

DEVELOPMENT MANAGEMENT COMMITTEE – 20TH NOVEMBER 2013

REPORT OF THE HEAD OF DEVELOPMENT MANAGEMENT

SUBJECT: LOCAL IMPACT REPORT AND WRITTEN REPRESENTATION RELATING TO PROPOSED COMBINED HEAT AND POWER PLANT, SOUTH HOOK LNG, HERBRANDSTON

Purpose of Report

This report presents, for Members to consider and approve, the content of the Local Impact Report and the Written Representation on behalf of the Authority in relation to the proposal for a combined heat and power plant adjacent to the South Hook LNG terminal.

The report also seeks delegation to the Head of Development Management to prepare further Statements of Common Ground and responses to the Examining Authority's questions and third party representations in relation to the project.

Background

The proposal relates to a new combined heat and power plant to be located on land immediately adjacent to and within the perimeter of the South Hook LNG terminal and within the National Park boundary.

As the project is the construction of an on-shore electricity generating station with a capacity in excess of 50 megawatt it falls to be approved through the system for giving approval for Nationally Significant Infrastructure Projects (NSIP) under a procedure established under the Planning Act 2008 (and amended by the Localism Act 2011).

The Planning Act 2008 ("the 2008 Act") was enacted in order to establish a quicker system for approving major infrastructure schemes to replace the traditional planning inquiry system.

In England the NSIP process extends to a range of major schemes such as railways, trunk roads and motorways, pipelines and waste disposal facilities and extension of the system to include any form of major development including housing and commercial schemes is under consideration.

In Wales the NSIP system only covers large energy generation projects and port related development, which are not devolved to the Welsh institutions.

The 2008 Act created a new type of approval known as a Development Consent Order (DCO). While the DCO fulfils the role of a conventional planning permission the DCO can also give consents under a range of other legislation. However, in the case of the South Hook scheme the DCO is mainly concerned with matters that would be covered in a conventional planning permission.

The application for the DCO has been submitted to and accepted by the Planning Inspectorate (PINs) who will examine the application in accordance with the procedure laid down by the 2008 Act. The 2008 Act procedure has its own terminology so the consideration of the application by PINS is called the Examination. The Examination is carried out by either a member of the Planning Inspectorate or by a panel of inspectors. The Inspector or panel is known as the Examining Authority (“the ExA”). In this case a single Inspector has been appointed.

The procedure is relies heavily on written processes with oral sessions being the exception and reserved for specific topics only. The 2008 Act requires the examination to be completed within six months. The ExA will then report to the decision maker. In this case it is a UK Cabinet Minister, the Secretary of State for Energy and Climate Change, who will ultimately make the decision on the application.

The Preliminary Meeting in respect of the Examination has now been held and commences an examination which will be held over the next six months. A draft timetable was tabled at that meeting, setting out deadlines for the submission of key documents, including the Local Impact Reports (LIR) prepared by this Authority and by Pembrokeshire County Council, Statements of Common Ground, written representations, answers to questions set by the Examining Authority, responses to third party representations, and dates for specific hearings on topic areas.

As members are aware the Authority’s relevant representation was endorsed at the Authority’s meeting on 23rd October 2013 and this together with the agreed initial Statement of Common Ground (SoCG) between the Authority and the applicant was forwarded to PINs.

The next stage of the process set out in the 2008 Act, is for relevant local authorities to submit a LIR giving details of the likely impact of the proposed development on the authority’s area and also to agree a further SoCG with the applicant. It is also open to the Authority to prepare a Written Representation. The deadline for submitting these documents is the 21st November 2013 and there is no flexibility in this deadline (although there are later dates for submission of further SoCG as the process evolves).

It is therefore imperative that members make a decision on the content of the LIR at the meeting. Unless the LIR is submitted within the deadline the Secretary of State will not be bound to have regard to it in taking the decision on the application.

The Local Impact Report

This Authority is a “Relevant Authority” for the proposals as the development will be situated within the area administered by the National Park Authority and where planning decisions would normally be made by this Authority. As such the Authority is required to prepare a Local Impact Report as part of the process and based on the issues identified in the Relevant Representation. Pembrokeshire County Council is also preparing a LIR as part of the site is situated within PCC’s jurisdiction.

