

# 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 H2 Teesside Order

Document Reference: 8.52 Response to South Tees Group Deadline 7A Submissions

Planning Act 2008



**Applicant: H2 Teesside Ltd**

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## APPENDICES

### APPENDIX 1: TEESWORKS – THE UK’S LARGEST INDUSTRIAL ZONE

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## 1.0 INTRODUCTION

### 1.1 Background and Purpose of Document

- 1.1.1 This document sets out H2 Teesside Limited's response to South Tees Group's ('STG') Deadline 8 submissions (REP7A-073 to REP7A-077).
- 1.1.2 STG's submissions are focussed on three key main topics:
- Topic 1: the compelling case for the retained land for Phase 2 of the Proposed Development, following the Second Change Request;
  - Topic 2: impacts of the application of the COMAH and Hazardous Substances Consent ('HSC') regime to STG's retained land in the context of the development of the Hydrogen Production Facility; and
  - Topic 3: the retention of the Red Main construction access ('Red Main') and the pipeline corridor to RBT land ('the Pipeline').
- 1.1.3 The Applicant responds to each of the three topics below. In responding to Topic 1, the Applicant also responds to item 4 of the ExA's Rule 17 Request of 19 February (Document Ref: 8.53). In responding to Topics 2 and 3, the Applicant addresses STG's proposed Protective Provisions relevant to those topics. In particular, Topic 2 has led STG to include paragraph 9 in their preferred form of Protective Provisions. The reasons why this is not acceptable to the Applicant are set out below. Topic 3 has led STG to suggest that the definition of 'proposed work' should include Work No 6 (amongst others). (Please see Document Ref: 8.44.12)
- 1.1.4 The Applicant's response is set out below and should be read alongside the Applicant's Deadline 7A STG PPs Position Statement (REP7A-027) and the Landowner Position Statement also submitted at Deadline 8.
- 1.1.5 The Applicant's position on other Protective Provisions suggested by STG is set out in the Applicant's Deadline 7A STG PPs Position Statement (REP7A-027) and the Landowner Position Statement also submitted at Deadline 8.

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## 2.0 TOPIC 1: RETAINED PHASE 2 LAND

### 2.1 Case for the Phase 2 Land

- 2.1.1 STG's position is that all of the Phase 2 land which remains following the Second Change Request should be removed from the Order Limits. The Phase 2 land is the land within the limits of Work 1.A.2 and includes the development in Works 1.B.2, 1C, 1D and 1.E.2 which fall within that same land parcel. The Applicant fundamentally objects to the removal of the Phase 2 land from the Order Limits. There is plainly justification for inclusion of the Phase 2 land and a compelling case in the public interest to justify the use of compulsory acquisition powers in relation to that land.
- 2.1.2 As explained in the Applicant's written summary of oral submissions at CAH1 (REP4-015) in accordance with the Secretary of State's section 35 direction, the Applicant has brought forward a two-phase scheme with a capacity of up to 1,200 MW which would deliver 10% of the UK's hydrogen target for 2030. Phase 2 would provide 5% of the UK's total hydrogen target. The reasons for issuing the section 35 direction included that *"The proposed Project is of national significance, taking into account that it is a large-scale hydrogen production facility with a capacity of up to 1,200 megawatts (MW) thermal"* and *"The proposed Project will play an important role in enabling an energy system that meets the UK's commitment to reduce carbon emissions and the Government's objectives to create secure, reliable and affordable energy supply for customers"*. The direction therefore recognises that phases 1 and 2 together constitute a nationally significant infrastructure project and that together, they will play an important role in enabling the Government's net zero targets to be met. Indeed, NPS EN-1 (paragraph 3.4.22) confirms that hydrogen distribution infrastructure constitutes Critical National Priority Infrastructure. The Applicant has consistently made it clear that in order to achieve conversion from natural gas to low-carbon hydrogen, it is necessary to provide assurance to potential customers as to the security and reliability of supply. Phase 2 is an important aspect of ensuring a secure and reliable future supply of low-carbon fuel source to industrial emitters in the Teesside area. As explained in the Statement of Reasons (APP-024) and the Need Statement (APP-033), the Proposed Development will enhance the development of Teesside as the UK's leading hydrogen hub; create high-quality jobs; support local education and skills development and kick-start a highly skilled UK-based hydrogen supply chain. For STG to suggest that Phase 2 – comprising 5% of the UK's target capacity for 2030, should be dropped because there may be no demand for it, amounts to a vote of no confidence in the Government's net zero strategy and should be rejected.
- 2.1.3 To the extent that STG suggests that absolute certainty is required as to the delivery of Phase 2 (or, indeed, any other part of the Proposed Development) in order to establish a compelling case in the public interest and justify the use of compulsory acquisition powers, there is no basis in law, policy or guidance to support that position. It is never possible to predict future events with absolute certainty and decision-making in nationally significant infrastructure planning cases does not operate on the basis that such certainty must be shown to exist. Decision-making

under the Planning Act 2008 is guided by policy in the NPS through which the Government identifies the infrastructure it considers to be necessary and provides policy guidance for the determination of applications for such infrastructure. In the present case, the Proposed Development, including Phase 2, is supported by national policy, and in particular, the identified need in NPS EN-1 for low carbon hydrogen infrastructure, as explained in the Statement of Reasons (APP-024), Planning Statement (APP-031) and Need Statement (APP-033); there are no impediments to its delivery, for the reasons explained in the Other Consents and Licences Statement (REP5-008) and in Examination submissions e.g. ISH4 at REP6-020); and the Applicant has demonstrated in the Funding Statement (CR1-014) that it has the funds to deliver all of the Proposed Development, including Phase 2.

- 2.1.4 As the Applicant has explained (for example, in its responses to CEPP (e.g. AS-040), the Applicant will enter into a Low Carbon Hydrogen Agreement with Government which will provide payments for the hydrogen produced by the Proposed Development. This Agreement has not yet been entered into and is not anticipated to be completed until after the grant of development consent. This is a common approach for energy DCO projects – such as the Contracts for Difference (CfD) model for solar and offshore wind (where it is also noted that decisions have been made where there is no certainty at the time of DCO award that the CfD will be given for the full extent of estimated energy generation applied for). Notably, the applicants for the Net Zero Teesside DCO did not sign its dispatchable power agreement with government until December 2024, some ten months after the DCO was granted in February 2024.
- 2.1.5 Set against the compelling case in the public interest for the delivery of the Proposed Development, STG suggests that the Phase 2 land should be excluded from the Order on the basis that alternative development, which does not constitute nationally significant infrastructure, might come forward in the Phase 2 land in future. However, this needs to be seen in the context that the outline planning application 2020/0821/ESM ('the OPP') over the land was submitted in 2020, and there is no public sign of any development proposals to date on the Phase 2 land. Furthermore, following the Second Change request, the extent of the Phase 2 land has been significantly reduced and the land released as a result of that change remains available for development. It is also important to note that compensation would be available to STG for any land acquired through compulsory acquisition.
- 2.1.6 As to the efforts that have been made to acquire land through voluntary agreement with STG, the Applicant has engaged in extensive negotiations with STG in an effort to avoid recourse to compulsory acquisition. As explained at CAH1 and CAH2, its approach has been to seek to secure the option over the Phase 1 land first, to set the commercial 'baseline' for the decisions that would take place for the Phase 2 land, given that the negotiations would involve the same parties for an adjacent piece of land with similar characteristics (once the decision on the location of Phase 2 had been determined). The Phase 1 negotiations have not yet completed, and until the Second Change Request was made, no decision had been made on the

location of Work 1.A.2 which limited the extent to which meaningful engagement in respect of the voluntary acquisition of Phase 2 land could take place.

