

DATED 16 SEP 2024

VPI IMMINGHAM LLP
("THE ACQUIRING AUTHORITY")

STATEMENT OF REASONS
Accompanying the making of:
THE VPI IMMINGHAM LLP (LAND AT ROSPER ROAD)
COMPULSORY PURCHASE ORDER 2024 ("THE
ORDER")

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THIS STATEMENT OF REASONS is dated **16 SEPTEMBER 2024**

1. GLOSSARY

Term	Definition
CCS	Carbon Capture and Storage
CHP	Combined Heat and Power
CHP Land	The land shown edged blue on the Order Map at Appendix 3
CO2	Carbon dioxide
FCC	Fluid Catalytic Cracker
Local Planning Authority	North Lincolnshire District Council
OCGT	Open Cycle Gas Turbine
OFGEM	The Office of Gas and Electricity Markets
Order Land	The land shown edged red and blue on the Order Map at Appendix 3
Planning Application	PA/2023/421 registered with the Local Planning Authority and validated on 15 March 2023 for the construction and operation of a post-combustion carbon capture plant, including carbon dioxide compressor and metering, cooling equipment, stacks, substations, internal roads, partial ditch realignment, new and modified services, connections, accesses, maintenance and laydown areas
Proposed Development	The development as set out in the Planning Application
P66	Phillips 66 Limited
P66 Land	The land shown edged red on the Order Map at Appendix 3
VPI Immingham CHP Plant	The existing VPI Immingham Combined Heat and Power Plant located at Rosper Road, South Killingholme, Immingham, DN40 3DZ and shown edged red and shaded blue on the Order Map at Appendix 3

2. INTRODUCTION

- 2.1 On 16 September 2024, the Acquiring Authority resolved to make the Order. The Order was made on the same date.
- 2.2 The Acquiring Authority is the holder of an electricity generation licence pursuant to the Electricity Act 1989 and is the leaseholder and operator of the VPI Immingham CHP Plant, which is within the Order Land. The freehold owner of the land comprising the Order Land, including the VPI Immingham CHP Plant and the P66 Land is P66.
- 2.3 The Acquiring Authority seeks to develop the Proposed Development, a Post-Combustion Carbon Capture Plant to connect to the VPI Immingham CHP Plant for two of the gas turbines and auxiliary boilers. The Proposed Development is associated with the P66 Post-Combustion Carbon Capture Plant for the Humber Refinery, which is the subject of a separate planning application. Together they comprise the Humber Zero project, a collaboration between the Acquiring Authority and P66 to deliver a key carbon capture project in the Humber industrial cluster.
- 2.4 On 8 March 2023, the Acquiring Authority submitted the Planning Application to the Local Planning Authority for the Proposed Development. The Planning Application is being determined under the delegated authority of the Local Planning Authority, who have requested that the Acquiring Authority and P66 (as landowner) enter into a section 106 agreement to secure an obligation to submit a biodiversity net gain plan prior to the commencement of the Proposed Development.
- 2.5 The Acquiring Authority has negotiated to acquire the necessary land interests in the Order Land with P66 but it has become clear that terms are unlikely to be agreed. Whilst the Acquiring Authority remains open to further discussions with P66, it has become necessary to

promote the Order to unlock the benefits of the Proposed Development, as part of the Humber Zero project.

- 2.6 This Statement accompanies the making of the Order and has been prepared in accordance with the CPO Guidance.

3. THE ENABLING POWERS

- 3.1 The Order is made pursuant to section 10 of and paragraph 1 of Schedule 3 to the Electricity Act 1989.

- 3.2 Section 10 of the Electricity Act 1989 provides that:-

1. Subject to subsection (2) below, Schedule 3 to this Act (which provides for the compulsory acquisition of land) and Schedule 4 to this Act (which confers other powers and makes other provision) shall have effect---
 - (a) In relation to the holder of a transmission licence or of an electricity system operator licence; and
 - (b) To the extent that his licence so provides, in relation to an electricity distributor or any other licence holder.

- 3.3 Paragraph 1 of Schedule 3 to the Electricity Act 1989 provides that:-

1. *Subject to paragraph 2 below, the Secretary of State may authorise a licence holder to purchase compulsorily any land required for any purpose connected with the carrying on of the activities which he is authorised by his licence to carry on; and*
2. *In this paragraph "land" includes any right over land...and the power of the Secretary of State under this paragraph includes power to authorise the acquisition of rights over land by creating new rights as well as acquiring existing ones.*

- 3.4 On 7 June 2002 the Acquiring Authority was granted an electricity generation licence pursuant to section 6(1)(a) of the Electricity Act 1989.¹

- 3.5 The activity which the Acquiring Authority is authorised by the electricity generation licence to carry out is to generate electricity in Great Britain for the purpose of giving a supply to any premises or enabling a supply to be so given.

- 3.6 As a result of amendments to the standard licence conditions on or about 1 May 2007 by OFGEM, standard condition 14, which relates to compulsory purchase, was applied to all electricity generation licence holders.

OFGEM Standard Condition 14. Compulsory acquisition of land etc

The powers and rights conferred by or under the provisions of Schedule 3 to the Act (Compulsory Acquisition of Land etc. by Licence Holders) shall have effect in relation to the licensee to enable the licensee to carry on the activities authorised by this licence and which relate to:-

- (a) *the construction or extension of a generating station;*
- (b) *the operation of a generating station; and/or*
- (c) *the installation, inspection, maintenance, adjustment, repair, alteration, replacement or removal of electric lines, and electrical plant associated*

¹ Immingham CHP Limited Liability Partnership changed its name to VPI Immingham LLP on 23 July 2013.

with them, and any structures for housing or coverings such lines or plant, connecting a generating station with:-

- (i) *the national electricity transmission system; or*
- (ii) *a distribution system-,*

including, for the avoidance of doubt, whether these activities in sub-paragraph (c) are to be carried out by the licensee or another licence holder.

3.7 In condition 14, the references to “*generating station*” are to an electricity generating station which:-

- 1. *has, or will have when its construction or extension is completed, a capacity of not less than 50 megawatts or such other capacity as may be specified in relation thereto by order of the Secretary of State under section 36(3) of the Act; and*
- 2. *is, or will be when its extension or construction is completed, operated by or for the licensee;*

3.8 The Proposed Development falls within the terms of Condition 14 such that it can be the subject of a compulsory purchase order.

3.9 The Acquiring Authority may therefore be authorised to purchase compulsorily land or rights over land under Condition 14(b) of the OFGEM standard licence to enable the Acquiring Authority to carry on the activities authorised by its generation licence and which relate to the operation of a generating station.

