposes in the NZT DCO. H2T requires clarity on why further

improvements are needed on core Teesworks site roads for the H2T DCO, beyond those that were requested for the purposes of the NZT DCO.

### ***The Applicant's programme***

- 3.21 The Applicant's DCO documentation to date does not provide enough information on the construction programme to allow the South Tees Group to determine the likelihood or level of disruption to its land interests and business, or work with the Applicant to devise less intrusive alternatives.
- 3.22 Although it is unclear, the timing of the Applicant's proposals may coincide with other development proposals on the Teesworks site and also with the HyGreen development in the same area. The Applicant has not engaged with the South Tees Group about an interface agreement, and the South Tees Group requests the Applicant be asked to provide more information about how the projects are envisioned to proceed contemporaneously without negatively impacting one another.

### ***Sterilisation of, and conflict with, NZT and other South Tees Group development***

- 3.23 For the reasons outlined above, as matters stand in the DCO application the development proposals have the potential to lead to the under-utilisation or sterilisation of large tracts of land on the Teesworks site that is earmarked for regeneration. The DCO Order Limits include part of the Teesworks Freeport tax free zone. The South Tees Group, the Freeport, and the wider community will be deprived of the time-limited tax benefits in relation to those plots while the Applicant is in possession of the land.
- 3.24 Put another way, absent resolution of the matters outlined above, implementation of H2T would be at odds with the statutory designations which have been put in place to secure the regeneration of the Teesworks site, and contrary to the Local Plan. Whilst the South Tees Group and its land interests do not engage section 127 of the 2008 Act, the potential impacts of H2T would be tantamount to causing a serious detriment to the achievement of the objects and purposes of the Teesworks site.
- 3.25 The Guidance requires the Applicant to satisfy the Secretary of State that there is compelling evidence that the public benefits that would be derived from the compulsory acquisition will outweigh the private loss that would be suffered by those whose land is to be acquired. Were the compulsory powers in the DCO granted (in their current form), the South Tees Group is at risk of not being able to bring forward other development proposals for the site.

### ***Land assembly by agreement***

- 3.26 Since the South Tees Group supports the H2T project in principle, it has been and remains open to entering into voluntary agreements with the Applicant that would provide the required interests and obviate the need to exercise compulsory acquisition powers.
- 3.27 As noted above, the South Tees Group is seeking to enter into an option for the grant of lease(s) in favour of the Applicant for land at the Foundry site. Line 58 of the Applicant's Schedule of Negotiations and Powers Sought (APP-026) notes that the majority of commercial terms are agreed on the option and lease agreements, in addition to which "*the parties are agreeing*

*additional terms, including the provision of services that Teesworks Limited may provide to the Proposed Development, and easements that cross Teesworks/STDL land*". However, the H2T Order Limits extends well beyond the land encompassed in the draft agreement. Since agreement has not yet been reached, and since no easements are yet in place for the Applicant's utilities and services corridors, the South Tees Group has concerns about the Applicant's uncontrolled acquisition powers in the draft Order.

- 3.28 The Guidance requires the Applicant to seek to acquire land by negotiation wherever practicable and to only seek powers of compulsory acquisition if attempts to acquire by agreement fail. It is unclear to the South Tees Group why the Applicant has submitted its application for a DCO without progressing and concluding negotiations with the South Tees Group for the temporary and permanent rights required for the Project, beyond the main site. The South Tees Group is mindful of the Applicant's programme but it is unreasonable to seek compulsory acquisition powers without first entering into meaningful or genuine negotiations for those interests.
- 3.29 The South Tees Group's' position remains as articulated during the NZT DCO process, namely that compulsory acquisition of its land and interests should be subject to "prior consent" provision contained in protective provisions.

#### ***Statement of Reasons***

- 3.30 The Applicant's Statement of Reasons (APP-024) does not clearly justify its acquisition of each plot or new rights. The South Tees Group considers that the document would benefit from a schedule setting out the purpose for which powers are sought, on a plot-by-plot basis, connecting each plot to a work number. The South Tees Group requests that the Examining Authority, if they are minded to agree, require the Applicant to produce such a schedule prior to the start of examination.

