

# H2Teesside Project

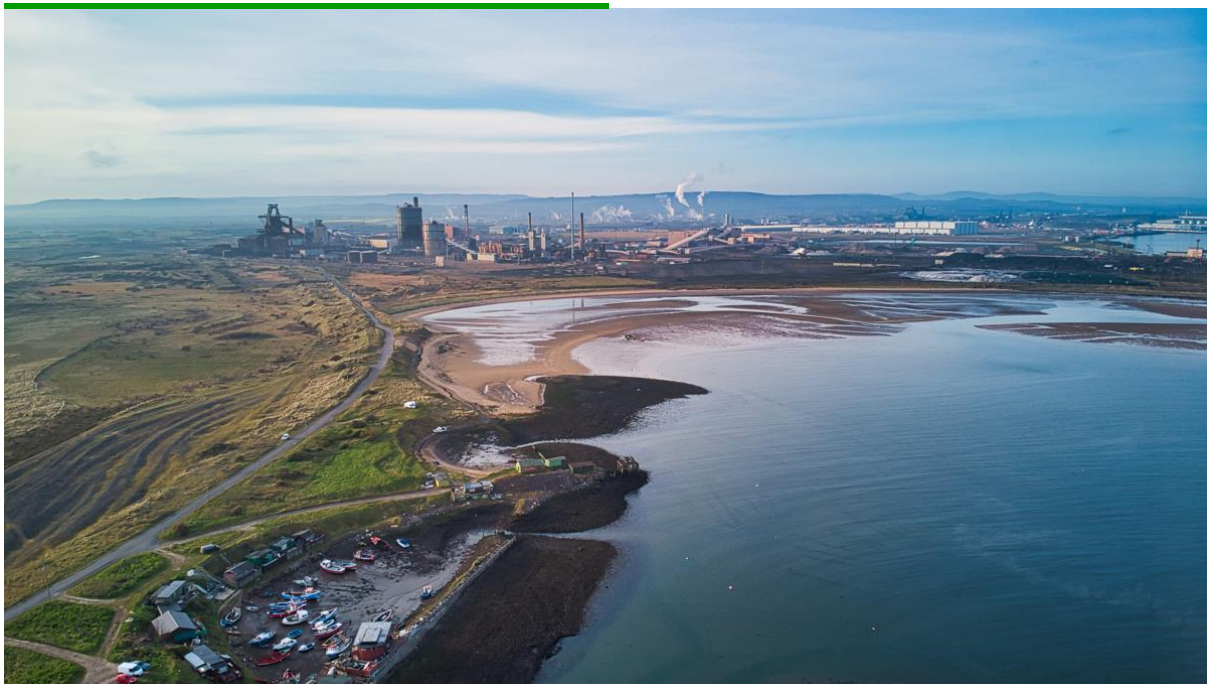
Planning Inspectorate Reference: EN070009

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 RFI-4: Applicant's Response to South Tees Group's Submission of 13 August 2025, published 15 August 2025

Planning Act 2008



**Applicant: H2 Teesside Ltd**

Date: 19 August 2025

## **1.0 APPLICANT'S RESPONSE TO SOUTH TEES GROUP'S SUBMISSION OF 13 AUGUST 2025, PUBLISHED 15 AUGUST 2025**

- 1.1.1 This document responds to South Tees Group ('STG')'s submission of 13 August 2025, published on 15 August 2025 ('the STG Submission').
- 1.1.2 Mindful of the deadline for the Secretary of State's decision on the Proposed Development being 28 August 2025, this response does not seek to respond to each and every point made by STG in the STG Submission.
- 1.1.3 Instead, and re-emphasising submissions it has already made in Examination and in response to the Secretary of State's Consultation Letters, the Applicant is seeking to respond to the two main points raised in the STG Submission:
- the Proposed Development would prevent the development of the Teesworks Estate; and
  - that there is insufficient certainty that the Proposed Development will be brought forward.
- 1.1.4 The Applicant disagrees with these suggestions, for the following reasons.

