# Wirral Local Plan 2012 - 2037

# Inspector's Matters, Issues and Questions

# Response on behalf of Essar Oil (UK) Ltd & Stanlow Terminals Ltd (ID. 1324046)

# Matter 4 – Strategic Policies – employment and infrastructure

## Issue 1: Employment Needs

Question 7: Is the extent of the port and maritime zone adequately justified and protected?

Essar Oil UK Limited and Stanlow Terminals Limited ("Essar") own and operate Tranmere Oil Terminal, a deep water terminal which receives some of the World's largest vessels via the Irish Sea and represents Critical National Infrastructure. This location offers state of the art facilities when it comes to berth and jetty requirements. With a draft of up to 14.3 metres, the Tranmere Oil Terminal can be utilised to receive larger vessels up to 210,000 tonnes, with annual throughput exceeding 11 million metric tonnes. Essar's future investment plans are now focused on decarbonisation, building new energies infrastructure for the hydrogen economy and developing a low carbon storage hub at both Tranmere Oil Terminal and Stanlow Manufacturing Complex to enable the energy transition.

### *Background*

Tranmere Oil Terminal is critical to the operation of the Stanlow Refinery, enabling the import of feedstocks and export of refined petrochemicals by vessel and pipelines connected to the Refinery. Together the Terminal, Pipelines and Refinery are a nationally important facility producing approximately 16% of road fuels used in the UK as well as a wide range of aviation fuels, shipping fuels and other oil-based feedstocks for the plastics and other industries. Thus, ensuring that these operations are not prejudiced by inappropriate development in their vicinity is very important in maintaining the security of refining capacity and fuel supply security within the UK, but equally important is the energy transition investments in these sites which will deliver the UK's future energy needs and the path to Net Zero.

Tranmere Oil Terminal and the connected Stanlow Manufacturing Complex represent Critical National Infrastructure. Top tier COMAH sites such as these are a finite resource; that is to say that there are very few installations in the UK that are able to accommodate such activities. The economic contributions that these sites make to the regional economy are extremely site specific and impossible to reproduce elsewhere. The sites are linked to deep sea access, nationwide oil pipelines, extensive rail and road infrastructure; and they are embedded within a complex cluster of high-value industries that have evolved

within the region over decades. These are all crucial spatial features that facilitate their economic contributions, and would be impossible to replicate at another site. They also provide locations ideally equipped for hydrogen and carbon capture storage given the existing infrastructure and that a range of HSCs are already in place.

Tranmere Oil Terminal employs 15 staff directly based at the location and approximately 50 contractors. The connected manufacturing complex at Stanlow employs approximately 1,500 people and processes 9 million tonnes of crude oil a year, all of which arrives via the deep water facilities at Tranmere. The Refinery produces a range of oil products including about one sixth of Britain's transport fuels annually – about 4.4 billion litres of diesel, 3 billion litres of petrol and 2 billion litres of jet fuel. The sites play a key part in the national economy. Stanlow is one of just six large scale refineries in the UK and produces over 16% of the UK's transport fuels.

Essar's operations are advantaged over some refineries in that they have an enhanced ability to convert the low value heavy end of the barrel to more sought-after products such as petrol. In addition to petrol, diesel and other fuel oils, Essar also produces large quantities of a wide range of oil based chemical products on Stanlow Manufacturing Complex including propylene, ethyl benzene and toluene used in the chemicals industry locally and nationally.

Essar UK is a major transport fuel supplier in North-West England with customers including most of the major retail brands operated by the international oil companies and the supermarkets, together with Manchester, Liverpool, Leeds-Bradford and Cardiff airports and the region's trains and buses. This effectively means that whatever mode of transport is used in the region, it is likely to be running on fuel provided by these facilities.