#### ***Project interface document***

- 3.31 The Applicant discusses the Project's interfaces with NZT and HyGreen within the Statement of Reasons (APP-024), which document notes the projects are progressing collaboratively with a view to synergy and co-operation. However, the South Tees Group notes that although its land interests are affected by the projects, the Applicant has not brought it into discussions about how the projects can "take appropriate account" of its interests, nor has the Applicant provided the South Tees Group with any type of document that illustrates how the interfaces will work spatially or temporally.
- 3.32 The South Tees Group understands that there is overlap between the development boundaries for NZT, H2T and HyGreen. Requirement 33 of the Applicant's draft DCO has made an effort to manage those interfaces. However, applicants in other DCO schemes that interface with other projects have produced interrelationship documents to control their interaction. The South Tees Group directs the Examining Authority's attention to document APP-550 from the Lower Thames Crossing DCO, which sets out that project's interfaces with both other Nationally Significant Infrastructure Projects and other major development Schemes. The South Tees Group requests that the Examining Authority, if they are minded to agree, requires the Applicant

to produce an interrelationship document covering NZT, H2T, HyGreen and any other known schemes affecting the Teesworks site and the surrounding area prior to the start of examination.

### **Schedule of Negotiations**

- 3.33 The Schedule of Negotiations (APP-026) notes that “*The Applicant and Teesworks/South Tees Developments Limited (‘STDL’) are proactively working together to reach agreement on Option and Lease terms for the Foundry site. The majority of commercial terms relating to the Option and Lease agreements have been agreed, with the remaining points expected to be agreed over the coming weeks. The parties are in constant and regular dialogue, with technical, commercial, and legal meetings taking place on a weekly basis. In addition to negotiating terms to develop the main site, the parties are agreeing additional terms, including the provision of services that Teesworks may provide to the Proposed Development, and easements that cross Teesworks/STDL land.*”
- 3.34 However, as noted at above, the land plan appended to the draft option agreement shows that the main Project site extends well beyond what is under negotiation. Additionally, it includes land that will be used for NZT and HyGreen. The South Tees Group requests accurate plans showing the precise extent of the site subject to the agreement under negotiation, as well as more engagement and clarity from the Applicant in negotiations. This should avoid some of the requirements for compulsory acquisition of its land.

## **4 DCO**

- 4.1 **Article 2 “permitted preliminary works”** – The definition of “permitted preliminary works” includes protection of existing infrastructure, earthworks and excavations, temporary access roads, paving, and the diversion and laying of certain utilities, which makes it more extensive than the equivalent definition in the NZT DCO. The NZT definition is already wide-ranging, and it is not yet clear to the South Tees Group what impact the “permitted preliminary works” will have on the Teesworks site, but the South Tees Group needs to understand their scale, timing and location. Since these works are on the face of it quite widely scoped and will coincide with NZT and other major development taking place at the site, the South Tees Group requests that the Applicant either narrows the definition of “permitted preliminary works” or puts in place sufficient protective provisions to ensure the works are appropriately controlled and coordinated.
- 4.2 **Article 8 – Consent to transfer benefit of the Order** – the South Tees Group requests that a proposed transfer of the Order powers to a third party, where not subject to Secretary of State approval, be made subject to prior notification to the South Tees Group. The Secretary of State accepted this provision in the NZT DCO, but it does not appear in the H2T draft DCO. The equivalent provision from NZT should be replicated.
- 4.3 **Article 10 – Power to alter layout of streets, Article 11 – Streetworks, Article 12 – Construction and maintenance of new or altered means of access, Article 14 – Access to works** – these articles appear to authorise works to create / improve access ways onto the Teesworks site at, and in the vicinity of, Steel House Gate roundabout (see Schedules 4 and 5 to the draft DCO (APP-027) and sheet 9 of the Access and Rights of Way Plans (APP-011)). This would not require the South Tees Group’s prior approval, and where off-highway,

maintenance responsibility would fall to the South Tees Group after 12 months from completion. Although some of the general powers to undertake street or access works require prior approval, only the relevant planning authority has approval rights over new accessways. Additionally, potential new means of access are not restricted to the Order limits.