- 2.1.7 For the reasons summarised above, it is clear that there is a compelling case in the public interest for the delivery of the Proposed Development, including Phase 2, that decisively outweighs any private loss to STG and that there is no impediment to the delivery of the Proposed Development or, specifically, to the delivery of Phase 2. As such, the Applicant respectfully invites the ExA and Secretary of State to reject STG's invitation to remove the Phase 2 land from the Order and to authorise the compulsory acquisition of the Phase 2 land.

## **2.2 Implications for the Order limits**

- 2.2.1 If, contrary to the Applicant's submissions, the ExA or Secretary of State do not consider that there is a compelling case in the public interest for the Phase 2 development, this does not mean that the Phase 2 land should be excluded from the Order limits.
- 2.2.2 This is because the Phase 2 land is proposed to be utilised for the Main Site construction compound (as referred to in Table 5-2 of the ES (APP-057) and pursuant to paragraph (k) of the ancillary works listed at the end of Schedule 1 of the draft DCO) for Phase 1 of the Hydrogen Production Facility. Removal of the Phase 2 land would mean that Phase 1 would be undeliverable, as there is insufficient room for the compound to be located on the Phase 1 land.
- 2.2.3 As such, more complicated changes would need to be made to the Order plans and the draft DCO in the event that the ExA or Secretary of State do not consider that development consent should be granted or compulsory purchase powers authorised to enable the delivery of Phase 2. This would involve:
- removing Work 1.A.2, 1.B.2 and 1.E.2 from the Works Plans and Schedule 1 to the draft DCO;
  - amending the boundaries of 1C and 1D on the Works Plans;
  - adding Work No. 10 to the Phase 2 land on the Works Plans to ensure it was clear that the compound could be sited here, rather than being ancillary development;
  - plots 14/1, 14/9 and part of 14/2 would need to be shown as yellow on the land plans, with associated changes to Schedules 9 and 11 to the draft DCO; and
  - the boundary of plot 14/2 would need to be re-drawn to account for the above.
- 2.2.4 The Applicant considers that use of the Phase 2 land for Phase 1 construction purposes is eminently manageable with any development proposals put forward for development of that area by STG, given that its adjacent location means that any development of that land is likely to be part of, or related to, the same development that is taking place on land to the west that has been removed from the ambit of the Order limits in the Second Change Application ('the Released

Land'). As such, STG works could commence on the Released Land whilst Phase 1 construction take place. Even if STG's development proposals on the Phase 2 land are different or separate to development on the Released Land, the impact of the Phase 1 construction compound is likely to be to delay development on the STG land, rather than to permanently sterilise the development of that land.

2.2.5 The Applicant's position is that any delay which may be occasioned to any development proposed by STG on the Phase 2 land during construction of the Phase 1 works is clearly outweighed by the public interest benefits of delivering the Proposed Development.

2.2.6 However, in the event that the ExA or Secretary of State consider that potential delay to STG's preferred construction programme for the future development of the Phase 2 land is a matter that outweighs the benefits of the Proposed Development (which the Applicant does not accept), it is noted that the diversion work process in the Protective Provisions would apply to that compound, by dint of the 'proposed work' definition including Work No 10. For the avoidance of doubt, the Applicant does not accept that this would be a necessary or appropriate amendment, for the reasons summarised above. This suggested amendment is therefore proposed on a "without prejudice" basis to the Applicant's primary position.



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## 3.0 TOPIC 2: APPLICATION OF COMAH AND HSC REGIME

### 3.1 Background

- 3.1.1 STG suggests that Protective Provisions are required to impose a constraint on the detailed design and operation of the Proposed Development to ensure that any registered Hazardous Substance “inner zone” associated with the Hydrogen Production Facility would not encroach on land retained by STG. This issue was first raised in Examination by STG at Deadline 7 (REP7-062)
- 3.1.2 The Applicant is concerned that this issue has been raised by STG so late in proceedings, particularly given the history of discussions as to the Proposed Development. It is not an issue that was raised by STG in either its relevant representation or its written representation
- 3.1.3 STG’s relevant representation should contain an outline of the principal submissions which it proposes to make in respect of the application (Infrastructure Planning (Interested Parties and Miscellaneous Prescribed Provisions) Regulations 2015, regulation 4. As paragraph 009 of the Government’s guidance on the examination process explains, interested parties are encouraged to submit as full a case as possible as part of their relevant representations to enable the ExA to have a full understanding of the main issues the application is giving rise to at the earliest stage in the process.
- 3.1.4 Pursuant to rule 2 of the Infrastructure Planning (Examination Procedure) Rules 2010, STG’s written representation should have included “the full particulars of the case which [STG] puts forward” in respect of the application.
- 3.1.5 Nor was this issue raised in any subsequent written representations submitted to the examination up until Deadline 7.
- 3.1.6 No material change of circumstances has occurred that could properly be said to justify raising this issue as a basis for opposing the grant of development consent and/or powers of compulsory acquisition at such a late stage, and STG’s conduct in this respect is unreasonable.
- 3.1.7 Positive discussions concerning the location of a 1.2-Gigawatt Thermal (GWth) Lower Heating Value (LHV) carbon capture enabled Hydrogen Production Facility have been ongoing with STG as landowner of ‘the Foundry’ site since 2023. As detailed in Chapter 6: Alternatives and Design Evolution of the Environmental Statement [APP-058] the following criteria were considered as part of the site selection process:
- Process safety considerations;
  - proximity to the NEP infrastructure, to enable high pressure CO2 export to be quickly directed offshore to the Endurance storage facility;
  - size – ensuring there is sufficient space for the Proposed Development, that it is safe for construction;
  - utilising brownfield land where possible;

- remoteness from residential areas;
- proximity to industrial offtakers that could connect into the H2 Hydrogen network;
- proximity to necessary connections including a gas network, electricity transmission network, potential use of existing oxygen and nitrogen supply, water supply and wastewater management options;
- minimising environmental/social effects or risks; and
- discussions with landowners.

3.1.8 On the basis that 'the Foundry' site had been assessed as suitable from a process safety perspective, preferable considering the other criteria outlined above and following positive engagement with STG, in June 2023 a decision was made to progress with that site

3.1.9 Until January 2025, it had not been suggested that the outline planning permission over the Foundry site presented an impediment or rendered the site inappropriate for the Proposed Development. As such, in planning the development of reserved matters approvals pursuant to the OPP, including in having discussions with potential tenants/land acquirers, STG would have been aware of the Proposed Development and the proposed use of the site as a Hydrogen Production Facility. STG has therefore had the opportunity to address and mitigate any potential issues arising from that use in negotiating and developing proposals for its retained land.

3.1.10 Discussions between STG and potential tenants/land acquirers would also needed to have taken into account the existence of the neighbouring Net Zero Teesside – a development which has consent and an option agreement from STG, and which itself will need to go through the COMAH and HSC processes.