Looking to the future, Essar has also recently announced it is to invest £2bn in the Stanlow Manufacturing Complex across hydrogen, green ammonia and biofuels to make the North West a "*leading post-carbon industrial cluster*". The Vertex Hydrogen scheme at Stanlow is the leading hydrogen production project in the UK by size and speed to market. The scheme will deliver:

- 1GW of production - equivalent to the energy use of a city like Liverpool
- Capture some 1.8 million tonnes per annum of CO2 - equivalent to taking 750,000 cars off the road
- Enable leading industrial companies in the region to decarbonise their energy source and make low carbon glass and chemicals - will capture nearly 10% of the region's industrial emissions
- Help to ensure that the Stanlow refinery can be the first low carbon production refinery in the world.

The Vertex Hydrogen scheme at Stanlow is a critical part of HyNet which is the leading UK industrial decarbonisation cluster, unlocking the hydrogen economy in the North West and North Wales. It is an innovative, demand-led initiative that brings together regional, national and international companies which are at the forefront of the UK's transition to net zero. The key aim of HyNet is to reduce carbon emissions

by providing low carbon power for industry, transport and homes and in particular by 10 million tonnes per year by 2030, the equivalent of taking four million cars off the road.

As part of the Stanlow focussed Hynet Scheme, there are 2 Development Consent Orders currently being progressed. The first is in relation to the "Carbon Capture" element of the scheme which involves the introduction of pipelines to take captured CO2 from significant producers in the North West – this is being pursued by Liverpool Bay CCS Ltd, who will be looking to transport the Co2 for storage in the spent fuel beds in the Irish Sea. Secondly, a further DCO is to be progressed by Cadent for the distribution of Hydrogen from the Vertex Hydrogen Production facility at Stanlow, with initial residential trials planned for Whitby, Ellesmere Port as the first Hydrogen Village - https://hydrogenvillage.com/. Stanlow and Tranmere are a fundamental part of the Hynet proposal, which is being fully embraced by Central Government. The part played by Tranmere is not to be underestimated, particularly as it is the main feed facility to Stanlow Oil Refinery and is planned to become a wider distribution facility for a range of fuels.

The plans and policies in place have worked to protect Stanlow against inappropriate development which is why it is ideal for the hydrogen production and carbon capture project. The HSCs and other protections have worked to new nationally significant infrastructure projects to come forward.

Essar is also currently actively developing a £20M project to enable large volume exports of gasoline from Tranmere Oil Terminal. This project is being delivered in a phased approach and is part of the wider redevelopment of the Tranmere site. Once delivered, the gasoline export project will allow Essar to invest an additional £11M to reconfigure the deep water port facility to provide both on site gasoline storage as well as larger capacity for diesel and biofuel imports into the UK market which is structurally short in these products.

In addition, Essar are also developing a major new facility for green ammonia at the Tranmere Terminal which will enable significant volumes of green ammonia to be imported into the UK. Green ammonia is a highly effective liquid carrier of hydrogen, which allows for the safe and cost-efficient transport of green hydrogen at scale. The green hydrogen produced will be used by a wide range of industries in the region, including as a sustainable fuel for marine shipping and to help decarbonise energy usage, contributing significantly to the UK's net zero ambitions.

These plans are reliant upon the reconfiguration of our Tranmere tank storage, without which the business case for the investment may not be justifiable. The operation of the Stanlow Manufacturing Complex is dependent on the Tranmere Oil Terminal and its ability to operate flexibility and to grow. Therefore, the continued operation of the Tranmere Oil Terminal is not limited to that which exists at the site now, but also includes future proposals at the site. This comprises the general level of flexibility required for a dynamic site such as this which may fully utilise existing HSCs or indeed obtain further HSCs, together with potential development such as the proposals Stanlow Terminals Limited has for the UK's largest biofuels storage hub, delivering 300,000m3 of capacity to support customers in delivering the UK's net zero transition, which are to be located at the Tranmere Oil Terminal and Stanlow Manufacturing Complex.

