



Secretary of State for Energy Security and Net Zero  
c/o David Wagstaff OBE  
Deputy Director, Energy Infrastructure Planning Delivery  
Department for Energy Security and Net Zero  
3-8 Whitehall Place  
London  
SW1A 2AW

Our Ref  
TGH/207930.0002  
Date  
11 September 2025

**By Email**

Dear Sirs

**Re: Application by H2 Teesside Limited (“the Applicant”) for an Order granting Development Consent for the proposed H2Teesside development (“H2T”)**

We refer to your [letter dated 28 August 2025](#), requesting information from the South Tees Group (**STG**) about land at the Teesworks site. We also note that, on 28 August 2024, the Planning Inspectorate published a [submission from the Applicant](#) dated 19 August 2025, which responded to the [letter submitted on behalf of STG](#) dated 13 August 2025.

We are instructed to respond to these matters on behalf of STG. This response also benefits from the full endorsement of the Mayor of the Tees Valley Combined Authority, Lord Houchen (the **Mayor**).

The structure of this letter is as follows:

- **section 1** sets out STG's response to the Applicant's submission of 19 August 2025 – it is vital for STG that it takes this opportunity to correct factual inaccuracies and highlight significant omissions in that submission, given the importance and relevance of the matters to the Secretary of State's (**SoS's**) DCO decision;
- **section 2** responds to the request for information to STG dated 28 August 2025.

The letter also refers to a number of supporting appendices. This first of these, **Appendix 1**, contains a letter which the Mayor sent to the SoS on 12 August 2025, and its supporting annexures. That material is appended to this letter to ensure that it is also before the SoS for the purposes of the DCO process,

**Registered Office**

One Bartholomew Close  
London  
EC1A 7BL  
DX 339401 London Wall

20 Station Road  
Cambridge  
CB1 2JD  
DX 339601 Cambridge 24

The Anchorage  
34 Bridge Street  
Reading, RG1 2LU  
DX 146420 Reading 21

4 Grosvenor Square  
Southampton,  
SO15 2BE  
DX 38516 Southampton 3

T +44 (0)345 222 9222 W [www.broadfield-law.com](http://www.broadfield-law.com)



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and to ensure that its content – alongside the rest of this letter – is fully taken account of by the SoS as important and relevant matters for the DCO decision.

The SoS will note that the appendices to the Mayor's 12 August 2025 letter provide substantive evidence, for the purposes of the DCO decision, of Government's commitment to designating Teesworks and Teesside Airport as an AI Growth Zone. See in particular Peter Kyle's letter to the Mayor at Annex 1(a) of **Appendix 1**, which was received on 8 April 2025. Government has subsequently confirmed that the AI Growth Zone will include additional sites in the region, creating the UK's first and foremost national centre of excellence for AI development, in line with the Government's UK Compute Roadmap.

As sections 1 and 2 of this letter will go on to demonstrate:

- (i) STG has consistently maintained an **objection** to H2T, throughout the DCO process, due to **concerns about the sterilising impact of H2T on the Teesworks site**.
- (ii) A consistent theme reported by STG throughout the DCO process – consistent with other key stakeholders – has been **deficiencies in the level of engagement from the Applicant, and in the level of project information that has been shared**.
- (iii) STG's objections concern **not simply the direct loss of land falling within the DCO's Order Limits, but also the widespread sterilising impact of blast zones created by H2T** across the Teesworks site, which emerged over the course of the DCO examination. The Applicant has recently acknowledged – through STG's reserved matters application – a likelihood that an inner consultation blast zone will extend across the Foundry site;
- (iv) STG can only conclude that either the Applicant doesn't yet know the full extent of the blast zones – which means there has been insufficient design to adequately assess the impacts of H2T on Teesworks; or the Applicant is in possession of that information, but has not yet disclosed information which is material to the DCO decision. In either case, **the SoS does not have sufficient information on which to base a legally sound DCO decision**, and must interrogate the matter further;
- (v) H2T also faces fundamental viability questions which have arisen since the conclusion of the DCO examination – the loss of Sabic, a key prospective off-taker; and an increase in land costs as a result of the data centre development approval. Representatives of the Applicant have also informed STG that it is undertaking a planned downscaling of the project, which STG understands is being driven by inflated project costs and the requirement for a government subsidy which has not yet been agreed.
- (vi) These represent **significant consenting issues, and a legally sound DCO decision cannot be reached until they have been interrogated**. The SoS cannot safely reach a decision based on the Applicant's bare assertion of commitment, and a lightweight funding statement that essentially relies on BP's balance sheet.
- (vii) In contrast to these deficiencies, which render the DCO decision vulnerable to legal challenge, **STG has continued to make significant and rapid progress to implement its plans for a**



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**data centre campus on the Foundry site. It is a more advanced development than H2T** – in addition to the full weight of Government support noted above, the site now benefits from planning approval. A hyper scale development partner has been identified, with significant multinational AI end users lined up.

- (viii) The Foundry site is unique in its suitability for delivering a data centre development that can compete on the international stage. It will form the nucleus of a regional AI Growth Zone, which would be the most powerful data centre cluster in Europe. **The AI Growth Zone (including the Foundry) would provide nearly double the existing operational data centre capacity in the UK** – in other words, the AI Growth Zone alone will provide the same capacity currently provided by 100s of existing data centres across the rest of the UK.
- (ix) **It therefore represents a genuinely exceptional opportunity for UK plc, already approved and with the unique combination of the power, land and water pre-conditions in place to be developed immediately.** It would provide sovereign AI security and ensure that the UK does not fall behind other nations. An opportunity on the scale of the Foundry site simply can't go anywhere else if – in the Prime Minister's words – the UK is going to be an AI maker, rather than an AI taker.
- (x) **There is no alternative site available at Teesworks, or elsewhere, to deliver the scale of AI growth that would be enabled by the Foundry site. Nor is the data centre development capable of co-existing adjacent to H2T.** Investors have been clear – in AI Task Force discussions with STG, to which Government has been party – that they will not invest billions of pounds in a site that exists under the shadow of a blast risk, given the critical safety requirements for large scale AI. It would undoubtedly be a problem for prospective customers, including the UK Government, given national security considerations.
- (xi) The UK's data centre load is projected to need to grow to as much as 13.6 gigawatts by 2035 (see Department for Science, Innovation & Technology Compute Evidence Annex July 2025). **The Government has identified that the UK could face a 5GW capacity gap in the next five years.** In this context, the Foundry is the UK's largest immediately available site to meet defined AI requirements now.
- (xii) The loss of the Foundry site would see the AI Growth Zone's **planned 3,640 MVA shrink to less than 1,000 MVA, leaving a drastic shortfall in the UK's AI ambitions.**

The SoS must decide therefore between the two developments. Increased hydrogen capacity targets can be met by sites located elsewhere across several UK CCUS clusters, without the need to use land at the Foundry. If UK wants to kick start AI-led growth at scale, **the Foundry site – as the centre piece of the regional AI Growth Zone – is the UK's premier opportunity. It should be prioritised as such – meaning the DCO must be rejected.**

## 1. Response to the Applicant's 19 August 2025 submission

So that the SoS is apprised of the full position, the following tables contain STG's response to each of the numbered paragraphs in the Applicant's latest submission:

### **Applicant's comment:**

*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.*

### **STG response:**

The length of time over which the parties have negotiated is irrelevant – it is the nature and content of those discussions, and the level of information sharing, that matters – and it is here where the Applicant's deficiencies lie. The Applicant has failed to adequately engage with STG throughout the DCO process, including in pre-application consultation. This is a theme that has been consistently raised by other affected parties throughout the process (see further detail on in response paragraph 1.3.5, below). As early as October 2023, some six months before the DCO application was submitted, STG raised concerns with the Applicant on its lack of engagement, highlighting that the project was progressing without any involvement with STG, the main site host – which would inevitably lead to objections and conflict, which should be avoided. That prescient warning was not heeded by the Applicant.

The Applicant makes reference to easement corridors as an example of the “appropriate” information it has shared. This is misleading, because the physical extent of the H2T easement corridors has in fact never been adequately justified, despite repeated concerns raised by STG. But STG's concern goes much wider than the physical location of these corridors.

STG has been very clear with the Applicant, throughout the DCO process, that the H2T project should not have a sterilising effect on the Teesworks site. This was raised in STG's pre-application consultation response in October 2023, and subsequently in its substantial body of submissions to the Planning Inspectorate, beginning with its [relevant representations](#) in July 2024. Later in 2024, as the DCO process played out, STG was alerted to the fact that critical to H2T's sterilising effect will be the extent of impact of HSE consultation zones (“blast zones”) generated beyond the boundary of the proposed H2T infrastructure. Upon becoming aware of this issue, it became central to STG's grounds of objections (see [STG's representations](#) to the Planning Inspectorate dated 6 February 2025, and subsequently).

In tandem with the DCO representations, STG repeatedly requested that information on the extent and category of the blast zones be disclosed by the Applicant. BP, the Applicant's key sponsoring entity, had in fact committed to STG that it would share the blast zone information when a commercial agreement was reached with BP on the Net Zero Teesside project in 2024. The Applicant subsequently failed to meet that commitment. In its submissions to the Planning Inspectorate at the end of the examination, the Applicant acknowledged a "likelihood" of an inner consultation zone extending onto STG's adjacent land, but without providing anything more specific. Similarly the Applicant refused to share any more specific information when requested by STG.

In the absence of any specific information being disclosed, STG sought a commitment from the Applicant to the effect that it would design H2T in a way that would minimise the extent of any land outside the H2T Order Limits at Teesworks being designated as falling within an "inner" blast zone. The Applicant was unable and/or unwilling to provide that commitment, the effect of which was that STG could not continue any meaningful negotiations in respect of a project that would sterilise not only the Foundry site, but potentially significantly more besides.

In the [Applicant's recent communications dated 25 July 2025](#) in respect of STG's reserved matters approval for data centre development at the Foundry, it has seemingly gone further, and confirmed the likelihood of an inner zone extending across all of the land benefitting from the data centre reserved matters approval. The logical conclusion from this is that the Applicant has not provided full and frank information to the SoS in relation to likely full extent blast zones as part of the DCO evidence. The absence of this information has a seriously detrimental effect on STG's ability to plan for future development at Teesworks.

The SoS cannot reach a legally sound decision on the DCO without understanding, and weighing up, the extent and sterilising impact of consultation zones generated by H2T beyond its order limits. Either:

- the Applicant still doesn't know the full extent of the expected zones, which means that its DCO design is insufficiently developed, and its impacts have been insufficiently assessed, to support a DCO decision; or
- the Applicant does have an understanding of the extent of the zones based on preliminary designs, but has not yet disclosed information to the SoS which is relevant to the extent of sterilisation, and to the assessment of the case against the DCO.

Either way, the SoS lacks sufficient clarity on this important point to assess the impact of the project on adjacent land uses.

It is therefore incorrect, and misleading, to suggest that STG has been in an "informed" position – STG's position is that the Applicant's deficient approach to engagement on consultation zones (amongst other matters) has prevented that.

Furthermore, for the avoidance of any doubt, at no point has STG reached a position that H2T "aligns with STG's aims". STG has always maintained an objection to H2T, and no commercial or land agreement has ever been reached with the Applicant for the delivery of H2T.

**Applicant's Comment**

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 H2Teesside 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.

**STG Response:**

The Applicant's comments here are of no relevance to STG's objections.

It is right to say that STG supports both hydrogen manufacturing and low carbon technologies. STG can simultaneously hold that position whilst also promoting Teesworks as part of a regional AI Growth Zone, including the most powerful data centre in Europe. This is distinct from the issue of *where* those hydrogen and low carbon developments take place, with due regard to STG's objectives and plans for the Teesworks estate, and the impact they have on STG's rights as landowner and development corporation to develop the site in the way that it considers best facilitates its regeneration objective.

The key issues for STG, in terms of whether it supports or opposes any proposed development on the Teesworks site, are three-fold: deliverability, financial viability, and impact. STG objects to this specific hydrogen proposal, by reason of it failing on each of these grounds, for all of the reasons set out in this letter and its appendices.