The basic definition of an LIR appears in the legislation as ‘a report in writing giving details of the likely impact of the proposed development on the authority’s area (or any part of that area)’. This definition is supplemented by non-statutory advice from the PINS.

PINS advise that it is not normally necessary for an LIR to consider national policy, including National Policy Statements.

The LIR should consist of a statement of positive, neutral and negative local impacts, but not a balancing exercise between all relevant issues as it is for the ExA to carry out the balancing exercise of relevant impacts in formulating its recommendation to the Secretary of State which will include any local impacts reported in the LIR.

Accordingly, it is not for this Authority to make any judgement of the merits or otherwise of this proposal as a whole, but merely to identify the impacts that it may have. The LIR can, however, make an assessment of the development’s compliance with local policy and guidance and also give a view on the relative importance of different social, environmental and economic issues and the impact of the scheme on them.

The LIR should also provide views on the content of the draft DCO (the planning permission) and how proposed mitigation or compensatory measures can be incorporated into its requirements.

In preparing the LIR, the LPA is not required to carry out consultation with third parties, or to incorporate their views into the LIR. The LPA is able to comment on other parties’ representations as it sees fit through separate written representations of its own to the ExA.

In the case of this application there are clear interrelationships of on a number of material matters between this Authority and PCC and on which a joint view on impact can potentially be established. However, there are also issues on which the two authorities have their own view in respect of impacts that are specific to their respective areas. For this reason, separate LIRs have been prepared but it is intended to prepare a Statement of Common Ground with PCC that will include matters of joint agreement once both LIRs are adopted. Therefore the LIR subject to this report relates solely to impact upon the National Park, but has taken account of those parts of the development within PCC’s area where they impact on the National Park.

Representations on the Acceptability of the Proposal

Whilst the LIR is the main format for identifying the impacts that are considered to be relevant to the PINS consideration of the proposal, as set out above, this does not give the opportunity to draw those impacts together and make a judgement or view of the overall proposal. Accordingly, PINS advises that it is open to the local authority to make representations to the ExA about the application separately from its LIR if it so chooses. This “written representation” is the vehicle for the Authority to give its judgement on the acceptability or otherwise of the proposal. The deadline for this submission is also the 21st November 2013.

The Proposal

The proposed development is the construction and operation of a Combined Heat and Power Station (“CHP Plant”) comprising a main generating plant and other integral infrastructure within South Hook LNG site to the immediate west of the National Park boundary and within the Milford Haven Waterway Enterprise Zone.

The CHP Plant will burn natural gas supplied from South Hook LNG (with a back-up supply provided from the National Transmission System), to generate electricity and heat. Heat generated by the CHP Plant will be utilised within South Hook LNG to vaporise the liquefied gas discharged at the terminal,, turning it back into natural gas for distribution to customers. The application states that the Plant will be “the largest operational high efficiency CHP Plant in the UK”. The CHP Plant will provide heat to South Hook LNG during normal operation, but both facilities will be designed to enable independent operation, for example if one of the facilities is unavailable for any reason.

The site of the application straddles the boundary between two planning authorities; PCC and PCNPA. The vast majority of the site is within the jurisdiction of this Authority including the proposed CHP Plant itself. A small part of the site is within the jurisdiction of PCC and this area primarily comprises land proposed for ancillary uses and temporary works during the construction period.

The main buildings and structures forming the plant are: power generation buildings, heat recovery steam generator building, control/administration/workshop building, HV switchgear indoor gas insulated substation building, coolers, raw water storage tank, demineralised water storage tank and a stack.

The proposed CHP plant will have an installed capacity of up to 500MWe (Megawatts electrical) and is planned to produce sufficient electricity to both meet the existing LNG terminal’s power needs and to export surplus electricity.