Accordingly, when seeking to protect Critical National Infrastructure such as Tranmere Oil Terminal, it is necessary to consider the flexibility needed for future operations as well as the range of potentially hazardous substances that may need to form part of the site's inventory. Given the dynamic nature of these facilities it would be inappropriate to simply base any judgement on a snapshot of existing operations; a more strategic long-term view is required.

Linked to the above, an example of the dynamic nature of Essar's business is the recent application that has been made to the HSA to allow the phased introduction of gasoline, Jet A-1, sustainable aviation fuel, bio-ethanol, bio-diesel and renewable diesel to Tranmere Oil Terminal. This is in support of the establishment of a Low Carbon Biofuels Hub, as outlined above, as part of the energy transition to low carbon renewable transport fuels.

Taking all of the above into consideration, the protection of Tranmere Oil Terminal and ensuring its ability to operate flexibility and to grow is critical to the operation of the Stanlow Manufacturing Complex which is in turn a critical part of the Vertex Hydrogen scheme which is the leading hydrogen production project in the UK by size and speed to market and will contribute significantly to the UK's net zero ambitions.

*Policy WS4.3 – The Port and Maritime Zone*

As a result, Essar raised a number of concerns over the soundness of Policy WS4.3 at the Regulation 19 stage of the Local Plan on the basis of its effectiveness in protecting the operations at the Tranmere Oil Terminal as Criterial National Infrastructure and for the reasons outlined above.

The policy is written positively towards port and marine-related proposals, subject to meeting criteria 1 – 6 of Part E. Whilst Essar does not object to that approach and supports the need to make effective use of the existing port and maritime zone, it is considered that this policy needs to have regard to the nature of the Tranmere Oil Terminal itself.

Tranmere Oil Terminal is designated as a top tier site under the Control of Major Accident Hazards Regulations 2015 ("COMAH") due to the quantity of hazardous substances present. Essar is therefore tightly regulated under the COMAH regime and is required to comply with a range of strict regulations. The storage of hazardous substances at or above certain thresholds, requires a hazardous substance consent ("HSC") pursuant to the Planning (Hazardous Substances) Regulations 2015. Tranmere Oil Terminal has such consent for the site. The presence of HSCs on a site is highly material when it comes to the consideration of planning applications within their vicinity. This is because the hazardous substances authorised to be used and stored in these locations carry inherent risk of major accidents which typically extend beyond the immediate site. Such risks are managed by the COMAH regime where applicable, but must also be considered from a land use planning perspective by the Health and Safety Executive ("HSE") and this policy does not provide protection of the Tranmere Oil Terminal's Top Tier COMAH status.

Part F of this policy provides that the Tranmere Oil Terminal will "*normally be safeguarded from non-port development*".

Part G goes on to set out the circumstances in which non-port development may be permitted. Such development is required to meet criterion 1 and either criterion 2 or 3. Criterion 1 simply provides that the developer would be required to demonstrate that "*consideration has been given to the future needs of the Port*".

Whilst on the face of it this would include Tranmere Oil Terminal, this is in the context of its role in the Port and not, for example, requiring the developer to have had regard to the future needs of the Tranmere Oil Terminal in terms of changes to quantity or type of hazardous substances to be held on the site (i.e. its status as a Top-Tier COMAH site).

Crucially, the use of 'or' between criterion 2 and criterion 3 is problematic. This effectively allows development which would unacceptably prejudice the continued operations of Tranmere Oil Terminal (or indeed any other part of the Port) where the developer requires a coastal location and has demonstrated that it has given 'consideration' to the Port's future needs. This is not acceptable, or indeed safe.

For the above reasons, we do not consider that the draft Policy meets the NPPF soundness tests in terms of being justified or consistent with national policy.

In terms of modifications to make this policy legally compliant and meeting the soundness tests, it is our position that the Council would need to demonstrate that in seeking to make such policy, it has had regard to the Tranmere Oil Terminal not just as of importance to the Port, but as an Upper Tier COMAH site classified as Critical National Infrastructure and to build in specific provisions to be met in order to ensure the protection of people within this location and well as protect the Terminal itself from development around it which may prejudice its operations.

