



Date: 25 July 2017

Your Ref: -

Our Ref: 2941E

The Secretary of State for Business, Energy and
Industrial Strategy
c/o Mr R Pridham
Department for Business, Energy and Industrial
Strategy
3 Whitehall Place
London, SW1A 2AW

Dear Mr Pridham

THE ELECTRICITY ACT 1989 (AS AMENDED) - SECTION 36C 'VARIATION OF CONSENTS UNDER SECTION 36 - CONSENT REQUIRED FOR THE CONSTRUCTION ETC. OF GENERATING STATIONS'

THE TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED) - SECTION 90(2ZA) 'DEVELOPMENT WITH GOVERNMENT AUTHORISATION'

THE ELECTRICITY GENERATING STATIONS (VARIATION OF CONSENTS) (ENGLAND AND WALES) REGULATIONS 2013 & THE ELECTRICITY WORKS (ENVIRONMENTAL IMPACT ASSESSMENT) (ENGLAND AND WALES) REGULATIONS 2017

APPLICATION ON BEHALF OF KEADBY DEVELOPMENTS LIMITED TO VARY THE SECTION 36 CONSENT DATED 3 NOVEMBER 2016 FOR THE KEADBY II POWER STATION PROJECT, KEADBY, NORTH LINCOLNSHIRE, DN17 3EF

We write on behalf of Keadby Developments Limited ('KDL') (the 'Company' or the 'Applicant') in respect of the consent granted on 3 November 2016 under Section 36 of 'The Electricity Act 1989' (the '1989 Act') to construct and operate a 820 megawatt ('MW') combined cycle gas turbine ('CCGT') generating station, known as Keadby II Power Station ('Keadby II'), on land at the existing Keadby I Power Station Site, Trent Side, Keadby, near Scunthorpe, North Lincolnshire.

By this letter and accompanying documents, KDL, being the person entitled to the benefit of the consent granted on 3 November 2016 (the '2016 Consent'), applies to the Secretary of State (the 'SoS') for Business, Energy and Industrial Strategy ('BEIS') pursuant to Section 36C of the 1989 Act for that consent to be varied. In addition, KDL also requests that the SoS pursuant to his powers under Section 90 (2ZA) of the Town and Country Planning Act 1990 (the '1990 Act') directs that the deemed planning permission granted on 3 November 2016 also be varied.

Background to the Application

The original Section 36 consent for Keadby II (the 'Original Consent') was granted by the SoS for Trade and Industry in 1993. The consent allowed for the construction and operation of a 710 MW generating station on land within the existing Keadby I Power Station Site (the 'Site').

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On 3 November 2016, the SoS for Business, Energy and Industrial Strategy ('BEIS') varied the 1993 consent under Section 36C of the 1989 Act to provide for the construction and operation of a 820 MW CCGT generating station at the Site in either single-shaft or multi-shaft configuration; either a single bank of 12 no. cooling towers or a 'back to back' bank of 16 no. cooling towers; and an increase in the application site area to accommodate ancillary plant and equipment, buildings and civil engineering works, possible future carbon capture equipment and a temporary contractors work area (the 'Consented Development'). Paragraph (2) of the 2016 Consent states that:

"2. The Development shall comprise:

(a) One combined cycle gas turbine generating station of up to 820MW consisting of:

- (i) One industrial gas turbine with associated boilers and single exhaust stack; and*
- (ii) One steam turbine*

(b) An Access road;

(c) Ancillary plant and equipment; and

(d) The necessary buildings (including administration offices) and civil engineering works."

In response to further detailed design work on Keadby II and discussions with potential technology suppliers, KDL now wishes to make a number of changes to the Consented Development. These require the submission of a further variation application (the 'Variation Application') to the SoS for BEIS. The proposed changes (referred to collectively as the 'Proposed Development') are outlined below.

The Proposed Development

The principal reason for seeking to vary the 2016 Consent through the Variation Application is to increase the electrical output of Keadby II from 820 MW to 910 MW to deliver higher efficiency electricity generation.

Recent advances in the design of CCGT have resulted in the availability on the market of larger, more efficient CCGT units, which due to their improved efficiencies, offer both economic and environmental benefits. The increase in electrical output is therefore required to allow for the latest CCGT units to be deployed on Keadby II and to provide sufficient flexibility to accommodate future improvements in CCGT technology.