The development zone itself would occupy some 10 hectares and the carbon capture and storage facility some 4 hectares. The application has been submitted under what is referred to as the “Rochdale Envelope” which sets the maximum possible parameters for the development¹. The Rochdale Envelope is the basis on which the Environmental Impact Assessment has been undertaken, but as the envelope describes the maximum dimensions that might be necessary and are therefore almost by definition over scale in order to avoid the risk of having to carry out further environmental assessment, the final design may result in smaller scaled buildings and infrastructure than is set out in the application. At this stage, the application is akin to an “outline” planning application as far as the design and layout of the buildings is concerned with these matters being the subject of requirements in the DCO (that is to say the DCO equivalent of planning conditions) should it be granted. The Rochdale Envelope parameters in the application are:

¹ So named after a series of cases involving Rochdale Council in which the courts approved this approach to conducting the Environmental Impact Assessment of built development which is still at the outline stage.

Building/Structure	Dimensions (metres)		
	Height	Length	Width
1. Gas/Steam Turbine Generator Building	30.5	126	101
2. Administration Office and Control Room	19	66	34.5
3. Workshop and Maintenance/Warehouse Building	20	65	35
4. Electrical Sub-station (HV Swithgear Indoor Gas Insulated Building and Compound)	7	79	47
5. Heat Recovery Steam Generator Building	42	66	50.5
6. Standby Direct Air-cooled Fin-fan Coolers	22	142	101
7. Raw/Fire Water Storage Tank	16	21 (diameter)	
8. Demineralised Water Storage Tank	16	21 (diameter)	
9. Stack	Up to 85	Up to 8 (external diameter)	

Discussions on the design aspects within the above parameters are continuing. The design principles for the detailed design are set out in the project documents and the current illustrative design is included annexed to this report. The main design principles are:

- The roof structures shall be within the respective maximum dimensions for each building/structure.
- The roof structures for buildings 1-3 and 5 in the table above shall be curved and orientated as in the illustrative drawings (attached). Roof structures shall extend towards the ground at the corners.
- The roof structures of buildings 1- 5 in the table above shall be clad in materials and colours that reduce the visual prominence of the plant in daylight and have low reflectivity.
- The cladding materials and colours for the roofs of buildings 1- 5 in the table above and the screen to building 6 together with the walls of buildings 1-8 shall be all agreed with the NPA.
- The wall structures of buildings 1-8 shall be clad in materials and colours that seek to match natural colours and textures in the local landscape.
- The stack structure shall be simple in form and shall be constructed of and clad in materials and colours to be approved by the NPA.

The proposal does not include any associated development (i.e. connections to the National Grid) and which would form a further and future submission.

Subject to approval, construction works are projected to take approximately 26-30 months, with a projected start in mid to late 2014.

The application states that the proposal will:

- Result in an approximate US\$500m investment in the Haven Waterway Enterprise Zone “to consolidate its position as a UK hub of energy-related development”.
- Generate up to 500MW of electricity using CHP technology, the majority of which will be sent to the national grid.
- Achieve an efficiency rate of up to 88% due to the CHP Plant’s co-location with South Hook LNG (by way of comparison, data from the Department of Energy and Climate Change shows that, in 2011, the efficiency of a typical CCGT power station was 48.5% and that of a typical coal-fired power station was 35.7%).
- Significantly reduce greenhouse gas emissions compared to those of typical power stations.
- Be housed within state-of-the-art, architecturally-designed facility, which, through good design, blends sympathetically into the landscape;
- Create around 30 full time jobs once operational, and several hundred during construction of the Plant.
- Have suitable land available in readiness for future carbon capture technologies.

The application was accompanied by an Environmental Impact Assessment and a significant amount of information comprising thirteen volumes in support. The full submission to PINs can be found at:

<http://infrastructure.planningportal.gov.uk/projects/wales/south-hook-combined-heat-power-station/?ipcsection=app>

The non- technical summary can be found at document 1.3.4, Folder 8.

Main Considerations and Impacts set out in the LIR

The main impacts associated with this development are discussed in detail in the LIR which is attached at Appendix A and which is before this meeting for approval.

The LIR does not seek to make a judgement on the proposal in line with PINs advice but does seek to identify the impacts as negligible, minor, moderate and major and as neutral, negative or positive. It also identifies those areas where the impacts are considered to comply or not with local planning policy and also with regard to national policy in respect of the major development test.

The conclusions reached are set out in each section. In summary these are:

1. There is insufficient information on how the proposal complies with national planning policy and the major development test to justify siting the development in a National Park.
2. There are likely to be major negative impacts to the National Park landscape arising from the development which cannot be fully mitigated through the design

principles and the development will therefore conflict with the primary purpose of the National Park designation.