4. **DESCRIPTION OF THE PROPOSED DEVELOPMENT AND HUMBER ZERO**

4.1 The Proposed Development comprises a Post-Combustion Carbon Capture Plant adjacent to and serving the existing VPI Immingham CHP Plant. Carbon capture is a process that removes CO₂ emissions at source, for example emissions from an electricity generating station or industrial installation, and then compresses the CO₂ so that it can be safely transported to secure underground storage sites. It is then injected into an appropriate storage site, such as layers of rock filled with interconnected pores, where the CO₂ becomes trapped and locked in place, preventing it from being released into the atmosphere. The technologies used as part of the carbon capture process are proven and have been safely used across the world for many years. Storage sites are located offshore and several kilometres underground and are subject to stringent tests to ensure that they are geologically suitable.

4.2 The Proposed Development comprises the carbon capture element of the CCS process – the onward transport and storage of the CO₂ is described below.

4.3 The Proposed Development forms part of Humber Zero, a project set up in January 2021 by the Acquiring Authority and P66 following a 2019 plan set out by UK Research and Innovation for decarbonising areas with high concentrations of heavy industry.

4.4 Humber Zero will see the installation of two Post-Combustion Carbon Capture Plants, one at each of the VPI Immingham CHP Plant and at the P66 Humber Refinery, to capture up to 3.8 million tonnes of carbon annually by 2029, of which the Proposed Development will capture the majority (3.3 million tonnes of carbon per annum) underpinning the viability of the first phase of the Viking CCS cluster. Once captured, the CO₂ emissions will be transported and stored in depleted gas fields in the southern North Sea.

4.5 The Proposed Development will remove 95% of CO₂ emissions (3.3 million tonnes of CO₂ per year) from the largest CHP plant of it's kind in Europe. Together with the P66 Post-Combustion Carbon Capture Project, it would remove 3.8 million tonnes of CO₂ per year, representing a 19% reduction in the overall emissions from the Humber industrial cluster,

which is the largest industrial cluster in the UK comprising a mix of large energy users, heavy transport needs and port facilities.

- 4.6 The Proposed Development will be designed to operate 24 hours a day, 7 days a week as per the existing VPI Immingham CHP Plant. The Proposed Development will operate under Environmental Permits from the Environment Agency which will stipulate the required environmental monitoring and controls to be employed, including emissions monitoring systems.
- 4.7 The Proposed Development will require water, power and steam when under operation. It is anticipated that these utilities will be sourced from within the Order Land. The Proposed Development will also require chemicals such as caustic and solvents which treat the flue gases to remove the carbon dioxide.
- 4.8 The Proposed Development will generate solid and liquid wastes, which will be treated on site as required and/or discharged or disposed off-site by a licensed waste carrier. Surface water runoff will be managed in accordance with an approved drainage strategy. Scheduled maintenance will take place at regular intervals during the operational life of the Proposed Development. The Proposed Development will have a design life of at least 25 years but the operational life could be longer subject to market conditions which will be appraised as the project operates.
- 4.9 The CO₂ transportation network that the Proposed Development will connect into is the proposed Viking Carbon Capture Storage (CCS) CO₂ transportation and storage network (promoted by Harbour Energy) which is anticipated to commence in the southern part of the Order Land. This pipeline network will run close to the VPI Immingham CHP Plant. It is likely that access to the alternative East Coast Cluster transportation network may be available in the long-term development of the networks.

5. DESCRIPTION OF THE ORDER LAND

The Order Land

- 5.1 The Order Land is indicatively shown on Figure 1.1. This comprises two distinct areas:
 - 1. the P66 Land; and
 - 2. the VPI Immingham CHP Plant.
- 5.2 The Acquiring Authority proposes to permanently acquire the land comprising the P66 Land in order to facilitate the construction of the Proposed Development.
- 5.3 The Acquiring Authority proposes to acquire rights over the CHP Land which will allow it to connect the Proposed Development on the P66 Land to the operational VPI Immingham CHP Plant to allow for the capture and transport of carbon dioxide from the flue stack to be treated and compressed and also to facilitate any access and other ancillary requirements necessary for the construction, operation and maintenance of the Proposed Development.

Figure 1.1: Site Location



The P66 Land

5.4 The P66 Land included in the Order comprises two areas of land:

1. Grassland immediately to the south of the operational VPI Immingham CHP Plant, accessed from Rosper Road; and
2. Parking land forming the north eastern boundary of the VPI Immingham CHP Plant with Rosper Road.

5.5 The Proposed Development will be located on the grassland area. The southernmost part of the P66 Land is only required temporarily for construction laydown for the Proposed Development and will be offered back to P66 to the extent that it is not required by Harbour Energy in connection with the land requirements of the transportation pipeline currently being promoted through the development consent order process (see paragraph 4.9 above). The Acquiring Authority is working closely with Harbour Energy to manage the various construction interfaces between the Proposed Development and the transportation pipeline on the southernmost part of the P66 Land. The Acquiring Authority has a positive working relationship with Harbour Energy and has discussed the interfaces between the relevant projects extensively. An agreement to manage those interfaces and the projects' respective consents and powers is under discussion between the parties.

5.6 The parking land is currently in the ownership of P66 but leased to VPI Immingham B Limited for the purposes of the construction of the OCGT, after which the Acquiring Authority requires the land to support parking and facilities during the construction and ongoing operation of the Proposed Development.

The VPI Immingham CHP Plant

5.7 VPI Immingham's CHP Plant was constructed in two phases, and supplies:-

1. Heat (in the form of steam) to the two adjacent oil refineries (including P66's Humber Refinery); and
2. Electrical power to the adjacent oil refinery and the National Grid Electricity Transmission System.

- 5.8 The first phase, commissioned in 2004, comprised the installation of two gas turbines, each with associated heat recovery steam generators and steam turbines. The first phase also comprised the installation of two auxiliary boilers to provide back-up heat (steam) supplies.
- 5.9 The second phase, commissioned in 2009, comprised the installation of an additional gas turbine, with an associated heat recovery steam generator and steam turbine. Natural gas is the primary fuel of the VPI Immingham CHP Plant.
- 5.10 The existing VPI Immingham CHP Plant is included in the Order Land to allow for pipeline and cable connections between the VPI Immingham CHP Plant and the Proposed Development. Available areas of the VPI Immingham CHP Plant will also be used for construction laydown, and some of the existing VPI Immingham CHP Plant facilities and rights may be shared with the Proposed Development.