Furthermore, it is clear it is from the Mayor's letter at Annex 1 of **Appendix 1**, that there is no "alignment" with, or support for, H2T as far as Teesside elected leaders are concerned.

**Applicant's Comment:**

*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.*

...

*1.4.2 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.*

**STG response:**

As set out above, the fact that STG supports low carbon development on its estate as a generality, is of no bearing to its objection to this particular proposal for low carbon hydrogen development.

The Applicant's attempt to undermine the data centre development based upon the timing of its emergence is ultimately of no relevance to the great weight it should now carry in the SoS's decision on the DCO. The length of time for developing major infrastructure inevitably means that legislation and policy evolves, new developments come forward, and that the case for an existing development can fundamentally decline – as is the case with H2T. Nor does the existence of another development for the same site affect the validity of STG's actions.

Furthermore, and for the avoidance of any doubt:

- there has been no “change of direction” from STG;
- STG has always maintained an objection to H2T due to its unmitigated wider impacts on the Teesworks site; and
- STG has not proceeded as though the Proposed Development did not exist – it has been abundantly clear from all of its submissions to the SoS that it has taken due account of the conflict, and provided substantive justification for its position and approach.

It is entirely misleading of the Applicant to characterise the data centre development as “new”, and an “aspiration”. As noted in the letter at **Appendix 1** (see Annex 2(a) in particular):

- the data centre development already benefits from planning approval;
- It has the necessary land already assembled, with no requirement for draconian compulsory purchase powers;
- STG is in advanced negotiations with hyper scale development partner, with significant multinational end users lined up to utilise the site;

- the approved Foundry data centre development is the centrepiece of an AI Growth Zone, that Government has committed to for many months now, not least through the Teesside AI Task Force, which was set up by government to accelerate delivery of data centres across Teesworks, and is chaired by the Secretary of State for Business and Trade.

Nor did it emerge “in the final stages of the DCO” – it has been under active development by STG since summer 2024, and was able to be referred to in STG’s examination representations from November 2024 onwards. The specific nature of the project (i.e. a data centre development) was subject to commercial confidentiality restrictions at that time, so could not be specifically referenced to (other than as a “critical national infrastructure project”) until the post-examination stage.

It is now ironic that the Applicant seeks to position H2T as the more mature, advanced project. In fact, on the evidence before the SoS, the data centre development is more advanced, and far more certain, in comparison to H2T. H2T is not a consented project, and as set out below, has no real prospect of coming forward, at least in any sense against which it has sought to justify its case for the purposes of DCO approval.

Indeed, the long term pattern has been one of declining commitment by the Applicant to the H2T project as presented in the DCO application. To demonstrate this, the 2024 DCO application contained 209 acres of the Foundry for the main site of H2T. Despite this, BP had approached STG to seek an option over only 140 acres of that land, to cover both H2T (90 acres) and the separate HyGreen project (50 acres). Following repeated objections from STG, in February 2025 a change request was approved to remove some 83 acres from the Foundry.

Then in recent weeks, as reported in STG’s recent submissions to the SoS, representatives of the Applicant have informed representatives of STG that it does not intend to implement the works for which it seeks approval under the DCO. Instead, the project is being fundamentally downscaled and re-designed. As a result it will not meaningfully “support the decarbonisation of the Teesside cluster”, as the Applicants suggest.

STG notes that this is a familiar pattern for BP, the Applicant’s key sponsoring entity and the promoter of the now abandoned HyGreen project, a green hydrogen scheme that was previously proposed for the Teesworks site. After many months of publicly committing to HyGreen, despite all evidence pointing to the contrary, BP announced that the project would not be going ahead.

Given the above context, it is entirely normal that STG would pursue other development opportunities for the Foundry site, notwithstanding the H2T DCO application.

It speaks volumes that the Applicant’s latest response did not comment on the substantial downscaling of H2T at the detailed design stage. STG can only conclude that this point is accepted, and that H2T has no intention of delivering the 1.2 GW scheme for which it seeks DCO approval.



Nor did the Applicant's latest response satisfactorily address STG's comment about off-takers, given the loss of Sabic as a prospective purchaser. In fact, as far as STG can ascertain, H2T has not submitted *any* evidence to the SoS during the DCO process about prospective end users – from which STG can only conclude that it has no committed customers. This is a significant viability issue for H2T.

Taken together, the above matters amount to grave consenting impediments from the perspective of the SoS's DCO decision-making function, since:

- (i) the basis on which the SoS is being invited to approve the proposal no longer holds water – the scaling back of the project that H2T intends to deliver calls into question the whole DCO application, as the scheme now being progressed is a fundamentally different project than the one presented in the viability assessments within the DCO application; and
- (ii) there is no credible evidence about viability (including prospective demand for hydrogen) on which a legally sound DCO decision can be made.

STG's position is that H2T has not been open with the SoS on these matters, and no DCO decision can be taken until these matters are fully and properly interrogated by the SoS.

**Applicant's Comment:**

*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.*

**STG response:**

It is a fallacy to justify consent for H2T on the basis that it will provide certainty in relation to a data centre development. The only that is "certain" about a consented H2T project is that it will:

- (i) prevent the UK's premium large scale data centre development from coming forward;
- (ii) constrain the use that can be put to the Foundry site, which will inevitably have a serious detrimental impact on the site as an investment opportunity – resulting in poorer returns for UK plc, in terms of fewer jobs, lost local, regional and national economic benefits, and a reduced tax base; and
- (iii) become even more expensive and less viable, due to the increased compensation that will be payable for the market value of a site the benefits from a data centre planning approval, and to compensate for H2T's wider impact in terms of sterilisation of STG's retained land. All of this is likely to result in a lengthy compensation dispute.

It is also crucial, for the decision on the DCO, that the Secretary of State should be under no misapprehension about the potential for "co-existence". The effect of H2T is follows:

- 140 acres of the Foundry site would be permanently lost for data centre development by reason of it falling within the Order Limits for the DCO – notwithstanding the down-scaling of H2T as noted above, the land would be blighted by compulsory acquisition powers for five years, and so it is not credible to expect an AI investor to commit multiple billion pounds of investment with the risk of the land being taken;
- the remaining circa 200 acres of STG's retained land at the Foundry is expected, by the Applicant, to fall within an inner consultation "blast" zones for the purposes of the HSE's land use methodology. STG has repeatedly been advised by data centre investors that they would not be prepared to invest with this level of safety risk overshadowing the site and, absent of a definitive position to the contrary from H2T and the HSE, the SoS position that all of the Foundry will be in the inner consultation zone must be assumed. Further evidence to support this point is contained in **section 2** of this letter.

It follows that there is no scope for "co-existence" – the Secretary of State must decide between H2T and the consented data centre development. As DWD submitted on behalf of H2T to Redcar and Cleveland Borough Council (25 July 2025) in the determination of the data centre reserved matters application:

*"The RMA Development is physically incompatible with H2T in that both developments occupy the same land. If the RMA Application is approved and the RMA Development is built out, it would be physically impossible to deliver H2T without demolishing those parts of the RMA Development within the Order limits. The two developments are therefore properly to be regarded as alternatives to one another. It is therefore necessary for the decision-maker to assess the comparative merits of the two developments (Lidl Great Britain Ltd v East Lindsey District Council [2005] JPL 420 at paras. 100 – 104)."*

#### **Applicant's comment**

*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.*

...

*1.4.1 The Applicant remains committed to progressing the development of the Proposed Development on the Teesworks Estate.*

This is merely a bare assertion of commitment, which tellingly avoids responding to the specific representation and objections made by STG in its recent submissions, namely to the change in strategic direction of BP, and the downscaling and redesign of the project. There is no evidence on which the SoS can base a sound decision, which addresses the legitimate concerns raised by STG to the effect that there is substantial doubt that a consented H2T would come forward in any form.

**Applicant's comment**

*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.*

**STG response:**

Again, this is just a bare assertion which provides no adequate response to the legitimate concern raised by STG in relation to Sabic, and no basis on which the SoS can reach a conclusion on the issue. Sabic was plainly a primary prospective off-taker for H2T, so it is not credible for H2T to suggest this was not the case.

As far as STG is aware, no other off-takers have been identified, let alone an off-taker with a commercial agreement in place, to purchase hydrogen from H2T. It is relevant to note here that Kellas Midstream, a rival blue hydrogen promoter on Teesside, has pulled out from developing its scheme, on the basis that the loss of Sabic (as a primary off-taker) rendered the Kellas scheme commercially unviable. There is now no industrial base on Teesside of the scale that can offer a level of demand to justify investment in a blue hydrogen facility on the scale of H2T.

This raises serious further questions about H2T's financial viability. The SoS is incapable of reaching a conclusion on this matter for the purposes of the DCO decision, absent significant further enquiry and a substantive response from the Applicant.

Viability, from a customer perspective, is just one of a number of deliverability factors where the case for the data centre development manifestly outweighs the case for H2T.

It is noted that H2T challenged the data centre reserved matters planning application, on the basis of its delivery capability. Power and water utilities for the Teesworks site are delivered by Steel River Power (**SRP**) for electricity, and water from Northumbrian Water Group (**NWG**) via South Tees Development Corporation's (**STDC's**) private infrastructure on the Teesworks site. STG has collaborated closely and effectively with these parties in respect of the data centre development, noting that both SRP and South Tees are related parties – SRP are owned by the same principal shareholders as Teesworks, and South Tees is the public sector side of the Teesworks joint venture.

This contrasts with H2T, which has failed to engage effectively with power and water utilities providers – NWG and National Grid Electricity Transmission (**NGET**) are on record through the DCO process in terms of their frustration regarding H2T's defective approach to engagement, resulting in what are understood to remain unresolved objections to H2T's delivery. See, by way of recent evidence, [NGET's response](#) dated 31 July 2025 to SoS consultation 2, and [NWG's response](#) dated 31 July 2025 SoS consultation 3.

Furthermore, H2T is not in possession of an extant power connection offer from SRP. H2T has envisaged that a power connection would be taken from the private wire network. But there is no contractual obligation for SRP to provide such a connection. Noting the delivery and viability concerns over H2T, SRP has allocated its current and future capacity to data centres to support and align with the land development plans of Teesworks. As SRP can only provide connections to customers of the Teesworks estate, it has to ensure sufficient power is allocated to support STG's development plans.

As such, noting it appears H2T has not progressed an alternative connection with either the DNO (Northern Powergrid) or NGET directly – even in the event of a DCO approval, and notwithstanding rights to secure easements for cable routes, a connection date to either NPG or NGET would likely be starting from the back of their respective customer queues. Current connection offers are typically 5-8 years or more.

The absence of a power connection offer therefore makes H2T commercially unviable (due to years of delay), and undeliverable because a connection would be beyond the five-year limits for DCO commencement and the exercise of compulsory purchase powers in the DCO. This is a clear impediment to the H2T project, which on its own is enough to warrant refusal of the DCO application.

#### ***Applicant's comment***

*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.*

#### **STG response**

STG refers to “government commitment”, but this has to be put into appropriate context. H2T hasn't yet agreed any funding deal with Government – so much is clear from the final paragraph of the Energy Minister's letter to the Tees Valley Mayor, dated 1 September 2025 (see **Appendix 2**), which states:

*“H2 Teesside is one of several projects currently in negotiations with Government. Like others, it has the potential to contribute to our CCUS and hydrogen ambitions, but as with all projects, progression to a Final Investment Decision **will depend on a full assessment of value for money and affordability**, to ensure it delivers value for taxpayers and bill payers.”* (Our emphasis).

The Energy Minister's letter undermines the Applicant's Funding Statement, and casts significant doubt over the scheme's viability. STG's understanding is that H2T – on the scale for which DCO approval is sought – is too expensive, and Government will not subsidise the project based on its DCO-quoted costs. STG can only assume this accounts for the downscaling now being implemented by H2T.