3.1.11 Furthermore, STG has been promoting Teesworks as a low carbon hub, and in particular referencing the existence of H2 Teesside as part of selling Teesworks as a commercial proposition – for example, the 2024 Tour Presentation on Teesworks' website, at Appendix 1, e.g. 'the go-to region to develop clean gas, hydrogen and low carbon technologies'. As such, any development proposals being brought forward by Teesworks have not been brought forward in a vacuum or an unconstrained site.

## **3.2 HSE Land Use Planning Methodology**

3.2.1 The Applicant notes that the question of the acceptability of adjacent proposals to a development such as a Hydrogen Production Facility is ultimately a matter for the Health and Safety Executive ('HSE'). In considering these matters, the HSE will apply its land use planning ('LUP') methodology.

3.2.2 The application of that methodology is based on considering two matters: where the development land sits within 'consultation zones' associated with adjacent installations, and the level of sensitivity of the proposed development.

- 3.2.3 The Applicant understands that HSE uses the information contained in HSC applications, as well consideration of COMAH information, to establish a consultation distance ('CD') around an installation. This usually comprises three zones – an inner zone, middle zone and outer zone. The CD is based on the maximum quantity of hazardous substance(s) that the adjacent installation is entitled to have under its consent.
- 3.2.4 The HSE advises the LPA on the nature and severity of the risks presented by the installation to people in the surrounding area so that those risks are given due weight by the LPA when making its decision. Taking account of the risks, and considering the 'sensitivity level' of a proposed development, the HSE advises the LPA whether they '**Advise Against**' a development or '**Do Not Advise Against**'.
- 3.2.5 Within an Inner Zone, HSE would only Advise Against a development that is a Sensitivity Level 2 or higher (i.e. 2-4). Examples of Sensitivity Level developments as set out in the HSE Guidance include:
- Sensitivity Level 1 - Workplaces and Parking Areas.
  - Sensitivity Level 2 – Developments for use by the general public: houses, hotel, transport links, indoor use.
  - Sensitivity Level 3 – Development for use by vulnerable people: e.g. primary schools, old people's homes, prisons.
  - Sensitivity Level 4 – Very large and sensitive developments: Football ground/large hospital.
- 3.2.6 Each of those sensitivity levels is then subject to a number of caveats, and the methodology also considers the application to developments which straddle different consultation events. Of relevance is the fact that, within Sensitivity Level 1, Workplaces should not be considered as falling within that level, where there are 100 or more 'occupants' or there are 3 or more 'occupied' storeys ('the Caveats') – where they do, they are then considered as Sensitivity Level 2.
- 3.3 Application of the LUP Methodology to the Proposed Development**
- 3.3.1 At the current time, no consultation zones have been generated for the Proposed Development, as the Applicant is not yet able, or required, to start the COMAH process or know the precise inventory of hazardous substances that will be on-site. It therefore cannot provide more information on the scope and extent of the consultation zones for the Proposed Development.
- 3.3.2 The Applicant currently anticipates that the inner zone associated with the Proposed Development is likely to be focussed in and around the location of the Hydrogen Production Facility, however it is likely that it will extend into STG's adjacent land, including in particular the Released Land.
- 3.3.3 It is in this context that the Applicant has made clear to STG that until the consultation zones are generated by HSE, as a 'worst case' scenario, it will need to assume, in its planning for adjacent developments, that the inner consultation zone may extend into the Released Land.

- 3.3.4 Notwithstanding this, the Applicant has made clear that it is willing to work with STG in their discussions with HSE to seek to understand what the inner consultation zones could look like to help its future planning.

### **3.4 Impacts of Application of LUP Methodology to Released Land**

- 3.4.1 The Applicant acknowledges that the result of the above is that the Proposed Development gives rise to a potential risk that some constraints may apply to the future development of the Released Land.
- 3.4.2 However, this does not mean that no substantial development could be brought forward on the Released Land, but rather that any such development would need to be designed to take account of the constraints, the rules regarding the straddling of zones, and where necessary, implementing mitigation measures to ensure that an As Low As Reasonably Practicable (ALARP) status can be achieved.
- 3.4.3 The Released Land would not be sterilised as a result of the Proposed Development and any associated consultation zones. A range of appropriate uses could still be brought forward within the parameters of the Outline Planning Permission.
- 3.4.4 Whilst that changes the narrative slightly from that set out on page 57 of Chapter 18: Socio-economics and Land Use (APP-071) (in that STG would now argue that the Proposed Development does not 'align closely' with their aspirations), it is consistent with the overall approach set out there, i.e. that the Applicant would work closely with STG to "ensure that they develop in a co-ordinated fashion that allows the benefits of all projects to be achieved", noting that the STG 'development' is the Outline Planning Permission, rather than a specific development proposal.
- 3.4.5 The Applicant does not consider that there is any justification for refusing development consent absent a requirement that ensures any HSE inner zones are confined to the Order Limits. Nor would any such requirement satisfy the policy tests for the imposition of requirements. In accordance with paragraph 4.1.16 of EN-1, the Secretary of State should only impose requirements that are necessary and reasonable. The extent of the inner zone is beyond the control of the Applicant. Paragraphs 5.11.32 – 5.11.40 of NPS EN-1 relate to land use impacts arising from NSIPs and appear under the hearing "Secretary of State decision making". There is nothing in those paragraphs which suggests that the Secretary of State should refuse development consent for nationally significant infrastructure projects such as this, let alone critical national priority infrastructure, on the basis that the proposed development may result in some constraints on the development potential of adjoining sites. As such, the Applicant does not consider there to be any policy basis for imposing the requirement proposed by STG. Even accounting for the potential impact on STG's ability to develop the Retained Land in an unconstrained manner, the public interest benefits of the Proposed Development weigh overwhelmingly in favour of the grant of development consent and the requirement proposed by STG is not necessary or reasonably required to render the Development acceptable.

3.4.6 Given that clear and unequivocal policy position, the issue for the ExA and Secretary of State to determine is whether development consent should be granted for the Hydrogen Production Facility and associated compulsory acquisition powers confirmed, having regard to the potential impact on STG's Retained Land. The Applicant considers that:

- there is a compelling case in the public interest for the Proposed Development, as stated in the Statement of Reasons, and the Need Statement, and the Planning Statement, in delivering on the Government's energy, hydrogen and net zero aspirations to meet the global challenge of climate change; and
- this is to be weighed against 'private loss' (and any associated loss of potential associated public interest benefits) which, in relation to STG's Topic 2, is the potential limitation (if the inner consultation zone does cover the Released Land) on its ability to carry out future development in an unconstrained manner albeit recognising that the Proposed Development would not prevent the Outline Planning Permission from being implemented in an appropriate form, having regard to any safety concerns raised by the HSE.

3.4.7 The Applicant's position is that the public interest in delivering the Proposed Development provides a compelling case for the exercise of compulsory purchase powers that clearly outweighs any private loss to STG. Furthermore, in light of the policy position discussed above, there is no reason why development consent should be withheld on the basis that the inner consultation zone may extend into the Released Land or a requirement imposed to restrict the HSE's inner zone to within the Order Limits.

