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The Secretary of State for Business, Energy and Industrial Strategy
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Dear Mr Dawkins

H2TEESSIDE PROJECT, LAND WITHIN THE BOROUGH OF REDCAR AND CLEVELAND AND STOCKTON-ON-TEES, TEESSIDE AND WITHIN THE BOROUGH OF HARTLEPOOL, COUNTY DURHAM

REQUEST FOR A DIRECTION FROM THE SECRETARY OF STATE UNDER SECTION 35 'DIRECTIONS IN RELATION TO PROJECTS OF NATIONAL SIGNIFICANCE' ('PNS') OF THE PLANNING ACT 2008 FOR DEVELOPMENT TO BE TREATED AS DEVELOPMENT FOR WHICH DEVELOPMENT CONSENT IS REQUIRED

This letter constitutes a request that the Secretary of State ('SoS') for Business, Energy & Industrial Strategy ('BEIS') gives a direction under section 35 'Directions in relation to projects of national significance' of the Planning Act 2008 (the 'PA 2008') for the relevant elements of the H2Teesside Project (the 'Project'), a hydrogen production project, to be treated as development for which development consent is required (such relevant elements to be referred to as 'the PNS development').

Overview

It is proposed that an application for development consent pursuant to section 37 'of the PA 2008 is made to the SoS for BEIS to consent the construction, operation and maintenance of the Project on land within the boroughs of Redcar and Cleveland and Stockton-on-Tees, Teesside and within the borough of Hartlepool, County Durham.

The Project will be the UK's largest commercial-scale blue hydrogen production facility with a capacity of up to 1,200 megawatts ('MW') thermal. The Project will comprise a hydrogen production plant, which will use natural gas to produce hydrogen for use in a number of energy-related and industrial applications, a hydrogen distribution pipeline network (to supply the hydrogen to offtakers) and associated and ancillary development. The CO₂ generated by the Project during the hydrogen production process will be captured and compressed for onward transportation and storage, under agreement with the Northern Endurance Partnership (the 'NEP'), within the Endurance storage site, which is located approximately 145 kilometres offshore from Teesside under the North Sea.

The onshore elements of the NEP project have been brought forward under a Development Consent Order ('DCO') application, which was given the name Net Zero Teesside ('NZE'). The examination into the NZE DCO application closed in early November 2022 and a decision is expected from the SoS for BEIS on whether to grant development consent in May 2023. It is anticipated that, subject to consent being granted, the NEP infrastructure will be operational by the end of 2027.



It is proposed that the application for development consent will include all the elements of the Project, including those elements that constitute the PNS development, the associated development (as defined by section 115 of the PA 2008) to the PNS development and ancillary development. The elements of the Project that are requested to constitute the PNS development to which this direction request relates are set out later in this letter.

The SoS is therefore asked to treat this submission as a 'qualifying request', as defined in section 35ZA (11) of the PA 2008 outlining, as required by that sub-section and sub-section 35ZA(1):

- the development to which the request relates;
- how the conditions in section 35(2)(a) and (b) are met; and
- that no applications for consent or authorisations listed in section 33 'Effect of requirement for development consent on other consent regimes' (1) or (2) have been made in relation to the development to which this request relates.

The compliance of this submission with section 35ZA(1) and (11) is confirmed below.

The Project description is set out at **Appendix 1** and a suggested draft form of direction is provided at **Appendix 2**, to assist the SoS.

bp is advancing a separate electrolytic ('green') hydrogen project, known as HyGreen on Teesside. The HyGreen Project will have an initial production capacity of circa 80 megawatts ('MW') electrical with the potential to expand up to 500 MW of hydrogen production. The HyGreen Project will split water in an electrolyser to produce hydrogen and oxygen using renewable electricity. Some sections of the hydrogen distribution pipelines for the HyGreen Project will be located in the same pipeline corridors as those for the Project, however, all elements of the HyGreen Project will be consented separately under the Town and Country Planning Act 1990 (the 'TCPA') and are not therefore the subject of this request for a direction.

Background to the H2Teesside Project

The Prime Minister's 'Ten Point Plan for a green industrial revolution' (November 2020) set out an ambition to deploy CCUS at scale in two of the UK's industrial clusters by the mid-2020s, and a further two by 2030 and sets out the Government's commitment to a £1 billion CCUS programme to support the deployment of CCUS at scale in the UK.

Phase 1 of the Government's CCUS cluster sequencing process was aimed at identifying and sequencing CCUS clusters that are suited to deployment in the mid-2020s. These clusters will have the first opportunity to negotiate for support from the Government's £1 billion CCUS programme.

The East Coast Cluster, which includes the NEP, was confirmed as a Track-1 CCUS cluster (for deployment by the mid-2020s) in October 2021. The Cluster has been taken forward into the Track-1 negotiations with Government for support under the CCUS programme.

Following the selection of the East Coast Cluster as a Track-1 CCUS cluster, in August 2022 BEIS selected the power CCUS, industrial carbon capture, waste and CCUS-enabled hydrogen projects to proceed to the due diligence stage of the Phase-2 cluster sequencing process. H2Teesside is one of the CCUS-enabled hydrogen projects selected by BEIS within the East Coast Cluster to be taken forward as part of the Phase-2 cluster sequencing process.

H2Teesside is a large-scale hydrogen project that aims to produce up to 1,200 MW thermal of CCUS-enabled low carbon hydrogen, with the first phase being operational by 2027. The Project will fulfil over 10% of the Government’s ambition for 10 Gigawatts (‘GW’) of hydrogen production by 2030 – and supply a diverse range of customers, including those already established on Teesside and within the surrounding area as well as new businesses attracted to the area by the significant scale of low carbon hydrogen being made available. The Project will also capture and send for storage up to two million tonnes of CO₂ per year via the NEP infrastructure – equivalent to capturing the emissions from the heating of one million UK households.

Project Description and Site

The Project comprises the following elements, all of which it is proposed will be the subject of the application for development consent as either the PNS development or associated and ancillary development to the PNS development as described below:

- A low carbon hydrogen production plant of up to 1,200 MW thermal (lower heating value) capacity to be developed in two phases – each up to 600 MW.
- Hydrogen distribution pipelines to supply hydrogen to various offtakers on Teesside and within the surrounding area, such pipelines to be utilised in association with the hydrogen production plant. The hydrogen pipelines will run up to tie-in points with the relevant off-taker (likely to be, but not necessarily having to be) at the offtakers’ site boundaries. Any works beyond this tie-in point will be progressed separately by the relevant off-taker and are not the subject of this direction request.
- An Air Separation Unit (‘ASU’) to supply oxygen for the hydrogen production process.
- An oxygen supply pipeline (as an alternative to the ASU) to supply oxygen for the hydrogen production process.
- CO₂ capture and compression facilities and a connection to the NEP.
- A natural gas supply connection for the supply of gas to the hydrogen production plant.
- Other gas pipelines (e.g. for compressed air and nitrogen).
- An electricity grid connection to provide power to the Project.
- Water supply and treatment infrastructure.
- Wastewater treatment and disposal infrastructure.
- Other utilities connections, telecommunications and other associated and ancillary infrastructure.