3. That the impacts on terrestrial ecology cannot be assessed due to a lack of information in relation to surveys and the associated mitigation to address the use of the site by protected species.

4. That the possible impacts to interests of cultural heritage can be appropriately mitigated for through requirements (i.e. “planning conditions”) in the DCO to carry out a written scheme of investigation and for the development to comply with the identified design principles.

5. That there will be minor positive impacts to employment arising from the development but moderate negative impacts to the affordable housing stock during construction period estimates at 26 – 30 months. This negative impact could be mitigated for through the requirement for the applicant to enter into a development consent obligation to provide contractors housing which will become affordable housing on completion of the scheme and which would result in a moderate positive impact in the longer term.

6. That there will be minor negative impacts to transportation during construction, and neutral impacts once operational. The negative impacts can be mitigated for through the applicant entering into a development consent obligation to secure road improvements in the area.

7. That there will be minor to moderate negative impacts with regard to noise and disturbance during construction but neutral effects on noise, disturbance, air quality and contaminated land once operational

8. That a lack of information in relation to the connection to the grid and the details of the development in the carbon capture area make it difficult to fully assess the impacts of the cumulative developments.

Representations on the Acceptability of the Proposal

As noted in the introduction, the format of LIR does not enable the Authority to carry out a balancing of the impacts outlined above (as this is the role of ExA) and give a view in the LIR of the acceptability of the proposal in planning terms.

However, it is considered important that members do provide such an evaluation having drawn together the conclusions reached on each local impact. It is recommended that this should form of a separate written representation to be submitted at the same time as the LIR and a draft is attached at Appendix B. The representation concludes that the application does not currently demonstrate that there are exceptional circumstances justifying the principle of the development to be sited within the National Park as set out in Overarching National Policy Statement for Energy (EN-1) or that it complies with the major development test set out in Planning Policy Wales which is also a material planning consideration for the ExA and the Secretary of State as set out in the Overarching National Policy Statement for Energy - EN-1. In the absence of such a justification the primary purpose of the National

Park Authority to conserve and enhance the natural beauty, wildlife and cultural heritage of the Park should be take precedence and the development consent refused due to the major negative impact that would arise from this development on these interests and in conflict with UK Government, national and local planning policy.

However, should the case be made justifying siting the development within the National Park in terms of the applicable policy tests, the negative impacts arising from the development should be weighed against the fact that this proposal utilises brownfield land identified for future expansion to the existing industrial plant and which will provide benefits to the social and economic wellbeing of the National Park communities. It is also situated within the Enterprise Zone and will be a more sustainable solution to power supply than more traditional forms of power station. These aspects are considered to be convincing in making the case for allowing the CHP plant, *but only if it is demonstrated that there are exceptional circumstances justifying the location in the Park*. This view is also subject to the appropriate mitigation being put in place to minimise the negative impacts, namely:

- requiring the detailed design of the built development to conform with the applicant's design principles;
- the provision of landscaping to mitigate for the visual impact particularly on longer distance views,
- appropriate mitigation being put in place in respect of protected species (subject to positive conclusions arising from the Appropriate Assessment process),
- A requirement for affordable housing to be provided and for contributions to infrastructure improvements to be made and secured through development consent obligations.

The acceptability of the proposal will rely wholly on the detailed requirements of the DCO to achieve these aims.

Other Matters

As noted above the 2008 Act requires the examination to be concluded within six months. Accordingly, the detailed timetable (which sets out 18 separate stages to the examination) provides limited time for further reports to be brought to members prior to deadline dates.

As members will recall, delegation has already been given to the Head of Development Management to deal with matters relating to DCO process itself (Authority meeting 26th June 2013).

However, to enable the preparation of further Statements of Common Ground, responses to the Examining Authority's questions, representations and negotiations on the content of the DCO and responses (as deemed necessary) to third party representations, together with providing evidence at the examination, further

delegation is sought. This is sought on the basis that all relevant documentation and evidence at the examination will be prepared and given within the parameters of the conclusions of the LIR and the written representation, and should any deviation from these documents be considered necessary that those matters be brought back to members for further deliberation where possible within the timeframes given, or where this is not possible, through the agreement of the Chairman of the Authority and Chair of Development Management committee.