Surrounding Land

- 5.11 The Proposed Development is located within the administrative area of North Lincolnshire Council, which is a unitary authority. The surrounding area comprises a mix of industrial and agricultural uses.
- 5.12 The Lindsey Oil Refinery is immediately north west of the Order Land and Humber Refinery is immediately south west, bisected from the Order Land by a railway line.
- 5.13 The land to the north of the Order Land is the location of the VPI Immingham Energy Park A, which was granted planning permission in 2018 for the construction of a gas fired power station with a gross electrical output of up to 49.9 megawatts. Immediately adjacent to this is VPI Immingham Energy Park B, which was granted development consent on 7 August 2020 for the construction and operation of an OCGT Power Station. Both of these projects are under construction.

6. DESCRIPTION OF THE NEW RIGHTS TO BE COMPULSORILY ACQUIRED

- 6.1 New rights are sought in the Order to facilitate the connection of the Proposed Development into the existing VPI Immingham CHP Plant and to enable the Acquiring Authority and all persons on its behalf to access the P66 Land for the purposes of constructing and operating the Proposed Development ("the Rights").
- 6.2 The Rights are defined in the Order as:

"Means the rights for the acquiring authority and its successors in title and their respective licencees and assignees and those authorised by any of them at all times:

- (a) *to pass and re-pass with or without vehicles, plant and machinery over any road, way or path;*
- (b) *to install, retain, use, maintain, alter, replace and remove carbon capture, compression and transport equipment, plant and machinery ("Carbon Capture Plant");*
- (c) *to install, retain, use, maintain, alter, replace and remove pipelines, cables, utilities and other services and connections ("the Connections");*
- (d) *to pass any gas, water, steam, electricity, data, surface and storm water, sewage, telecommunications and other services through the Connections;*
- (e) *of support for the Carbon Capture Plant and the Connections;*
- (f) *to prevent any works on or uses of the land which may interfere with or damage the Carbon Capture Plant or the Connections; and*

- (g) *to access buildings, plant and controls for the purposes relating to the Carbon Capture Plant and the Connections.”*

7. REASONS FOR MAKING THE ORDER AND JUSTIFICATION FOR THE USE OF POWERS OF COMPULSORY ACQUISITION

- 7.1 The Acquiring Authority and P66 have been in discussion since Q1 of 2021 in relation to the Proposed Development and the need for an option agreement over the P66 Land to deliver the Proposed Development. Negotiations for the option have stalled, despite the parties working as partners in Humber Zero and in close cooperation to deliver the considerable benefits arising from it.
- 7.2 The Acquiring Authority considers that in the absence of agreement for an option over the P66 Land, there is a compelling case in the public interest for the use of compulsory purchase powers to acquire the P66 Land and the new rights over the CHP Land, to facilitate the construction and operation of the Proposed Development.

Justification for the use of powers of compulsory acquisition

- 7.3 This section considers three distinct elements justifying the compelling case for compulsory acquisition of the Order Land:
1. Policy support for CCS technology in order to meet committed net zero targets;
 2. Public benefits arising from the Proposed Development; and
 3. The lack of any viable alternative sites for the Proposed Development.

Policy Support

- 7.4 The UK Government is legally committed to ensure that the net UK carbon account for the year 2050 is at least 100% lower than the 1990 baseline.² This is the legal commitment underpinning the Government’s “net zero by 2050” strategy. The new Government is also committed to establishing a clean energy system by 2030,³ which will involve both the development of new renewable energy sources and the upgrading of the national transmission system, but also the decarbonisation of carbon-generating power production and heavy industry. CCS is an integral part of that – both the carbon capture element and the related transport and storage element, the need for which is now urgent given that the UK CCS market is still in its infancy.
- 7.5 To support the urgent need for new CCS infrastructure, CCS technologies, pipelines and storage infrastructure are considered in policy terms to be of critical national priority.⁴ This includes the Proposed Development, as a project incorporating CCS technologies.
- 7.6 The UK is uniquely placed, with one of the most significant CO₂ storage potentials of any country in the world – the UK continental shelf, which has a particularly suitable geological porosity for CO₂ storage estimated at 78 billion tonnes, providing substantial opportunities for growth and the decarbonisation of key industries (including power) through the deployment of carbon capture technology where access to storage pipelines can be secured.⁵
- 7.7 UK energy and climate change policy demonstrates that CCS must play a key role in delivering a clean energy system by 2030 and net zero by 2050:

² Climate Change Act 2008, s1(1)

³ [Make Britain a clean energy superpower – The Labour Party](#)

⁴ [EN-1 Overarching National Policy Statement for Energy \(publishing.service.gov.uk\)](#), paragraph 3.5.1-8

⁵ [Powering Up Britain - Joint Overview \(publishing.service.gov.uk\)](#), page 11

1. The Climate Change Committee has said that CCS is “a necessity, not an option” for the transition to net zero.⁶ In every scenario modelled by the Climate Change Committee and the Intergovernmental Panel on Climate Change for the achievement of the 2050 net zero target, CCS technology is identified as vital for curbing emissions across the power and energy-intensive industries, as well as decarbonising the economy through low-carbon hydrogen.
2. The Government and the Climate Change Committee have confirmed that new gas-fired generating capacity with CCS will be required to provide vital backup for less flexible renewable generation to ensure the security of UK electricity supplies and that the system can meet peak electricity demand. This is in addition to converting existing gas-fired power stations with CCS technology.⁷
3. Given the changing nature of the energy landscape, we need a diverse mix of electricity infrastructure to come forward, so that we can deliver a secure, reliable, affordable and net zero consistent system during the transition to 2050 for a wide range of demand, decarbonisation and technology scenarios.⁸
4. The Government will provide up to £20 billion of funding for early deployment of CCS to unlock private investment and jobs. Government is continuing to make supportive announcements on CCS, following the £20 billion funding announced at Spring Budget 2023, including announcing eight projects to form the first two CCS clusters by the mid 2020s, in the North East (Viking) and North West (Acorn) and a further two clusters by 2030.⁹
5. Both the UK’s Net Zero Strategy¹⁰ and Industrial Decarbonisation Strategy¹¹ reaffirm the importance of CCS in decarbonising energy intensive sectors such as chemicals, oil refining, and cement.
6. The International Energy Agency further reinforces the need for CCS in the clean energy transition.¹²
7. The British Energy Security Strategy¹³ emphasises the importance of addressing our underlying vulnerability to international energy prices by reducing our dependence on imported oil and gas, improving energy efficiency, remaining open minded about our onshore reserves including shale gas, and accelerating deployment of renewables, nuclear, hydrogen, CCS, and related network infrastructure, so as to ensure a domestic supply of clean, affordable, and secure power as we transition to net zero.¹⁴
8. Due to the anticipated increases in electricity demand, a four-fold increase in clean electricity generation is required alongside the full decarbonisation of existing electricity generation infrastructure. Whilst a low-cost, net zero consistent system is likely to be composed predominantly of wind and solar, in order to ensure the system is reliable, it needs to be complemented by technologies which provide power, or reduce demand, when the wind is not blowing, or the sun does not shine. This includes gas with CCS and short-term dispatchable generation providing peaking capacity.¹⁵