Project costs will be adversely affected even further due to the increased value of the Foundry site which H2T proposes to acquire. STG understands that a comparable value of land for a data centre development is £6.6m per acre – at 90 acre, this equates to a land value of circa £600m – plus compensation for

the sterilising impact of H2T on STG's retained land. This plainly has a significant impact on cost, compared to what must have been assumed in the DCO Funding Statement. However, the absence of a land cost estimate in the Funding Statement, or any meaningful detail presented during the DCO examination, prevents any probing of this significant issue. This must be interrogated by the SoS, before he can reach a legally sound decision on the DCO.

**Applicant's comment:**

*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).*

**STG response:**

The Applicant's response on this matter is again nothing more than bare assertion, unsupported by any evidence. STG notes that H2T's Funding Statement is extremely thin, providing single cost estimates for phases 1 and 2 of the project, with no breakdown (including no property cost estimate). Given how matters have moved on since the application was submitted in 2024, the SoS cannot reach a legally sound decision on the DCO without making further enquiries about current project costs, including the assumptions made about property costs.

**Applicant's comment**

*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.*

**STG response:**

A constant refrain from affected parties throughout the DCO examination process, was the failure by H2T to engage and negotiate in a timely and effective manner. Contrary to what H2T says, this has continued into the post examination stage. As noted above, even at this late stage in the process, H2T has not been engaging in a timely and effective way to seek resolution of NGET's and NWG's outstanding objections. There is no evidence STG has seen to the effect that PD Teesport's outstanding issues, reported in their [letter to the SoS dated 1 August 2025](#), are resolved.

**Applicant's comment**

*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.*

**STG response:**

The Applicant's characterisation of the data centre development as "speculative" and "aspirational" is unsubstantiated and does not stand up to scrutiny – particularly in circumstances where the Government has self-evidently thrown its full weight behind the data centre proposal, with the Secretary of State for Business and Trade chairing the Teesside AI task force and engaging directly with prospective investors, in partnership with STG.

As noted above, on the evidence before the SoS, the data centre development is more advanced, and far more certain, in comparison to H2T. The evidence to support this is contained in the letter at **Appendix 1**, at Annex 2(a) – the data centre development:

- (i) has enjoyed Government backing for many months now, through the prospective AI Growth Zone designation – and is supported by a raft of wider Government policies and initiatives, as document in **Appendix 3**;
- (ii) is already consented and does not require compulsory acquisition of land to proceed;
- (iii) is the subject of advanced negotiations with a hyper scaler, with significant multinational end users lined up to utilise the site.

Contrary to what H2T says, the only certainty from a DCO approval is that the unique Foundry data centre opportunity would be lost, and cannot be re-designed on the same site, or replicated elsewhere, if the H2T DCO is consented. **Section 2** of this response provides full explanation and justification for why this is the case.

## 2. Response to SoS's request for information

The table below contains STG's detailed response to the four-part request for information from the SoS (adopting the SoS's paragraph numbering) with the associated plans referred to contained in **Appendix 4**.

However, to set the context for STG's responses – and to ensure the DCO decision is soundly taken – it is essential that the SoS has a clear understanding of the following two preliminary points:

- **Preliminary point 1:** STG is very concerned to note that, underpinning the SoS's four-part request for information:
  - (a) there is an assumption that the Teesworks site contains 2000 acres of developable land – explained in the table below, this is historic information, which is no longer reflects the availability of the site and should not be relied upon for the purposes of the decision on the DCO. To do so would represent a fundamental flaw in the decision-making process, rendering the decision unsound.
  - (b) the SoS refers to the “Reserved Matters Application” – that application has been **approved**, and STG now has a perfected, implementable permission for a data centre on this site. This must be afforded greater weight than a scheme at application stage only – again, to do otherwise would represent a flaw in the decision-making process.
- **Preliminary point 2:** the impact of losing the Foundry site needs to be understood not just in respect of that site in isolation, but having regard to the key central role it will be play across the regional AI Growth Zone, as one of three interrelated but geographically separate sites (a “three-legged stool model”):
  - (a) The concept of three sites relates to a critical need for data centre resilience – by just having two sites, then where one is out for maintenance activities or suffers a fault, the remaining one has no back up and carries too much risk. Therefore a three-tier approach is deployed in critical systems, to ensure back-up remains when one site is unavailable
  - (b) The three-site approach to data centres requires a geographical distance between them to serve as risk mitigation from severe weather, natural disasters, power grid failures, terrorism or security threats. This is further mitigated by selecting sites where key utilities, in particular power and water, have separate independent paths so one fault or act cannot render multiple sites out of service.
  - (c) The area to be designated for the Teesside AIGZ is unique in the UK from a National Grid power flow and infrastructure perspective – the North East of England has available power capacity now, and will have more capacity in the future, compared to other areas in the country. The area also allows large demand connections onto different circuits, therefore upholding the risk mitigation priority referred to above.

- (d) Teesworks would be one of the three separate sites forming a regional AI Growth Zone. It would, however, be the nucleus of the AI Growth Zone, because of its ability (absent H2T) to provide 1,640 MVA capacity<sup>1</sup>. It would be the foundation for establishing the learning module data centres.
- (e) The Foundry site is in turn essential to high-capacity provision across the AI Growth Zone – the Foundry site allows for the full power capacity of Teesworks to be utilised, which in turn will allow the two separate sites to have 1,000 MVA of capacity to deploy.
- (f) If the Foundry area was not available, then the available land at Teesworks is drastically reduced, in turn reducing the capacity of the Teesworks site to sub-300MVA (down from 1,640 MVA). This then reduces the two other separate sites to the same capacity. The net effect of this is that the current planned regional capacity in excess of 3,000 MVA will shrink to less than 1,000 MVA, resulting in a drastic shortfall in the UK Government's AI objectives set out clearly and starkly in action 6 of the UK Compute Roadmap (see **Appendix 3**).

SoS request:	STG response:
<p>4. The Secretary of State notes that STG's Teesworks area totals approximately 4500 acres, of which approximately 2000 acres is developable land. STG should provide evidence to the Secretary of State of the land available to it within the 2000 acres of developable land at Teesworks, excluding the Foundry site, which could accommodate a Class B8 facility of the scale envisioned in its Reserved Matters Application.</p>	<p><b>There is no land available to STG which could accommodate a Class B8 facility of the scale confirmed as suitable and appropriate in the reserved matters approval for the data centre development.</b></p> <p>The wider STDC boundary covers some 4,500 acres of land. Not all of this land is within STG's control as it incorporates PD Ports land holdings, Redcar Bulk Terminal, NWG's Bran Sands treatment works and British Steel's land-holdings.</p> <p>The land within the control of STG extends to approximately 2,000 acres, however, this includes land at Coatham Marsh and South Gare which are designated as a Special Areas of Protection (<b>SPA</b>) and Site of Special Scientific Interest (<b>SSSI</b>) neither of which are developable. Moreover, land is already committed to a number of end users including the new quay, SeAH, Orsted and Net Zero Teesside amongst others. As such, the available developable land quantum is significantly diminished.</p> <p><b>Plan 1 of Appendix 4</b> shows the five development sites at Teesworks. The Foundry site is shown at <b>Plan 2 of Appendix 4</b>. The available developable land is 337.25 acres for data centre development</p>

<sup>1</sup> MVA – meaning megavolt amperes – is the measure of power available for usage by data centre end users.



	<p>and complementary uses. It will be seen from Plan 1 that there is scope to extend the consented area for data centre planning consent (currently 4,977,432 sq.ft., over 192.96 acres). STG is actively preparing a further planning application to achieve this, such that the entirety of the Foundry site will have planning permission with a capacity for circa 1,180 MVA.</p> <p>There is no land available elsewhere at Teesworks of a scale equivalent to the Foundry site for data storage. Taking the four other sites in turn:</p> <ul style="list-style-type: none"> <li>- Dorman Point (<b>Plan 3 of Appendix 4</b>) has 59.65 acres of land are immediately available. Another 47.4 acres is not available until 2028-29 for works to the Teesworks substation.</li> <li>- Lackenby (<b>Plan 4 of Appendix 4</b>) has 28.59 acres available.</li> <li>- South Bank (<b>Plan 5 of Appendix 4</b>) has <b>no land</b> available for data centre development. The South Bank site (293.64 acres in size) is already under development, involving a number of major installations which support the UK government's offshore wind objectives. This includes the already constructed SeAH facility. For that reason South Bank has been excluded from the AI Growth Zone.</li> <li>- Long Acres (<b>Plan 6 of Appendix 4</b>) is not directly available for data centre development, but rather complementary energy uses. This is because the developable land is either unsuitable (by reason of the CATS pipeline exclusion zone) or not available in any reasonable timeframe due to the significant remediation issues. Designation of Long Acres as part of the AI Growth Zone is primarily proposed as a hub for clean energy generation and battery storage. This is a critical part of data centre development, given the need for power stabilisation.</li> </ul> <p>The Foundry is therefore the only site at Teesworks which is capable of hosting a data centre facility with the ability to achieve 1,180 MVA of capacity.</p>
5. STG should provide evidence to the Secretary of State of the land available to it within the 2000 acres of developable land at Teesworks, excluding the Foundry site, which may or is expected to	<p><b>Whilst AI data centre development could be accommodated at Dorman Point and Lackenby, these would be disparate and on a much smaller scale (a total of 88 acres immediately available, and a further 92 acres available in the long term) than the approved Foundry scheme.</b></p>

<p>accommodate other artificial intelligence (“AI”) data centres, in addition to the Reserved Matters Application, and STG should provide as much detail as possible as it can on those proposals.</p>	<p><b>Absent the Foundry site being available for AI development, the UK will fall further behind its international rivals.</b></p> <p>Initial analysis indicates a potential combined electrical demand capacity of around 309 MVA across these two smaller, immediately available, land parcels (88 acres). This compares against 1,180 MVA capacity at the entirety of the Foundry site.</p> <p>At the current time no formal proposals have been worked up for the Dorman Point and Lackenby, as STG’s hyper-scaler partner, and their end user international customers, are focused on the approved and deliverable opportunity at the Foundry.</p> <p>Indeed, market analysis demonstrates that the data centre market in the US, which is more mature than the UK and Europe, is showing a clear trend towards larger sites – the average site in the US is already over 300 acres, and increasing year-on-year. Indeed, Stargate, a \$500 billion private initiative to build AI infrastructure backed by Open AI, Oracle and Soft Bank has set a minimum site size of 300 acres and ideally a campus of 1,000 acres plus. This is by no means unique, with examples of large scale developments across the US and Europe (see <b>Appendix 5</b>). The average campus size of data centre projects in Europe has tripled over the last five years alone.</p> <p>It should be of great concern therefore to Government, that the UK is currently not able to compete with the US and Europe in offering large format sites with available power. This re-affirms the importance of the Foundry as a critical opportunity to address the UK’s stated future AI requirements and meet the delivery target set out in the UK Compute Roadmap (Action 6) of delivering at least one AI Growth Zone or more than 1 GW by 2030 (see <b>Appendix 3</b>).</p>
<p>6. STG should provide evidence to the Secretary of State of the land available to it within the 2000 acres of developable land at Teesworks, excluding the Foundry site, which could support the wider Teesworks area being designated as an AI Growth Zone by the Department for Science, Innovation and Technology.</p>	<p><b>As noted above (“preliminary point 2”), dilution of the AI Growth Zone, by the sterilisation and loss of the Foundry site, would be greatly detrimental to its capacity – and by extension harmful to delivery of UK’s Compute Strategy.</b></p> <p>The Foundry is the nucleus and catalyst for inward investment and development at the complementary sites forming the AI Growth Zone.</p>