Risk considerations

The primary risks associated with this proposal relate to its potential to compromise the special qualities of the National Park without a clear justification that it is in the overriding public interest that the development proceeds.

In addition, damage to ecological and environmental designations is possible and impacts on transportation and local housing supply during the construction phases are likely unless appropriate mitigation is put in place.

The Environmental Statement is an extensive highly technical document drawing on numerous specialist fields and the Authority has previously commissioned landscape consultants in partnership with NRW to assess elements of the draft Environmental Statement and whose advice has informed both the LIR and the written representation. The Authority may continue to require specialist and legal advice during the examination stage which will have cost implications.

Compliance

As set out above it has been necessary to consider whether this project would be contrary to national and local policy or whether there are other overriding material considerations to justify this project.

Human Rights/Equality issues

General issues could stem from the compromise of nationally-important protected landscapes, habitats, species and historic assets affected by the proposals, together with potential impacts on social and economic factors.

RECOMMENDATION

That Members approve:

- 1. the content of the Local Impact Report (attached at Appendix A to this report)**
- 2. the content of the Written Representation (attached at Appendix B to this report)**
- 3. delegate the preparation and submission of subsequent Statements of Common Ground, responses to the Examining Authority's questions, matters**

relating to the drafting of the DCO and responses to other written submissions, together with the giving of evidence at the examination to the Head of Development Management (and any other experts as deemed necessary by the Head of Development Management) provided all are consistent with the position adopted by the Authority as set out in the Local Impact reports and the Written Representation..

Where responses are considered to need to deviate from the position adopted by the Authority those matters will be reported to members, unless the timeframes involved do not enable those matters to be referred to committee, in which case authority is sought for the Chairman of the Authority and the Chair of Development Management committee to agree the response.

Background Documents

Project documents: <http://infrastructure.planningportal.gov.uk/projects/wales/south-hook-combined-heat-power-station/?ipcsection=app> Illustration of process:
<http://infrastructure.planningportal.gov.uk/wp-content/uploads/2013/03/Application-process-diagram2.png>

PCNPA Pre-app responses 19th September 2012 and 15th April 2013

Responses from other relevant authorities – PCC Highways/Pollution Control/Housing, NRW, Dyfed Archaeological Trust

Evaluation of Seascape, Landscape and Visual Impact Assessment, South Hook, Herbrandston, Gillespies, 2013 (joint commission by NRW and PCNPA)

Pembrokeshire County Council draft LIR

(For further information please contact Vicki Hirst, Head of Development Management)

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Key

- Order Limits Boundary
- Main CHP Plant Site
- Rochdale Envelope Parameters
- Limits of Envelope for Building Structure 4 (the Electrical Sub-station) and Insulated Building and Compound for the Main CHP Plant Site

Limits of Envelope for Building Structure 4 (the Electrical Sub-station) and Insulated Building and Compound for the Main CHP Plant Site. Parameters for the Rochdale Envelope Parameters for the Main CHP Plant Site are set out in Table 1 of the Design Principles Statement.

Key Buildings and Structures

- 1 Gas/Steam Turbine Generator Building
- 2 Administration Office and Control Room Building
- 3 Workshop and Maintenance/Warehouse Building
- 4 Electrical Sub-station (HV/Switchgear Indoor Gas Insulated Building and Compound) (Provisional Location)
- 5 Heat Recovery Steam Generator Building (Inc. Stack)
- 6 Standby Direct Air-cooled Fin-fan Coolers
- 7 Raw/Fire Water Storage Tank
- 8 Demineralised Water Storage Tank
- 9 Stack