⁶ The Climate Change Committee (2019), ‘Net Zero: the UK’s contribution to stopping global warming’, <https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/>

⁷ *ibid*

⁸ [EN-1 Overarching National Policy Statement for Energy \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/EN-1_Overarching_National_Policy_Statement_for_Energy.pdf), paragraph 3.3.19

⁹ [Powering Up Britain - Joint Overview \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/Powering_Up_Britain_-_Joint_Overview.pdf)

¹⁰ [Net Zero Strategy: Build Back Greener - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/Net_Zero_Strategy_Build_Back_Greener_-_GOV.UK.pdf)

¹¹ [Industrial decarbonisation strategy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/Industrial_decarbonisation_strategy_-_GOV.UK.pdf)

¹² [A new era for CCUS – CCUS in Clean Energy Transitions – Analysis - IEA](https://www.iea.org/publications/energy-transitions/analysis/a-new-era-for-ccus)

¹³ [British energy security strategy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/British_energy_security_strategy_-_GOV.UK.pdf)

¹⁴ [EN-1 Overarching National Policy Statement for Energy \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/EN-1_Overarching_National_Policy_Statement_for_Energy.pdf), paragraph 2.5.6

¹⁵ [Energy White Paper \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101444/Energy_White_Paper_-_GOV.UK.pdf) page 43

- 7.8 As such, it is clear that the deployment of CCS technology is seen as fundamental to the decarbonisation of the UK's existing power sector to secure the long-term future of this key industry within the wider economy.
- 7.9 The need to decarbonise the power sector becomes all the more acute when considering that UK electricity demand is now expected to grow 2-3GW per annum, leading the Climate Change Committee to conclude that it will be necessary to capture and store as much as 176 million tonnes of carbon per annum by 2050. To demonstrate the scale of that challenge, Humber Zero proposes to capture 3.8 million tonnes of carbon per annum. Globally, the International Energy Authority estimates that 1 billion tonnes of storage capacity is required by 2030 for a net zero pathway consistent with 1.5 degrees to be achieved globally¹⁶.
- 7.10 The Proposed Development is an integral part of the UK's contribution to decarbonisation, given its location in a key CCS cluster, access to a transporter pipeline and proximity to a carbon-intensive power generator and carbon-intensive customers of this generator.
- 7.11 The net zero pathway in the UK also depends on decarbonisation beyond the power sector. CCS is a technology that can support decarbonisation across multiple sectors, all of which are significant contributors to the UK's total carbon emissions:
1. Power – Providing low carbon mid-merit generation capacity, that supports and complements an increasing proportion of renewables in the national generation mix.
 2. Industry – Provides infrastructure to capture emissions at source, and this support their long-term competitiveness. For industrial emitters, there are few credible decarbonisation options – beyond carbon capture or fuel switching to clean hydrogen – that will enable energy-intensive industries such as steel, cement, glass, and fertiliser production to continue to operate in a net zero economy.
 3. Transport – By supporting the further decarbonisation of the grid that powers electric vehicles and electrified rail, plus enabling the production of blue hydrogen that may support decarbonised freight and shipping, CCS supports the decarbonisation of both light and heavy transport.
- 7.12 The deployment of CCS technologies at commercial scale is a priority for UK energy and climate change policy and critical to efforts to tackle climate change over the coming decades. The Proposed Development represents one of the first major steps towards deploying commercial scale CCS in the UK and directly achieves the Government's aspiration to decarbonise power sources which are not renewable and thus balance the grid during renewable "down times". It is also the only CCS project that can viably connect to the Viking CCS transportation and storage network prior to the early 2030s.

Public Benefits

- 7.13 The Humber is the largest industrial cluster in the UK in terms of existing carbon dioxide emissions, emitting approximately 20 million tonnes of CO₂ per annum. The Humber region produces construction materials, chemicals, food and fuel, generates 20% of the UK's electricity and produces a third of the UK's fuel. The Proposed Development supports the capture of 95% of CO₂ emissions (3.3 million tonnes of CO₂ per annum) from a large electricity generator in the Humber cluster, VPI Immingham CHP Plant's two gas turbines and two aux boilers.
- 7.14 In addition to contributing to decarbonising the national grid, the deployment of the Proposed Development would result in the decarbonisation of heat and power that is supplied directly to P66's neighbouring Humber Refinery and the adjacent Lindsey Oil Refinery. This benefit is achieved with the Proposed Development regardless of whether P66's Humber Refinery FCC carbon capture project comes forward.

¹⁶ International Energy Agency (2023), 'Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach', [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach - 2023 Update \(iea.blob.core.windows.net\)](https://www.iea.org/net-zero) p132

- 7.15 The Humber industrial cluster is also a major source of employment for the region and 20% of the regional economy derives from energy intensive industry, which also accounts for 1 in 10 jobs in the region. The Proposed Development will create over 800 construction jobs during the development, between 50-100 permanent jobs during the operational phase and safeguard around 20,000 direct and indirect jobs within the Humber region, ensuring carbon emitting energy intensive industries can continue to operate consistent with net zero targets. The Proposed Development has the potential to demonstrate the operation of these critical technologies at scale to the wider heavy industrials sector, which employs over 220,000 people nationally, the safeguarding of which is critical to economic growth and in the wider national interest.
- 7.16 The Proposed Development will also support the wider deployment of the emerging CCS sector within the UK, which is critical to delivering net zero, economic growth, the safeguarding of jobs in key industries and the creation of a new skills market to export to other countries. The UK is in a strong position to become a global technology leader in CCS due to the unique geology and available storage zones in depleted oil wells within the UK continental shelf. It recognises that deployment of CCS could create new markets for UK businesses, at home and abroad, as other countries look to meet their emissions reduction commitments and could support 50,000 jobs in the UK by 2030.

