

Date: 24 June 2019  
Your Ref: 01.08.10.04/462C  
Our Ref: 2746F



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Dear Mr Pridham,

**THE ELECTRICITY ACT 1989 (AS AMENDED) – SECTION 36C ‘VARIATION OF CONSENTS UNDER SECTION 36’**

**TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED)**

**THE ELECTRICITY GENERATING STATIONS (VARIATION OF CONSENTS) (ENGLAND AND WALES) REGULATIONS 2013**

**GATEWAY ENERGY CENTRE (GEC), THE MANORWAY, STANFORD-LE-HOPE, ESSEX SS17 9PD**

We write on behalf of Gateway Energy Centre Limited (‘GECL’) (‘the Company’) in connection with the consent (ref: 01.08.10.04/462C) granted under Section 36 of the Electricity Act 1989 (‘the 1989 Act’) by the Secretary of State for Energy and Climate Change on 4 August 2011 (‘the Original Consent’) to construct and operate a combined cycle gas turbine (‘CCGT’) generating station, known as Gateway Energy Centre (‘GEC’), at The Manorway, Stanford-Le-Hope, Essex (‘the Site’), as shown outlined in red on drawing 63114-PBP-0025. The Original Consent was subsequently varied on 18 November 2014 (‘the 2014 Varied Consent’) and 3 August 2016 (‘the 2016 Varied Consent’) under Section 36C of the 1989 Act such that the 2016 Varied Consent is the Section 36 Consent for GEC.

By this letter and accompanying documents, GECL, being the person entitled to the benefit of the Section 36 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, GECL 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 August 2016 also be varied.

**Overview of the GEC Section 36 Consent history**

The Original Consent for GEC allowed for the construction and operation of a 900MW CCGT generating station at the Site.

The 2014 Varied Consent varied the Original Consent to increase the permitted generating capacity to up to 1250MW. This was in response to advances in gas turbine technology and the availability of more efficient CCGT units and the economic and environmental benefits of being able to deploy such units.

The 2016 Varied Consent maintained the permitted generating capacity of 1250MW but introduced optionality to allow for two alternative technology options for the power generation units, namely option (i) up to two CCGT units or option (ii) one CCGT unit and one or more open cycle gas turbine (‘OCGT’) units (with the OCGT unit(s) having a combined output of less than 300MW). This was to provide greater flexibility by allowing two technology options. The 2016 Varied Consent also extended the time limit for commencement of the development for a further 5 years.

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## Overview of the proposed variations subject of the 2019 Variation Application

In summary this application ('the 2019 Variation Application') seeks to further vary the Section 36 Consent (and deemed planning permission) to:

- A. Amend the description of development to retain the permitted generating capacity of 1250MW but to allow, within Development Option (ii), for the incorporation of a Battery Energy Storage System (BESS) with a rated electrical output of up to 320MW;
- B. Allow a different and smaller area of land to be safeguarded for future carbon capture equipment should Development Option (ii) be progressed, compared to the larger area of land associated with development option (i);
- C. Further extend the time limit for commencement of the development to the end of 2023; and
- D. Better allow for a phased development of GEC by including a new condition to require a phasing scheme to be submitted and approved and by varying other conditions to specify where relevant that certain conditions only apply to a specific phase and not to other phases and that that under certain conditions the approval of details may be applied for and granted on a phase-by-phase basis.

The 2019 Variation Application relates to the same site as the current Section 36 Consent as shown on drawing 63114-PBP-0025 which is provided with the application.

Further information to explain the 2019 Variation Application is provided within the 'Gateway Energy Centre Environmental Statement Further Information Document, dated June 2019 ('the 2019 ES FID') which accompanies the application; a summary is provided below.