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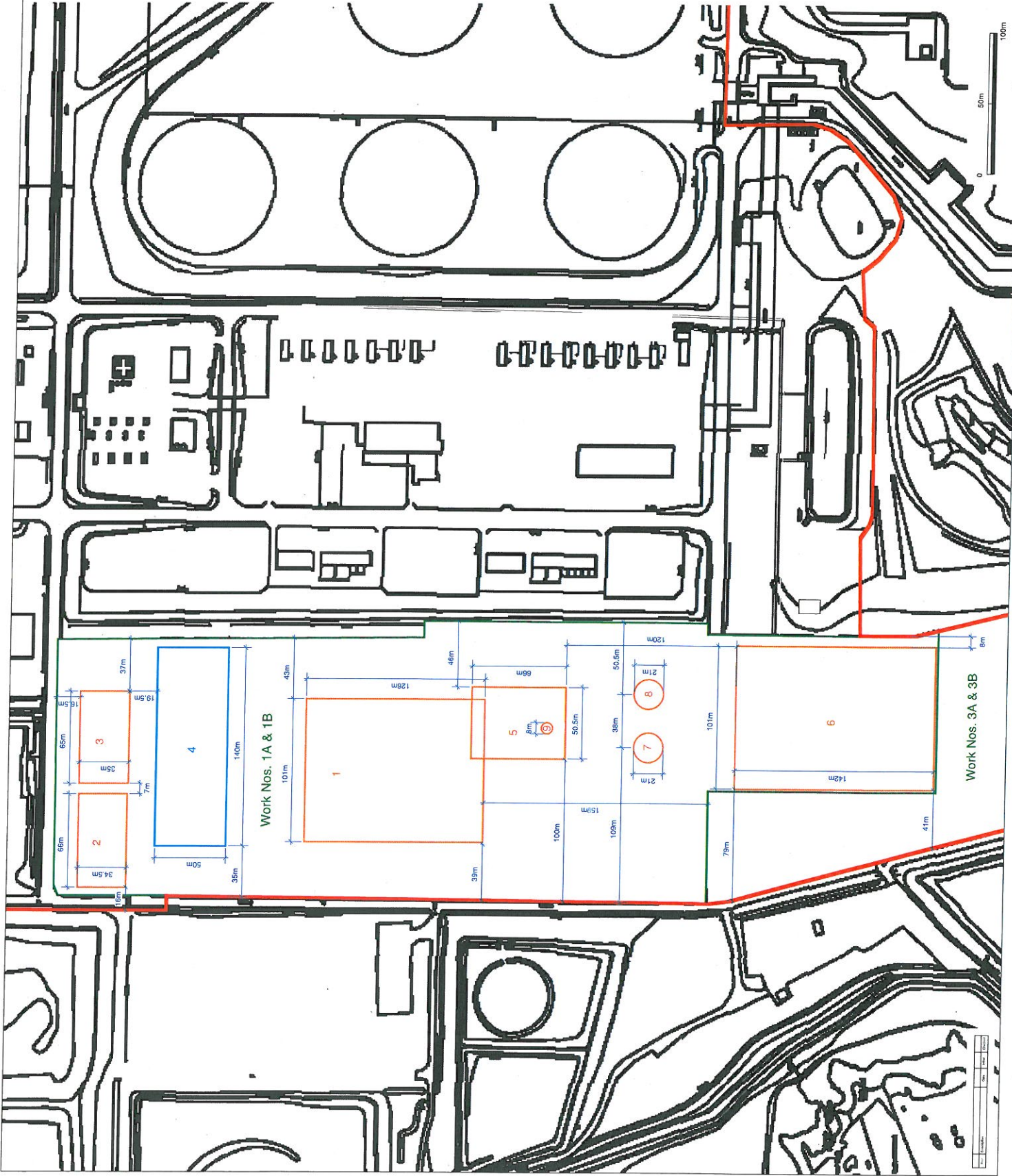


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Project: South Hook CHP Plant
Site: South Hook, Herbrandston, Pembrokeshire
Title: Works Plan (Part B) Document 1.105
The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 - Regulation 5(2)(i)

Author: RPS
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- Key**
- South Hook LNG Terminal (excluding Non Operational Land)
 - Order Limits Boundary (all on South Hook LNG Terminal Land)
 - Main CHP Plant Site
 - Surface Water Attenuation Basin and Surface Water/Process Waste Water Discharge Points
 - Land Reserved for Future Carbon Capture
 - Nature Conservation Area
 - Pembrokehire Coast National Park Boundary (Pembrokehire Coast National Park to the west; Pembrokehire County Council to the east)