Alternatives

- 7.17 The consideration of alternatives has been undertaken with the aim of meeting the identified national need for industrial decarbonisation, whilst avoiding and/or reducing adverse environmental effects, as well as maintaining operational efficiency and cost-effectiveness and considering other relevant matters – such as availability of land and planning policy.
- 7.18 The alternative of not deploying CCS to the VPI Immingham CHP Plant (i.e. the “do nothing scenario”) is not considered to be an option, given the site’s significance as an energy generator / supplier, and in economic terms. The do nothing scenario is not consistent with the UK Government’s committed objective to decarbonising industrial clusters or its expressed target of fully decarbonising the national grid by 2035 and would result in the failure to deliver a critical technology on one of the most viable sites in the market, with access to both a key carbon emitting energy supplier and a transporter pipeline.
- 7.19 Alternative sites within the Acquiring Authority’s control were considered, however the nature of the Proposed Development involves retrofitting existing infrastructure with CCS technologies, and therefore proximity to that existing infrastructure (and also the Viking CCS pipeline) is a critical consideration to site viability.
- 7.20 The location for the Proposed Development was selected for its availability and proximity to the VPI Immingham CHP Plant. Land to the north of the CHP Plant is not available, as it is already under development (VPI’s OCGT Power Station). Land to the west comprises the existing refineries. Land to the east (North of Marsh Lane) is separated by a public highway (Rosper Road) which creates significant engineering difficulties with regard to tying in to the existing infrastructure and also the Viking CCS pipeline. Other land to the east of Rosper Road and South of Marsh Lane (within P66’s ownership) was considered for a central CO₂ compression facility that would serve the Proposed Development and also the proposed P66 carbon capture plant forming part of Phase 1 of Humber Zero. This site was discounted due to the complexities of operating this facility with differing export profiles of CO₂ from Humber Refinery and VPI Immingham CHP Plant.
- 7.21 For the reasons set out above, there are no alternative sites capable of sustaining the Proposed Development.
- 7.22 There are also no commercially viable alternative technologies to reduce VPI Immingham CHP Plant’s CO₂ emissions and thus enabling the policy objective of decarbonisation without the need for the P66 Land.

8. NEGOTIATIONS WITH LANDOWNERS

- 8.1 The Acquiring Authority continues to seek a negotiated outcome with land owners to enable the Proposed Development to come forward. The making of the Order does not prejudice the rights of landowners to settle such negotiations by agreement.
- 8.2 A summary of the correspondence between the Acquiring Authority and P66 is set out in the table below, and after that there is a summary of the position as regards other parties noted in the CPO Schedule.

Date	Correspondence
August 2020	Humber Zero cooperation between P66 and VPI created
10 August 2021	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
7 September 2021	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
5 October 2021	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
9 November 2021	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
7 December 2021	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
7 December 2021	Email from P66 returning draft Heads of Terms ("HoTs") with some final amendments.
12 December 2021	Email from Pinsent Masons ¹⁷ to P66 circulating draft Option Agreement.
15 December 2021	Email from Acquiring Authority to P66 suggesting a call to discuss any issues with the Option Agreement.
17 December 2021	Email from P66 to Acquiring Authority confirming that they have not looked at the Option Agreement yet and are focusing on preparing the draft Lease.
22 December 2021	Email from Pinsent Masons enquiring when we should expect to receive the draft Lease.
10 January 2022	Email from P66 confirming that an agreed version of the drafting of the Option Agreement is not feasible by 21 January 2022. Acquiring Authority respond to P66 and emphasise that the signing of the agreed HoTs by 21 January 2022 is important.
11 January 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.

¹⁷ Pinsent Masons act for the Acquiring Authority in relation to the negotiations with P66 for the required land interests.

13 January 2022	Email from Acquiring Authority to P66 chasing on execution of HoTs.
17 January 2022	Email from P66 to Acquiring Authority confirming that P66 is still working on the execution of the HoTs and the intention is to have it by mid-week.
18 January 2022	Email from P66 to Acquiring Authority clarifying the alienation provisions.
19 January 2022	Emails between Acquiring Authority and P66 in relation to the alienation provisions and Acquiring Authority suggesting a call with P66.
24 January 2022	Call between Acquiring Authority and P66 and follow up emails on the alienation provisions.
1 February 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
17 February 2022	HoTs fully executed.
22 February 2022	Email from Pinsent Masons to P66 asking when they should expect to receive the draft Lease and comments on the Option Agreement that was circulated on 12 December 2021.
25 February 2022	Email from P66 to Pinsent Masons confirming that they are still working on the documents and hope to be able to return them the following week.
1 March 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority.
9 March 2022	Email from Acquiring Authority to P66 querying when the comments on the Option Agreement will be returned and highlighting the need to finalise matters.
15 March 2022	Email from P66 returning comments on the draft Option Agreement and providing a first draft of the Lease.
5 April 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
12 April 2022	Email from Pinsent Masons to P66 returning a revised draft Option Agreement.
13 May 2022	Email from Pinsent Masons to P66 returning a revised Lease with comments and inviting responses on both the revised Lease and Option Agreement (which was circulated on 12 April 2022).
8 June 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
5 July 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
May - September 2022	Option Agreement and Lease drafts are exchanged between P66 and Pinsent Masons. P66 returns Option Agreement with comments and proposals that are considered to be further from the agreed HoTs.

1 September 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
14 September 2022	Email from Acquiring Authority to P66 returning marked-up Lease for P66 to review. Pinsent Masons asking P66 whether the Option Agreement is now in agreed form and whether the temporary access licence currently in place can be extended. No response was received from P66.
3 October 2022	Second email from Pinsent Masons chasing P66 on responses to draft Lease and queries from 14 September 2022.
4 October 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
11 October 2022	Email from Acquiring Authority to P66 asking for explanation on outstanding issues and lack of progress on land documents
October 2022	Emails from P66 to Pinsent Masons / Acquiring Authority confirming that P66 will not review the Option Agreement and Lease until a decision has been reached regarding plot layout and the position of the Killingholme ditch. P66 confirm that the Option Agreement is not in agreed form and that further amendment will be required.
7 November 2022	Meeting held between the Acquiring Authority and North East Lindsey Drainage Board to discuss the diversion of the drain over the P66 Land. Various drain routing options were presented and the rationale for the selected option was explained. Guy Hird from the Drainage Board noted that there was a clear rationale for the drain diversion and design work would be progressed between the parties.
December – July 2023	Exchanges between Acquiring Authority and P66 confirming various outstanding points e.g., regarding ditch locations, construction schedule. January 2023 parties attend a land workshop.
6 December 2022	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
9 March 2023	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
9 March 2023	Email from Acquiring Authority to P66 requesting a meeting to finalise land documents
2 May 2023	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
12 May 2023	Email from Acquiring Authority to P66 requesting advancement of lease agreement and temporary access issues
6 June 2023	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.