### ***Description of development***

The description of development as proposed under the 2019 Variation Application ('the Proposed Development') is as follows:

*"The Development shall be up to 1250 MW capacity and comprise:*

*(a) Either:*

*(i) Development Option (i), comprising up to two Combined Cycle Gas Turbine ("CCGT") units (including for each CCGT unit: a gas turbine; a heat recovery steam generator; steam turbine plant; and, associated equipment); or,*

*(ii) Development Option (ii), comprising:*

*(1) One CCGT unit with a rated electrical output of up to 630 MW (including: a gas turbine; a heat recovery steam generator; steam turbine plant; and associated equipment);*

*(2) one or more Open Cycle Gas Turbine ("OCGT") units with the OCGT units having a combined rated electrical output of less than 300 MW<sup>1</sup> (including for each OCGT unit: a gas turbine; and, associated equipment); and*

*(3) a BESS with a rated electrical output of up to 320 MW (including:*

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<sup>1</sup> 300 MW refers to the OCGT(s) and not the CCGT and the OCGT(s)".

*batteries; associated enclosures; control and protection systems; temperature control systems; and, power conversion systems).*

- (b) air cooled condensers and auxiliary cooling;*
- (c) gas receiving facility;*
- (d) one or more electrical switchyards;*
- (e) ancillary plant and equipment; and*
- (f) the necessary buildings (including administration offices) and civil engineering works...*

In summary the 2019 Variation Application proposes to amend the description of the Proposed Development to allow for a BESS to also be developed under Development Option (ii). This is in response to the potential that BESS technologies offer to support the UK's electricity transmission and distribution network system, including in terms of decarbonisation. BESS support the integration of renewable energy technologies by enabling electricity to be generated and stored from these sources during times of low demand and /or during favourable generating conditions and electricity to be discharged during times of peak demand.

The BESS (as proposed under Development Option (ii)) would have an output of 320MW with a 4-hour discharge capability (1.3 GWh). In a UK context, recent statistics indicate that the UK currently has 3300 MW of operational storage capacity (including hydro projects), with 450 MW being operational large-scale (>1 MW) battery storage. Within this context, a BESS with a rated electrical output of up to 320 MW represents approximately 10% of total operational storage capacity and just over approximately 70% of operational large-scale battery storage capacity, and would be enough capacity to fully charge 32000 electric vehicles.

In order to maintain the total permitted generating capacity of the Proposed Development of 1250MW the 2019 Variation Application proposes that the CCGT component of Development Option (ii) is amended to 'up to 630MW'. The capacity of the OCGT component of Development Option (ii) is proposed to remain as per the current Section 36 Consent of 'less than 300MW'. The retention and variation of two Development Options is considered to provide greater flexibility.

#### ***Carbon capture land***

The Section 36 Consent at condition 4(4) requires that land for carbon capture equipment remains available as long as necessary. This land is identified on Figure 3-B (annexed to the Section 36 Consent) and comprises an area of 4.7 hectares based on the maximum permitted generating capacity of the CCGT units.

The 2019 Variation Application proposes that an alternative and smaller area of land be safeguarded for carbon capture equipment under Development Option (ii), compared to the original larger area of land associated with Development Option (i). This is due to the reduced capacity of the CCGT component of the Proposed Development in Development Option (ii). This means that once GECL/the Company notifies the SoS and Thurrock Borough Council which one of the Development Options has been selected, as required by condition 4(1A), an appropriate area of land for carbon capture equipment for the selected Development Option is safeguarded.

#### ***Time limit for commencement***

The 2016 Varied Consent extended the time limit for commencement and GECL is requesting a further extension of approximately 29 months under this 2019 Variation Application. The UK Government's Capacity Market is currently suspended and the extension of time will increase the prospects of securing such a Capacity Market award once the suspension is lifted (anticipated by the end of 2019 with Auctions

earmarked for Q1 2020); as well reflecting the inherent complexities with and associated timescales for delivering a project of this nature.

### **Phasing**

The Section 36 Consent already contemplates that the development may be carried out in phases, namely at condition 8(vii) ('layout and design') of the deemed planning permission which requires a scheme for the phasing of works to be submitted and approved.