	<p>Whilst, beyond Teesworks, STG is working to bring together additional land to create a multi-faceted approach to the delivery of AI across the region securing resilience for investment and job creation – absent the Foundry site, the opportunity to create a regional all-encompassing AI Growth Zone, which is fully aligned to UK Government policy, will be lost.</p> <p>Teesworks is unique in being able to host large language model, inference and cloud technologies at scale and at pace. Forecast build-outs show work starting next year at the Foundry with the remaining investment coming forward in 2026-2027. The uncertainty surrounding the DCO is, however, creating an impediment to growth and the ability for the UK to be a leading AI maker as opposed to an AI taker.</p>
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<p>7. STG should provide without prejudice plans and designs for an alternative AI data centre to the Reserved Matters Application located at the Foundry site which i) accounts for the Secretary of State granting development consent for the Proposed Development, including in respect of the compulsory acquisition powers the Applicant seeks over the Foundry site; and ii) assumes that any Hazardous Substances Consent issued in respect of the Proposed Development, and in accordance with the Health and Safety Executive's land use planning methodology, imposes an Inner Zone consultation distance around the Proposed Development which covers the entire Foundry site and assumes that the development of the Proposed Development and the alternative AI data centre are taken forward concurrently.</p>	<p><b>If H2T comes forward, with an inner consultation zone covering the Foundry, it is simply not commercially feasible to bring forward a revised data centre proposal on STG's retained Foundry land.</b></p> <p>Whilst the HSE would permit less than 100 workers per building and less than three occupied stories within the inner consultation zone, the commercial and investment implications are an entirely separate consideration. STG has been advised by its hyper-scale development partner, which is looking to invest billions into the Tees Valley, that the risk to that investment generated by an inner consultation zone is too great.</p> <p>For every 100 megawatts of AI capacity delivered, this equates to an investment of over £7 billion across both the capital and operational expenditure. These are mission critical facilities which operate on zero downtime supporting sovereign AI, public sector services, financial markets and safety critical operations. Industry precedent and STG's market engagement with data centre developers and end users confirms a very low risk appetite from hyperscale developers (e.g. AWS, Google, Microsoft, Meta) for adjacent hazards such as blast zones, for self-evident reasons. The UK Government would undoubtedly take the same position in respect of any data centre upon which the UK's own security relied.</p> <p>By making AI one of its missions, Government is operating in a competitive international marketplace and the risk of the inner zone of consultation is such that investors would simply locate elsewhere in the globe with the resultant loss of over 700 direct jobs in this critically important sector for UK plc.</p> <p>Accordingly if the SoS approves the DCO for H2T, there no realistic prospect of an alternative data centre campus on the Foundry site. It is therefore not practicable or realistic to provide alternative plans as no realistic alternative scheme exists which would countenance both projects co-existing.</p>
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Yours faithfully

Broadfield Law UK LLP

**Broadfield Law UK LLP**



@broadfield-law.com

## **Appendix 1**

**Letter from the Tees Valley Mayor to the SoS dated 12 August 2025, plus annexures**

# TEES VALLEY MAYOR BEN HOUCHEN

Office of the Tees Valley Mayor  
Tees Valley Combined Authority  
Teesside International Airport  
Darlington  
DL2 1NJ

t 01325 792600  
e [mayor@teesvalley-ca.gov.uk](mailto:mayor@teesvalley-ca.gov.uk)  
w [teesvalleymayor.co.uk](http://teesvalleymayor.co.uk)

Our Ref: BH/JG/JL-632

12 August 2025

The Rt Hon Ed Miliband MP  
Secretary of State for Energy Security and Net Zero  
Department for Energy Security and Net Zero  
3-8 Whitehall Place  
London  
SW1A 2AW

Also by email:

[Secretary.State@energysecurity.gov.uk](mailto:Secretary.State@energysecurity.gov.uk)

Dear Secretary of State

## **Teesside AI Growth Zone and Fundamental Conflict with H2 Teesside Project**

You will be aware of the H2 Teesside project (H2T) proposed at the Teesworks site on Teesside. The promoter of H2T has applied for a development consent order (DCO) to authorise H2T, including powers of compulsory acquisition over significant stretches of the Teesworks site. Your decision on the DCO application is due to be taken by 28 August 2025.

In view of that impending decision, it is of vital importance that you and your department are fully aware:

- (i) of Government's commitment to the designation of Teesside (including the Teesworks site) as the UK's leading AI Growth Zone (AIGZ), and the steps Government is taking drive forward AI development on Teesside; and
- (ii) that H2T, by reason of its sterilising effect, is fundamentally incompatible with the AI Growth Zone designation – and indeed will prevent an already-consented nationally significant data centre development coming forward, by reason of a conflict over the same land. When combined with the other matters summarised in this letter, these amount to compelling and decisive reasons why the DCO application for H2T should be rejected.

Expanding on these points in turn:

### **(i) Government commitment to designation of the Teesside AIGZ**

**Annex 1** to this letter contains the following documents which evidence Government's clear and unequivocal commitment to the Teesside AIGZ, and the rapid progress that has been made:

<b>1. Letter from Secretary of State for Science, Innovation and Technology (SoSSIT) to Tees Valley Mayor (8 April 2025)</b>	This letter confirmed that Government would, through the creation of Teesside AI Task Force, co-design an AI Growth Zone <i>“that secures the UK’s sovereign AI ambitions and brings cutting-edge AI capabilities and broader security benefits to Teesside and the boarder North-East region”</i> . The letter further confirms that Government would <i>“lead engagement with the world’s largest investors, directing them towards Teesworks and Teesside international Airport”</i> and will <i>“put its full weight behind Teesworks and Teesside International Airport becoming an AI Growth Zone”</i>
<b>2. Letter from Tees Valley Mayor to SoSSIT (8 April 2025)</b>	This response to SoSSIT’s letter welcomed the once in a generation opportunity offered by AI investment and fully supported the Government’s commitment to the AIGZ designation and the setting up of the AI Task Force.
<b>3. AI Task Force initial meeting and terms of reference (10 April 2025)</b>	The AI Task Force was rapidly established in response to the initial exchange of letters, with its terms of reference confirming that its purposes is <i>“to drive forward the development and successful implementation of the AI Growth Zone at Teesworks and Teesside International Airport”</i> . Since its inception numerous subsequent meetings have taken place with representatives from Government, Teesworks and Tees Valley Combined Authority seeking to advance the AI GZ working jointly with inward investors.

In summary, Government, TVCA and Teesworks have been working intensely for some considerable time to progress the Teesside AIGZ – notably through Government introducing Teesworks, as part of the Government’s AIGZ, to a series of end users including hyper-scalers and internationally recognised AI companies. Since February of this year, I have personally attended some 50 meetings associated with the AIGZ.

The AIGZ information disclosed with this letter has not previously been submitted into the DCO process. You will doubtless recognise its importance and relevance, and the great weight it carries, in your decision-making process on the DCO application. This is why I have taken the step of disclosing it directly to you now, in circumstances where the Teesside AIGZ designation may not be made public in advance of your DCO decision.

## **(ii) Compelling and decisive reasons to refuse the DCO application**

Annex 2 of this letter comprises:

- (a) a summary of the compelling, emphatic and decisive reasons why the DCO application for H2T should be rejected; and
- (b) the opinion of eminent Leading Counsel, Christopher Katkowski CBE KC, in which it is confirmed that the combination of these reasons – including in particular a consented nationally significant data centre and the AIGZ – provides a compelling basis to justify a refusal of the DCO application.

By contrast, there is now serious doubt that H2T – if consented – would ever come forward at all. If it did, representatives of H2T have made it clear to representatives of the Teesworks site that a full and fundamental re-design is under way, and any implementation would be on a substantially smaller scale compared to what has been presented through the DCO process. Accordingly the case on which H2T is seeking DCO approval



– including the scheme which they say justifies sterilising vast swathes of the Teesworks site with compulsory purchase powers – has fundamentally changed, cannot be relied upon, and therefore the DCO cannot be approved.

Yours sincerely



**Ben Houchen**  
Tees Valley Mayor

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Department for  
Science, Innovation  
& Technology

Rt Hon Peter Kyle  
Secretary of State for Science, Innovation  
and Technology  
100 Parliament Street  
London SW1A 2BQ

E: [Secretary.State@dsit.gov.uk](mailto:Secretary.State@dsit.gov.uk)  
W: [www.gov.uk/dsit](http://www.gov.uk/dsit)

Mayor of Tees Valley Combined  
Authority  
Tees Valley Combined Authority  
Teesside Airport Business Suite  
Teesside International Airport  
Darlington  
DL2 1NJ

Dear Lord Houchen,

This government wants to ensure the UK is a global AI leader. Earlier this year the Prime Minister published the UK's AI Opportunities Action Plan, taking forward 50 actions to make the UK one of the best places in the world to develop and deploy transformational AI technology.

Amongst those actions was a commitment to establish AI Growth Zones, recognising the potential of AI to transform regions across the UK. I welcome your proactive approach in seeking to bring an AI Growth Zone to Teesside. We both want to see Teesside leading the AI industrial revolution within the UK. And we want to drive a renaissance in the economic performance of the North East of England.

I know my officials have worked closely with you and your colleagues to ensure that the Teesworks site along with Teesside International Airport has sufficient access to all relevant utilities for the purpose of delivering one of Europe's largest AI data centres.

Through continued collaboration there is an even greater opportunity to seize. One that would position Teesside as the cornerstone of the UK's AI strategy, boosting our technological sovereignty, and supporting long-term economic transformation in the region.

Teesworks appears well placed to play this role – with ample land, power and water available today and potential for more in the near future, a vast talent pool through its proximity to leading universities and a commitment to adopting digital technology.

I am enthusiastic to work with you to secure the best possible outcome — one that transforms Teesworks and Teesside International Airport into a world-class AI hub to deliver high-skilled local jobs, drives regional economic growth, and strengthens the UK's sovereign AI capabilities. To that end, this Government will:

- Co-design an AI Growth Zone, aligned with the UK Government's AI Opportunities Action Plan, that secures the UK's sovereign AI ambitions and brings cutting-edge AI capabilities and broader benefits to Teesside and the broader North-East region;
- Lead engagement with the world's largest investors, directing them toward Teesworks and Teesside International Airport, including top AI labs, major infrastructure developers, and global investment funds. We will ensure that engagement is strategic, coordinated, and aligned with our shared ambitions.
- Support the acceleration of site scale-up by establishing a Teesside Taskforce, which I am happy to chair, and would ask that you and the Prime Minister's Adviser on AI Opportunities are deputy chairs, bringing together the relevant government departments, agencies, representatives from the South Tees Development Corporation, Teesworks, Teesside International Airport and other local and regional stakeholders. The Taskforce will rapidly address emerging challenges, shape the investment proposition, and maximise the potential of the AIGZ at Teesworks and Teesside International Airport.

The Government will put its full weight behind Teesworks and Teesside International Airport becoming an AI Growth Zone — and work with you to secure the most ambitious deal. That designation, and our shared vision to build a world leading AI hub in Teesside will give investors confidence and certainty to match our level of ambition. I have instructed my officials to immediately start work with you to design a compelling investment proposition and to engage directly with the world's leading investors, around a vision to deliver a flagship AI Growth Zone in Teesside.

I am committed to ensuring that a Teesside AI Growth Zone delivers both lasting regional benefits and the sovereign AI capability that will secure the UK's place as a global leader in this technology. The Taskforce will be critical to making this happen, and I would value your continued partnership in working with my officials to turn our shared vision into reality. The attached Terms of Reference for the Taskforce reflect our shared commitment to securing the best possible outcome for the UK and Teesside. I have also attached a benefits framework that will guide engagement with investors — and I would encourage us both to challenge ourselves to secure specific, tangible benefits across each category as part of any deal.

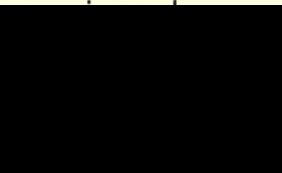
In addition, I welcome your commitment to ensure that the Teesside Freeport will continue as a centre for clean energy and advanced manufacturing - sectors that will be critical in both enabling AI as well as deploying it to drive forward our missions on net zero and growth - and that the Freeport tax reliefs will be used only for this original intended purpose.

We will confirm, with you, the right moment to make a public announcement, ensuring it supports our shared process and maximises the opportunity to deliver on this ambition. While I am confident in our approach, in the unlikely scenario that we are unable to align on a deal that delivers against our shared interests and ambition for the site, the government reserves the right to review the planned AI Growth Zone designation.

Given the scale of the project and the understandable public interest it will attract, it is critical that robust local governance is in place, alongside the role of the Taskforce. This will give all stakeholders continued confidence in our ability to deliver a project of this scale and ambition. Over the coming weeks, I look forward to working with you to develop a shared approach for the planned AI Growth Zone — one that brings together our collective expertise and ambition. This work must start immediately.