4 July 2023	Email from Pinsent Masons to P66 detailing the remaining outstanding points on the Lease and proposed way forward.
4 July 2023	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
17 July 2023	Email from P66 stating that they hope to revert shortly.
17 August 2023	Email from P66 with further comments on the Lease. Various points remain outstanding.
6 September 2023	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
August - October 2023	Further revised drafts of the Lease are circulated. No resolution is reached.
27 October 2023	Email from Acquiring Authority to P66 regarding extent of assignment protections requested by P66
7 November 2023	Humber Zero Joint Project Management Team meeting where need to proceed to finalization of HoT re land agreements tabled by Acquiring Authority as critical path item.
13 November 2023	Email from P66 in relation to financial security. P66 confirm they will revert on the other points
24 November 2023	Email from Acquiring Authority to P66 requesting full comments on the suite of land / lease documents.
27 November 2023	P66 email to confirm that they have another internal review scheduled for that week and will provide an update following this.
30 November 2023	P66 email stating that they hope to revert on the Lease shortly.
6 December 2023	Acquiring Authority email request comments at P66's earliest opportunity.
12 January 2024	Acquiring Authority email to P66 in relation to the s.106 Agreement and lack of finalisation of Option Agreement. Acquiring Authority express concern over the fact the Option Agreement remains unexecuted and request a discussion with P66 to bring the Option Agreement and associated draft agreements to a conclusion.
12 January 2024	Email from Acquiring Authority to P66 requesting immediate resolution of land Option Agreement as this has become an impediment to planning approvals
17 January 2024	P66 revert on financial security matters. Acquiring Authority requests a call with P66 within the next two days to bring this issue to a conclusion.
18 January 2024	P66 confirm that their position and agree to check internally and revert. They do not comment on convening a call. Acquiring Authority revert and explain position on the financial security.

18 January 2024	Emails between Acquiring Authority and P66 regarding level of guarantees required under the Lease Agreement
25 January 2024	Teams call between Acquiring Authority and P66 to discuss utility requirements under ESA as a condition to land lease agreement
7 February 2024	Acquiring Authority circulate updated draft of option to lease and request a meeting that week or the next to bring the issues to a conclusion.
8 February 2024	Teams call between Acquiring Authority and P66 to discuss utility requirements under ESA as a condition to land lease agreement
8 February 2024	<p>P66 revert and confirm position in relation to financial security.</p> <p>Acquiring Authority request a meeting on 14 February 2024 to discuss. P66 respond and confirm they are not available on this date; they do not propose an alternative. Acquiring Authority requests that P66 propose a suitable date for a meeting.</p>
9 February 2024	P66 propose meeting times, meeting is agreed for 15 February.
12 February 2024	Call between Acquiring Authority and P66 – summary of items to discuss on call on 15 February.
12 February 2024	Email and telephone call from Acquiring Authority to P66 discussing the challenges of the requests made by P66 regarding lease guarantees and the need to resolve land matters to comfort key stakeholders (e.g, lenders, VPI management etc).
14 February 2024	Email from Acquiring Authority to P66 indicating the need to resolve land agreements and sign option agreement
15 February 2024	Meeting between Acquiring Authority and P66.
19 February 2024	Acquiring Authority circulate revised wording on financial security following the meeting on 15 February.
21 February 2024	Emails between Acquiring Authority and P66 regarding insurance requirements in respect of the leased lands (P66 seeking significantly higher protections as compared to all existing leases)
22 February 2024	Emails between Acquiring Authority and P66 regarding insurance requirements in respect of the leased lands (P66 seeking significantly higher protections as compared to all existing leases)
28 February 2024	Email from Acquiring Authority to P66 asking for complete list of ESA conditions required in order for P66 to agree land documents
28 February 2024	Email from Acquiring Authority to P66 requesting consideration of market standard insurance protections re liability caps
1 March 2024	Email from Acquiring Authority to P66 enquiring about insurance requirements under land agreements
5 March 2024	Email from Acquiring Authority to P66 explaining the limits of the DPA to accommodate cost recovery of P66 products (a condition P66 requested as part of the lease agreement)
7 March 2024	Email from Acquiring Authority to P66 requesting clarity on ESA amendments required before P66 would accept the lease agreement

7 March 2024	Email from P66 rejecting a meeting to discuss connections between ESA and land lease agreement finalization
11 March 2024	Email from P66 rejecting Acquiring Authority's offer on ESA amendments to facilitate land lease agreement finalization
11 March 2024	Email from P66 provisionally rejecting Acquiring Authority's proposed land insurance proposal
12 March 2024	Email from Acquiring Authority to P66 requesting a call with P66's insurance team to understand land insurance issues
12 March 2024	Email from P66 to Acquiring Authority indicating insurance team are on holiday and unable to discuss
14 March 2024	Email from Acquiring Authority to P66 proposing a process to agree ESA amendments and thus facilitate land lease agreement finalization
14 March 2024	Emails between P66 and Acquiring Authority indicating that P66 rejects Acquiring Authority's land insurance proposal outright and a request by Acquiring Authority to explain this position
19 March 2024	Email from P66 indicating that it rejects the Acquiring Authority's proposal for ESA amendment agreement and land lease finalization and requesting cancellation of meeting to discuss
March-July 2024	Management calls every other Tuesday between Acquiring Authority and P66 to discuss advancing land issues
9 April 2024	Humber Zero Joint Project Management Team meeting where outstanding land issues noted.
9 April 2024	Email from Acquiring Authority to P66 asking for regular weekly calls to resolve land access agreements
26 July 2024	Telephone call between Acquiring Authority and P66 notifying Acquiring Authority's intention to make a CPO to acquire P66's land interest for the Proposed Development to preserve Humber Zero viability. Offer to continue commercial negotiations.

8.3 The position in respect of others noted in the CPO Schedule is as follows:

1. National Grid Electricity Transmission PLC currently have rights over plots 1, 2, 3 and 4. The Acquiring Authority is not proposing to extinguish or otherwise interfere with National Grid's rights.
2. North East Lindsey Drainage Board maintains a drain over plot 3 of the Order Map. A meeting was held between the Drainage Board and VPI on 7 November 2022 to discuss re-routing the drain to accommodate the Proposed Development, which was agreed in principle. Indicative design specifications for the drain diversion have been prepared reflecting comments from the Drainage Board. Further design refinement is required as the Proposed Development progresses.
3. Lloyds Bank Plc has a legal charge over the VPI Immingham CHP Plant. The Acquiring Authority has a positive working relationship with Lloyd's Bank and have informed them of the Proposed Development and the need to acquire additional rights over the land caught by their charge. No concerns have been raised over the proposed acquisition of rights.