The Project will be constructed and operated on land within the boroughs of Redcar and Cleveland Borough Council (‘RCBC’) south of the River Tees and Stockton-on-Tees Borough Council (‘STBC’) north of the Tees on Teesside and within the borough of Hartlepool Borough Council (‘HBC’), also north of the Tees (the ‘Project Site’).

The hydrogen production plant and the associated and ancillary development (e.g. ASU/oxygen supply pipeline, CO₂ capture and compression facilities, natural gas supply, other gas pipelines and electricity grid connection and water infrastructure) will be located within the administrative area of RCBC. The hydrogen distribution pipeline corridors will extend either side of the River Tees to a number of potential offtakers and encompass land within the administrative areas of RCBC, STBC and HBC. It is currently anticipated that the pipeline crossings of the River Tees will be achieved using trenchless

crossing construction techniques (e.g. horizontal directional drilling). The Tees is tidal at the proposed crossing points and therefore these parts of the Project Site form part of the UK marine area.

Figure 1 (accompanying this letter) shows the current extent of the Project Site, with the potential DCO application site boundary edged in red. It also shows the broad location of the hydrogen production plant (the 'Main Site') and the current extent of the corridors for the hydrogen distribution pipelines and other connections. The location of the hydrogen production plant and the extent of the hydrogen distribution pipeline and connections corridors are the subject of on-going environmental and technical studies and it is envisaged that these will be refined and final location and corridors will be selected in advance of an application for development consent being submitted. In addition, the local authority boundaries are identified. The Project Site currently extends to approximately 91 hectares in area.

Reasons for seeking a direction under Section 35

As confirmed above, bp is proposing to apply for development consent from the SoS for BEIS to allow it to construct, operate and maintain the Project on land with the administrative areas of RCBC, STBC and HBC.

Section 14 'Nationally significant infrastructure projects: general' of the PA 2008 defines the types of development that constitute a 'Nationally Significant Infrastructure Project' (a 'NSIP') and therefore require development consent under section 31 'When development consent is required'. In the 'field of energy' these include generating stations, electric lines, underground gas storage facilities, LNG facilities, gas reception facilities, gas transporter pipelines and other types of pipelines. With the exception of the hydrogen distribution pipelines, no other elements of the Project fall under any of the types of development listed at section 14 of the PA 2008, and cannot therefore be NSIPs.

The hydrogen distribution pipelines are likely to fall under section 14(g) 'the construction of a pipe-line other than by a gas transporter' being for the purposes of section 21 'Other pipe-lines' and a 'cross-country pipe-line' as defined by section 66 of the 'Pipe-Lines Act 1962' as their combined length may exceed 16.093km. A pipeline is defined at section 65 of the Pipe-lines Act 1962 as "*a pipe (together with any apparatus and works associated therewith), or system of pipes (together with any apparatus and works associated therewith), for the conveyance of any thing other than air, water, water vapour or steam*". The hydrogen distribution pipelines, if exceeding 16.093km in length, will therefore be a NSIP. However, the total length of the pipelines, in terms of when, and for what distance, they will be consented and put in place is uncertain, and therefore through this direction request, it is intended to be put beyond doubt that all aspects of the Project's hydrogen distribution pipelines that are sought to be consented as part of the application for development consent, will constitute development for which development consent is required. The terms of the direction request seek to ensure that opportunities to extend the pipelines within the wider area can be pursued in a timely manner post-DCO grant.

Section 115(2) of the PA 2008 provides for an application for development consent to include 'associated development'. Department for Communities and Local Government ('DCLG') publication 'Planning Act 2008: Guidance on associated development applications for major infrastructure projects' paragraph 3 confirms that:

"3. Associated development is defined in the Planning Act as development which is associated with the principal development"

Paragraph 5 of the DCLG guidance goes onto set out a number of principles to assist in determining what is associated development. These include:

- That there should be a direct relationship between the associated development and the principal development. Associated development should therefore either support the construction or operation of the principal development or help address its impacts.
- Associated development should not be an aim in itself but should be subordinate to the principal development.
- It should be proportionate to the nature and scale of the principal development.
- It is expected that associated development will, in most cases, be typical of development brought forward alongside the relevant type of principal development or of a kind that is usually necessary to support a particular type of project, for example (where consistent with the core principles above), a grid connection for a commercial power station.

Paragraph 6 of the DCLG guidance goes on to state that it is expected that associated development will, in most cases, be typical of development brought forward alongside the relevant type of principal development or of a kind that is usually necessary to support a particular type of project, for example (where consistent with the core principles above), a grid connection for a generating station.

In the case of the Project, the hydrogen distribution pipelines are the only element of the Project that are likely to fall under section 14 of the PA 2008 and represent a NSIP. While there will be a direct relationship between the hydrogen distribution pipelines and the other elements of the Project (e.g. the hydrogen production plant will produce the hydrogen for the pipeline network to deliver to off-takers), bp does not consider that those other elements, notably the hydrogen production plant, could properly be considered subordinate to the pipelines. This means that there is a very significant level of uncertainty as to whether the other elements of the Project could be considered to be associated development (and therefore included in the application for development consent). This introduces risk and uncertainty into the consenting process and ultimately therefore also the delivery of the Project.

bp has therefore decided to request that the SoS gives a direction under section 35 to ensure that all of the PNS development is treated as development for which development consent is required. In particular, bp wishes to have certainty as to the relevant consenting regime for the Project given its national significance.

Furthermore, powers of compulsory acquisition may be required in order to achieve the necessary level of certainty that the Project can be delivered, as a whole, particularly in relation to the connections, which cross multiple land ownerships. A direction will enable such powers to be sought for all parts of the Project (including the PNS development and development associated with and ancillary to it) and, if justified, granted as part of a DCO.

This request for a direction pursuant to section 35 of the PA 2008 therefore relates to the following PNS development:

- The hydrogen production plant.
- The hydrogen distribution pipelines:
 - a) to the extent that they are not Nationally Significant Infrastructure Projects (pursuant to the PA 2008); and

- b) where they are the subject of an application for development consent that includes the aforementioned hydrogen production plant.