For generations, Teesside was at the heart of British industry, powering the UK's steel production and heavy manufacturing. Now, as it moves from steel to silicon, it has the opportunity to be at the heart of the industries of the future — hosting world-class AI infrastructure, unlocking transformative investment for the region, and becoming home to the most powerful data centre in Europe.

I am keen to get moving on it.

Yours faithfully,  


Rt Hon Peter Kyle

Secretary of State for Science, Innovation and Technology

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**TEES VALLEY MAYOR**  
**BEN HOUCHEN**

Office of the Tees Valley Mayor  
Tees Valley Combined Authority  
Teesside International Airport  
Darlington  
DL2 1NJ

t 01325 792600  
e [mayor@teesvalley-ca.gov.uk](mailto:mayor@teesvalley-ca.gov.uk)  
w [teesvalleymayor.co.uk](http://teesvalleymayor.co.uk)

Our Ref: BH/JG/JL-548

8 April 2025

The Rt Hon Peter Kyle MP  
Secretary of State for Science, Innovation and Technology

By email: [Secretary.State@dsit.gov.uk](mailto:Secretary.State@dsit.gov.uk)

Dear Secretary of State

Thank you for your letter and for the Government's commitment to making Teesside the UK's AI Growth Zone (AIGZ).

I wholeheartedly welcome the opportunity to work with Government in delivering this AIGZ, that will position Teesside as a cornerstone of the UK's AI strategy, strengthening our sovereign capabilities and driving economic transformation in the Northeast.

Teesside has always been a place of innovation and industry, and we stand ready to embrace this next revolution, which can unlock significant investment and jobs to Teesside, Darlington, and Hartlepool.

Your recognition of Teesworks and Teesside International Airport as ideal locations for a world-leading AI centre is a testament to the work that has taken place since we took control of both sites – alongside our fantastic joint venture partners.

In 2015, the former steelworks site was costing the taxpayer £20 million a year to keep safe, with many warning of the significant liabilities, said to be more than £1 billion, that would fall on the public purse. 3,000 jobs were lost, and a community was devastated.

Since then, with the expertise of our private sector partners, the steelworks have been demolished, land remediated, an energy joint venture entered into, and new global investment attracted, paving the way, for what is now acknowledged by Government as, one of the world's premier sites for AI development.

Thanks to the tireless work that has been done since 2019, Teesworks and Teesside International Airport are now able to provide the UK with an opportunity to join the global AI race. This is a significant juncture for our nation's future, and I am excited to work alongside this Government to ensure that we capture the opportunity.

With this, I welcome the Government's commitments to:

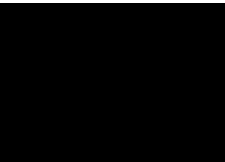
- **Co-designing an AI Growth Zone**, aligned with the AI Opportunities Action Plan, ensuring that Teesside is at the forefront of national AI ambitions.
- **Engaging global investors**, directing them towards Teesworks and Teesside International Airport to establish the UK's most significant AI infrastructure.
- **Accelerating site scale-up**, through the establishment of a Teesside Taskforce, which I would be pleased to accept your offer and serve as deputy chair alongside the Prime Minister's AI advisor.

This is a once-in-a-generation opportunity to build a future-proof economy, creating thousands of high-skilled jobs and securing long-term investment in Teesside's infrastructure and workforce. The scale of this ambition will not only place Teesside at the forefront of AI but also strengthen its role as a national hub for clean energy and advanced manufacturing - key sectors that will both enable and benefit from AI-driven innovation.

I fully support the rapid mobilisation of the Taskforce and will work closely with your officials to develop a compelling investment proposition.

I look forward to collaborating with you and your team in the coming weeks to advance this initiative and make Teesside a global centre for AI excellence.

Yours sincerely



**Ben Houchen**  
Tees Valley Mayor



# Annex 1 – Documents pertaining to Teesside AI Growth Zone designation

## (c) AI Task Force meeting minutes and terms of reference.

### Taskforce pre-meet (10<sup>th</sup> April)

#### Agenda

Chaired by Matt Clifford

#### **1. Introductions (5 mins)**

- Introductions
- Overview of wider AIGZ plans and vision (*Matt Clifford*)

#### **2. Recap of Taskforce Terms of Reference and structure (20 mins)**

*Matt Clifford to lead - (refer to ToR in annex A)*

- Overview of vision, objectives and commitments
- Clarification on governance, membership and roles

#### **3. Immediate Strategic priorities for the Taskforce (20 mins)**

*Joint discussion*

- What do we need to deliver in the next 1–3 months?
- Investment prospectus – ownership, timeline, alignment
- Local benefits framework – early ideas and responsible departments

#### **4. Risks, blockers and upcoming decisions (10 mins)**

*Joint discussion*

- Energy, land, water and other issues

#### **5. Next steps and actions before first full Taskforce meeting with DSIT SoS (5 mins)**

*Matt Clifford to lead*

- Timeline check-in
- Agree next Delivery Group meeting and any working groups
- Prep required for first full Taskforce meeting

## Annex A - Taskforce Terms of Reference

### 1. Purpose

The Teesside Taskforce is established to drive forward the development and successful implementation of the AI Growth Zone at Teesworks and Teesside International Airport. It will coordinate efforts across government, the local area and the region to ensure the delivery of an ambitious AI Growth Zone and position the North East of England as a world-leading hub for AI infrastructure and innovation.

The Taskforce will oversee the development of the long-term strategy for the AIGZ and enable successful development of the site. It will also foster collaboration between government and the Tees Valley Combined Authority, as well as local government, industry, academia, and other local and regional stakeholders to maximise economic and social benefits.

### 2. Objectives

The core objectives of the Taskforce are to:

- **Develop a strategic roadmap for the AI Growth Zone development**, aligned with national AI strategy and delivering clear sovereign AI benefits.
- **Agree a local benefits framework** that will ensure Teesside and the North East of England see lasting social, environmental and economic benefits from the AIGZ.
- **Facilitate the planning, development, and implementation of the AI Growth Zone** including any arising issues related to energy provision, remediation of land and access to water.
- **Inform investor engagement, including high-level discussions with major infrastructure investors, hyperscalers, and AI labs** with a view to ensuring the maximum economic and strategic benefits of the AIGZ.
- **Ensure transparency, governance, and accountability** across the project, including risk and issue management.

### 3. Shared commitments

In establishing the Taskforce, all parties agree to:

- **Deliver an AI Growth Zone at Teesside, incorporating 600 acres at the Teesworks site and 300 acres at Teesside International Airport**, with an ambition to expand the economic growth potential of the AIGZ to other strategic sites and areas across the North East of England.
- **Reserve all sites and ensure access to required power on the south bank zone of the site for green energy and advanced manufacturing projects**,

**putting in place suitable agreements to secure this arrangement**, ensuring alignment with the original Freeport objectives and long-term regional growth.

- **Develop a joint investment prospectus for the AIGZ within two weeks**, setting out the strategic vision, site offer, and expected investor outcomes, to be shared with investors.
- **Inform investor engagement through relevant members of the Taskforce**, with a shared commitment to align strategic messaging and approach with the prospectus, and to keep the Taskforce sighted on all significant investor discussions throughout the process.
- **Engage investors on the clear understanding that any resulting Freeport tax relief benefits are recycled into a regional growth fund**, supporting local skills, infrastructure, and AI adoption projects across Teesside and the wider region, and agree with the relevant local partners a robust mechanism for ensuring this happens across all 5 Freeport tax reliefs. Noting the intention at a TVCA level to deploy their existing discretion with relation to business rates.
- **Identify any emerging regulatory barriers to delivery**, with the Taskforce working collectively to address these and support timely progress.
- **Maximise the international, national, and regional significance of the Teesside AIGZ as part of the UK digital and technology investment offer.**

#### 4. Membership

The Taskforce will be chaired by the Secretary of State for Science, Innovation and Technology with two deputy chairs: the Prime Minister's AI Advisor and the Tees Valley elected-mayor. Refer to Annex B for membership.

Additional members may be invited as required to support specific aspects of project delivery.

#### 5. Governance

- The Taskforce will meet fortnightly, with additional working groups convened as needed. The cadence of meetings will be revised as initial progress is made.
- Formal progress updates, including delivery milestones and risk reports, will be shared on fortnightly basis.
- The Taskforce will identify solutions and provide advice to advance the delivery of the AIGZ, with escalations to ministerial or executive bodies if required.
- A dedicated secretariat, led by DSIT with support from relevant departments, will coordinate Taskforce operations and track delivery.
- The Taskforce will be supported by a Delivery Group which will comprise project leads and key operational staff from both the HMG and Teesside Deal Teams. The Delivery Group will be responsible for day to day co-ordination of the project and co-ordination and briefing of the Taskforce.

## **6. Review and Duration**

The Taskforce will operate for an initial twelve-month period, with progress reviewed after six months to assess delivery pace and impact. At the twelve-month point, a review will determine whether the Taskforce's scope, membership, and objectives should be adjusted, extended, or transitioned into a long-term delivery structure.

## Annex B - Taskforce Attendees

Department	Formal Representative to be invited	Attending 10 <sup>th</sup> April (or delegate)
<b>No10</b>	Matt Clifford, PM's AI Opportunities Adviser	Yes
<b>Department for Science, Innovation and Technology</b>	Emran Mian, Director General for Digital Technologies and Telecoms	Yes
<b>Department for Energy Security and Net Zero</b>	Jonathan Mills, Director General for Energy Markets and Supply	Yes
<b>Office for Investment</b>	Neil Cosgrove, Director	Yes
<b>Ministry of Housing, Communities and Local Government</b>	Will Garton, Director General, Local Government, Growth and Communities	Yes
<b>DEFRA</b>	Sally Randall, Director General, Environment	Yes
<b>HM Treasury</b>	Stuart Glassborow, Director Infrastructure and Growth / Matthew Henty, Deputy Director HMT	Yes
<b>UKGI</b>	Alex Reeves, Director	Yes
<b>UK Parliament</b>	Parliamentary representative	TBC
<b>Tees Valley Combined Authority</b>	Ben Houchen, Tees Valley Mayor Julie Gilhespie, TVCA CEO	Yes
<b>Teesworks Ltd</b>	Martin Corney, Shareholder Teesworks Limited Matt Johnson Director Teesworks Limited	Yes
<b>Environment Agency</b>	Georgina Collins, Director Energy & Resources	Yes
<b>National Grid</b>	Alice Delahunty, UK Electricity Transmission	Yes
<b>Northumbrian Water</b>	David Hall Head of Commercial and Strategy NWL Monisha Gower, Asset Management Director	Yes
<b>Steel River Energy Ltd</b>	Andy Laundon, Director Steel River Energy	Yes

<b>South Tees Development Corporation</b>	David Smith Board Member (power lead for STDC board)	No (to attend formal TF meeting in late April)
<b>Teesside International Airport</b>	Kate Willard OBE Chair of TIAL (subject to confirmation from Thames Estuary Board)	No (to attend formal TF meeting in late April)
<b>Local academic partners (e.g., Teesside University, Durham University, Newcastle University, University of York, University of Sunderland — final list to be agreed)</b> <b>Local regional partners (e.g. Federation of Small Businesses Yorkshire, the Humber and the North East and North East Chamber of Commerce - final list to be agreed)</b> <b>Redcar and Cleveland Council - Alec Brown Leader</b>	TBC	No – hold for future meetings

## **Annex 2 –**

### **(a) Compelling and decisive reasons to refuse the DCO application**

The following reasons emphatically demonstrate that the DCO application must be refused. It is clear that the legal tests to justify consent are not met. If consented, the adverse impacts of the DCO on the AIGZ and already consented data centre would greatly outweigh any benefits accruing from H2T. There is serious doubt over H2T ever being implemented, and it has been made clear to the South Tees Group by H2T that any implementation would be on a substantially smaller scale. It follows that there is no compelling case in the public interest to justify the compulsory purchase powers being sought by H2T over the Teesworks site.