### 3.5 Other Matters

3.5.1 STG's Protective Provisions paragraph 9 is not acceptable to the Applicant. It states that the Proposed Development must be designed, operated and constructed such that no part of the land outside Work 1.A.1 falls within the inner consultation zone unless STG agree. This proposed control is not acceptable given that:

- as discussed above, it is likely that at least part of an inner consultation zone will extend into at least part of the Released Land. As such, the effect of the provision would be to render the Hydrogen Production Plant undeliverable; and
- whilst NPS paragraph 5.11.23 is noted:
  - as discussed above, no specific development had been proposed for the Released Land throughout the design development of the Proposed Development to date – it would not be appropriate for a control to be put in place now in these circumstances; and
  - Work 1.A.1 is already a constrained site for a Hydrogen Production Facility with constraints to the east, north and south giving very

limited room for movement and thus limited scope to design the scheme to achieve this aim.

- 3.5.2 As such, the Applicant respectfully invites the ExA and Secretary of State to make the DCO without paragraph 9 of STG's proposed Protective Provisions.
- 3.5.3 In a similar vein, the Applicant notes that STG states that *"it appears from the current works plans [REP7-005] that the Applicant has also not designed the Proposed Development in a way that attempts to keep the anticipated inner consultation zone away from STG's retained land on the main site"*. The Applicant's response to this contention is:
- the Works Plans are not the 'design' of the scheme.; and
  - the plan for Work 1.A.1 aligns with the area that STG has indicated through extensive engagement and negotiation that it wishes the Applicant to take an option agreement over, for the Hydrogen Production Facility.
- 3.5.4 Finally, the Applicant notes STG's suggestion that *"by the time the Applicant makes its HSC application, development on adjacent land at the Foundry is likely to have been brought forward – or at least consented through reserved matters approval pursuant to the existing outline planning permission. Any such development involving three or more occupied floors and over 100 workers would appear to present a significant issue for the delivery of the Proposed Development and the Applicant's ability to obtain an HSC"*.
- 3.5.5 The Applicant does not agree with the premise of this statement. Given that there has been no pre-planning or planning application submitted for any development on the Released Land, and that any timescale for the determination of that application would be affected by consideration of the impacts of NZT and Natural England's HRA/SSSI concerns about development in this location and in-combination impacts, it is very likely that development consent would have been granted for the Proposed Development and that discussions would have advanced with HSE, even if a HSC had not been granted.
- 3.5.6 In that context the LPA, in considering any planning application for reserved matters development, would need to be mindful of:
- the potential for any reserved matters development to prevent the Proposed Development from being brought forward, in the context of national and local policy in terms of the regeneration of Teesworks and meeting the net zero challenge (noting, for example, that the South Tees Supplementary Planning Document (SPD) provides for the Released Land to be used for Manufacturing); and
  - its ability to meet National Planning Policy Framework requirements on public safety in paragraph 102 (*"Planning... decisions should promote public safety and take into account... anticipating and addressing possible malicious threats and other hazards (whether natural or man-made)"*), such that it would want to engage with HSE on this matter.

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- 3.5.7 As such, the Applicant considers that delivery of the Hydrogen Production Facility would necessarily have to be taken into account by the LPA in determining whether it would be appropriate to consent a scheme which would likely be in the consultation zone of a major hazard installation and does not fall within LUP Sensitivity Level 1.



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## **4.0 TOPIC 3: RED MAIN AND THE PIPELINE**

4.1.1 STG objects to the inclusion of Red Main and the pipeline corridor on the main site within the Order Limits. The Applicant has addressed this issue in its Second Change Application Report (REP7-011, at paragraph 2.2.44).

### **4.2 Red Main**

4.2.1 In respect of Red Main (plot 13/11), the Applicant notes that STG has not provided any reasoning as to why the inclusion of Red Main within the Order limits would sterilise any development proposals which STG may wish to bring forward, particularly given that Red Main is an existing road, already used by heavy vehicles. Red Main is required in the Order limits to ensure that the Proposed Development can also utilise that road for construction purposes. As set out in the Second Change Application Report, this is specifically for Abnormal Indivisible Loads (AIL) access for modular units from RBT and is therefore critical to delivery of the Proposed Development.

4.2.2 The Applicant also notes that it seeks only temporary possession powers over plot 13/11. It considers that it is entirely possible to appropriately manage construction programmes between any future development that STG may wish to bring forward and the Proposed Development.

4.2.3 If STG wishes, for any reason, to divert the AIL access route, it can do so pursuant to the diversion works mechanisms in the Protective Provisions. As the landowner for the majority of the land located in and around the Main Site, as well as the holder of a number of existing planning permissions, it is firmly within the gift of STG to be able to satisfy the diversion condition, if any such diversion is considered necessary.

4.2.4 The Applicant also notes that Red Main was included in the Order limits for Net Zero Teesside. The STG Protective Provisions in the NZT DCO include similar wording as is included in the STG PPs put forward by both the Applicant and STG for the Proposed Development. STG has not advanced any proper justification for treating Red Main differently between the two schemes.

4.2.5 As such, the Applicant's proposals simply seek to put the Applicant in the same position as all of these parties – it includes Red Main as it is appropriate to use an existing road rather than constructing an additional access route to serve the Proposed Development, but if STG wishes to divert Red Main, or create an alternative access road, then it can propose to do so through the diversion work process in the draft DCO.

4.2.6 Given that STG has put forward these diversion work proposals, and that this overall position was accepted by the Secretary of State on NZT, the Applicant sees no reason why the position should be different for the Proposed Development.



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### 4.3 The Pipeline

- 4.3.1 The Applicant explained the need to retain the pipeline route on the main site at paragraph 2.2.44 (second bullet point) of the Second Changes Application Report (REP7-011). STG has not provided any evidence to refute those submissions.
- 4.3.2 The Pipeline corridor on the main site is small and has been deliberately located in the corner of the STG land to minimise any impacts on the future development of that land. The Applicant does not foresee any difficulty in a future developer of the STG land being able to design a scheme around the pipeline corridor. While the pipeline may result in a slight constraint in the area of land available for development, it would not sterilise the STG Retained Land.
- 4.3.3 The ability to provide hydrogen to offtakers is a fundamental aspect of the Proposed Development and the development of a decarbonised Teesside, and the public interest benefits associated with this clearly outweigh the fact that a slight constraint on the extent of STG development may arise as a result.
- 4.3.4 The Applicant notes that STG has suggested that the definition of “proposed work” that can be subject to the diversion process in its Protective Provisions should be extended to include Work No. 6 (hydrogen distribution network including underground and overground pipelines and AGIs).
- 4.3.5 The Applicant does not consider that this is appropriate for the reasons set out in REP7A-027. In brief, that is because the hydrogen pipeline is part of the project of national significance for which development consent is required. Using a regime created by a set of Protective Provisions to mean that part of the nationally significant infrastructure project could be diverted, when this has not been assessed through the application process, may be considered problematic, given DCO practice to date in relation to drafting matters such as Requirement tailpieces.
- 4.3.6 If, however, the Secretary of State is minded to accept that the hydrogen pipeline can be subject to the diversion work process, the Applicant considers that this should be limited to the pipeline, rather than Work No. 6 as a whole.
- 4.3.7 This is because the impacts of changes to the pipeline are likely to be limited (given the limited scope of the interface of the RBT land outside of the Order limits with the remaining Order limits following the Second Change Application within which the Pipeline could be moved, and that there realistically could be proposals which avoid third party land impacts). As such, the Applicant considers that in such a scenario, the definition of ‘proposed work’ in the Protective Provisions could read (taking also into account its submissions in REP7A-47) as *‘Work Nos. 3, 4 to 5, Work No. 6 within plots 13/12, 13/12a, 13/15 and 13/18 on the land plans, and Work No. 10’*.
- 4.3.8 The Applicant does not, however, consider it is appropriate for that definition to be extended to the whole of Work No. 6, given its extent within the STG site, in circumstances where:
- 4.3.9 the pipeline running east of the Main Site connects to all other offtaker locations being considered by the Applicant. Having that routing subject to potential