All other elements of the Project would be brought forward as associated development, or ancillary development to the PNS development as part of an application for development consent, enabling the Project to be consented as a whole. The associated and ancillary development would include the:

- ASU to supply oxygen for the hydrogen production process;
- oxygen supply pipeline (as an alternative to the ASU) to supply oxygen for the hydrogen production process;
- CO₂ capture and compression facilities and a connection to the NEP;
- natural gas supply connection for the supply of gas to the hydrogen production plant;
- other gas pipelines (e.g. for compressed air and nitrogen);
- electricity grid connection to provide power to the Project;
- water supply and treatment infrastructure;
- wastewater treatment and disposal infrastructure; and
- other utilities connections, telecommunications and other associated and ancillary infrastructure.

All of the elements of the Project are listed in **Tables 1 and 2 at Appendix 1**, and a draft direction is provided for the SoS's consideration at **Appendix 2** that ties into Tables 1 and 2, setting out clearly which elements of the Project are sought to be directed by the SoS as development for which development consent is required.

As confirmed above, the hydrogen distribution pipelines will run up to tie-in points with the relevant off-taker. The Project does not include the connections from the tie-in points to the off-takers' operational facilities. It is anticipated that such connections will be consented by the off-takers themselves under the TCPA at the relevant time, alongside any other works that the off-taker would need planning permission for. For the avoidance of doubt, the request for the direction therefore excludes those connections. It does, however, include the connection between the hydrogen production plant and the hydrogen distribution pipelines.

bp has set out below how the PNS development (and the Project as a whole) satisfies the qualifying criteria to be considered under section 35, why it is of national significance, and why it should be considered as a whole under the PA 2008 regime.

'Qualifying Request' under Section 35

Section 35(1) of the PA 2008 states that the SoS may give a direction for development to be treated as development for which development consent is required subject to the provisions set out in that section and also section 35ZA. Those of relevance to the Project are as follows:

- Section 35(2)(a)(i) – whether the development forms part of a project (or proposed project) in the field of energy, transport, water, waste water or waste.
- Section 35(2)(b) & (3)(a) – if the development will (when completed) be wholly in England or waters adjacent to England up to the seaward limits of the territorial sea.

- Section 35(2)(c)(i) – if the SoS thinks the project (or proposed project) is of national significance, either by itself or when considered with (in the case of paragraph (a)(i)) one or more other projects (or proposed projects) in the same field.

The above ‘qualifying criteria’ are considered below.

The Project will be the UK’s largest commercial-scale low carbon hydrogen facility, using natural gas to produce hydrogen for use in a number of energy-related and industrial applications, with the CO₂ generated during the hydrogen production process being captured and fed into the NEP for onward transportation and storage. While the PA 2008 does not define what constitutes the ‘field of energy’, it is reasonable to conclude that this encompasses (at least) the types of infrastructure covered under ‘Energy’ at sections 15 to 21 of the PA 2008. Those sections include NSIP types relating to gases used as energy sources / carriers (such as methane), including gas storage facilities, gas reception facilities and gas reception facilities (sections 17 to 19). The Project is producing and transporting hydrogen, to be used in a similar manner to the gases which are covered by those NSIP categories. It is also relevant to note that the draft revised Overarching National Policy Statement (‘NPS’) for Energy (EN-1) published in September 2021, which (when designated) will set out updated policy for nationally significant energy infrastructure, includes policy in relation to hydrogen infrastructure and confirms (paragraphs 3.4.11 to 3.4.15) that there is an “*urgent need for all types of low carbon hydrogen infrastructure*”. Furthermore, hydrogen is considered as a gas in the UK’s Hydrogen Strategy and in the Gas Act 1986 (section 48 defines it as “*any substance in a gaseous state which consists wholly or mainly of...hydrogen*”).

It is therefore considered that the PNS development and the Project as a whole falls under the field of energy listed at section 35(2)(a)(i) of the PA 2008 and that hydrogen production is something that could be brought into the DCO regime via a section 35 direction.

The PNS development and the Project as a whole will be wholly within England and adjacent waters up to the seaward limits of the territorial sea, meeting the criteria of sections 35(2)(b) and 35(3)(a) of the PA 2008.

Section 35(2)(c) requires a project (subject of a request for a direction under section 35) to be of national significance. The PNS development and the Project as a whole is of a type, size and scale, that is nationally significant. It has been selected to be taken forward in the Government’s Phase-2 cluster sequencing and will be the largest commercial-scale low carbon hydrogen production facility in the UK. The Project will also support UK energy and climate change policy, which seeks to decarbonise the power and industrial sectors, and make a significant contribution toward the Government’s legally binding target of net zero greenhouse gas emissions by 2050. In addition, the Project is particularly well located to support large-scale industrial decarbonisation, being in close proximity to a number of major industrial operations on Teesside and within the surrounding area, to which hydrogen will be supplied by the hydrogen distribution pipeline network. It is also able to connect into the NEP (itself a nationally significant project), for the onward transportation and storage of the CO₂ captured by the Project. The national significance of the Project is considered further below.

Section 35ZA(1) states that the power in section 35(1) to give a direction in a case within section 35(2)(a)(i) (‘projects in the field of energy etc’) is exercisable only in response to a qualifying request if no application for a consent or authorisation mentioned in section 33(1) of (2) has been made in relation to the development to which the request relates. bp confirms that no application for consent or authorisation mentioned in section 33(1) or (2) has been made by it in relation to the elements of the Project to which this request relates.

Section 35ZA(11) defines a ‘qualifying request’ as meaning a written request for a direction under Section 35(1) that:

“(a) specifies the development to which it relates, and

(b) explains why the conditions in section 35(2)(a) and (b) are met in relation to the development;”

This request represents a ‘qualifying request’ as it is made in writing and specifies the development to which it relates (see ‘Project Description’ and ‘Site’ above and Figure 1). Furthermore, as confirmed above, the conditions in section 32(2)(a) and (b) are met.

National Significance of the Project

Type, size and scale of the Project

The Project not only encompasses a hydrogen production plant of 1,200 MW thermal, but also a hydrogen distribution pipeline network that is likely to exceed 16.093km and associated and ancillary development, including an ASU/oxygen supply pipeline, CO₂ capture and compression facilities, natural gas supply pipeline, other gas pipelines, electricity grid and water supply and discharge connections. The scale of the hydrogen production plant is such (it will fulfil over 10% of the Government’s ambition for 10 GW of hydrogen production by 2030) that it is clearly of national significance, especially when considered within the context of a generating station of only 50 MW (or above) being an NSIP for the purposes of the PA 2008. Furthermore, the engineering aspects of the Project are complex and involve a number of different technologies. Indeed, it will be the first time that a hydrogen production plant and distribution network has been constructed and operated in the UK at scale.