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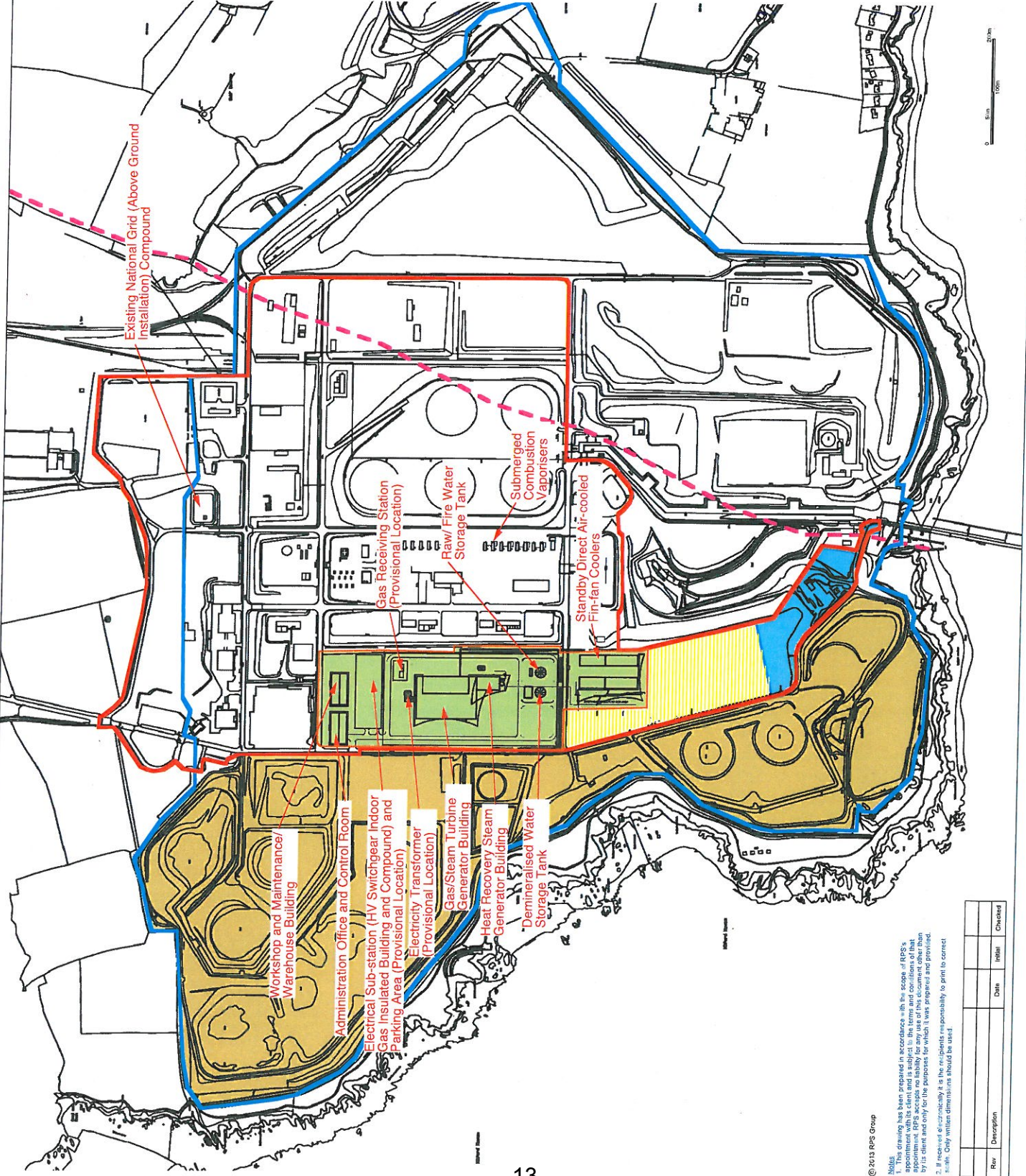
Applicant CPI Global Ventures Ltd.
Project South Hook CHP Plant
Site South Hook, Herbrandston, Pembrokehire

Title Proposed Site Layout Plan Document 1.13C
The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 - Regulation 5(2)(c)

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