- 
- movement would lead to concerns over the ability to implement the Proposed Development, both in general terms but also in terms of meeting the construction programme for the Proposed Development – it would essentially put STG in control of delivery of the benefits of the Proposed Development;
- 4.3.10 such changes would likely involve multiple third-party landowners who would now have the spectre of pipeline routing changes to consider in their future plans. Those third-party land interests will also likely have their own Protective Provisions, which would be unlikely to be able to be 'unpicked' to reach a mutually acceptable solution for all parties; and
- 4.3.11 such changes have not been assessed and may involve materially new or materially different environmental effects, particularly given the ecological sensitivity of the Teesworks area.
- 4.3.12 If the Secretary of State were minded to apply the diversion process in the Protective Provisions to the hydrogen pipeline, the Applicant considers that any impact on STG Retained Land as a result of the pipeline would be entirely avoided given that STG hold relevant land interests to enable the diversion condition to be met.
- 4.3.13 In conclusion, the Applicant does not consider that the hydrogen pipeline will cause any impacts to STG's Retained Land that would justify the refusal of development consent or indicate that the private loss to STG would outweigh the public benefits of the Proposed Development. Nor does it consider that it is necessary or reasonable to extend the diversion works process in the Protective Provisions to the hydrogen pipeline. However, in the event that the ExA or Secretary of State consider that the diversion works process should apply to the hydrogen pipeline, the appropriate provision is as set out in paragraph 4.3.7 above. In either scenario, development consent and compulsory acquisition powers should be granted to enable the delivery of the pipeline.

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## **APPENDIX 1: TEESWORKS – THE UK’S LARGEST INDUSTRIAL ZONE**

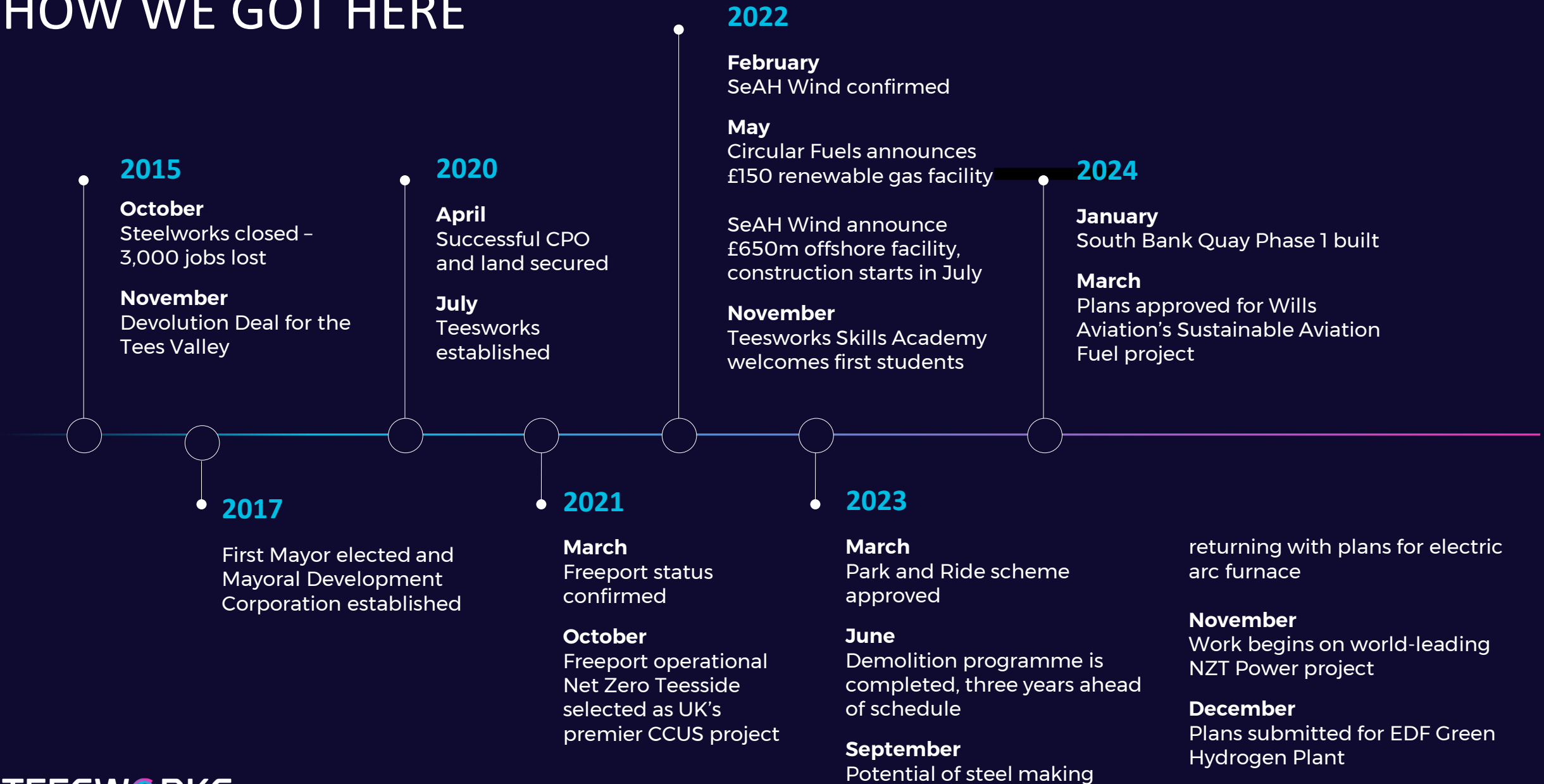
TEESWORKS

# THE UK'S LARGEST INDUSTRIAL ZONE

 Part of the  
Teesside Freeport

[www.teesworks.co.uk](http://www.teesworks.co.uk)

# HOW WE GOT HERE









# THE IMPACT

**£79M** per annum

forecast of additional business rates in the next 5-10 years

**20,452**

operational, construction and supply chain jobs supported

**727 ACRES**

of land formally committed or in legals

**£560M** public investment

**44%** of net developable site committed

**£10.6BN** of private investment

**£769 PW** anticipated average operational weekly wage (Current UK average £666)

**KEY ROLE** in the UK's net zero drive

Source: Teesworks "The Silicon Valley of Net Zero – Challenges and Economic Impacts", Colliers, September 2024

# ROUTE TO CLUSTER NET ZERO



## HYDROGEN



H2Teesside,  
Hygreen



H2NorthEast

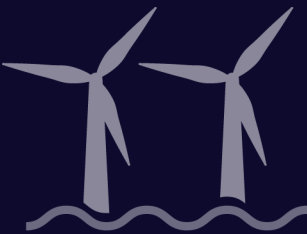


Department  
for Transport

Transport Hub

PROTIUM

Green Energy



## RENEWABLE POWER SECTOR



Net Zero  
Teesside



WHITETAIL  
CLEAN ENERGY

EFW PROJECTS



sembcorp



MGT  
Teesside

OFFSHORE  
WIND



## CARBON CAPTURE, USAGE & STORAGE



Net Zero  
Teesside





# GROUND ZERO FOR NET ZERO

## Creating the world's first Net Zero industrial cluster by 2040

- The go-to region to develop clean gas, hydrogen and low-carbon technologies
- The most developed and deliverable CCUS project – Net Zero Teesside
- UK's largest Green and Blue hydrogen projects
- Premier offshore wind location
- Multimillion-pound investments from SeAH Wind, Net Zero Teesside, BP.....