#### **1. Impact of Teesside AIGZ status**

As evidenced in Annex 1 of this letter, the Teesworks site has been confirmed as an AIGZ, details of which will be made public in the near future. Teesworks is the only site in the UK with sufficient available land and the power connections to be able to AI Growth Zone at scale, and so it is the UK's premier site in this respect. A decision to approve the DCO application would therefore be inherently incompatible and irreconcilable with AIGZ status and the benefits which that designation will bring to Teesside.

#### **2. Reserved matters planning approval for data centre development**

Reserved matters approval for the development of data centres at Teesworks was granted by Redcar and Cleveland Borough Council on 1 August 2025 (R/2025/0382/ESM) following a previous grant of outline planning permission (R/2020/0821/ESM). Data centres are now classified as projects of critical national importance, and confirming the DCO would therefore render the planning permission for projects of that classification unimplementable, contrary to the National Planning Policy Framework and other government policy.

For the avoidance of doubt, notwithstanding what H2T implies in its most recent representations to the Secretary of State dated 8 August 2025, the data centre development for which reserved matters approval has been granted cannot co-exist in practice with the H2T project, not least because it is now clear that the consented development would, as mentioned in paragraph 5 below, fall within "inner zone" for the purposes of Health and Safety Executive classification in relation to hazardous substances consent, the effect of which would be to preclude the development of a three storey data centre that would create some 700 jobs.

#### **3. Terms agreed for data centre development**

The landowners at Teesworks have progressed detailed commercial discussions with a prospective occupier that is ready to take and develop the land at Teesworks in short order for data centre use. H2T is not able to provide a commitment that its project will ever actually proceed.

#### **4. Conflict with freeport policy: part of the Teesworks site is within the UK's flagship freeport.**

A decision to approve the DCO application would render the benefits of freeport status otiose in respect of the subject sites.

#### **5. Sterilisation of Teesworks land**

Not only would the DCO, if made, affect the part of Teesworks over which the main plant would be consented, but also large parts of the remaining site over which infrastructure connection corridors are proposed. For example:

- (a) the proximity of the H2T infrastructure to the site of the new 400KV-132KV substation contracted to be delivered by National Grid at the Teesworks site would negatively impact upon the construction and future operation of the substation. The site for the substation was chosen because of the location of existing overhead lines, but the location of H2T's hydrogen pipeline being in such close proximity to the new substation (in respect of which it should be noted detailed design is complete) would stymie construction and operation of the new substation and, as a consequence, inhibit the future the development of the wider site.
- (b) the presence of high-pressure gas mains and other infrastructure constructed elsewhere on the Teesworks site as part of the H2T project would adversely affect development such that pre-existing and planned utilities and infrastructure corridors would be sterilised, as would substantial areas of land of up to 500 metres on either side of the H2T infrastructure, which would be rendered completely unviable for use by prospective data centre developers (developers having made it clear that it is industry accepted practice not to develop AI data centres or infrastructure near to what is deemed to be high-risk third party infrastructure).

Furthermore, H2T has effectively now confirmed through its objections to the application for reserved matters approval referred to at 2 above that parts of the site outside the DCO Order Limits would fall within the "inner zone" for the purposes of Health and Safety Executive classification in relation to hazardous substances consent. Development of land within inner zones of the type envisaged at Teesworks would be rendered impossible.

In short, any DCO approval would result in vast swathes of the Teesworks site both inside and outside the DCO limits effectively being sterilised, either for five years with significant doubts over the powers applied for ever being implemented, or in perpetuity if the scheme is implemented.

#### **6. Conflict with Teesworks CPO**

The Teesworks site was itself acquired by STDC under a 2019 CPO. The basis for that CPO was to facilitate regeneration of Europe's largest brownfield opportunity by the South Tees Group. The adverse impacts of the DCO referred to at 5 above would directly conflict with that regeneration mandate, and with the compelling case for the CPO, as confirmed just five years ago.



## **7. Minimal progress in acquisition of land by agreement**

H2T has not made satisfactory efforts to acquire land at Teesworks by agreement, with substantive discussions having effectively been in abeyance for almost six months. This is contrary to Compulsory Acquisition Guidance, which requires that authority to acquire land compulsorily should be sought only if attempts to acquire by agreement fail. Little recent attempt has been made by H2T to acquire land by agreement. As such, for the avoidance of doubt, H2T has not secured any land interest at the Teesworks site and was in any event only ever in discussion in respect of an option to take a lease, with no guarantee being given that the land would ever be drawn down.

It seems that this experience of engagement with H2T generally is not unique to Teesworks. Indeed, significant stakeholders such as National Grid and Northumbrian Water Limited have been vocal in their criticisms of H2T, with the former noting that it has received “no recent engagement” in respect of issues that it has identified which would impact upon its plans to expand the Saltholme substation on the northern side of the Tees, and the latter citing significant delays in documentation being dealt with and fundamental and numerous changes to H2T’s plans having been proposed that are not acceptable to Northumbrian Water.

## **8. Funding case doubts and deficiencies**

There are now significant doubts in respect of H2T’s funding for the project. See recent press articles on this subject: the fact there is now precious little evidence that the project will receive government funding support (for example, there is no reference to a funding commitment in any of the 2025 spending review, the UK Infrastructure: A 10-Year Strategy or the UK’s Modern Industrial Strategy publications), and the widely reported strategic pivot by BP (H2T’s parent) away from renewables. That being the case, there are serious questions as to whether the H2T project is financially viable.

Indeed, for similar reasons we understand that Kellas, the prospective operator of the only other blue hydrogen scheme of significance in the UK, has already taken the decision that blue hydrogen is no longer viable and that it will therefore not be proceeding with its own project. Against that background, it is inevitable that H2T will follow suit.

The increased land value of the Teesworks site that accrues from the data centre reserved matters approval, and from the AIGZ designation, further amplifies doubts over H2T’s financial viability. Given that H2T’s DCO funding case did not account for this increase, it is now deficient for the purposes of the DCO decision, and fails the legal test of demonstrating a reasonable prospect of securing the necessary funds to justify the grant of compulsory acquisition powers.

## **9. Loss of key off taker**

In addition to direct funding issues, further doubt is cast over the viability of the project by reason of the loss of key off takers. For example, Sabic, which had been identified as the primary off taker, has made the decision to close its Olefins 6 (‘cracker’) plant at Wilton. It will therefore no longer have any need or use for the H2T plant and H2T has accordingly lost its primary off taker.

## **10. No sound basis for relying on case presented by H2T**

It is telling that H2T goes as far as to say in their most recent representations to the Secretary of State (8 August 2025 at paragraph 1.3.5) that it has not yet even commenced detailed design work in respect of the project. In fact – no doubt driven by the factors in paragraphs 8 and 9 above – representatives of H2T have recently informed the South Tees Group that they are undertaking a fundamental, wholesale, redesign and scaling back of the project. Any implementation would be on a substantially smaller scale.

It follows that H2T – if it is ever to implement the project at all – is clearly no longer intending to implement the proposals that were put before the DCO examination to justify consent for the project. This is of grave concern to the South Tees Group in the context of the compulsory acquisition powers being sought over vast swathes of its land, that will sterilise land that is otherwise ready for development by third parties by agreement. This fundamental change means that the Secretary of State cannot rely on the case presented by H2T, and means that there is no compelling case in the public interest to be granted compulsory purchase powers.

## **11. Other unresolved representations and objections**

It is noted that, in the latest round of submissions published by the Planning Inspectorate on 4 August 2025, a number of unresolved representations remain. A common theme is a failure by H2T throughout the process to adequately engage with interested parties. In particular it is noted that National Grid Electricity Transmission Plc continues to maintain a strong objection to the impact of H2T on its undertaking, with the relevant issues seemingly unresolved. See further paragraph 7 above.

## **SOUTH TEES GROUP (STG) / TEESWORKS**

### **RE PROPOSED H2 TEESSIDE DCO**

#### **OPINION**

1. I am instructed to advise STG whether STG's objections to the H2 Teesside DCO project would provide the Secretary of State for Energy Security and Net Zero with a legally robust basis upon which to refuse the DCO. The decision on the DCO is due to be made on, or before, 28<sup>th</sup> August 2025.
2. To my mind the key point made by STG is that granting the DCO and thereby authorising the H2 project to proceed would be fundamentally incompatible with the Government's backing for a Teesworks AI Growth Zone. That the Government recognises the uniquely powerful credentials which makes Teesworks not only a suitable location but also the best location in the UK for an AI Growth Zone is clear from correspondence received from the Secretary of State for Science, Innovation and Technology, and an official Prospectus for the Zone. I understand that the Secretary of State for Energy Security and Net Zero will be made aware of these matters alongside the provision of this Opinion to him, which will be in advance of the formal announcement of the AI Growth Zone which it is currently anticipated will be made in September.
3. Legally, the Secretary of State needs to be fully apprised of the implications of authorising the DCO project. STG's point is straightforward - the H2 Teesside DCO project and the Teesworks AI Growth Zone cannot co-exist. Put bluntly, the Government cannot back both of them.
4. In addition, as STG explains in its objections, STG has detailed planning permission (via a "reserved matters" approval dated 1<sup>st</sup> August 2025) for a major data centre development which would provide essential infrastructure to facilitate the delivery of the AI Growth Zone. Data centres are classified by the Government as projects of critical national importance. Not only has permission been granted but also, crucially, as STG explains, STG is in advanced commercial discussions with a prospective developer and operator of the consented data centre.

5. STG has explained in its objections why there is no realistic prospect of the H2 DCO project being delivered. That is to be contrasted with there being every prospect of the AI Growth Zone – backed by the Government - coming to fruition should the H2 DCO project be refused.
6. In other words, drawing these points together, STG's case is that the Secretary of State for Energy Security and Net Zero is faced with a situation where he is dealing with an area which is the UK's by far and away best hope of delivering AI Growth and where STG is already ahead of the game with its detailed consent for data centre development and advanced commercial discussions with an operator, all of which are key to turning the Government's hopes and aspirations into actual reality. It falls to the Secretary of State to signal the Government's support for the delivery of the AI Growth Zone by refusing the H2 DCO project.
7. **In my opinion this unique combination of circumstances amounts to a legally robust basis to justify a decision on the Secretary of State's part to refuse the H2 DCO project.**

**Christopher Katkowski CBE KC**

**8<sup>th</sup> August 2025**

## **Appendix 2**

**Energy Minister's letter to the Tees Valley Mayor, dated 1 September 2025**



Department for  
Energy Security  
& Net Zero

Michael Shanks MP  
Department for Energy Security &  
Net Zero  
55 Whitehall  
London  
SW1A 2HP

Mayor Houchen  
Office of the Tees Valley Mayor  
Tees Valley Combined Authority  
Teesside International Airport  
Darlington

[www.gov.uk](http://www.gov.uk)

Our ref: MCB2025/12234

1 September 2025

Dear Mayor Houchen,

Thank you for your letter of 12 August to the Secretary of State, regarding the proposed H2 Teesside project and the Teesside AI Growth Zone.

Given the Secretary of State's quasi-judicial role in determining H2 Teesside's application for development consent ("DCO application"), it would not be appropriate for him to respond on specific matters related to this proposal, as this could be seen as prejudicing the decision-making process. The Secretary of State adheres to strict planning propriety requirements and cannot receive private representations which seek to influence the outcome of a planning decision. I am therefore replying instead.

Representations for consideration in the determination should be submitted to the Planning Inspectorate, as per the project's web-page at: [national-infrastructure-consenting.planninginspectorate.gov.uk/projects/EN070009](https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/EN070009). Any submissions accepted into the determination will be published for transparency.

While I cannot comment on the specifics of the DCO application, I want to be clear about the Government's wider priorities. We remain firmly committed to both ambitions you highlight, rolling out AI Growth Zones and expanding carbon capture, usage and storage (CCUS) networks and low-carbon hydrogen. These are nationally significant priorities that underpin our growth agenda and the mission to make the UK a clean energy superpower.