As stated above, the draft revised Overarching NPS for Energy (EN-1) published in September 2021, includes policy in relation to hydrogen infrastructure and confirms (paragraphs 3.4.11 to 3.4.15) that there is an *“urgent need for all types of low carbon hydrogen infrastructure”*. The fact that draft revised EN-1 includes policy on hydrogen infrastructure and underlines the urgency of the need for such infrastructure clearly points to hydrogen infrastructure projects being of national significance.

The Project is strategically located, being in close proximity to a large cluster of industries that are potential offtakers for hydrogen, with bp having already entered into MOU with a number of offtakers, and it will connect to the NEP infrastructure for the transportation and storage of the CO₂ generated during the hydrogen production process.

The Project Site, including the hydrogen production plant, hydrogen distribution pipelines and associated and ancillary development is substantial, and currently extends to approximately 91 hectares. The various pipeline and connections corridors are several kilometres in length, while the hydrogen distribution pipelines will need to cross the River Tees. The Project Site involves multiple land ownerships and lies within the administrative areas of three local authorities.

Further to the above, the Project will represent a major investment in Teesside and the surrounding area of in the region of £1 billion. It will make a significant contribution to area’s economy during both the construction phase and its operation. A number of direct and indirect jobs will be created and there will be significant supply chain opportunities for national, regional and local businesses. The Project will also support the long term operation of a number of industrial businesses on Teesside and within the surrounding area as the UK transitions to a low carbon economy in order to achieve net zero emissions by 2050 and the interim targets in advance of that.

The type, size and scale of the Project, combined with its complexity, cost and potential contribution to the economy, is considered to be such that it is clearly of national significance.

Contribution toward climate change objectives

The Project will support the overarching objective of the Government to continue transitioning the UK to a low carbon economy and meeting the legally binding target of net zero greenhouse gas emissions by 2050. The important role that hydrogen, coupled with CCUS, has to play in achieving this transition is confirmed by Government energy and climate change policy including:

- The Ten Point Plan for a Green Industrial Revolution (November 2020).
- The Energy White Paper (December 2020).
- Industrial Decarbonisation Strategy (March 2021).
- North Sea Transition Deal (March 2021).
- UK Hydrogen Strategy (August 2021).
- Net Zero Strategy: Build Back Greener (October 2021).
- British Energy Security Strategy (April 2022)

The above policy documents are considered below.

The Ten Point Plan for a Green Industrial Revolution (November 2020)

‘The Ten Point Plan for a Green Industrial Revolution – Building back better, supporting green jobs, and accelerating out path to net zero’, was published on 18 November 2020 and is aimed at delivering a ‘Green Industrial Revolution’ in the UK, with the foreword by the Prime Minister stating that the Plan will aim to mobilise £12 billion of government investment and potentially three times as much from the private sector, to create and support up to 250,000 green jobs.

The Introduction to the Ten Point Plan (page 6) states that:

“We will generate new clean power with offshore wind farms, nuclear plants and by investing up to half a billion pounds in new hydrogen technologies. We will use this energy to carry on living our lives, running our cars, buses, trucks and trains, ships and planes, and heating our homes while keeping bills low. And to the extent that we still emit carbon, we will pioneer a new British industry dedicated to its capture and return to under the North Sea. Together these measures will reinvigorate our industrial heartlands, creating jobs and growth, and pioneering world-leading SuperPlaces that unite clean industry with transport and power ...

The cumulative effect of this plan will be to reduce the UK emissions by 180 million tonnes of carbon dioxide equivalent (Mt CO₂e) between 2023 and 2032, equal to taking all of today’s cars off the road for around two years....” [our underlining]

The ‘Ten Points’ of the Plan are summarised at page 7. Point 2 ‘Driving the Growth of Low Carbon Hydrogen’ is covered at pages 10 to 11 and states (page 10):

“Working with industry the UK is aiming for 5GW of low carbon hydrogen production capacity by 2030. Hubs where renewable energy, CCUS and hydrogen congregate will put our industrial ‘SuperPlaces’ at the forefront of technological development.”

It highlights how 5 GW of low carbon hydrogen production by 2030 could see the UK benefit from around 8,000 jobs across its industrial heartlands. This will be supported by a range of measures, including a £240 million Net Zero Hydrogen Fund. It goes on to state that (page 10):

“Producing low carbon hydrogen at scale will be made possible by carbon capture and storage infrastructure, and we plan to grow both of these new British industries side by side so our industrial ‘SuperPlaces’ are envied around the world.” [our underlining]

Point 8 ‘Investing in Carbon Capture, Usage and Storage’ (pages 22 and 23) identifies the ambition to capture 10Mt of CO₂ a year by 2030 and the Government’s commitment to invest up to £1 billion to support the establishment of CCUS in four industrial clusters in areas such as the North East and goes on to state how CCUS will be developed alongside hydrogen production in these locations.

The Project will help deliver the Ten Point Plan by delivering low carbon hydrogen production at scale within what is an emerging CCUS cluster on Teesside.

The Energy White Paper (December 2020)

The Energy White Paper ‘Powering our Net Zero Future’ (‘EWP’), was presented to Parliament in December 2020 and builds on the Ten Point Plan. At the core of the EWP is the commitment to tackle climate change and achieve net zero. The EWP seeks to put in place a strategy for the wider energy system that transforms energy, supports a green recovery and creates a fair deal for consumers (page 4). As with the Ten Point Plan, the EWP confirms the Government’s support for new hydrogen technologies and CCUS drawing upon the resources provided by the North Sea.

The Government estimates (Introduction, page 15) that the measures in the EWP could reduce emissions across power, industry and buildings by up to 230Mt CO₂ in the period to 2032 and enable further savings in other sectors such as transport. In doing so, these measures could support up to 220,000 jobs per year by 2030. These figures include the energy measures from the Ten Point Plan as well as additional measures set out in the EWP. However, the EWP recognises that more will need to be done to meet key milestones on the journey to net zero.

The EWP (pages 16 to 17) provides an overview of the Government’s key commitments to put the UK on a course to net zero. These are grouped under a number of headings and include:

“SUPPORT A GREEN RECOVERY FROM COVID-19 ...

- *Increasing the ambition in our Industrial Clusters Mission four-fold, aiming to deliver four low-carbon clusters by 2030 and at least one fully net zero cluster by 2040.*
- *Investing £1 billion up to 2025 to facilitate the deployment of CCUS in two industrial clusters by the mid-2020s, and a further two clusters by 2030, supporting our ambition to capture 10Mt per year by the end of the decade.*
- *Working with industry, aiming to develop 5GW of low-carbon hydrogen production capacity by 2030.”* [our underlining]

Chapter 2 ‘Power’ of the EWP sets out how it is proposed to decarbonise the power sector the generation of electricity. This includes a commitment to consult on steps to ensure that new thermal plants can convert to low carbon technologies either through the retrofit of carbon capture plant or “...conversion to firing clean hydrogen” (page 48).