# TEESSIDE FREEPORT

- The UK's biggest and first operational Freeport
- 600 hectares of land

## Tax Zones Benefits



Employer NI Contributions Rate Relief



Business Rates Relief



Enhanced Capital Allowances



Stamp Duty Land Tax Exemption



Enhanced Structures and Buildings Allowance

## Custom Zones Benefits



Duty Suspension on Entry



Duty Exemptions for Re-Exports



Duty Flexibility to Select Most Beneficial Treatment on Imports



# PLANNING PERMISSION SECURED

*“... the planning framework is clearly permissive, and indeed supportive, of the regeneration scheme. There is no reason to suppose that planning permission will be problematic, subject to details, for any particular proposal.” (para. 52 IR into CPO)*

- Dedicated resource at Redcar & Cleveland Borough Council
- All applications determined under delegated powers
- Positive relationship with statutory consultees
- South Bank quay 1,035m length approved
- 14,500,000ft<sup>2</sup> of planning approved
- De-risking future investment; streamlining implementation



## TOWN AND COUNTRY PLANNING ACT 1990 NOTICE OF OUTLINE PLANNING PERMISSION

### Agent Name and Address

Lichfields  
LICHFIELDS  
THE ST NICHOLAS BUILDING  
ST NICHOLAS STREET  
NEWCASTLE UPON TYNE  
NE1 1RF

### Applicant Name and Address

SOUTH TEES DEVELOPMENT  
CORPORATION  
-  
CAVENDISH HOUSE  
TEESDALE BUSINESS PARK  
STOCKTON ON TEES  
TS17 6QY

Reference No: R/2020/0821/ESM

The Council as the Local Planning Authority **HEREBY GRANT OUTLINE PLANNING PERMISSION** for the development proposed by you in your application valid on: 21 January 2021

**Details:** OUTLINE PLANNING APPLICATION FOR DEVELOPMENT OF UP TO 464,515QM (GROSS) OF GENERAL INDUSTRY (USE CLASS B2) AND STORAGE OR DISTRIBUTION FACILITIES (USE CLASS B8) WITH OFFICE ACCOMMODATION (USE CLASS E), HGV AND CAR PARKING AND ASSOCIATED INFRASTRUCTURE WORKS (ALL MATTERS RESERVED)

**Location:** LAND BOUNDED BY EDGE OF NWL BRAN SANDS TREATMENT PLANT AND FORMER ICI LANDFILL TO SOUTH WEST; REDCAR BULK TERMINAL TO NORTH WEST LINE OF VEGETATION TOD POINT ROAD TO NORTH EAST AND EXISTING INTERNAL ROADS TO SOUTH EAST

**Applicant:** SOUTH TEES DEVELOPMENT CORPORATION

Subject to the following condition(s):

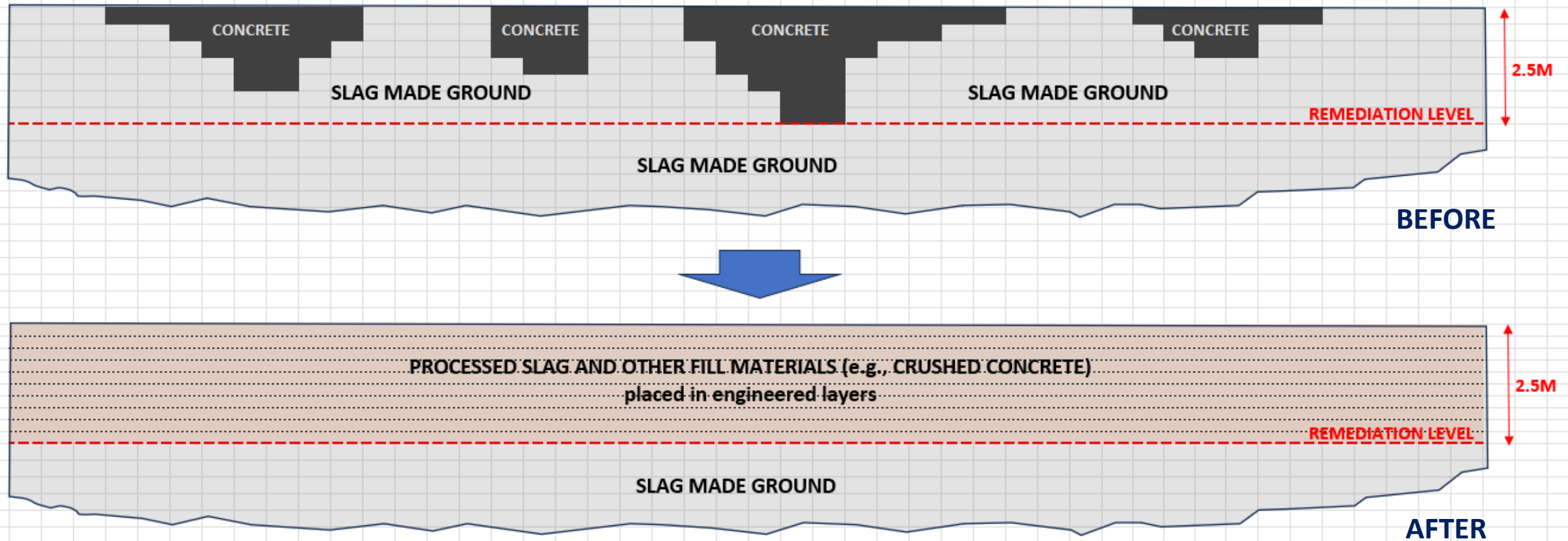
1. In accordance with the phasing plan agreed through the discharge of condition 5, details of the:

- Appearance;
- Landscaping;
- Layout;
- Access; and
- Scale

(hereafter called "the reserved matters") shall be submitted to and approved in writing by the Local Planning Authority before that phase of the development

DECOOG

# Remediation Approach





# SOUTH BANK QUAY

- New long deep-water berth heavy-lift quay to support the offshore sector, phase 1 is 450m.
- £107million investment from UK Infrastructure Bank – its first ever, increased to £113.8m
- UKIB loan of £113.8m plus interest will now be repaid by the Joint Venture partners with no money coming from the taxpayer.





