



Secretary of State for Energy Security and Net Zero
c/o John Wheadon
Head of Energy Infrastructure Planning Delivery and Innovation
Department for Energy Security and Net Zero
3-8 Whitehall Place
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Your Ref
EN070009
Our Ref
TGH/207930.0002
Date
1 August 2025

By Email

Dear Sirs

Re: Application by H2 Teesside Limited (“the Applicant”) for an Order granting Development Consent for the proposed H2Teesside development (“Proposed Development”)

We refer to the Secretary of State’s (**SoS’s**) [letter dated 21 July 2025](#), which invites interested parties to comment by 1 August 2025 on the information provided to the SoS in response to his information requests dated [13 June 2027](#) and [7 July 2025](#).

On behalf of the South Tees Group (**STG**), we previously wrote to the SoS by [letter dated 27 June 2025](#) along with a supporting [overlay plan](#). That letter provided the SoS with a detailed update to STG’s objections to the Proposed Development, and explained why the Proposed Development should be refused consent, by reason of its conflict with a data centre development being brought forward by STG.

Further to section 2 of our letter of 27 June 2025, we are now able to report that on 1 August 2025 STG received approval from Redcar and Cleveland Borough Council for its reserved matters application (reference R/2025/0382/ESM) for the data centre development. The decision notice and associated documents can be accessed on the Council’s website, at [this link](#). This is a very significant further milestone in STG’s plans for a data centre, and is evidence of the momentum behind the project.

In parallel STG remains in advanced negotiations with prospective end users for the data centre development. This is complemented by STG’s submission to Government for the site to be designated as an AI Growth Zone, a decision on which is anticipated shortly.

By contrast, STG notes that since publication of its letter dated 27 June 2025, the Applicant has not taken any steps to advance or intensify negotiations with STG in respect of the Proposed Development.

Funding for H2Teesside remains uncertain for the reasons set out in STG’s letter of 27 June 2025 – STG observes that through Hydrogen Allocation Rounds One and Two, the Government has put a focus

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on green hydrogen projects. STG also highlighted BP's "strategic shift" away from hydrogen in its letter of 27 June 2025, and draws the SoS's attention to a further [press report](#) evidencing BP's strategic re-focus on its oil and gas business.

Indeed, we also understand that as a result of the [recent announcement](#) that SABIC is closing its cracker plant at Wilton, this adversely affects the viability of the BP H2 Teesside project. Consequentially, we understand from representatives of the BP H2 Teesside project team, that they are currently re-designing the project, which could have implications for the decision on the DCO.

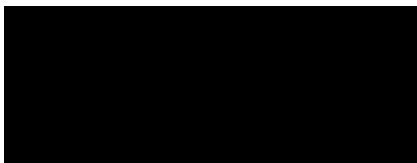
Notwithstanding, should the BP H2 Teesside project proceed as planned, the future Health and Safety Executive inner consultation zone associated with the project has the potential to prejudice future developments at Teesworks. Any sterilisation of land will prejudice delivery of the wider Teesworks development located within the Government's flagship freeport.

The milestone of reserved matters approval for STG's data centre is not only demonstrative of its significant momentum, but in the context of the SoS's forthcoming decision on the Proposed Development, it also increases both the weight that must be afforded to STG's objection, and the materiality of the data centre in the planning balance to be struck by the SoS. As noted in our letter of 27 June 2025, this contrasts sharply with the increasing uncertainty in the Applicant's commitment to and funding for the Proposed Development.

The way in which the competing projects have evolved – as highlighted in this letter and STG's letter of 27 June 2025 – now provides decisive reasons why the application for the Proposed Development should be refused consent. The AI Growth Zone designation, expected imminently, will simply serve to amplify those reasons yet further.

In short, the planning balance for the Proposed Development does not weigh in favour of approval, and a compelling case in the public interest for the compulsory acquisition powers required by the Applicant to deliver the Proposed Development has not been demonstrated. STG therefore reiterates its view that the only proper course of action now is for the application to be refused consent by the SoS.

Yours faithfully



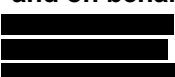
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