- 4.4 The South Tees Group requests that the Applicant puts in place adequate controls or sufficient protective provisions to ensure the Applicant's powers will not harm the operation of the Teesworks site.
- 4.5 **Article 13 – Temporary stopping up of streets, public rights of way and access land, Article 16 (Traffic regulation measures)** – The South Tees Group is concerned that these articles permit, without prior approval, the following temporary measures:
- 4.5.1 temporary closure / restriction of part of a section of private road on the Teesworks site between points JA and JB shown on sheet 9 of the Access and Rights of Way Plans (APP-011);
- 4.5.2 temporary closure / restriction of part of the A1085 at Steel House Gate roundabout between points JC and JD shown on sheet 9 of the Access and Rights of Way Plans (APP-011);
- 4.5.3 temporary lane closures and related restrictions on the A1085 as shown on the Temporary Traffic Regulation Measures Plan (APP-019) as TM14 and TM15; and
- 4.5.4 temporary closure of sections of the Coast Path public footpath passing through the Teesworks site.
- 1.2 Additionally, the South Tees Group notes the Applicant's general powers under article 13 to implement closures or restrictions to the highway and private streets, although no prior approval is required under article 16 to take traffic regulation measures.
- 1.3 As with the foregoing articles, the scope of the Applicant's powers over rights of way and traffic regulation is quite broad and the South Tees Group is concerned about potential adverse effects on the South Tees Group's operations. The South Tees Group requests that the Applicant puts in place adequate controls or sufficient protective provisions to ensure the Applicant's powers will not harm the development and operation of the Teesworks site.
- 4.6 **Article 19 – Protective works to buildings and Article 20 – Authority to survey and investigate land** – The South Tees Group does not in principle object to these articles but requests that the Applicant engage in discussion about potentially moderating the scope of these articles using protective provisions.
- 4.7 **Part 5 – Powers of acquisition** – The South Tees Group does not in principle object to provisions permitting the Applicant to acquire land and rights permanently, or to take temporary possession of land for construction maintenance. However, the South Tees Group requests that the Applicant make provision requiring the South Tees Group's prior approval over all H2T works on land it owns or occupies.

- 4.8 **Article 25(2) (Compulsory acquisition of rights etc.)** – Although the South Tees Group agrees that in principle statutory undertakers may need to exercise rights in the draft Order directly, it is unclear from the draft Order which statutory undertakers could receive and enforce rights over the Teesworks site. The Applicant should clarify the position by identifying each statutory undertaker it envisages transferring the benefit of article 25.
- 4.9 **Article 39 – Planning permission etc.** – This power regulates the interface between overlapping planning permissions by preventing enforcement action from being taken in circumstances where multiple permissions have been granted over the same area and development carried out under one permission has made it impossible for another development to proceed. This is potentially relevant for H2T development, because NZT and HyGreen are both planned for the same general area. Figure A8 from the HyGreen planning permission (ref. no. R/2023/0179/SCP) demonstrates the proximity of these projects, among others.
- 4.10 More information is requested about the Applicant’s intended use of this article, and the South Tees Group requests that the Applicant puts in place adequate controls or sufficient protective provisions to ensure the Applicant cannot rely upon this article to avoid implementing essential mitigation or other commitments from a different consent.
- 4.11 **Article 43 – Procedure in relation to certain approvals** – the South Tees Group objects to the inclusion of this “deemed consent” provision where it does not respond to a request for consent or approval under the DCO within six weeks. If the Applicant intends to retain this provision, the South Tees Group considers that it should either be amended to a “deemed refusal” provision or constrained via protective provisions when it relates to the South Tees Group’s interests.
- 4.12 **Schedule 2 – Requirements, Schedule 13 – Procedure for Discharge of Requirements**– the South Tees Group notes and welcomes that the draft H2T DCO replicates the consultation role as established for STDC in the NZT DCO. Otherwise, the South Tees Group comments as follows on specific requirements:
- 4.12.1 **Requirement 10 – Surface and foul water drainage, Requirement 15 – Construction Environmental Management Plan** – Although the South Tees Group will be consulted on these matters, the Applicant is only required to act “in substantial” accordance with” DCO mitigation measures and framework plans. In the NZT DCO, the requirement was to act “in accordance with” the equivalent requirements. The different H2T wording implies that the Applicant does not need to comply as closely with environmental commitments for H2T, so the South Tees Group requests that the Applicant justifies the different wording or removes “substantial” from the H2T DCO.
- 4.12.2 **Missing requirements** – several requirements that were included in the NZT DCO are omitted from the H2T DCO, which concerns the South Tees Group. The Applicant should justify omission of requirements relating to detailed design and approval of means of vehicular access; construction works travel plan; and control of noise – operation.