In addition to the increase in electrical output, the Variation Application also seeks the following key design changes to the Consented Development:

- Stack location - the location of the emissions stack has been altered as a result of plant configuration optimisation.
- Building dimensions - largely due to the decision to deploy the new generation of CCGT units, it has been necessary to alter and, in some cases, increase the dimensions (width, length and height) of the main buildings, including the Gas Turbine Building, the Steam Turbine Building and

the Heat Recovery Steam Generator Building. The width of the cooling tower bank has also been increased.

- Building appearance - the elevations of the main buildings would consist entirely of steel cladding rather than steel cladding with brick work at lower level.
- Supplementary firing - the Consented Development includes 'supplementary firing' (i.e. the combustion of natural gas directly into the boiler inlet duct to provide additional steam). The Proposed Development will not use supplementary firing.

It is anticipated that Keadby II would be constructed in a multi-shaft plant configuration. However, the Variation Application seeks to retain the flexibility for a single-shaft configuration. This is consistent with the 2016 Consent, which provides scope for both single-shaft and multi-shaft plant configurations.

The Variation Application relates to the same site as the Consented Development (i.e. no additional land is required for the Proposed Development).

Other changes include an increase in the number of Abnormal Indivisible Loads ('AILs') accessing the Site during the construction phase for the Proposed Development, although the number of AIL deliveries to be routed through the village of Ealand will remain the same. There would also be a longer commissioning phase of 12 months for the generating station.

The changes sought to the Consented Development through the Variation Application have not necessitated any material amendments to the conditions contained within the 2016 Consent. It is however proposed that the references to 'Enabling Works Phase' are deleted in order to simplify the discharge process for the conditions.

The guidance issued by Government in respect of variation applications ('Varying consents granted under section 36 of the Electricity Act 1989 for generating stations in England and Wales, July 2013') notes (paragraph 21) that the *"...power conferred on the Secretary of State... by section 36C of the 1989 Act is a broad and discretionary one to make such variations... as appear to [the Secretary of State...] to be appropriate..."*. Notably, paragraph 26 of the guidance indicates that *"different boiler or turbine designs"* and *"Changes in the design of generating station which have been consented but not constructed which would allow them to generate an amount of power that would be inconsistent with the original consent"* as being suitable for consideration under the Section 36C variation procedure.

In view of the above, it is considered that the changes sought through this Variation Application are suitable for consideration under the Section 36C variation procedure.

Environmental Impact Assessment (EIA) Report

The previous variation application that resulted in the 2016 Consent included an Environmental Statement ('ES') that was prepared in accordance with 'The Electricity Works (Environmental Impact Assessment) (England and Wales) Regulations 2000 (the '2000 EIA Regulations').

The Variation Application includes an EIA Report that has been prepared in accordance with 'The Electricity Works (Environmental Impact Assessment) (England and Wales) Regulations 2017 (the '2017 EIA Regulations'), which came into effect on 16 May 2017 and replaced the 2000 EIA Regulations.

Regulation 17 'EIA report: requirements' of the 2017 EIA Regulations sets out the requirements for EIA Reports prepared in relation to variation applications and confirms that these should cover:

"... the main respects in which the developer thinks that the likely significant effects on the environment of the development, as varied, will differ from those set out in-

- (i) any EIA report or environmental statement prepared in connection with the application for the section 36 consent that it is proposed be varied; and*
- (ii) if the section 36 consent has previously been varied by a section 36 variation, any EIA report or environmental statement prepared regarding the application for that variation;"*

In accordance with Regulation 17, the EIA Report has been prepared to determine the likely significant effects of the Proposed Development to the extent that these differ from those reported in the ES for the Consented Development.

Chapter 2 of the EIA Report provides a detailed comparison of the Consented Development with the Proposed Development in order to identify the key design and other changes.

Chapter 3 sets out the scope of the EIA Report. Table 3.1 'Scope of Assessment for Environmental Topics' provides a summary of the significant effects as assessed for the Consented Development, the design and other changes (comprised within the Proposed Development) that may affect the topic assessment and whether the topic needs to be reassessed. Where reassessment is not considered necessary justification is provided for this.

Chapter 8 sets out a comparison of effects for the Consented Development and the Proposed Development.