# SITE PROGRESS – STEEL RIVER QUAY

**JANUARY 2021**



**SEPTEMBER 2024**



# SEAH WIND

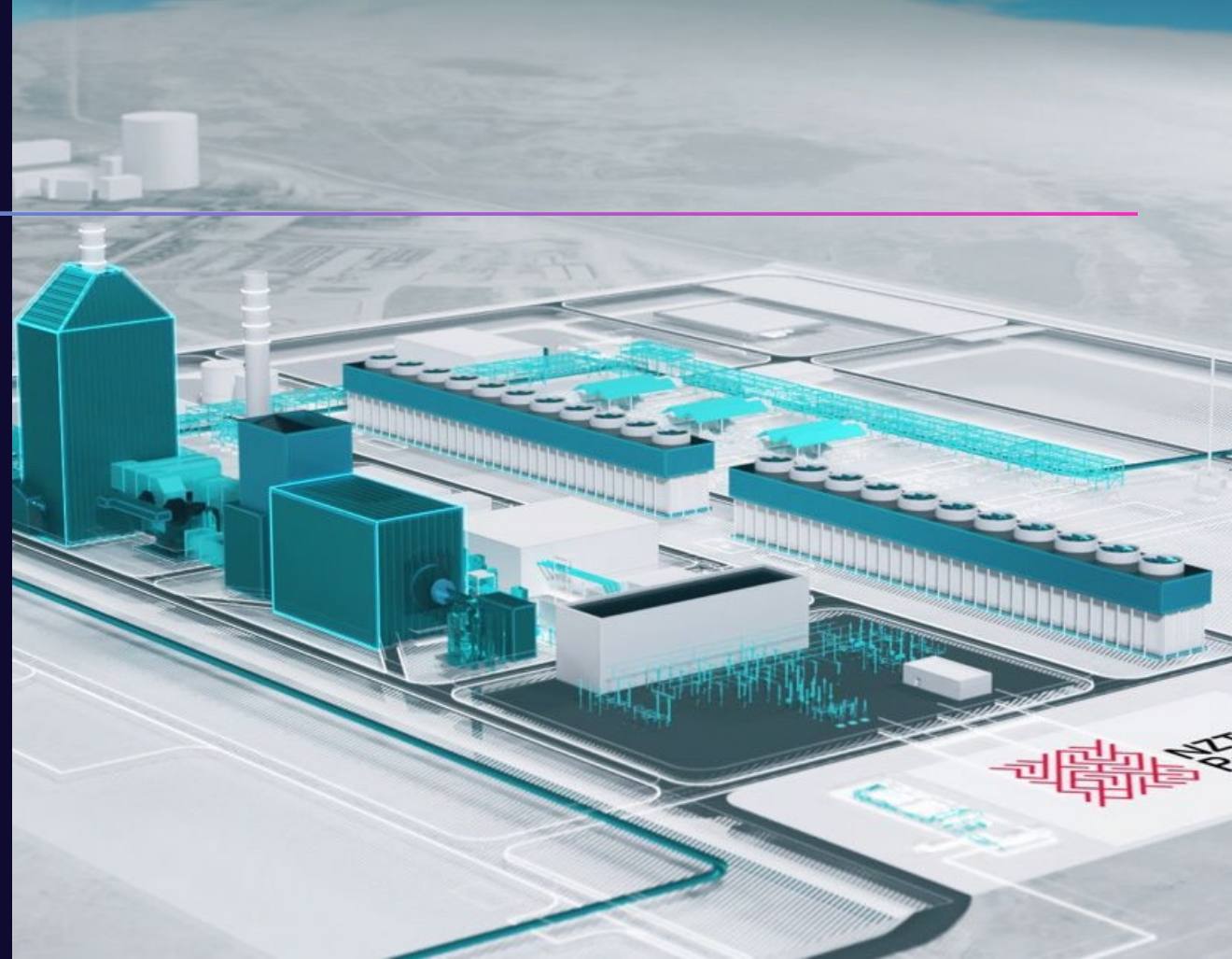
- £450million offshore wind facility
- World's largest monopile manufacturing site, producing up to 150 monopiles each year
- 750 jobs, with 1,500 indirect jobs in the supply chain during construction





# NET ZERO TEESSIDE

- £1.5 billion investment from bp and Equinor
- World's first fully integrated gas-fired power and carbon project
- Create and support up to 4,000 jobs during its construction and add up to £300million to the economy each year
- 500 jobs in operational stage