- 4.12.3 **Requirement 33 – Disapplication of requirements discharged under The Net Zero Teesside Order 2024** – This requirement provides that, subject to the relevant planning authority’s approval, any requirement under the H2T DCO may be disapplied where it has already been discharged pursuant to the NZT DCO. The South Tees Group should be a consultee on this matter, to provide a safeguard in case an approval under the NZT DCO is not considered to have properly addressed matters relevant to H2T.
- 4.12.4 **Schedule 13** – Paragraph 2 of Schedule 13 appears to allow the local planning authority to approve material changes to the consented scheme, but the intention of this drafting is not explained in the Applicant’s explanatory memorandum (APP-028). This may be inconsistent with Requirement 31, and it is not clear how a local planning authority will make and publicise a determination of “materially new effects” that result in deemed refusal. The South Tees Group is concerned about potential negative effects on the Teesworks site and requests the Applicant make provision for the South Tees Group to retain some control about changes that go outside of the consented H2T scheme.
- 4.13 **Schedule 12 – Protective provisions** – Part 3 of Schedule 12 provide generic protective provisions for third party apparatus, which should afford some protection to apparatus either within or with the benefit of rights over the Order limits. However, the NZT DCO included bespoke protective provisions for STDC and Teesworks Limited that offered a much higher level of protection to both entities based on their land interests rather than their ownership of underlying and associated infrastructure. The South Tees Group has serious concerns about its interests in the Teesworks site not being captured by the H2T protective provisions as drafted, and it requires protections equivalent to the NZT DCO provisions, primarily in the following ways:
- 4.13.1 **Works approval / consent for works:** The South Tees Group’s approval of works is more limited in the H2T DCO and can only be made subject to reasonable requirements for reasons of safety and operational viability, or access. In NZT, the South Tees Group could impose reasonable restrictions for any reason to ensure the scheme can co-exist with the Teesworks site. The South Tees Group now also receives less time to approve works (21 days, rather than 30) and it is unclear if the South Tees Group has control over “permitted preliminary works” which the Applicant can undertake before discharging requirements.
- 4.13.2 **Co-operation:** there are no co-operation provisions, requiring the parties to work together, share information and co-ordinate their construction programmes. This is a particular concern given that NZT, H2T and HyGreen are all anticipated to be developed in the same area.
- 4.13.3 **Expenses:** fewer of STDC’s expenses may be recoverable from the undertaker, e.g. the cost of works approvals / consents, which was covered under the NZT protective provisions.
- 4.13.4 **STDC and related entities:** there is no equivalent protections for Teesworks Limited and STDL, as per NZT. These protective provisions will only protect a company with

apparatus affected by the H2T DCO, not necessarily a company with an option over the Teesworks site like Teesworks Limited.

- 4.13.5 **“Lift and shift”**: there are no bespoke provisions to enable the relocating of H2T works to accommodate other activities on the Teesworks site.
- 4.14 To rectify the above matters, the South Tees Group will be submitting its own protective provisions based on the ones included in the NZT DCO. The South Tees Group is unable to append its preferred form of protective provisions at this stage because it lacks sufficient information from the Applicant on the H2T proposals, and their interface with NZT and HyGreen.

## **5 Environmental Matters**

- 5.1 The following comments are based upon a review of the Environmental Statement (ES) (March 2024), submitted with the DCO application.

### ***ES Chapter 3 – Existing Environment***

- 5.2 The sensitive receptors referenced in ES Chapter 3 relate to residential properties and ecological designations. However, the existing industrial uses within the Teesworks Masterplan area have not been included, such as the Northumbrian Water Bran Sands Regional Effluent Treatment Works, whereby workers could be sensitive to air-borne pollutants or the buildings / equipment / plant could be sensitive to vibration. We request that all sensitive receptors within the Teesworks’ Masterplan area be considered in the ES.