Carbon Capture Readiness (CCR)

'The Carbon Capture Readiness (Electricity Generating Stations) Regulations 2013' introduced the need for applicants for new fossil fuel generating stations of 300 MW electrical output and above to consider carbon capture and demonstrate that their plants are 'carbon capture ready' and that sufficient land has been set aside to accommodate carbon capture plant, should the deployment of such technology become feasible in the future.

The Variation Application includes a CCR Report that demonstrates that the Proposed Development would be carbon capture ready and that sufficient land has been set aside for future carbon capture plant.

Application Documents

The Variation Application comprises two hard copies of the following documents in addition to four electronic copies (CDs):

1. Application Cover Letter dated 25 July 2017 (this letter) **(Document 1)**.

2. Schedule 1 - 'Compliance with Regulation 3 'Content of variation applications' of the 2013 Variation Regulations' - demonstrating compliance with Regulation 3 of the 2013 Variation Regulations (**Document 2**).
3. Schedule 2 - 'Consultees' - listing those bodies and organisations consulted prior to the submission of the Variation Application (**Document 3**).
4. The Section 36 consent and deemed planning permission dated 10 September 1993 (the 'Original Consent') (**Document 4**).
5. The Section 36 consent and deemed planning permission dated 3 November 2016 (the '2016 Consent') (**Document 5**).
6. A 'track change' version of the 2016 Consent showing the proposed changes (the 'Variation Consent') (**Document 6**).
7. Site Location Plan Ref: Keadby2_DWD_002 (**Document 7**).
8. Application Site (red line) Plan Ref: Keadby2_DWD_001 (**Document 8**).
9. Ownership Plan Ref: Keadby2_DWD_003 (**Document 9**).
10. Consolidated Parameter Layout Plan Ref: 105_0805_0040_00_03 (**Document 10**).
11. Condenser (Cooling Tower) Layout In-Line (1 x 12) Plan Ref: 105_0805_0016_00_06 (**Document 11**).
12. Single-Shaft Layout Plans (**Document 12**):

Title	Ref.
Site Layout Plan	105_0805_0019_00_05
Elevations	105_0805_0036_00_03
North Elevation	105_0805_0010_00_04
East Elevation	105_0805_0011_00_04
South Elevation	105_0805_0012_00_04
West Elevation	105_0805_0013_00_04

13. Multi-Shaft Layout Plans (**Document 13**):

Title	Ref.
Site Layout Plan	105_0805_0023_00_03
Elevations	105_0805_0035_00_03
North Elevation	105_0805_0044_00_02
East Elevation	105_0805_0042_00_03
South Elevation	105_0805_0043_00_02
West Elevation	105_0805_0045_00_02

14. Keadby II Supporting Statement (**Document 14**).
15. Keadby II Environmental Impact Assessment (EIA) Report and Non-Technical Summary (**Document 15**).

16. Information to inform Habitats Regulations Assessment (EIA Report - Annex C) (**part of Document 15**).
17. Keadby II Combined Heat and Power Report (EIA Report - Annex F) (**part of Document 15**).
18. Keadby II Carbon Capture Readiness Report (EIA Report - Annex G) (**part of Document 15**).

In addition, the Variation Application includes two electronic copies (CDs) of the documents for the previous variation application, including the Planning Statement and ES (**Document 16**).

In accordance with the guidance note 'Varying consents granted under section 36 of the Electricity Act 1989 for generating stations in England and Wales, July 2013', no fee is payable for an application to vary a Section 36 consent.

Should the SoS consider the Variation Application to be suitable for publication and give notice of his decision pursuant to Regulation 4(6) of the 2013 Variation Regulations, the Company will comply with the publicity and advertising requirements set out at Regulation 5 of the 2013 Variation Regulations. In accordance with the 2013 Variation Regulations the application documents will first be published on the project website. Following this the Company will notify the consultees listed in Schedule 2 (Document 3 above) that the Variation Application has been accepted as suitable for publication and place a notice in The London Gazette and for two consecutive weeks in a local newspaper circulating within the vicinity of the Site.

We would be grateful if you could kindly confirm receipt of the Variation Application. In the meantime, should you have any queries regarding the Variation Application please contact Rob Booth (rb@dwdllp.com) Tel: 020 7489 4830 or Geoff Bullock (gb@dwdllp.com) Tel: 020 7489 4892.

Yours faithfully



Dalton Warner Davis LLP (on behalf of Keadby Developments Limited)

Enc.

Documents 1 - 15 (2 x hard copies and 4 x CD copies)
Document 16 (2 x CD copies)