4. Viking CCS Limited is the project company owned by Harbour Energy, that is developing the transportation pipeline to the south of the P66 Land. The Acquiring Authority maintains a positive and supportive dialogue with Harbour in relation to the proposed transportation pipeline and the development consent order process that is currently underway to consent it. The parties remain in dialogue over the construction interface between the two projects, which is close to being finalised.

9. IMPEDIMENTS

S106 Agreement

- 9.1 The Planning Application has not yet been granted pending the completion of a section 106 agreement ("the S106 Agreement"). The S106 Agreement has been drafted and is well progressed. The only obligation secured by the S106 Agreement concerns the submission of a biodiversity net gain plan to the Local Planning Authority prior to the commencement of development and which seeks to achieve biodiversity net gain either on-site or off-site (including by third parties or a contribution to the Local Planning Authority).
- 9.2 The Acquiring Authority has agreed to indemnify P66 in a separate deed of indemnity in respect of the S106 Agreement obligations, as is normal where a landowner (P66) is entering into a planning obligation in relation to another person's (VPI's) proposed development. This would protect P66 from any costs arising from a breach of the S106 Agreement by the Acquiring Authority.
- 9.3 P66 has indicated that they may be prepared to sign the S106 Agreement if the Local Planning Authority agree to a provision releasing P66 from all liability under the S106 Agreement after they had agreed a lease with the Acquiring Authority for the P66 Land. This has not been agreed by the Local Planning Authority.
- 9.4 The Acquiring Authority is unable to facilitate the grant of the Planning Application without the completion of the S106 Agreement and hence the Acquiring Authority is pursuing further negotiations with the Local Planning Authority.

CO2 Transport Pipeline and Storage Site

- 9.5 The viability of the Proposed Development depends upon its connection to a transport and storage pipeline, to move the sequestered carbon to an offshore storage site. The Proposed Development is located close to two proposed transport and storage pipelines – the Viking CCS Pipeline and the Humber Carbon Capture Pipeline. Both of these pipelines are currently being promoted as development consent orders, with the Viking CCS Pipeline currently in examination and the Humber Carbon Capture Pipeline at pre-application stage. For the reasons given above, the pipelines have substantial policy support and benefit from a large number of end users in the Humber, including the Proposed Development. The Acquiring Authority is working closely with the promoter of the Viking CCS Pipeline to ensure delivery of the pipeline and connection to the Proposed Development and anticipates that the Viking CCS Pipeline DCO application will be granted by the Secretary of State.

South Killingholme Drain

- 9.6 There is a watercourse within the boundary of the P66 Land (the 9A – South Killingholme Drain Branch 1) which is under the control of the North East Lindsey Drainage Board. A meeting was held between the Acquiring Authority and the Drainage Board on 7 November 2022 to discuss re-routing the drain to accommodate the Proposed Development. The drain diversion on the P66 Land was agreed in principle and design work is ongoing.

10. THE PLANNING AND POLICY POSITION

- 10.1 The Planning Application for the Proposed Development will be determined in accordance with section 70(2) of the Town and Country Planning Act 1990, which states that in dealing with

applications, local planning authorities shall have regard to the provisions of the development plan and to other material considerations.

- 10.2 The principle of the Proposed Development has policy support at all levels and it is considered that any adverse effects of the development are significantly outweighed by the very substantial benefits (see paragraph 7).
- 10.3 Although CCS is not explicitly referenced in NPPF policy, Paragraph 157 establishes the planning system's overarching objective to support the transition to a low carbon future and support for low carbon energy and associated infrastructure. Paragraph 163 states that applicants should not be required to demonstrate the overall need for low carbon energy and recognises that even small scale low carbon developments play a valuable role in reducing emissions.
- 10.4 Local planning policy explicitly supports CCS technology. North Lincolnshire Council Core Strategy (Adopted June 2011) Policy CS 18 supports new technology and development for CCS, particularly in relation to the heavy industrial users in North Lincolnshire, to help reduce CO2 emissions. Building on this, the Planning for Renewable Energy Development SPD supplements Policy CS18 identifying the South Humber Gateway, where the Proposed Development is located, as being ideally located for carbon capture development.
- 10.5 The Proposed Development relates to an existing industrial site (VPI Immingham CHP Plant and, through the energy provided to it, the Humber Refinery) and seeks to make the best use of existing infrastructure and operations to capture CO2 emissions, thereby being in accordance with the NLC Core Strategy Policy CS1 and CS11.
- 10.6 Achieving sustainable development is the core purpose of the NPPF, which has an economic, social and environmental objective. This purpose is reflected in NLC Policy CS2 where the achievement of sustainable development requires proposals to contribute to support a competitive business and industrial sector and also account for local environmental capacity and to improve air, water and soil quality and minimise the risk and hazards associated with flooding. This policy intent would be (in part) carried forward in the emerging Local Plan Policy PS1 'Presumption in Favour of Sustainable Development' wherein a positive approach to proposals which improve the economic, social and environmental conditions of the area are considered favourably. The Proposed Development would allow for favourable socio-economic outcomes in terms of enhanced and continued investment, employment opportunities and has been designed to avoid and minimise adverse impacts on human and environmental health.
- 10.7 The South Humber Bank Strategic Employment Site ('SHBSES') is a regionally important economic area characterised by energy intensive industry with VPI Immingham LLP being an important supplier of the energy (both to the National Grid, and locally to the two refineries). Local Plan Policy CS12 recognises the need to harmonise future employment related development in the SHBSES with environmental protection and improvement. Policy SHBE-1 in the HELA sets out a requirement for pollution control measure to be implemented wherever possible, and these requirements will be carried forward in the emerging Local Plan Policy SS10. Emerging Policy SS11 enables development outside of development limits where it requires a countryside location.

Statutory Development Plan

- 10.8 The following planning policy documents are considered most relevant to the proposed Development:-
1. North Lincolnshire Core Strategy (Adopted June 2011);
 2. North Lincolnshire Local Plan (Adopted May 2003) – Saved Policies; and
 3. North Lincolnshire Housing and Employment Land Allocations Development Plan Document (Adopted March 2016).

- 10.9 These policies are considered in detail in paragraph 5.2 of the Planning Statement located at Appendix 6.

Other Material Considerations

- 10.10 Other material considerations including national planning policy and supplementary planning documents are considered in detail in paragraph 5.3 of the Planning Statement located at Appendix 6.

Emerging policy

- 10.11 Emerging policies are considered in detail in paragraph 5.4 of the Planning Statement located at Appendix 6.