Chapter 5 'Industrial Energy' sets out the goal for emissions from industry to fall by around 90% from today's levels by 2050. In order to achieve this (page 118) the Government "...will:

- *Create a sustainable future for UK manufacturing industry through improved energy efficiency and the adoption of clean energy technologies*
- *Establish the UK as a world leader in the deployment of CCUS and clean hydrogen, supporting up to 60,000 jobs by 2030.*" [our underlining]

The EWP confirms that manufacturing and refineries, which form the bulk of industrial emissions, still account for around 1% of the UK's greenhouse gas emissions. About half of those emissions are concentrated in the UK's six major industrial clusters. This includes Teesside (Figure 8.1, page 121) which accounts for 3.9 Mt CO₂ e of emissions (2018 figures).

In order to transform industrial energy, the EWP (page 122) states that we cannot rely on energy efficiency alone to reduce emissions in line with the Government's 2050 goal. Manufacturing industry will also need to capture its carbon for onward transport and storage and switch from using fossil fuels to low-carbon alternatives, such as hydrogen.

In order to bring about change in industry, the EWP includes a commitment (page 124) to increase the 'Industrial Clusters Mission' to support the delivery of four low-carbon industrial clusters by 2030 and at least one fully net zero cluster by 2040. The EWP states that the Government will focus on the UK's industrial clusters:

"... centres where related industries have congregated and can benefit from utilising shared clean energy infrastructure, such as CCUS and low-carbon hydrogen production and distribution. Decarbonisation in clusters will enable economies of scale, reducing the unit cost for each tonne of carbon abated, while clusters provide high quality jobs which tend to pay above the UK average wage." [our underlining]

The EWP notes (page 124) that many clusters are located in regions in need of economic revitalisation and that decarbonising those clusters can act as a driver of prosperity for the surrounding areas. Furthermore, that investments in key technologies like CCUS and hydrogen, will be crucial to enhancing local economic growth and creating jobs together with prosperity.

Chapter 5 of the EWP includes a section on 'Clean Hydrogen' (pages 127 to 128). It identifies that hydrogen will be critical in reducing emissions from heavy industry, as well as in power, heat and transport. Clean hydrogen includes using natural gas and capturing the CO₂ by-product with CCUS or using renewable electricity to split water into hydrogen and oxygen. It includes commitments to:

- Work with industry to develop 5 GW of low-carbon hydrogen production capacity by 2030.
- Create a Net Zero Hydrogen Fund to support low-carbon hydrogen production, providing £240 million of capital co-investment out to 2024/25.

The EWP underlines (page 128) that a variety of hydrogen production technologies will be required to satisfy the level of anticipated demand for clean hydrogen by 2050 and that the Government hopes to see 1 GW of hydrogen production capacity by 2025 on route to its 2030 goal.

The Project is clearly consistent with commitments in the EWP to deliver low carbon hydrogen production at scale, coupled with CCUS, within one (Teesside) of the UK's major industrial clusters.

Industrial Decarbonisation Strategy (March 2021)

The Industrial Decarbonisation Strategy is the first strategy published by a major economy, which sets out how industry can decarbonised in line with net zero, while remaining competitive and without pushing emissions abroad. It builds on the Ten Point Plan and sets out the Government’s vision for a prosperous, low carbon UK industrial sector by 2050, and aims to provide industry with the long-term certainty it needs to invest in decarbonisation.

The Ministerial Foreword (page 6) emphasises that the 2020s will be crucial to industrial decarbonisation, with the UK needing to deploy key technologies such as CCUS while beginning the journey of switching from fossil fuel combustion to low carbon alternatives such as hydrogen.

Chapter 1 ‘Why we need a strategy and our approach’ sets out the Government’s ambition for decarbonising industry in line with net zero. The expectation is that emissions will need to reduce by at least two-thirds by 2035 and by at least 90% by 2050, with 3 Mt CO₂ per annum captured through CCUS and a significant switching to low carbon fuels such as hydrogen by 2030. Significantly, the Strategy (page 18) recognises that government should play a key role in the delivery of large infrastructure projects for key technologies such as hydrogen networks where there is a sharing of benefits and the risk or cost is too great for the private sector.

Chapter 2 Getting investors to choose low carbon’ confirms the Government’s commitment (Action 2.2) to put in place funding mechanisms to support the deployment and use of CCUS and low carbon hydrogen infrastructure. It states that (pages 29-30):

“CCUS will be crucial to reaching net zero, and low carbon hydrogen has the potential to play a key role in enabling the economic transformation of the UK’s industrial regions. With both technologies at early stages of development, government will need to play an active role in overcoming market failures; sharing the risk and costs of scaling up deployment of both CCUS and low carbon hydrogen.

... We have already committed to a £1 billion CCS Infrastructure Fund to provide industry with certainty to deploy CCUS at pace and scale, alongside a £240 million Net Zero Hydrogen Fund. Later in 2021 will bring forward further details of the revenue mechanism to support business models for both industrial carbon capture and low carbon hydrogen projects.” [our underlining]

With regard to fuel switching (Action 4.2, pages 51 and 52), Chapter 4 of the Strategy confirms that the Government is committed to developing a low carbon hydrogen economy in the UK. The Government sees it as critical to demonstrate fuel switching to hydrogen in industrial sites in parallel to ramping up low carbon hydrogen production.

The Project will make a significant contribution to industrial decarbonisation in the UK through the production and supply of low carbon hydrogen to a number of industrial offtakers on Teesside and within the surrounding area.

North Sea Transition Deal (March 2021)

The North Sea Transition Deal is a transformational sector deal for the offshore oil and gas sector in recognition of the key role that it can play in helping the UK meet its net zero commitments. The document recognises (Foreword, page 6) that with declining output of hydrocarbons from the UK Continental Shelf (‘UKCS’) and a projected decline in domestic demand, there is a clear need for determined action to be taken to build on the proven capabilities and skills within the existing sector to support the transition to net zero. It continues:

“The UK already has the capability and skills within the existing sector to lead in new and emerging energy technologies such as Carbon Capture, Usage and Storage (CCUS) and the hydrogen economy as well as to support the growth of new sectors such as offshore wind.

