

**NEGOTIATIONS WITH LANDOWNER, FUNDING****THE VPI IMMINGHAM LLP (LAND AT ROSPER ROAD) COMPULSORY PURCHASE  
ORDER 2024****DOCUMENT CD 8.20****REBUTTAL STATEMENT OF EVIDENCE**

**Jonathan Briggs  
Development and Delivery Director  
VPI Holding Limited**

Contents	Page
1. INTRODUCTION .....	3
2. REBUTTAL .....	3
3. STATEMENT OF TRUTH .....	7

## 1 INTRODUCTION

- 1.1 I am Jonathan Michael Briggs, Development and Delivery Director for VPI Holding Limited, the parent of VPI Immingham LLP (**“the Acquiring Authority”**).
- 1.2 As the first employee for the VPI Humber Zero project and as an originator of the Humber Zero partnership, I have worked on the Carbon Capture Plant Project at VPI Immingham for the Acquiring Authority since 2019 and have been leading a team on the negotiations with Phillips 66 Limited (**“P66”**) ever since.
- 1.3 The purpose of my Rebuttal Statement of Evidence is to address some of the points raised in Mr Wailes’ Statement of Evidence (**CD 8.12**). The fact that I have not addressed each point in the Objectors’ evidence does not mean that I agree with it.

## 2 REBUTTAL

### Extent of Order Land

- 2.1 Several parts of Mr Wailes’ Statement of Evidence (**CD 8.12**) indicate that the Order seeks more land than what was originally contemplated between the parties. This is demonstrably false as evidenced in numerous documents and maps exchanged between the parties, beginning with the jointly commissioned Wood pre-FEED study previously referenced in our Statement of Reasons.
- 2.2 For example, the Heads of Terms dated 9 February 2022 (**Appendix 3** of **CD 8.4** and **Appendix 1**) includes an appendix entitled “Plan 1” (**Appendix 2**), which shows the entirety of the Order Land being made available to VPI for either permanent purposes (the area edged red on Plan 1) or temporary construction purposes (the areas edged green on Plan 1). The Appendix entitled “Plan 2” (**Appendix 3**) to the HoT illustrates that a significant portion of the Order Land provisionally identified as being temporary laydown area would likely be required for permanent access (area edged red on Plan 2).
- 2.3 The Rebuttal Statement of Evidence of James Beresford-Lambert (**CD 8.19**) provides further evidence that the entirety of the Order Land has been in the contemplation of the parties for the duration of land negotiations. He also confirms that all of the Order Land is required for construction purposes.

### Letters of Credit/Guarantee in Draft Lease Agreement

- 2.4 Contrary to paragraph 5.1 of Mr Wailes’ Statement (**CD 8.12**), the security provisions in the draft Lease between the Acquiring Authority and P66 are not the sole outstanding issues in the draft lease. Whilst the security provisions are a significant point of contention, the conditionality of an ESA amendment to facilitate any agreement on the draft Option to Lease the Order land and the terms upon which P66 is seeking to amend the ESA is another key obstacle to completion of the land agreements.

- 2.5 Contrary to paragraphs 5.6, 17.2 and 17.3 of Mr Wailes' Statement (**CD 8.12**), Vitol is not VPI's parent company, and VPI is not a subsidiary of Vitol. Suggesting that a parent guarantee can be obtained from Vitol is thus erroneous.
- 2.6 VPI Midco Limited is the immediate parent undertaking of VPI Holding Limited and VPI Limited is the ultimate parent undertaking of VPI Holding Limited; both companies are registered in Jersey. There is no ultimate controlling party.
- 2.7 VPI Holding Limited is backed by the Vitol Group, who is one of our shareholders. Vitol will provide its portion of equity contributions to the Humber Zero project, upon the project being approved by shareholders. This is very different than providing parent guarantees.
- 2.8 Providing the security insisted upon by P66 under the draft Lease (i.e. a letter of credit in the amount of £200m in respect of unrealised potential losses) is financially infeasible for the reasons consistently articulated by the Acquiring Authority to P66, including most recently by our Head of Finance (Mr Phil Hauxwell) to Mr Wailes on 29 April 2025 (**Appendix 4**), wherein it is stated:

*"The amount of security we can provide is related to the underlying assets and liabilities. Because in this case the underlying liability is not £200m if we are required to guarantee this amount it impacts on our ability to guarantee other existing liabilities we may have (e.g. obligations to make payments under EPC contracts). We anticipate having approximately £300M available in letters of credit for the entirety of the Humber Zero project, so allocating 2/3 of this amount (or even 1/3 of this amount) to service a lease, is financially infeasible. The fact none of our other leases include such a burden, makes it even more difficult to justify.*

*Additionally, your request (for a £200m guarantee with 15-year tenor) would cost 10X the rental per annum. If the requirement was halved it would cost 5X the rental. This doesn't make sense".*

- 2.9 The offer to double our third-party insurance coverage to £200M and include P66 as a named insured party under our policy was considered the most appropriate protection mechanism after significant analysis and deliberations undertaken by VPI's Insurance Department and by VPI's Finance Department. This was further supported by the advice of real estate specialists.
- 2.10 P66's assertion that Harbour Energy's acceptance of similar security provisions somehow suggests that such an approach is appropriate in the Lease with VPI is misleading. My understanding, based on detailed conversations that my commercial team had directly with Harbour Energy, is that they are currently able to satisfy their Lease security obligations without the need to obtain third party security (thus the reason why P66 agreed to reduce the required credit rating in the Harbour lease). Regardless of what was agreed with Harbour Energy, Harbour Energy is a public company listed on the London Stock Exchange with a credit rating and debt facilities that are fundamentally different to VPI. Additionally, Harbour Energy's partner in the Viking CCS Cluster is an affiliate of BP plc who bring another dimension to the security envelope. Finally, the risk profile of Harbour Energy's activities under its lease with P66, as discussed in the Rebuttal Statement of Evidence of James Beresford-Lambert (**CD 8.19**), is materially higher than the risk profile of our activities on the Order Land.

The position of Harbour is therefore not comparable to that of the Acquiring Authority. The Acquiring Authority has adopted a reasonable commercial position in respect of the conclusion of the Option to Lease but is not able to agree the terms sought by P66.

#### Government Support for Project Funding

- 2.11 In several instances, Mr Wailes' Statement (**CD 8.12**) (e.g. paragraphs 6.7, 6.13, 6.16) asserts that Government support is required in 2025 for the Project to achieve a 2030 commercial operations date ("COD") - a date which is critical to the UK Government's Clean Power 2030 ambitions. The Schedule (**Appendix 5**) was prepared to explain that point to DESNZ officials at the meeting identified in paragraph 6.8 of Mr Wailes' Statement (CD 8.12).
- 2.12 It is important to note that Appendix 5 is not a VPI schedule, but a Viking Cluster approved schedule. The Schedule shows that a funding decision in June 2025 would allow a period of c. 14 months to complete the Economic Licence (i.e. the agreement with Government), complete the construction tendering, engage with lenders to reach financial close (final investment decision, "FID"), and obtain the environmental permits. This would allow for a three and a half year construction period starting in 2027 with a commercial operation date in 2030.
- 2.13 Clearly, if a funding decision is not made in June 2025, the period available to reach financial close will be reduced if construction is to commence in early 2027 to allow commercial operations in 2030. However, although it would be challenging, there would still be sufficient time to reach a final investment decision in 2026 if Government funding was confirmed by the end of 2025.
- 2.14 This does not reduce the urgency of obtaining the necessary land or create further time for negotiations with P66 over the Order Land. Further, even if the Clean Power 2030 target was to slip, it would be wrong to suggest that there is any less urgency for the Project.
- 2.15 Throughout Mr Wailes' Statement (**CD 8.12**), assertions are made regarding the Government's funding of future CCS projects. The suggested uncertainty is inconsistent with Owen Francis' evidence, which clearly articulates Government targets for carbon capture generally, and clean power specifically. In fact, the recent Government consultation paper on the new energy policy statements (entitled Planning for new energy infrastructure: 2025 revisions to National Policy Statements, published on 24 April 2025) contradicts Mr Wailes' assertions on the timing and level of government support for projects such as the Project.
- 2.16 Regarding the claim made by Mr Wailes in paragraph 6.8 of his Statement of Evidence (**CD 8.12**), this is untrue in its entirety. James Beresford-Lambert and I were at that meeting concerned and the Director of CCUS at DESNZ, Mr Alex Milward, expressly stated that he was fully supportive of the Viking CCS Cluster, and he hoped that funding would be made available at the upcoming spending review in June 2025, but that he had no "inside information" on this matter. In order to be prudent, Mr Milward simply suggested that projects give thought to contingency plans (as they would normally do) in the event funding was not made available this year.