11. FUNDING FOR THE SCHEME

- 11.1 The Acquiring Authority is part of the VPI Group, which earned adjusted revenues of £5,594,800,000 in 2022, with adjusted profits totalling £742,400,000.
- 11.2 The Acquiring Authority has approved and committed all funding required to get the Proposed Development to final investment decision, inclusive of the value of the Order Land (open market valuation). With respect to construction and operation costs of the Proposed Development, the Acquiring Authority has access to significant sources of both internal and external financing arrangements sufficient to fund all of the Proposed Development costs, including compensation to land owners for acquisition of land and rights.
- 11.3 To further optimise the funding structure of the Proposed Development, the Acquiring Authority has identified substantial interest from external debt finance providers to invest in the Proposed Development.

12. OTHER CONSENTS AND RELATED APPLICATIONS

- 12.1 Where any consents or licences are required other than those already mentioned in this Statement, the necessary applications will be made to the appropriate consenting authority. The Acquiring Authority is not aware of any reasons why such consents or licences would not be granted.

13. HUMAN RIGHTS

- 13.1 The Human Rights Act 1998 incorporated into UK law the European Convention on Human Rights ("Convention"). The Convention includes provisions in the form of Articles, the aim of which is to protect the rights of the individual.
- 13.2 The following Articles of the Convention are relevant to the Secretary of State's decision as to whether to confirm the Order:-
1. Article 1 of the First Protocol: this protects the right of everyone to peaceful enjoyment of possessions and provides that no one can be deprived of their possessions except in the public interest and subject to the relevant national and international laws and principles; and
 2. Article 6: this entitles those affected by the powers sought in the Order to a fair and public hearing of any relevant objections they may have to the granting of those powers. This includes property rights and can include opportunities to be heard in the decision-making process;
- 13.3 The Secretary of State, as the decision maker, is under a duty to consider to what extent the Acquiring Authority's exercise of powers of compulsory purchase would affect the rights protected by the Convention.

- 13.4 The Order has the potential to infringe the rights of persons who hold interests in land under Article 1 of the First Protocol. Such an infringement is authorised by law so long as:-
1. the statutory procedures for making the Order are followed and there is a compelling case in the public interest for the powers of compulsory purchase in the Order; and
 2. the interference with the convention right is proportionate.
- 13.5 The Acquiring Authority has considered the potential infringement of the Convention rights in consequence of the compulsory purchase powers within the Order. The Acquiring Authority considers that there would be a significant public benefit arising from the Proposed Development as set out in section 7 above. The Proposed Development can only be delivered if the compulsory purchase powers within the Order are granted.
- 13.6 The Acquiring Authority has concluded on balance that the significant public benefits of the Proposed Development outweigh the effects upon persons with interests in the Order Land.
- 13.7 Consultation has been carried out as part of the planning process for the Proposed Development. The Acquiring Authority will follow the existing legislative provisions relating to compulsory purchase, allowing for objections to be made and compensation to be paid to those affected by the Order in accordance with the statutory Compensation Code.
- 13.8 Should the Order be confirmed, any person aggrieved may challenge the Order in the High Court.
- 13.9 In relation to matters of compensation for land, or rights over land, to be acquired, affected persons have the right to apply to the Upper Tribunal (Lands Chamber), which is an independent judicial body to determine the compensation payable.
- 13.10 For the above reasons, any infringement of the Convention rights of those whose interests are affected by the Order, is proportionate and legitimate and is in accordance with national and European law.
- 13.11 For the reasons set out in this Statement, the Acquiring Authority considers that there is a compelling case in the public interest for the exercise of such powers of compulsory purchase. The Acquiring Authority considers that it would, therefore, be appropriate and proportionate for the Secretary of State to confirm the Order.
14. **CONCLUSION**
- 14.1 The land and rights comprised in the Order Land are required to facilitate the construction and operation of the Proposed Development, forming the most significant part of the Humber Zero project.
- 14.2 The Acquiring Authority therefore considers that the land and rights comprised in the Order Land are required to enable the Acquiring Authority, as an Electricity Act 1989 licensee, to carry on the activities authorised by its licence and which relate to the operation of a generating station in accordance with OFGEM standard condition 14.
- 14.3 The land and rights comprised in the Order Land are no more than are reasonably necessary to facilitate the construction and operation of the Proposed Development. Furthermore, there is a compelling case in the public interest for the land and rights over land to be acquired given the positive benefits that the Proposed Development will generate, particularly in view of current UK energy and climate change policy relevant to decarbonisation of energy and industrial clusters.
- 14.4 In addition:
1. Reasonable alternatives to compulsory purchase have been explored;

2. It has been demonstrated that the interference with rights is for a legitimate purpose, is necessary and is proportionate;
 3. A description of the intended use of the land and rights to be acquired compulsorily has been provided;
 4. Commercial negotiations have been attempted over a sustained period of time;
 5. An explanation has been provided as to how it is expected that the Proposed Development and the acquisition of the Order Land will be funded, as well as compensation in respect of the exercise of powers of compulsory purchase, which demonstrates that there is a reasonable prospect of the requisite funds being available;
 6. Article 1 of the First Protocol to the Convention has been considered and the Acquiring Authority believes that the public benefits outweigh interference with Convention rights.
- 14.5 It is therefore submitted that the Order be confirmed.
15. **ENQUIRIES AND CONTACT DETAILS**
- 15.1 Should the Secretary of State have any questions in relation to the enclosed, he should contact:
1. Mr Nick McDonald of Pinsent Masons LLP, 1 Park Row, Leeds, LS1 5AB.
 2. Mr Matt Stott of VPI, Nova South, 160 Victoria Street, London, SW1E 5LB.
16. **APPENDICES FORMING THE LIST OF DOCUMENTS IN CASE OF PUBLIC INQUIRY**
- 16.1 In the event of a public inquiry, the Acquiring Authority would intend to refer to or put into evidence this Statement of Reasons and the following Appendices:
1. Written resolution of VPI Immingham LLP dated 16 September 2024.
 2. Generation licence dated 7 June 2002.
 3. Order and Order map made on 16 September 2024.
 4. Application Form dated 8 March 2023.
 5. Planning Statement dated March 2023.
 6. Location Plan.
 7. Layout Plan.
- 16.2 The Acquiring Authority reserves the right to supplement the above list in the event of a public inquiry into the Order.
- 16.3 The Order and map referred to in the Order can be viewed, free of charge, on the website at <https://vpi.energy/compliance/>

Dated 16 September 2024

Pinsent Masons LLP

Solicitors to the Acquiring Authority