... Delivering large-scale decarbonisation solutions will strengthen the position of the existing UK energy sector supply chain in a net zero world, securing new high-value jobs in the UK, supporting the development of regional economies and competing in clean energy export markets.” [our underlining]

The Executive Summary (page 8) states that the North Sea Deal is aimed at delivering on the commitments set out in the oil and gas chapter of the EWP and is closely aligned with the Prime Minister’s Ten Point Plan. It seeks to do this through the implementation of a number of commitments and measures, including supporting up to 40,000 direct and indirect supply chain jobs in decarbonising UKCS production and the CCUS and hydrogen sectors.

The Deal is built on five key outcomes – supply decarbonisation; CCUS; hydrogen; supply chain transformation; and people and skills. These are seen as being closely interlinked, meaning that they must be delivered as an integrated whole for the Deal to achieve its full potential.

With regard to hydrogen, the Deal notes that:

“Hydrogen is essential to meeting our net zero commitment in the UK. It could provide a clean source of energy across the economy, from industrial and domestic heat, to heavy transport, and flexible power and energy storage. The UK already has world-leading offshore wind potential and electrolyser capability, alongside unparalleled carbon capture and storage sites that the UK can maximise to scale up low carbon hydrogen production.

The hydrogen commitment in the North Sea Transition Deal focuses on creating the economic environment in which low carbon hydrogen production can flourish. This will help unlock billions of pounds of investment from the sector. The oil and gas sector is positioned to enable the production of low-carbon hydrogen at scale as part of a long-term competitive market, supporting the UK’s ambition to deliver 5GW of low carbon hydrogen production capacity by 2030.”

The Project is well placed to support the commitments set out in the North Seas Transition Deal, being able to link into the NEP (part of the East Coast Cluster), which will make use of offshore skills, capabilities and resources.

UK Hydrogen Strategy (August 2021)

The UK Hydrogen Strategy sets out the Government’s approach to developing a thriving low carbon hydrogen sector in the UK to meet its ambition for up to 5 GW of low carbon hydrogen production capacity by 2030.

Chapter 1 ‘The case for low carbon hydrogen’ confirms that low carbon hydrogen will be critical for meeting the UK’s legally binding commitment to achieve net zero by 2050 and Carbon Budget Six in the mid-2030s. Hydrogen can support the deep decarbonisation of the UK economy, particularly in the “hard to electrify” UK industrial sectors, and can provide greener, flexible energy across power, heat and transport (page 7). It goes on to state (page 8):

“Today most hydrogen produced and used in the UK and globally is high carbon, coming from fossil fuels with no carbon capture; only a small fraction can be called low carbon. For hydrogen to play a part in our journey to net zero, all current and future production will need to be low carbon.”

Section 1.3 of Chapter 1 ‘The UK’s hydrogen opportunity’ sets out the Government’s ‘twin track’ approach to hydrogen production, which seeks to capitalise on the UK’s potential to produce large quantities of both electrolytic ‘green’ and CCUS enabled ‘blue’ hydrogen. It states that the UK has the technology, know-how and storage potential to scale up CCUS across the country, unlocking new routes to CCUS-enabled hydrogen production (page 10). It goes on to state (Page 10):

“Early deployment of CCUS technology and infrastructure will likely be located in industrial clusters. Many of these are in coastal locations, with important links to CO₂ storage sites such as disused oil and gas fields. Government aims to establish CCUS in four industrial clusters by 2030 at the latest, supporting our ambition to capture 10Mt/ CO₂ per annum.

In turn, industrial clusters and wider industry are significant potential demand centres for low carbon hydrogen. Today, numerous industrial sectors from chemicals to food and drink are exploring the role that hydrogen can play in their journey to net zero. UK Research and Innovation’s (UKRI’s) Industrial Decarbonisation Challenge provides up to £170 million – matched by £261 million from industry – to invest in developing industrial decarbonisation infrastructure including CCUS and low carbon hydrogen. [our underlining]

Figure 1.3 at Chapter 1 of the Strategy identifies Teesside as a location for both green and blue (CCUS-enabled) hydrogen production (page 11).

The Strategy (page 33) highlights the potential of CCUS-enabled blue hydrogen production, stating that:

“Our Hydrogen Production Cost 2021 report suggests that, under central fuel price assumptions, CCUS-enabled methane reformation is currently the lowest cost low carbon hydrogen production technology. Given the potential production capacity of CCUS-enabled hydrogen plants, we would expect this route to be able to deliver a greater scale of hydrogen production as we look to establish a UK hydrogen economy during the 2020s.”

The Strategy considers the ‘Use of hydrogen in industry’ (pages 52 and 53) stating that

“It is clear that UK industrial sectors will play a vital role in developing a hydrogen economy over the next decade. Industry produced 16 per cent of UK emissions in 2018, and hydrogen will be critical to decarbonise industrial processes that would be hard to abate with CCUS or electrification. The Industrial Decarbonisation Strategy published earlier this year sets out the policy and technology principles to decarbonise industry by 2050, including the installation of deep decarbonisation infrastructure such as hydrogen and CCUS networks in the 2020s.

Our industrial heartlands will likely lead the way for large scale low carbon hydrogen supply, and industrial users are expected to provide the most significant new demand for hydrogen by 2030 through industrial fuel switching. Today’s hydrogen economy will need to scale up from its current base in the oil refining and chemical sectors, to enter other parts of industry and the wider energy system. We will develop policy to support and deliver this change, and to drive the decarbonisation of existing industrial hydrogen use.” [our underlining]

It is relevant to note that since the UK Hydrogen Strategy was published, the British Energy Security Strategy (April 2022) has doubled the UK’s hydrogen production ambition from 5 GW to 10 GW by 2030. This is reflected in the ‘Hydrogen Strategy update to the market’ (July 2022).

Net Zero Strategy: Build Back Greener (October 2021)

The 'Net Zero Strategy: Build Back Greener' expands on key commitments in the Ten Point Plan and the EWP and sets out the next steps the Government proposes to take to cut emissions, seize green economic opportunities and leverage further private investment into net zero. The Strategy sets an indicative delivery pathway for emissions reductions to 2037 by sector. It is intended to put the UK on the path for Carbon Budget 6 and ultimately on course for net zero by 2050.

With regard to power, the Strategy states that the UK will fully decarbonise its power system by 2035 subject to security of supply. It states that the power system will consist of abundant, cheap renewables, cutting edge new nuclear power stations, underpinned by flexibility including storage, gas with CCUS and hydrogen (page 19).

