

Humber Zero – Five Year Validity of Planning Permission

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From: DWD on Behalf of VPI Immingham LLP

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Humber Zero

Phillips 66 Limited and VPI Immingham submitted twin applications to North Lincolnshire Council on 3 March 2023. The application for the construction & operation of a post-combustion carbon capture plant, including carbon dioxide compressor & metering, cooling equipment, stacks, substations, internal roads, partial ditch realignment, new & modified services, connections, internal roads, accesses, maintenance & laydown areas, was validated on 8 March 2023 under Planning Ref. PA/2023/421.

The Applicant is seeking a five-year validity of planning consent, should planning permission be granted. The justification as to why this is prudent and favourable is discussed below.

DESNZ Cluster Sequencing

The UK Prime Minister's 10 Point Plan established a commitment to deploy Carbon Capture, Usage and Storage (CCUS) in a minimum of two industrial clusters mid-2020s, and four clusters by 2030 at the latest. The Humber Cluster is the UK's largest industrial cluster with the highest volume of CO₂ emissions. The subsequent cluster sequencing process, supported by £1 billion through the Carbon Capture Storage (CCS) Infrastructure Fund, aims to deliver CCUS at pace and scale. In November of 2021, the Department for Business, Energy and Industrial Strategy (now the Department for Energy Security and Net Zero ('DESNZ')) announced the selection of HyNet and East Coast Cluster as 'Track 1 Clusters' for the mid-2020s. On 12 August 2022, the UK Government released the project shortlist for the Track 1 Clusters. Subsequently, the government released the Track-1 Project Negotiation List in March 2023 which did not include any projects within the Humber region (including Humber Zero). Nonetheless, DESNZ confirmed its commitment to Track-2 enabling 10Mtpa capacity operational by 2030

Most recently, the Viking CCS T&S project was awarded Track 2 status on 31 July 2023. Unfortunately, no timeline for Track 2 emitters has been announced by government and there remains significant risk that Humber Zero and all Track 2 emitter projects will be delayed as a result of government scheduling. The Phillips 66 and VPI Humber Zero Projects are considered anchor projects for the Viking CCS T&S network and are intended to be delivered as part of the Track 2 and will progress negotiations with the government following any announce on selection of Track 2 emitter projects. However, the Applicant remains vigilant of potential delays to the governments Track 2 cluster scheduling and subsequent funding and therefore requests a five-year planning validity.

Complexity of Delivery

It is acknowledged that there is an inherent complexity associated with delivering large scale “first of a kind” energy infrastructure projects. The erection of a new carbon capture plant (CCP) at the VPI Immingham Site, would normally be considered a Nationally Significant Infrastructure Project (NSIP) and require a Development Consent Order (DCO). However, as the proposed CCP is retrofitting existing infrastructure it will be decided under the Town and Country Planning Act (TCPA) 1990 but will deliver similar reduction to carbon outcomes to that of an NSIP. Therefore, the National Policy Statements (NPSs) are likely to be material consideration. Draft NPS EN-1 (published March 2023) notes in paragraph 3.3.45 that: *Power CCUS has not been deployed in the UK to date and although the barriers to deployment are commercial rather than technical, it is reliant on the availability of infrastructure for the transportation and storage of CO₂*. The complexity of navigating commercial barriers and connecting to transport and storage infrastructure (which themselves are in the midst of developing new business models with DESNZ) is particularly relevant, as Humber Zero is currently negotiating potential connections with both, bp’s Humber Low Carbon Pipeline (HLCP) Project and Harbour Energy’s Viking Carbon Capture Storage (CCS) project.

Paragraph 3.3.80 of draft NPS EN-1 also acknowledges that given the urgent need for new electricity infrastructure and the time it takes for electricity NSIPs to move from design conception to operation, there is an urgent need for new (and particularly low carbon) electricity NSIPs to be brought forward [ie consented] as soon as possible, given the crucial role of electricity as the UK decarbonises its economy. Moreover, paragraph 3.3.83 goes onto to raise that consented projects can help deliver an affordable electricity system, by driving competition and reducing costs within and amongst different technology and infrastructure types and that consenting new projects also enables projects utilising more advanced technology and greater efficiency to come forward.

The UK’s Net Zero Strategy and Industrial Decarbonisation Strategy reaffirm the importance of CCS in decarbonising energy intensive sectors. Paragraph 3.5.4 of Draft NPS EN-1 notes that in order to achieve the

target of capturing 20-30MtCO₂ per year by 2030, this will require the timely development and deployment of CCS infrastructure.

Moreover, by 2050, emissions associated with power could need to drop by 95-98 per cent compared to 2019, down to 1-3 MtCO₂e in order to achieve national emissions targets. Revised Draft NPS EN-1 notes the essential contribution that completion of CCUS infrastructure plays in reducing costs. Paragraph 3.3.83 states that a large number of consented projects can help deliver an affordable electricity system, by driving competition and reducing costs within and amongst different technology and infrastructure types. Consenting new projects also enables projects utilising more advanced technology and greater efficiency to come forward.

Several energy projects of similar scale approved under the Planning Act 2008 and the TCPA 1990 (as amended) have been approved under a five-year planning validity for this reason. Notable projects approved with a condition for commencement of development periods in excess of three years validity of planning permission include:

- Planning Inspectorate EN010081 – The Eggborough Gas Fired Generating Station Order 2018, Schedule 2, Requirement 2
- North East Lincolnshire Council DM/1070/18/FUL - Construction of an energy from waste facility of up to 49.9Mwe (2019)
- Planning Inspectorate EN010097 - The Immingham Open Cycle Gas Turbine Order 2020, Schedule 2, Requirement 2
- Planning Inspectorate EN010114- The Keadby 3 Carbon Capture Equipped Gas Fired Generating Station) Order 2022 Schedule 2, Requirement 2
- Thurrock Council 21/01971/FUL – Erection of BESS up to 450 MW (2023)

Conclusion

Due to the considerable uncertainties associated with the DESNZ cluster sequencing program and the significant project complexity a five-year consent is considered prudent. We trust that above is an acceptably justified approach. In the meantime, if you require any further information, please do not hesitate to contact me.

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