# SITE PROGRESS – NET ZERO POWER

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**SEPTEMBER 2017**

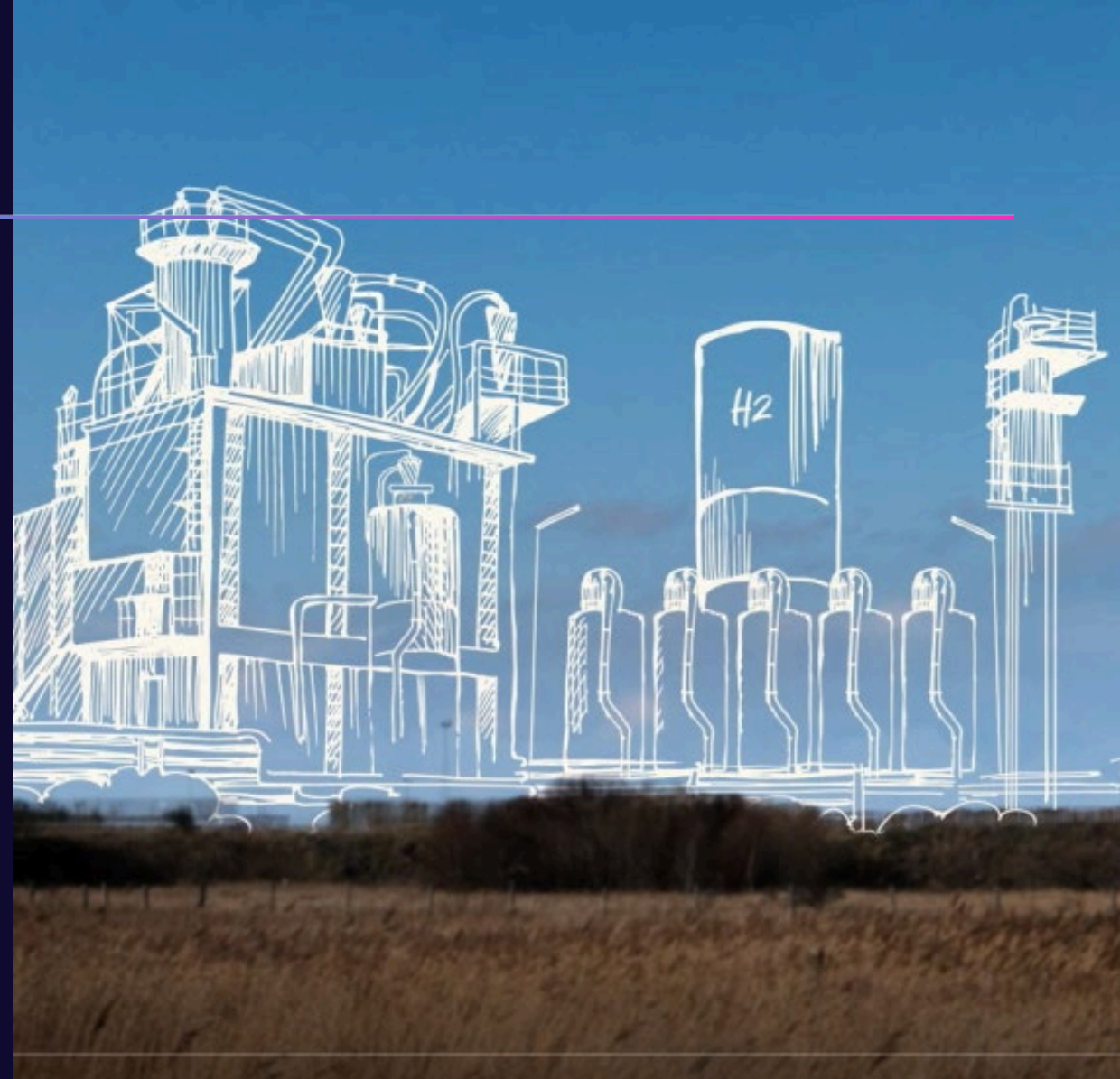


**SEPTEMBER 2024**



# BP HYDROGEN

- Two huge hydrogen projects, HyGreen Teesside and H2Teesside
- HyGreen Teesside will be one of the UK's biggest green hydrogen plants, initially targeting 80MW, raising to 500MW by 2030
- H2Teesside aims to be one of the UK's largest blue hydrogen facilities, targeting 1.2GW of hydrogen by 2030
- Both projects are part of the East Coast Cluster and have been selected by the Department of Energy Security and Net Zero to progress to the next stage





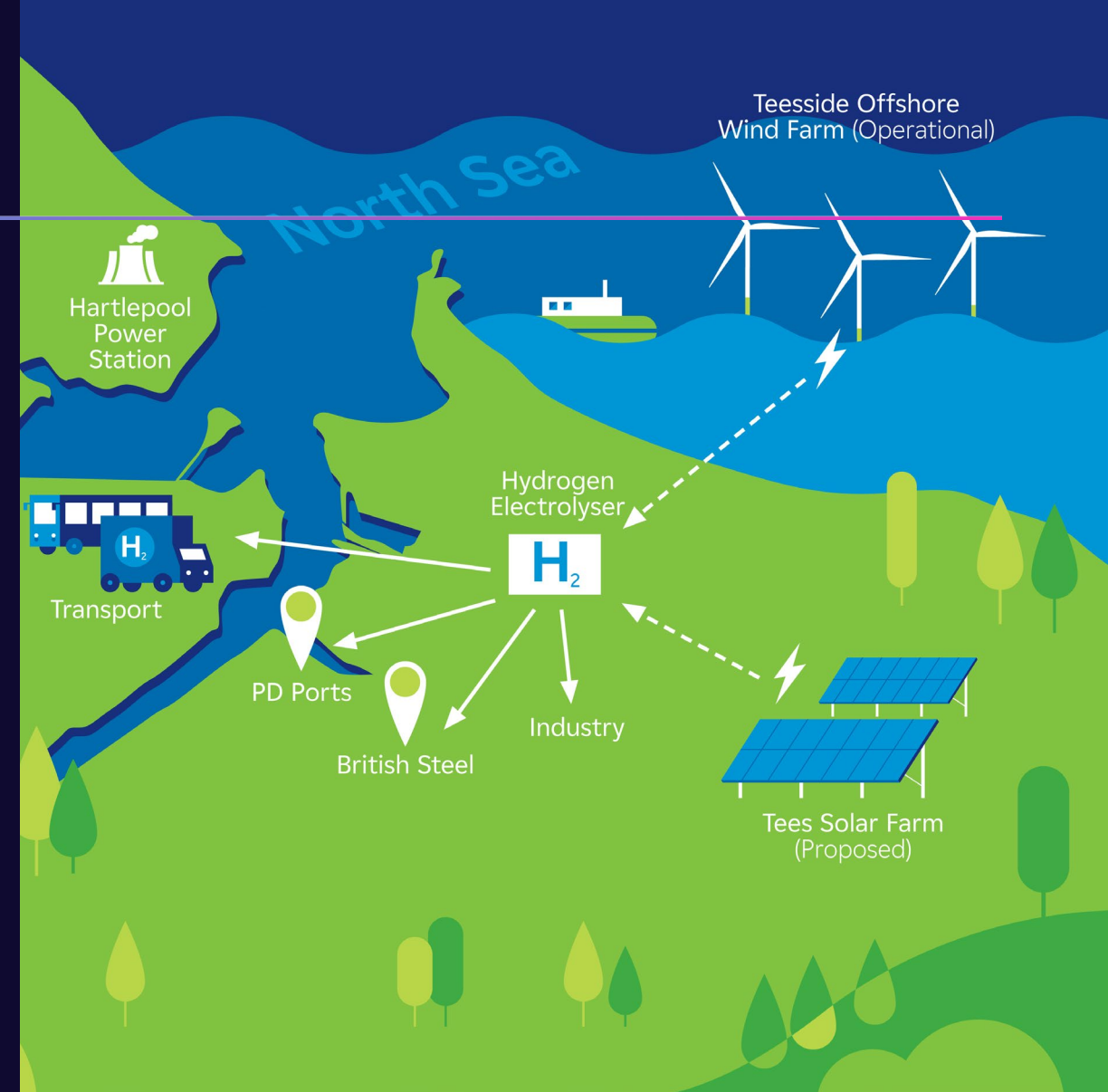
# WILLIS AVIATION

- Sustainable Aviation Fuel plant at Teesworks
- Plant will produce 20 million litres of SAF each year
- Potential to cut CO2 emissions by up to 85%
- Intended for use for locally produced SAF to supply airlines at Teesside International Airport, supporting its drive towards Net Zero
- Power-to-Liquid refinery will convert feedstocks from waste CO2 and green hydrogen produced from renewable energy into aircraft fuel



# EDF RENEWABLES

- Pioneering Hydrogen project
- 12-acre green hydrogen plant
- Will produce green hydrogen using electrolysis, powered by electricity from EDF Renewable's portfolio, including the Tees farm project near Redcar
- £28million secured from Government for the Tees Green Hydrogen project
- Phase 1 of the project will deliver 7.5MW capacity



# BRITISH STEEL

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Steelmaking to return to Teesside under plans for Electric Arc furnace

Will use green technology to melt scrap and produce new steel

Will link with British Steel's Teesside Beam Mill at Lackenby, and Special Profiles Mill at Skinninggrove

Will create hundreds of direct jobs, with 1000s more in the supply chain





# TEESWORKS SERVICE PARK

- Plans submitted to Redcar and Cleveland Council for service complex to serve Teesworks
- Includes 160-bed hotel, shops, petrol station, convenience store, a family eatery and two other freestanding restaurant units
- The scheme will service thousands of construction workers due to come to Teesworks to work on major projects
- Fills the accommodation gap near Teesworks





# TEESWORKS

## STEEL HOUSE

- Teesworks campus hub
- Flexible office accommodation
- Potential breakout areas/rooms
- Site amenities e.g., nursery, gym, surgeries..
- Canteen/Restaurants
- Retail
- Data Centre
- Transport Hub – Park & Ride, Cycle & Footpaths, Bus stops, Train station , Helipad
- Transport to and from specific sites.

