



Inception Meeting note

Project name	H2NorthEast
Case reference	EN0710005
Status	Final
Author	The Planning Inspectorate
Date of meeting	17 December 2024
Meeting with	H2NorthEast Limited (“The Applicant”)
Venue	Microsoft Teams
Circulation	All attendees

Summary of key points discussed, and advice given

The Planning Inspectorate (the Inspectorate) advised that a note of the meeting would be taken and published on its website in accordance with section 51 of the Planning Act 2008 (the PA2008). Any advice given under section 51 would not constitute legal advice upon which applicants (or others) could rely.

The Inspectorate explained that the publication of the Inception Meeting note could be delayed by up to 6 months, if required by the developer for commercial confidentiality/sensitivity reasons, or until a formal scoping request had been submitted.

1. The proposed development

The Applicant

The Applicant is a partnership between Scottish Southern Energy (SSE) Thermal group which operates a fleet of flexible generation and energy storage assets, and Kellas Midstream group which is an independent energy infrastructure company that develops, operates and invests in critical midstream infrastructure.

The Proposed Development and Site

The Project is a carbon capture and storage enabled blue hydrogen production facility of up to 1,065 MW thermal capacity. The Proposed Development is comprised of a Hydrogen Production Facility (HPF), carbon dioxide capture and compression facilities and export connection, hydrogen distribution pipelines, air separation unit/s or oxygen supply pipeline, electricity grid connection, water supply and treatment, wastewater treatment and disposal, wastewater and effluent pipelines, and other associated infrastructure being completed over two phases.

Phase 1 of the Project will provide 355 MW blue hydrogen to local industrial customers, with Phase 2 increasing the capacity to over 1 GW. New hydrogen distribution pipelines will connect the site to local industrial customers to support decarbonisation of their operations. The carbon dioxide generated and captured by the Project will be exported via a connection to the Northern Endurance Partnership carbon dioxide gathering, compression and transportation infrastructure for permanent storage underground in the Southern North Sea; the offshore elements of this project do not fall to be considered under the Planning Act 2008 regime and has been consented separately.

The ambition is to build each Phase sequentially; however, this will be market dependant, and as such a range of time requirements to build the project will be taken in to account when carrying out the Environmental Survey assessment.

Currently the proposed pipeline network is to be built largely below ground, however there could be some technical restraints that will not make this entirely possible, in which case above ground options will only be considered where above ground pipelines already exist.

The Inspectorate advised on the importance of finalising the route ahead of submission and seeking to avoid requesting changes to the red line boundary once the application has been submitted.

The project will be located on Seal Sands, on Teesside in the northeast of England, within the administrative boundary of Stockton Borough Council and Redcar and Cleveland Borough Council.

Engagement

The Applicant has been engaging proactively in early conversations with potential stakeholders and conducting various assessments as the project was originally earmarked to be decided through the Town and Country Planning Act 1990 regime, so a higher degree of engagement work has been undertaken than would be expected for a project at this stage. The Applicant is also aware spatially and temporally of other NSIP projects nearby and is also having regular contact with those parties regarding its application and the cumulative effects with others. The Inspectorate advised the Applicant to seek to avoid or minimise any consultation and examination overlaps with those projects.

Engagement with affected parties is ongoing and will be targeted specifically throughout the pre-application process, to provide updates on the progress of the project and how each party will be affected. The Inspectorate advised of the importance of early discussions with landowners to assist the examination in due course. The Applicant confirmed that it is seeking to reach voluntary agreements and agree Protective Provisions as soon as possible.

Consenting programme and introduction to the pre-application Programme Document

The Applicant gave an overview of its programme and highlighted the following key dates:

- **EIA Scoping Report Submission (Late January 2025)**

- **Non-statutory Consultation (February 2025)**
- **Statutory Consultation (July 2025)**
- **Early Adequacy of Consultation Milestone (December 2025)**
- **Sharing of drafts of draft application documents for review (December 2025)**
- **Intended Application submission date (March 2026)**

The Inspectorate advised on the importance of ensuring that the pre-application fee is paid before the request for a Scoping Opinion is made. The relevant invoice would be issued as soon as possible after the meeting to request the relevant fees.

The Inspectorate commented on the generally good compliance of the Programme Document with the pre-application guidance and reminded the Applicant to publish the Programme document on its website. The Inspectorate advised the Applicant to include more detail around Statement of Community Consultation (SoCC), including dates for SoCC consultation, in line with the guidance.

The Inspectorate advised the Applicant to avoid the scoping consultation concurrently with a non-statutory consultation, as it may lead to confusion regarding who to submit comments to. Ideally the non-statutory consultation period will take place after the Scoping exercise has been completed.

The Inspectorate advised earmarking time in the Programme Document for further targeted consultation after the Statutory Consultation has been completed as is common practice for linear projects, and this should be undertaken prior to the Adequacy of Consultation Milestone being submitted.

The Inspectorate highlighted the importance of scheduling sufficient time to review any draft documents in the programme document to give the Applicant enough time to implement any necessary changes before the application submission date.

The Inspectorate reminded the Applicant that the Programme Document should be updated in due course to include any Planning Performance Agreements or Discretionary Advice Agreements.

Land and rights: Scope of compulsory acquisition etc powers sought and potential constraints and issues

The Inspectorate advised the Applicant to provide regular updates throughout the pre-application stage on likely amounts and types of acquisition powers being sought in the draft Development Consent Order as this is a matter which impacts on the appointment of the Examining Authority in due course.

2. The pre-application service offer

The service tier requested by the applicant, including justification

The Applicant proposed that the standard tier is its preferred level of service, given the level of complexity anticipated around the project of its size and scale. It is not proposed that the Project is enabled to qualify for a Fast Track procedure, nor at this point does the

Applicant consider that any of the supplementary components identified within the enhanced tier service are necessary.

The Inspectorate iterated that it is required to confirm the tier of service within 28 days of this meeting and that the fees will need to be paid ahead of the applicant's Scoping Request. The Inspectorate explained that the invoicing period for the Pre-application fee will be from the Inception Meeting until the end of the financial year, with each new fee being paid in advance of a 6 monthly basis, more information can be found in the Pre-application Prospectus.

Post Meeting note: the Inspectorate has confirmed that the project will follow the standard tier.

Primary service features (and availability of templates)

The Inspectorate welcomed the idea of the Applicant sharing the Issue's Tracker as it is updated but stressed that is not a requirement, as the information contained within it will also be contained with the Programme Document that will be updated and shared regularly throughout the Pre-application stage.

The Inspectorate advised regarding the Adequacy of Consolation Milestone that it would be worth engaging early with Local Authorities in the process in line with the Statements of Common Ground (SoCG).

3. Next steps

The Inspectorate advised the Applicant to consider when the next meeting will be appropriate, and to give advanced notice of the specific dates and agendas for resourcing purposes. This is likely to be after the completion of the Scoping process.

The Inspectorate advised the Applicant to ensure it is checking the most up to date guidance and prospectus information as revisions are being added regularly. The Inspectorate advised the Applicant when organising the Shapefile to consider the transfer method and possibly perform a trial run to ensure the transfer of data can be performed smoothly, and that more information on this can be found in Advice Note 7.