### ***ES Chapter 4 - Construction Programme and ES Chapter 15 - Traffic and Transport***

- 5.3 Permitted preliminary works for Phase 1 are expected to start in the third quarter (Q3) of 2025 (subject to the granting of the DCO), with the main civils works beginning in Q4 of 2025. Construction of Phase 1 is anticipated to last approximately 32 to 36 months and is expected to be complete in Q2 2028. The early enabling works for Phase 2 may overlap with commissioning for Phase 1 in Q2 2028. It is expected that the main civils works for Phase 2 will begin in Q3 of 2028 (after Phase 1 is commissioned) and be completed by the end of 2030. There is therefore the potential for construction works to overlap considerably with other projects taking place both within the immediate vicinity of H2Teesside (including NZT and HyGreen) and the wider Teesworks masterplan area.
- 5.4 It is therefore concerning that planning permission for B2/B8 uses (ref R/2020/0820/ESM) at Lackenby is excluded from consideration as a cumulative scheme within the Transport Assessment (TA) on the basis that the development is expected to commence in 2028 and complete in 2031. The South Tees Group therefore asserts that the construction and operational phases of this project have the potential to overlap with that of the H2Teesside scheme and therefore should have been included within the assessment.
- 5.5 It has been assumed that all construction compounds to the south of the River Tees will be accessed via the A1085 Trunk Road / Teesworks Steel House Gate roundabout. Chapter 15 of the ES goes on to assess the effects of the project with other developments in the area. :

5.6 The South Tees Group requests that thorough consultation between H2Teesside and the South Tees Group is undertaken to better understand the potential effects of all projects and what mitigation is necessary in order to reduce impacts on the local highway network, including upon the following highway links:

5.6.1 link 2 – A1085 Trunk Road, 1.34 km south of West Coatham Lane;

5.6.2 link 4 – A1085 Trunk Road, 500 m north of A1053 Tees Dock Road; and

5.6.3 link 11 – A1053 Greystone Road, 600m north of the A174/ A1053 Greystones roundabout.

### ***ES Chapter 23 – Cumulative Assessment***

5.7 Review of the cumulative schemes listed in the TA and Chapter 23 Cumulative and Combined Effects Appendix 23A identifies planning permission reference R/2023/0793/ESM relating to the construction of an Electric Arc Furnace on behalf of British Steel has been omitted from the long list of cumulative schemes. This is particularly pertinent because the application documentation submitted with the British Steel planning application indicates that its construction programme is likely to overlap with that of H2Teesside.

5.8 The South Tees Group requests that a detailed and up to date review of likely cumulative schemes be undertaken and that any omissions in the current long list of schemes are addressed. The South Tees Group would be pleased to assist H2Teesside to ensure that the assessment is comprehensive and accounts for all relevant projects including those planned across the Teesworks site that are the subject of planning applications or planning permissions.

### ***ES Chapter 11 - Control of noise***

5.9 Chapter 11 Noise and Vibration suggests a range of mitigation or enhancement measures may be required, including placing limits on noise emissions from plant and equipment at source secured via Requirements of the draft DCO. Review of the draft Requirements indicates that the control of noise during operation is omitted from the list of draft Requirements.

### ***Request to be involved in CEMP***

5.10 We note that a Construction Environmental Management Plan (**CEMP**) will be prepared prior to construction and a framework CEMP has been prepared as part of the Environmental Statement. The South Tees Group supports this approach and considers it important that it is centrally involved in the preparation of any CEMP and have the opportunity to input into it prior to its finalisation.

### ***Waste water treatment***

5.11 The ES states that an Effluent Treatment Plant will be constructed, which will consist of an oily water separator, neutralisation sump, storm water sump and any other suitable treatment to meet agreed discharge standards. All oily water effluents produced by the Hydrogen Production Facility will be sent to the oily water separator. For post separation, there are currently two options considered where the liquid effluent will be sent. The first option is to send liquid effluent

to Minimum Liquid Discharge Plant on the main site, that may consist of ultrafiltration and Closed-Circuit Reverse Osmosis . This plant will produce a stream of clean water that will be reused in the hydrogen production plant and a brine stream that will be tankered from site to a suitable third-party disposal site. The second option is to treat this effluent to an appropriate level associated with the use of Best Available Technique and disposed of via the NZT outfall that is to be built as part of the NZT DCO development. Any solids will be sent for disposal offsite.

- 5.12 There is limited information on the potential quantity of brine steam that will be tankered offsite for disposal by a third party or the quantity of any solids that will be sent for disposal. The South Tees Group requires further detail in respect of both options in order that it can understand the potential for highways impacts associated with both options.

## ANNEX – MAP OF TEESWORKS SITE

South Tees Development Corporation Area