Our suggested modifications to the policy are outlined below in red.

The Port and Maritime Zone

*Port Related Uses*

D. Proposals to continue the sustainable development of the Ports will be supported. In particular, development requiring a port location, including related supply chain activities and improvements to the accessibility of the ports by low carbon modes of transport, will be supported.

E. Port and marine-related proposals requiring approval from the Local Planning Authority will be permitted within the port and maritime zone shown on the Policies Map, where they:

1. make effective use of existing port infrastructure and/or associated rail facilities; and

2. are accessible to the Key Route Network; and
3. minimise the visual impact on the surrounding area and the amenity of neighbouring users including cross river, including through the use of routing protocols for traffic to and from the development; and
4. contribute towards the reduction of greenhouse gas emissions, through the more efficient use of rail and water transport; and
5. can demonstrate there will be no adverse impact on, water quality, morphology as identified in the North West River Basin Management Plan, or on designated European Sites or their supporting and functionally linked habitats, or on Sites of Special Scientific Interest; and
6. any adverse impact on heritage assets, neighbouring uses and the environment can be mitigated.
7. Do not prejudice or conflict with the continued and future operation of the Tranmere Oil Terminal site and its associated infrastructure.

*Safeguarding Port-Related Development & Infrastructure*

F. The Port and Maritime Zones shown on the Policies Map, at Alfred Dock and Twelve Quays (DKS-SA2.1), Port West, West Float, Birkenhead (DKS-SA2.2), Cammell Lairds Shipyard (DKS-SA2.3), Tranmere Oil Terminal (DKS-SA2.4), Port Wirral, Eastham (DKS-SA4.1), Bromborough Wharf, Dock Road South (DKS-SA4.2) and Carmet Marine, Bromborough (DKS-SA4.3) will normally be safeguarded from non-port related development.

G. Non-port related development will only be permitted within the safeguarded area if it can be demonstrated that:

1. consideration has been given to the future needs of the Port; and
2. the continued operations of the Port would not be unacceptably prejudiced; ~~or~~ and
3. they do not prejudice or conflict with the continued and future operation of the Tranmere Oil Terminal site and its associated infrastructure.
4. ~~the development requires a coastal location.~~

H. At Port West (DKS-SA2.1), where a site has been in port-related use, development within Use Class B2 or B8 will be permitted within the safeguarded area if it can be demonstrated that:

1. consideration has been given to the future needs of the Port; and
2. the continued operations of the Port would not be unacceptably prejudiced

*Paragraph 3.86 to 3.1*

Essar made representations at regulation 19 stage seeking some changes to paragraphs 3.86 and 3.87, which identify key parts of the Port, should explicitly reference that the Tranmere Oil Terminal:

- has an annual throughput exceeding 11 million metric tonnes;

- is critical to the operation of the Stanlow Oil Refinery (which is part of the Stanlow Manufacturing Complex, located along the banks of the Manchester Ship Canal, which produces approximately 16% of road fuels used in the UK as well as a wide range of aviation fuels, shipping fuels and other oil-based feedstocks for the plastics and other industries, also operated by Essar); and
- is key to the future use of the Port in the delivery of energy transition infrastructure as part of the energy transition to low carbon renewable fuels.

Paragraph 3.91 should explicitly recognise and protect the Tranmere Oil Terminal's Top Tier COMAH status in addition to its importance as part of the docks and related businesses, as well as cross referring to Policy WD 16.2, which addresses proposed development near hazardous installations.

*Paragraph 3.106*

In the context of safeguarding, this text should also have regard to the Tranmere Oil Terminal's status as Critical National Infrastructure.

*Paragraph 5.14 to 5.19*

Paragraph 5.15 should also acknowledge that the Tranmere Oil Terminal is crucial to the operation of the Stanlow Oil Refinery.