That commitment is clear in CCUS, where Government has already agreed landmark deals for the first projects in the East Coast Cluster and HyNet clusters, alongside £9.4 billion allocated over the Spending Review period to support deployment, including the build-out of the East Coast Cluster.

H2 Teesside is one of several projects currently in negotiations with Government. Like others, it has the potential to contribute to our CCUS and hydrogen ambitions, but as with all projects, progression to a Final Investment Decision will depend on a full assessment of value for money and affordability, to ensure it delivers value for taxpayers and bill payers.

Yours sincerely,

**MICHAEL SHANKS MP**  
Minister for Energy

## Appendix 3

### Extracts from Government policies and initiatives supporting data centres

#### 1. [AI Growth Zones: Open for Applications](#) (June 2025)

*“The UK government is accelerating efforts to build the infrastructure needed to support AI growth. AI Growth Zones will unlock investment in AI-enabled data centres and support infrastructure by improving access to power and providing planning support. This will help drive innovation, create high-skilled jobs, and strengthen the UK’s position as a leader in AI.”*

*“Sites must demonstrate access to at least 500MW of power capacity by 2030.”*

*“Sites must demonstrate sufficient access to water to support at least 500MW of AI infrastructure.”*

*“Sites must have a minimum of 100 acres of land available for the construction of AI infrastructure by 2028.”*

*“Sites must either have existing planning permission, or a robust and deliverable plan to secure full planning consent by 2028.”*

*“Sites with strong, reliable, and readily available digital connectivity will be viewed favourably (fibre and mobile).”*

*“Sites located in areas with lower existing grid congestion will be viewed favourably, as they are more likely to support balanced management of overall system demand and supply.”*

*“Sites that can demonstrate how an AI Growth Zone would enhance the surrounding regional innovation ecosystem - including R&D capacity, industrial clusters, academic partnerships and AI employment and business - will be viewed favourably.”*

*“Sites that can demonstrate clear and measurable benefits to the local community will be viewed favourably.”*

*“Sites located near land suitable for the development of low-carbon power generation and energy storage infrastructure will be viewed favourably.”*

#### 2. [UK Compute Roadmap](#) (July 2025)

##### Section 1

*“Compute is the engine of the modern digital world. It refers to the processing power delivered through chips, stored in data centres and accessed by software on our smartphones, laptops and by industrial devices. It powers our everyday activities, navigating journeys, connecting with others, and accessing vital public services, as well as the research that improves our lives, such as understanding climate change and discovering new drugs.”*

*“Compute has emerged as one of the most critical inputs for the development and deployment of advanced AI. Major leaps in capability have been enabled by access to vast computational power. As AI models grow more complex and more widely integrated into the economy, demand for compute is*



*set to accelerate even further. This is not a passing trend, demand for compute at the frontier of AI is set to increase 10,000 times by the end of the decade. At the same time, compute is becoming essential to modern science from genomics to climate modelling to materials discovery, and the science of AI itself.”*

*“The government has also set out a Modern Industrial Strategy, a Ten-Year Infrastructure Strategy, and sector strategies covering health, defence and more. Compute, and the applications it enables, will be integral to delivering on all of these plans, because across AI, healthcare, transport, defence, finance, education and in use cases we cannot yet anticipate, the direction of travel is clear: more users, more and bigger use cases – more demand for more compute.”*

## **Section 1.2**

*“The UK is home to world-class researchers, a dynamic AI ecosystem, and emerging strengths in AI security, cyber and in AI chip design. But without the right infrastructure backbone, these assets will not reach their full potential.”*

*“Building that backbone will take time and is only possible with strategic coordination that drives concerted action. The UK’s compute ecosystem must evolve – from fragmented and uncoordinated to expansive and mission-driven, serving our public services, researchers and industry.”*

## **Section 2.1**

*“...our public research compute infrastructure is also facing a cliff-edge, with the majority of systems reaching end of life over the next 18 months.”*

## **Section 4.1**

*“While public infrastructure plays a critical role in supporting national priorities and scientific leadership, it will make up only a small share of the UK’s total compute capacity. The vast majority will come from private infrastructure, built to serve growing commercial demand for training, inference, and AI-powered services.”*

## **Section 4.2**

*“Without urgent action, the UK risks being left behind – over-reliant on foreign infrastructure and missing the opportunity to embed AI capability into our economy and to anchor the next generation of AI companies here at home.”*

*“That is why now is the time to build. Infrastructure of this scale takes years to plan and deliver, requiring access to land and power, grid upgrades, and access to large amounts of capital. By moving decisively, the UK can establish itself as a leading location for AI infrastructure, attracting investment, supporting innovation, and building clusters of high-value activity. AI Growth Zones are our strategy for delivering this.”*

*“Our approach to AI Growth Zones is focused on facilitating the delivery of the largest, most strategic infrastructure projects that would otherwise not be feasible in the UK. These are the trailblazing, high impact builds that will anchor the development and deployment of AI across the UK and attract global investment – they will be amongst the largest infrastructure projects of the next five years.”*



**“Action 6 – Deliver large scale AI Infrastructure via AI Growth Zones across the UK, ensuring the UK has the capability to support AI training and inference workloads.”**

*“We forecast that the UK will need at least 6GW of AI-capable data centre capacity by 2030 – a threefold increase on the data centre capacity that is available in the UK today. Should the capabilities and adoption of AI accelerate, demand could exceed this baseline significantly.”*

*“Our goal is to establish a core group of nationally significant sites, each capable of serving at least 500MW of demand by 2030, with at least one AI Growth Zone scaling to more than 1GW by 2030. Ideally, each site will be designed to expand into the 2030s, so that we can add capacity as AI demand continues to grow.”*

*“Noting that AI infrastructure is enormously energy intensive and demand is only increasing, powering the next generation of AI infrastructure sustainably will be one of the defining challenges of the coming decade.”*

### **Section 4.3**

*“Hosting large-scale AI infrastructure in the UK brings immediate and long-term national benefits. At the most basic level, building this infrastructure on UK soil strengthens the economy and enhances our strategic and economic resilience. AIGZs will ensure we are not reliant on overseas providers and insulate key elements of our economy from global shocks. In addition, by siting data centres in strategic locations, AIGZs will relieve pressure on congested grids, and support smarter regional infrastructure planning.”*

## **3. [Independent Review of The Future of Compute: Final report and recommendations](#) (March 2023)**

*“Compute is foundational to the lives of all citizens, both now and in the future. It impacts social and professional lives, across academic research, government and industry. Investing in compute will bring wide-ranging benefits.*

*Compute is essential for achieving the UK’s ambitions for science and technology and economic growth. Compute drives productivity and efficiency and is vital to support technologies such as Artificial Intelligence (AI), which will have a profound impact on the economy.*

*The UK is falling behind on compute and the government will need to take substantive action if it is to achieve its ambitions. The UK must have a thriving ecosystem that is fit for the future, delivers the necessary infrastructure and enables access for existing and new users.”*

### **Section 1.5**

*“Compute is critical for achieving the government’s ambitions in the long and short term. These include: creating a more prosperous future through economic growth and productivity; securing the UK’s status as a global Science and Technology Superpower; and being a world leader in AI. The UK cannot achieve these goals without having a compute ecosystem and infrastructure that is fit for the future. Action is needed to unlock the world-leading, high-growth potential of UK compute and ensure the UK remains competitive internationally.”*

## Section 2

*“Internationally, compute is recognised as a strategic resource required to be competitive in global science and innovation. Other countries are moving ahead of the UK through strategic planning and public investment into compute resources, which translate into world-class scientific outputs and innovation.*

*To secure the UK’s status as a global Science and Technology Superpower by 2030 and to be at the forefront of shaping international thinking around digital innovation, a strong domestic compute ecosystem and enhanced compute capability are required. The UK needs to act now to catch up with competitors and to realise its international, scientific and tech ambitions.”*

## Section 2.5

*“The UK lags behind other advanced economies in compute. To secure the UK’s status as a Science and Technology Superpower, action is needed to match international investment in compute and further capitalise on the UK’s world-class research and innovation capability. Only by having a strong domestic compute ecosystem can the UK be seen as an influential player internationally and project its global power as a science and technology leader.”*

## Section 4

*“UK public compute provision is not meeting user demand. Without targeted action, the UK will have insufficient compute capacity and capability at all tiers over the next decade. This means the UK is becoming less attractive to researchers, with potential repercussions for competitiveness and innovation-led economic growth.”*

*“The UK needs to increase its AI compute capacity immediately. Ambitions to make the UK an AI superpower require an immediate, significant and sustained investment in accelerator-driven compute capabilities that directly support AI research.”*

## Section 4.3

*“In an increasingly competitive geopolitical landscape, inadequate compute resources mean the UK lacks the agency to steer the development of frontier AI in a manner aligned with UK’s values and objectives. To meet its ambitions on AI, the government must make immediate, significant and sustained investments in accelerated compute capabilities that directly support AI tools and research.”*

## 4. [AI Research Resource Advanced Supercomputers for the UK](#) (July 2025)

*“The AI Research Resource (AIRR) is a suite of advanced computers that provides world-leading, AI-specialised computing capacity to:*

- public researchers*
- academia*
- small and medium size enterprises*

*The AIRR aims to address the acute under-provision of specialised public compute for AI users in the research and development (R&D) community. This is crucial for the acceleration of AI innovation and the government's growth agenda."*

*"The AIRR programme intends to address the significant shortage of publicly available computing resources in the UK. In January 2025, the government announced expanding AIRR capacity, by at least 20x by 2030, as part of the AI Opportunities Action Plan.*

*The government has committed to spending an extra £1 billion to scale up our compute power by a factor of 20, giving Britain the power to become an AI leader."*

## **5. Critical National Infrastructure (CNI) Designation (Sept 2024)**

*"...Technology Secretary Peter Kyle, has announced the government has now classed UK data centres – the buildings which store much of the data generated in the UK – as 'Critical National Infrastructure'. It is the first Critical National Infrastructure (CNI) designation in almost a decade, since the Space and Defence sectors gained the same status in 2015.*

*It means the data housed and processed in UK data centres - from photos taken on smartphones to patients' NHS records and sensitive financial investment information - is less likely to be compromised during outages, cyber attacks, and adverse weather events. Putting data centres on an equal footing as water, energy and emergency services systems will mean the data centres sector can now expect greater government support in recovering from and anticipating critical incidents, giving the industry greater reassurance when setting up business in UK and helping generate economic growth for all."*

*"The new protections will also boost business confidence in investing in data centres in the country, an industry which already generates an estimated £4.6 billion in revenues a year."*

*"Awarding Critical National Infrastructure status shows the fundamental importance of data centres for the government, and today's measures renew the Prime Minister's commitment to ensuring the UK data industry remains secure and stable."*

*Currently, the UK is home to the highest number of data centres in Western Europe. Boosting the resilience of the sector will help the country top the global leagues for data security and support the UK government in its mission of achieving sustained economic growth."*

## **6. National Planning Policy Framework (December 2024)**

### **Paragraph 86**

*"Planning policies should...(c) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;"*

**Paragraph 87**

*“Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for: (a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);”*

## **Appendix 4**

### **Plans submitted in response to SoS's request for information**

This appendix contains the following six plans:

**Plan 1:** Key Plan – Teesworks site

**Plan 2:** Foundry

**Plan 3:** Dorman Point

**Plan 4:** Lackenby

**Plan 5:** South Bank

**Plan 6:** Long Acres



**SOUTH BANK**  
PLANNING PERMISSION: 4,280,032 SQFT / 397,628 SQM  
GROSS SITE AREA: 118.83 HA / 293.64 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 63.58 HA / 157.11 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 0.0 HA / 0.0 ACRES  
(LAND RESERVED FOR WIND SECTOR)

**DORMAN POINT**  
PLANNING PERMISSION: 1,499,983 SQFT / 139,353 SQM  
GROSS SITE AREA: 57.70 HA / 142.58 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 24.14 HA / 59.65 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 24.14 HA / 59.65 ACRES

**LACKENBY**  
PLANNING PERMISSION: 999,999 SQFT / 92,903 SQM  
GROSS SITE AREA: 53.79 HA / 132.92 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 29.6 HA / 73.14 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 11.57 HA / 28.59 ACRES