- 2.17 A clear indicator of government support to the Project was the decision of the Secretary of State on 10 April 2025 to approve Harbour Energy's Development Consent Order for the Viking project. Whilst the technical requirements of being a "cluster" required two emitter projects in order for a storage facility to qualify for Track 2 award (something already won by Harbour Energy), VPI's Project at up to 3.3mpta is the only project of sufficient scale, maturity and location that can individually underpin Harbour's phase 1 deployment of the Viking CCS Cluster.
- 2.18 It is difficult to believe that the Secretary State would approve Harbour's DCO if it were not intended to provide the necessary support to the only emitter project that makes the initial deployment of Viking CCS viable. Evidence that Government is willing to proceed with a single project, provided it is of the nature of the Project, was witnessed in Track 1, where a DCO was granted and the East Coast Cluster was supported with government funding based on only one emitter – Net Zero Teeside. Net Zero Teeside is also a post combustion project on a power plant of approximately the same size as VPI's Project (thus rebutting another of the assertions made by Mr Wailes e.g. at paragraph 10.6).
- 2.19 Government support for the Project is further evidenced by the fact that DESNZ's Power CCUS group holds monthly bilateral discussions with us to ensure that we can immediately engage in formal DPA negotiations once the funding window is open.

## ESA

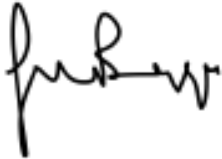
- 2.20 Mr Wailes' Statement (**CD 8.12**) makes numerous references to the ESA negotiations. Given that we believe the ESA needs to be separated from these discussions as it unnecessarily complicates the core issue at hand, I will not attempt to fully rebut each of the statements made, but they are generally not accepted. However I note the following:
- 2.20.1 Paragraph 11.2: the ESA does not include an exclusivity provision that would prevent P66 from seeking additional power from a third party in the event VPI elected not to provide such power;
- 2.20.2 Paragraph 12.10: P66 is not simply seeking a modest increase in power under the ESA. Rather, they are seeking to get the entirety of the existing power and steam supply, plus an incremental amount of power that they need beyond their requirements for the Humber Zero project, all for an additional 18 years (out to 2055) beyond the current termination date of the ESA, on terms that are significantly more favourable to them than what the market would offer;
- 2.20.3 Paragraph 14.1 (and others such as paragraph 12.3): the Acquiring Authority never agreed to accept the same pricing for additional product. As it became clear that P66 was going to provide volume requests and ultimately term extension requests on a rolling/incremental basis, we remained silent on the acceptability of the P66 request until such time as the entirety of their ask was made;
- 2.20.4 Paragraph 14.10: I was at that meeting and Mr. David Brignall did not make the statement attributed to him in this paragraph (i.e. about us "reneging" on a previous deal);

2.20.5 Paragraph 14.11: The statement attributed to me is false. In fact, I have pushed to seek alternative solutions to the CPO process, fearing the impact such an action would have on our working relationship with our most important commercial partner. The CPO is thus pursued as a last resort; and

2.20.6 Paragraph 15.6: Mr Wailes is misinformed on which business model applies to our Project. The ICC model will not apply to us. Potentially 5% of project costs might be addressed under the DPA via an alternative construct akin to the ICC opex payment (but not relying on the progression of that business mode).

### 3 STATEMENT OF TRUTH

- 3.1 This statement of evidence has been prepared and provided for this inquiry by me and I confirm that the facts stated in my proof are either within my own knowledge or, where indicated, reflect the advice that I have received. The opinions that I have expressed represent my true opinion.



.....  
Jonathan Briggs  
Date: 7 May 2025