For industry, the Net Strategy states (page 21) that it will deliver four CCUS clusters, capturing 20-30 Mt CO₂ across the economy, including 6 Mt CO₂ of industrial emissions, per year by 2030. This will be done by supporting industry to switch to cleaner fuels, such as low carbon hydrogen alongside renewable energy and CCUS. These clusters, including the East Coast Cluster, which includes the Project and the NEP, could have the opportunity to access support under the Government's CCUS programme (£1 billion). The Strategy also states that the Government has set up the Industrial Decarbonisation and Hydrogen Revenue Support Scheme, providing up to £140 million to fund new hydrogen and industrial carbon capture business models. This is in addition to £240 million Net Zero Hydrogen Fund.

British Energy Security Strategy (April 2022)

The British Energy Security Strategy was published in April 2022 largely in response to soaring energy prices as a result of a sudden surge in demand following the COVID-19 pandemic, compounded by the Russian invasion of Ukraine. Much of the focus of the Energy Strategy is upon providing financial assistance to families and businesses struggling with higher energy bills, but it also looks at improved energy efficiency, reducing the amount of energy we need and addressing the underlying vulnerability to international oil and gas prices by reducing the UK's dependence on imported oil and gas.

Notably, the British Energy Security Strategy identifies the importance of low carbon hydrogen, with an increased commitment to achieve up to 10 GW of hydrogen production by 2030, including CCUS-enabled 'blue' hydrogen.

Summary

The above recent energy and climate change policy underlines the important role that hydrogen, coupled with CCUS, has to play in achieving the UK's transition to a low carbon economy and the Government's legally binding target of net zero greenhouse gas emissions by 2050. In particular, hydrogen is identified as being critical to the decarbonisation of industries that are hard to electrify.

The Project is well placed to support large-scale industrial decarbonisation, being located in one of the UK's major industrial clusters, with the potential to supply hydrogen to a number of industrial off-takers, while linking into the NEP infrastructure for the transportation and storage of the CO₂ generated during the hydrogen production process.

The role that the Project will play in supporting the Government's climate change and decarbonisation objectives further underlines its importance and national significance.

The Need for the PA 2008 Regime

The Project is complex; it will comprise a hydrogen production plant, hydrogen distribution pipeline network and associated and ancillary development, including an ASU/oxygen supply pipeline, CO₂ capture and compression facilities, natural gas supply pipeline, other gas pipelines, electricity grid and water supply and discharge connections. The CO₂ generated during the hydrogen production process will be captured and fed into the NEP infrastructure for onward transportation and storage. The Project involves crossings of the River Tees and land within the administrative areas of three local authorities. The Site also encompasses a large number of land ownerships and interests with numerous land and access rights being required to deliver it. In addition, the connections corridors cross and run alongside existing infrastructure and apparatus.

As outlined above, in the case of the Project, the hydrogen distribution pipelines are the only element that is likely to fall under section 14 of the PA 2008 and represent a NSIP. While there will be a direct relationship between the hydrogen distribution pipelines and the other elements of the Project (e.g. the hydrogen production plant), bp does not consider that those other elements, notably the hydrogen production plant and works associated with and ancillary to it, would be considered subordinate to the hydrogen supply pipelines. This means that it is very unlikely that the other elements of the Project could be considered to be associated development (and therefore included in an application for development consent), which introduces significant risk and uncertainty into the consenting process and ultimately the delivery of the Project.

If it is not possible to advance the Project in its entirety through the PA 2008 regime, it will be necessary to submit a development consent application for the hydrogen distribution pipelines and the elements of the Project that can be considered to be associated development to those pipelines, and to seek separate planning permission for the other elements (e.g. hydrogen production plant) under the TCPA. It is likely that planning applications would need to be submitted to three different local planning authorities for those elements of the Project. A separate application would also be required for a marine licence from the Marine Management Organisation for the crossings of the River Tees and a number of other consents and approvals would be required such as environmental permits, land drainage/flood risk activity consents, public rights of way diversion orders, and approvals relating to alterations to public highways.

The above scenario would require bp to obtain a number of consents and approvals with differing timescales and involving multiple consenting bodies. The Project would have to be assessed against different policy frameworks, rather than primarily against the NPSs, while the timescales associated with obtaining those consents and approvals are far less certain when compared to those for development consent. The terms on which the various consents are granted also could be different, a potentially significant issue for an integrated project. Furthermore, it could be more difficult to obtain powers of compulsory acquisition (if required) in relation to the elements of the Project as it is not certain that hydrogen project developers have such powers. Such powers may be needed to deliver the Project given the multiple landownerships involved. A fragmented approach to consenting would also introduce uncertainty and risk to the Project. Ultimately all of these consenting issues potentially undermine the Project's ability to contribute to the Government's ambition for 10 GW of low carbon hydrogen production by 2030.

In addition to the above, the need to obtain a number of consents would place a greater burden upon the consenting bodies, notably the local planning authorities, who would have to both engage in the development consent process while administering and determining separate applications for planning permission.

The PA 2008 regime was introduced to expedite the delivery of complex, nationally significant projects, such as H2Teesside. If a direction is given by the SoS that the PNS development is development for which development consent is required, this would assist bp in delivering the Project in a timelier manner, supporting the delivery of the Government’s ambitions for low-carbon CCUS-enabled hydrogen production to decarbonise the UK industrial sector.

Summary

bp is seeking a direction from the SoS under section 35 of the PA 2008 to ensure that the PNS development of the Project is development for which development consent is required. Such a direction would provide certainty as to the inclusion of all the infrastructure within any application for development consent that is submitted. It would avoid the need to obtain a number of consents with differing timescales and involving multiple consenting bodies. It would provide certainty in terms of the timing of decision-making and also provide scope for powers of compulsory acquisition to be sought which may be required in order to deliver the Project.

This letter represents a ‘Qualifying Request’ under section 35. The Project is within the field of energy and would be wholly within England and the adjacent marine area. The Project is of national significance by virtue of its type, size, scale and complexity and in terms of how it would support important Government objectives for decarbonising industry in line with recent energy and climate change policy. It would also support the Government’s target (enshrined in law) of achieving net zero greenhouse gas emissions by 2050.

We look forward to receiving confirmation that this request has been received. In the meantime, please do not hesitate to contact me if you require any further information.

Yours sincerely

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Encs: Figure 1

APPENDIX 1: Project Description

H2Teesside is a large-scale hydrogen project that aims to produce up to 1,200 MW of CCUS-enabled blue hydrogen and to start-up in 2027. It will capture and send for storage up to 2 million tonnes of CO₂ per year via the NEP. The Project will produce hydrogen and distribute it via hydrogen distribution pipelines, for use in a number of energy-related and industrial applications on Teesside and within the surrounding area.