**LONG ACRES**  
PLANNING PERMISSION: 1,999,999 SQFT / 185,806 SQM  
GROSS SITE AREA: 66.95 HA / 165.44 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 38.3 HA / 94.64 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 5.63 HA / 13.91 ACRES

**FOUNDRY**  
PLANNING PERMISSION: 4,999,998 SQFT / 464,515 SQM  
GROSS SITE AREA: 136.48 HA / 337.25 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 136.48 HA / 337.25 ACRES  
NET DEVELOPABLE - AVAILABLE LAND (INCLUDING COMPLIMENTARY USES ON 13.22 HA / 32.67 ACRES) FOR AI DATA CENTRES: 136.48 HA / 337.25 ACRES



RIVER TEES

SOUTH BANK

DORMAN POINT

LACKENBY

FOUNDRY

Net Zero  
Teesside

LONG ACRES



PLANNING PERMISSION: 4,999,998 SQFT / 464,515 SQM  
GROSS SITE AREA: 136.48 HA / 337.25 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 136.48 HA / 337.25 ACRES  
NET DEVELOPABLE - AVAILABLE LAND (INCLUDING COMPLIMENTARY USES ON 13.22 HA / 32.67 ACRES) FOR AI DATA CENTRES: 136.48 HA / 337.25 ACRES

EXCLUSION ZONE FOR CATS PIPELINE. AVAILABLE FOR OTHER DATA CENTRE COMPLIMENTARY USES SUCH AS BATTERY STORAGE

**DATA CENTRE RESERVED MATTERS PLANNING  
PERMISSION BOUNDARY: 78.09HA / 192.96 ACRES**

**FOUNDRY**  
**AVAILABLE SITE AREA:**  
**136.48 HA / 337.25 ACRES**

**CATS PIPELINE  
EASEMENT**  
(HIGH PRESSURE NATURAL  
GAS 36" DIA)



Net Zero  
Teesside



PLANNING PERMISSION: 1,499,983 SQFT / 139,353 SQM  
GROSS SITE AREA: 57.70 HA / 142.58 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 24.14 HA / 59.65 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 24.14 HA / 59.65 ACRES

**LAND REQUIRED FOR TEESWORKS  
NODE A SUBSTATION WORKS:  
NOT AVAILABLE UNTIL 2028/29  
19.32 HA / 47.74 ACRES**

**DORMAN POINT  
AVAILABLE SITE AREA:  
24.14 HA / 59.65 ACRES**

Derive scale from this drawing. Only figured dimensions are to be taken from this drawing. The contractor must verify all dimensions on site before commencing any work or shop drawings. The contractor must verify all dimensions to FDC NECA/ASTM LTD before commencing work. If this drawing exceeds the quantities taken in any way, FDC NECA/ASTM LTD is to be informed before the work is initiated. On/after Survey Information is used in FDC NECA/ASTM LTD drawings, FDC NECA/ASTM LTD is not responsible for the accuracy of dimensions relating to On/after Survey data, or beyond the boundary of the inserted topographic survey data. Work within the Construction I Design and Management I Regulation 2015 is to start until a Health and Safety Plan has been produced. COPYRIGHT © FDC NECA/ASTM LTD. This drawing is Copyright and must not be reproduced in any form or media without written/verbal consent of FDC NECA/ASTM LTD.



PLANNING PERMISSION: 999,999 SQFT / 92,903 SQM  
GROSS SITE AREA: 53.79 HA / 132.92 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 29.6 HA / 73.14 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 11.57 HA / 28.59 ACRES

Derivate scale from this drawing. Only type of dimensions are to be taken from this drawing. The contractor must verify all dimensions on site before commencing any work or shop drawings. Contractor must verify all dimensions are discrepancies to POE NEWCASTLE LTD before commencing work. Drawing exceeds the quantities taken in any way, POE NEWCASTLE LTD is to be informed before work is initiated. Ordnance Survey Information is not in POE NEWCASTLE LTD design. POE NEWCASTLE LTD is not responsible for the accuracy of dimensions relating to any Ordnance Survey, or beyond the boundary of the awarded topographical survey data. Work within The Civil Engineering and Management Regulations 2015 is not to start until a Method and Safety Plan has been approved. © POE NEWCASTLE LTD. This drawing is Copyright and must not be reproduced in any form or media without written/verbal consent of POE NEWCASTLE LTD.

LACKENBY  
AVAILABLE SITE AREA:  
11.57 HA / 28.59 ACRES

TEESWORKS NOD  
SUBSTATION

**EXISTING BUILDINGS,  
TEMPORARY STORAGE  
NOT CURRENTLY AVAILABLE  
18.03 HA / 44.55 ACRES**

04

LACKENBY



PLANNING PERMISSION: 4,280,032 SQFT / 397,628 SQM  
GROSS SITE AREA: 118.83 HA / 293.64 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 63.58 HA / 157.11 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 0.0 HA / 0.0 ACRES  
(LAND RESERVED FOR WIND SECTOR)



**SOUTH BANK  
ENTRANCE**

WIND SECTOR

## IN CONTRACT NEGOTIATIONS

# SeAH

## INDUSTRIAL LANDFILL

LANDFILL OUT WITH

ORSTED / SEVERFIELD

**SOUTH BANK STATION**

## WIND SECTOR

**EXTENSIVE REMEDIATION  
REQUIRED**

## PLAN

05

## SOUTH BANK





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### LONG ACRES

PLANNING PERMISSION: 1,999,999 SQFT / 185,806 SQM  
GROSS SITE AREA: 66.95 HA / 165.44 ACRES  
NET DEVELOPABLE (OF WHICH STILL AVAILABLE): 38.3 HA / 94.64 ACRES  
NET DEVELOPABLE - AVAILABLE FOR AI DATA CENTRES: 5.63 HA / 13.91 ACRES



EXCLUSION ZONE FOR CATS PIPELINE. AVAILABLE FOR OTHER DATA CENTRE COMPLIMENTARY USES SUCH AS BATTERY STORAGE



CLE31 CLOSED LANDFILL REQUIRES SIGNIFICANT REMEDIATION

Net Zero  
Teesside

CATS PIPELINE  
EASEMENT  
(HIGH PRESSURE NATURAL  
GAS 36" DIA)

BRITISH STEEL STATION

STEEL HOUSE GATE

18.14 HA / 44.83 ACRES

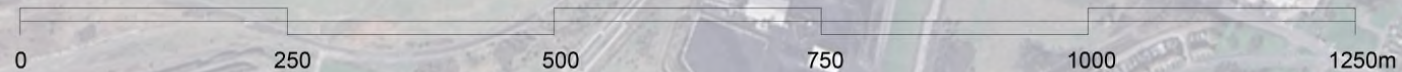
CLE31 REQUIRES  
SIGNIFICANT REMEDIATION

14.53 HA / 35.9 ACRES

LONG ACRES  
AVAILABLE SITE AREA:  
38.3 HA / 94.64 ACRES

THE FLEET

5.63 HA / 13.91 ACRES



PLAN

06

LONG ACRES



## Appendix 5

### Examples of recent large-scale data centre developments in the US and Europe

#### 1. USA

Example	Acreage	Details
<b>Wonder Valley (Alberta, CAN)</b>	6,000+	- Development backed by Kevin O'Leary, with an end use of "AI factories" being targeted - Developing ~1.5GW in the near term, with a potential capacity of 7.5GW
<b>Meta (Louisiana, USA)</b>	~2,200	- Announced at the end of 2024 to invest \$10B to develop a mega campus for AI data centres - Partnering with Entergy for power solutions (natural gas, solar) to support development
<b>Microsoft (North Carolina, USA)</b>	~1,350	- 40 miles SE of their large-scale Mecklenburg County campus in Virginia - The total planned power capacity has not been disclosed, but the acreage indicates 1GW+
<b>Vantage (Texas, USA)</b>	~1,200	- 15 miles E of Stargate's deployment in Abilene - 1.4GW campus that will offer rack densities of 250kW+, and support AI applications
<b>Fibernet (Utah, USA)</b>	~1,100	- Looking to deploy adjacent to a large power plant for a 2GW, 20 million sq. ft. data centre campus just south of Salt Lake City
<b>"Project Cardinal" (Illinois, USA)</b>	~1,000	- Yorkville, IL has seen lots of recent development interest including Microsoft and CyrusOne, but this development is the largest in the area - The underlying developer has not been identified yet
<b>AWS (Pennsylvania, USA)</b>	~1,000	- Adjacent to an existing nuclear power plant, AWS is looking to develop ~1GW of capacity over time, with a building already in process
<b>STACK / BorderPlex Digital Assets (New Mexico, USA)</b>	~900	- With an intent to build "Growth Infrastructure Campuses", BPDA is looking to create a mega-scale campus near the USA/Mexico border, and STACK has already announced their involvement
<b>Powerhouse / Provident (Texas, USA)</b>	~750	- Given the site's proximity to Dallas, this is a very large site coming to the already very mature Dallas data centre market - Initially 500MW, can scale to 1.8GW

#### 2. Europe

- **AWS Europe (Spain) Region – Aragón (Zaragoza, Villanueva de Gállego, Huesca & El Burgo de Ebro):** A €15.7 billion multi-year investment (2024–2033), already operational since 2022 and now entering one of its largest European expansions with the construction of 24 new data centre buildings and 8 archive facilities across five sites, in addition to the 6 facilities

already live. The rollout, covering ~350 hectares (~865 acres) of land including a 62-hectare (~153-acre) expansion in Huesca, will proceed in 11 phases through 2035, with 10 new data centres expected online by mid-2027, ultimately reaching an installed capacity of up to 1,623 MW. Fully 100% renewable-powered and interlinked by a low-latency fibre backbone, the expansion is designed to meet surging cloud and AI demand, support 17,500 jobs annually (6,800 in Aragón), and contribute €21.6B to Spain's GDP. This project cements Aragón as a flagship European hub for AWS cloud and AI infrastructure.

- **Stargate Norway - Narvik:** A €1B+ joint venture between Nscale and Aker to build a renewable-powered AI data centre campus near Narvik. The project will start with 230 MW, scaling to 520 MW, and host 100,000 NVIDIA GPUs by 2026. It spans multiple plots in Kvandal (eight identified sites), reflecting a large, phased footprint. OpenAI is the initial off-taker, with priority access for Norwegian AI startups. The site will use closed-loop liquid cooling and re-use waste-heat to support local industry. It is one of Europe's most ambitious sovereign AI infrastructure projects.
- **Google Skien Data Centre - Gromstul, Skien:** A €600 million hyperscale campus under development ~130 km southwest of Oslo, aiming for 2026 operations. It starts with 240 MW capacity and is designed to scale to 840 MW total. The project sits on approximately 200 hectares (~494 acres) of land acquired in 2016. This is Google's first data centre in Norway, built for nearly 100% carbon-free energy, incorporating waste-heat reuse for local industry, and embodies a flagship in sustainable hyperscale infrastructure for Northern Europe.
- **Google Fredericia Data Centre – Denmark (Taulov, Fredericia):** A €600 million hyperscale campus operating since 2020, located ~130 km west of Copenhagen. The site delivers an IT capacity of 90MW, with a land footprint of ~73 hectares (~180 acres) reserved for current and future buildouts. It is 100% renewable-powered, backed by Google's clean-energy PPAs (including a 54.5 MW solar farm), and has created 150–250 permanent jobs plus thousands during construction.
- **Microsoft Denmark Data Centre Region – Roskilde, Køge & Høje-Taastrup:** A multi-billion-euro, self-built hyperscale region announced in 2020 and completing by 2026, spanning three sites on ~185 hectares (~457 acres total). The campuses currently provide ~70 MW of IT capacity, with room to scale to several hundred MW. They are powered by 100% renewable energy and designed with advanced water stewardship and waste-heat reuse. Construction involves 4.1M work hours and ~1,000 peak jobs, with ~40–50 permanent roles once live. The facilities ensure data residency, low latency, and sovereign cloud compliance while supporting Microsoft's pledge to upskill 200,000 Danes and advance the country's green digital transformation.