### **1.2 Interaction with the Teesworks Estate**

- 1.2.1 The Applicant and STG have been in discussions in respect of the use of the Teesworks Estate for the Proposed Development for over two years. In that time the Applicant has shared all the appropriate information it has available to it, including its proposed easement corridors (noting point 5 of the STG Submission). This has given STG the time to decide how to bring forward development in the wider Teesworks Estate.
- 1.2.2 In undertaking those discussions, STG has been aware of its interaction with its Freeport and regeneration aspirations and has taken an informed decision to proceed with them. It must therefore have considered that the Proposed Development aligns with its aims.
- 1.2.3 Furthermore, it is noted that:
- 'hydrogen manufacturing' is noted as being part of making the Tees Valley a go-to place, on the 'why Teesside Freeport' part of the Teesside Freeport website: <https://www.teessidefreeport.com/why-teesside-freeport/>; and
  - as noted in REP8-020, STG has been promoting, and continues to promote, Teesworks as a low carbon hub, in particular referencing the existence of H2 Teesside as part of selling Teesworks as a commercial proposition. For example, the 2024 Tour Presentation still available on Teesworks' website, at Appendix 1 of REP8-020, states e.g. that Teesworks is the 'the go-to region to develop clean gas, hydrogen and low carbon technologies'.

- 1.2.4 To this end, STG has and continues to support the delivery of the consented Net Zero Teesside CCS enabled power station and the Northern Endurance Partnership ('NEP') onshore carbon dioxide transport network in close proximity to the Proposed Development.
- 1.2.5 In this context, the Applicant has been negotiating with STG on the basis that it supports low carbon hydrogen development on its estate and that commercial and land agreements would therefore be able to be agreed to enable those aspirations to be fulfilled. For example, the Applicant has worked with STG to undertake extensive Site Investigation work within the Phase 1 land and part of the land that is now proposed for the data centre. The Applicant has set out in RFI-3 (STG) how it has tried to engage with STG in recent months.
- 1.2.6 While STG's new aspirations are noted, it is important to recognise that these have emerged at the final stages of an existing DCO application for a type of development which STG had previously encouraged and supported on the same land. STG is asking the Secretary of State to support this change of direction and bring forward another development as if the Proposed Development did not exist.
- 1.2.7 Granting consent for the Proposed Development will provide more certainty around what is required for a data centre scheme to coexist. In this context, the Applicant remains open to constructive engagement with STG on coexistence.
- 1.3 Proposed Development Certainty**
- 1.3.1 As indicated in REP9-025 (the bp 2025 Capital Markets Update), bp, as one of the entities which make up the Applicant, has made public statements that it is committed to progressing the development of H2Teesside. These statements reflect what the Applicant has said on numerous occasions in its Examination and Post-Examination submissions.
- 1.3.2 That status of the Proposed Development is not changed by the position of Sabic, and it notes that there is no 'primary' off-taker for the Proposed Development. As set out in its Examination submissions, the Proposed Development exists to support the decarbonisation and competitiveness of a diverse range of customers and the economy within the Teesside industrial area and to form part of a wider East Coast Cluster.
- 1.3.3 The Government is committed to the roll out of low carbon hydrogen, as set out in its various recent publications, including, as set out in the Applicant's RFI-3 (STG), most recently the July Hydrogen update to Market. The Proposed Development is one of the two CCUS-enabled hydrogen projects in negotiation with Government referred to in that update. Furthermore, the Government have made it clear in its recent Spending Review that they intend to support the deployment of developments which fill the storage capacity of the East Coast Cluster.
- 1.3.4 In any event, as set out in the Funding Statement (APP-025) and Supplementary Funding Statement (CR1-014) and the responses to the ExA's first written questions

on Compulsory Acquisition (REP2-024), the Applicant has access to the financial means to fund the development. As noted in those submissions, the land costs of the Proposed Development form only a relatively small part of the Proposed Development overall costs. As such, the funding available to the Applicant can cover the value of the STG land having the benefit of RMA approval for a data centre (although the Applicant notes that STG already had Outline Planning Permission for B2/B8 uses for the same land, and its submissions in RFI-3 (STG) about the uncertainty that the RMA approval actually being able to be taken forward, which mean that there may not be the increase in value from the RMA approval that is claimed to exist by STG in any event).

- 1.3.5 Confidence in the Proposed Development has allowed the Applicant to negotiate with all relevant third parties, and it has continued to do this throughout the post-Examination process.

#### **1.4 Conclusion**

- 1.4.1 The Applicant remains committed to progressing the development of the Proposed Development on the Teesworks Estate.
- 1.4.2 The Proposed Development would help support the decarbonisation of the Teesside cluster and help support the UK's ambition to reach net zero by 2050.
- 1.4.3 The Proposed Development should not be delayed or prevented by a speculative development which has been brought forward without due consideration of the maturity of the Proposed Development including a well advanced DCO application.
- 1.4.4 Granting consent for the Proposed Development would give all parties additional certainty to progress, enabling STG to deliver its data centre aspirations within its c. 2000 acres developable site, mindful of the Proposed Development being brought forward.