Table 1: The proposed Projects of National Significance:

No.	Element of Project
1.	Hydrogen production plant of up to 1,200 MW thermal (lower heating value) capacity to be developed in two phases – each up to 600 MW.
2.	Hydrogen distribution pipelines to supply hydrogen to various offtakers on Teesside and within the surrounding area (a) to the extent that they are not Nationally Significant Infrastructure Projects (pursuant to the Planning Act 2008); and (b) only where they are the subject of an application for development consent that includes the aforementioned hydrogen production plant, and not including connections from tie-in points with the supply pipelines to the offtakers' operational facilities.

Table 2: The Associated Development includes but is not limited to:

No.	Element of Project
1.	Air Separation Unit to supply oxygen to the hydrogen production plant.
2.	Oxygen supply pipeline (as an alternative to the ASU) to supply oxygen for the hydrogen production plant.
3.	CO ₂ capture and compression facilities.
4.	CO ₂ pipeline connection to the NEP infrastructure.
5.	Natural gas supply connection for the supply of gas to the hydrogen production plant.
6.	Other gas pipelines (e.g. for compressed air and nitrogen).
7.	Electricity grid connection to provide power to the Project.
8.	Water supply and treatment infrastructure.
9.	Wastewater treatment and disposal infrastructure.
10.	Other utilities connections, telecommunications and other associated and ancillary infrastructure.
11.	Highways, streets and public right of way diversions and modifications.

12.	Temporary construction laydown areas and contractors' sites.
13.	Environmental mitigation.

APPENDIX 2: Draft Section 35 Direction

DIRECTION BY THE SECRETARY OF STATE UNDER SECTION 35(1) OF THE PLANNING ACT 2008 (AS AMENDED) RELATING TO THE H2TEESSIDE PROJECT

By [letter] to the Secretary of State received on [date 2022] bp (“the applicant”) formally requested that the Secretary of State exercise the power vested in the Secretary of State under section 35(1) of the Planning Act 2008 (as amended) (“the Planning Act”) to direct that the proposed H2Teesside Project as set out in the applicant’s [letter] and supporting submissions (“the proposed scheme”) be treated as a scheme of national significance which is development for which development consent is required, as set out in Annex 1 of the [letter].

The Secretary of State has made a decision within the primary deadline set out in section 35A(2) of the Planning Act and wishes to convey that decision.

Having considered the applicant's request and the details of the proposed scheme, the Secretary of State is satisfied that:

- the proposed scheme is a project which does not – apart from potentially the hydrogen distribution pipelines – fall into the category of projects described in section 14 of the Planning Act 2008;
- the hydrogen distribution pipelines if under 16.093km would not be a "nationally significant infrastructure project" ("NSIP");
- that therefore the scheme the subject of the applicant’s request does not automatically fall within the definition of a NSIP and therefore it is appropriate to consider use of the power in section 35;
- the elements of the proposed scheme that are requested to be development for which development consent is required either are, or are part of, projects in the field of energy and will be wholly within England and adjacent waters up to the seaward limits of the territorial sea; and
- the applicant's request therefore constitutes a "qualifying request" in accordance with section 35ZA(1).

In coming to this conclusion, the Secretary of State notes that the proposed scheme relates to the construction of a hydrogen production and pipeline project and thus sits within one of qualifying infrastructure fields listed in section 35(2)(a)(i) – energy - of the Planning Act 2008.

The Secretary of State notes that the proposed scheme encompasses the following:

- Hydrogen production plant;
 - Hydrogen distribution pipelines, but only to the extent that they are not nationally significant infrastructure projects (pursuant to the Planning Act 2008) and only where they are the subject of a development consent application that includes the aforementioned hydrogen production plant, and not including connections from the tie-in points to offtakers’ facilities;
- as set out under the “The Proposed Projects of National Significance” in Annex 1 of the [letter] (together “the PNS developments”);

- the delivery of “associated development” (within the meaning of section 115(1)(b) of the Planning Act including, but not limited to, an Air Separation Unit, oxygen supply pipeline, CO₂ capture and compression facilities gas connection; CO₂ pipeline connection to the NEP infrastructure; natural gas supply connection; other gas supply connections (e.g. compressed air and nitrogen), electricity grid connection; water supply and treatment infrastructure; wastewater treatment and disposal infrastructure; other utilities connections, telecommunications and other associated and ancillary infrastructure; highways, streets and public right of way diversions and modifications; temporary construction laydown areas and contractors’ sites; and environmental mitigation (“the associated development to the PNS developments”); and
- ancillary matters (“the ancillary development to the PNS developments”).

The proposed scheme does not include the construction of any dwellings as part of the PNS developments.

The proposed scheme can therefore be summarised as:

1. the PNS developments;
2. the associated development to the PNS developments; and
3. the ancillary development to the PNS developments;

all as detailed in the applicant's [letter] to the Secretary of State received on [date 2022].

The Secretary of State considers that the PNS developments are genuinely nationally significant and would:

- be complex and substantial, involving extensive infrastructure works and requiring multiple consents;
- will benefit from the application being determined in a timely and consistent manner by the Secretary of State;
- provide and support
 - the achievement of a net zero economy and the meeting of the challenge set by the IPCC to countries around the world;
 - the achievement of the Government’s policy objectives in the Energy White Paper, the Clean Growth Strategy, the emerging Energy National Policy Statements, the Industrial Decarbonisation Strategy, the British Energy Security Strategy and the Hydrogen Strategy;
 - capture up to two million tonnes of CO₂ per annum; and
 - the production of viable hydrogen facilities that would enable the provision of a secure and low carbon hydrogen supply to a number of energy and industrial users across Teesside.

THE SECRETARY OF STATE HEREBY DIRECTS that the PNS developments are to be treated as development for which development consent is required. Any development consent order application for the PNS developments may also include any matters that may properly be included in a development consent order (within the meaning of section 120 of the Planning Act 2008) including ancillary matters (section 120(3)), associated development (within the meaning of section 115(2) of

the Planning Act 2008) and related housing development (within the meaning of sections 115(4B) and (4C) of the Planning Act 2008).

THE SECRETARY OF STATE FURTHER DIRECTS in accordance with section 35ZA(3)(b) and (5)(b) of the Planning Act 2008 that:

- any proposed application for a consent or authorisation mentioned in section 33(1) or (2) of the Planning Act 2008 in relation to the PNS developments is to be treated as a proposed application for which development consent is required;
- the Overarching Policy Statement for Energy (EN-1) has effect in relation to an application for development consent under this Direction in a manner appropriately equivalent so far as the considerations and impacts described in EN-1 are relevant to the PNS developments.

This direction is given without prejudice to the Secretary of State's consideration of any application for a development consent order which is made in relation to all or part of the proposed scheme.

Signed by *[name of person signing]*

[position or role of named person]

Authorised to sign on behalf of the Secretary of State

[date]