In recognition that proposed Development Option (ii) comprises three distinct technology components which would each participate as a separate project in the Government's Capacity Market Auctions, the 2019 Variation Application seeks to better allow for a phased development of GEC by ensuring there is flexibility for each component to comprise a separate phase of development, if required, by:

- Adding a new condition to require a scheme for the phasing of the Proposed Development to be submitted and approved;
- Amending certain conditions so that they only apply to specific phases of the Proposed Development and not others; and
- Amending certain conditions so that the approval of details may be applied for and granted on a phase-by-phase basis.

Flexibility to carry out Development Option (ii) in phases is important for competitive participation in UK Capacity Market Auctions, to assist with project financing and ultimately to ensure project delivery.

### **Content of the 2019 Variation Application**

The documents accompanying this letter include the information required to be provided in a variation application by regulation 3 of The Electricity Generating Stations (Variation of Consents) (England and Wales) Regulations 2013 ('the 2013 Variation Regulations') (see Document 2), as listed below.

Two hard copies of Documents 1-13 are provided and all documents (including Document 14) are provided electronically on 4x USB drives.

1. Application Covering Letter (this letter)
2. Schedule 1: Compliance with Reg. 3 of the 2013 Variation Regulations
3. Schedule 2: Proposed Consultees (2019)
4. (A) Application Site Plan (63114-PBP-0025) and (B) Site Location Plan: 2746\_DWD\_001
5. Original Consent and the deemed planning permission granted 4 August 2011 (ref: 01.08.10.04/462C)
6. The 2014 Varied Consent and deemed planning permission – Granted 18 November 2014 (ref: 01.08.10.04/462C)
7. The 2016 Varied Consent and deemed planning permission / the Section 36 Consent – Granted 3 August 2016 (ref: 01.08.10.04/462C)
8. The 2019 Application proposed variation to the Section 36 Consent and deemed planning permission – Track Change Document
9. The 2019 Application proposed variation to the Section 36 Consent and deemed planning permission – Clean Version
10. Gateway Energy Centre Environmental Statement Further Information Document (June 2019) – including:

- 10a. Gateway Energy Centre 2019 Updated Flood Risk Assessment (June 2019) (Appendix A)
  - 10b. the Gateway Energy Centre 2019 Transport Report Addendum (June 2019) (Appendix B)
11. Gateway Energy Centre Non-Technical Summary of the Environmental Statement - Further Information Document (June 2019)
  12. Gateway Energy Centre Updated CCR Feasibility Study (June 2019), including:
    - 12a. Carbon Capture Readiness 'CCS Site for Development Option (i)' Plan Ref. 1620002349-018-00004; and
    - 12b. Carbon Capture Readiness 'CCS Site for Development Option (ii)' Plan Ref. 1620002349-018-00005
  13. Draft Explanatory Memorandum (2019)
  14. Historic documents relating to the Gateway Energy Centre and associated development (see Table 1 of this letter)

**Table 1: historic documents relating to GEC and associated development**

APPLICATION	HISTORIC DOCUMENTS ON 2X USB DRIVES
Gateway Energy Centre (2016)	<ul style="list-style-type: none"> <li>• Environmental Statement Further Information Document (2016)*</li> <li>• Non-Technical Summary of the Environmental Statement Further Information Document (February 2016)</li> </ul> * Includes Transport Report Addendum (January 2016)
Gateway Energy Centre (2014)	<ul style="list-style-type: none"> <li>• Updated Environmental Statement Further Information Document (August 2014)</li> <li>• Non-Technical summary of the Updated Environmental Statement Further Information Document (August 2014)</li> <li>• Updated CCR Feasibility Study (August 2014)</li> <li>• Assessment of CCR Compliance with Proposed Gateway Energy Centre (August 2014)</li> </ul>
High Voltage Electrical Connection (Not subject to any variation request)	<ul style="list-style-type: none"> <li>• Environmental Report (November 2012)</li> <li>• Environmental Report Ecological Surveys Volume (November 2012)</li> <li>• Planning Permission Ref:12/01085/FUL granted 27 February 2013 by Thurrock Borough Council (now expired)</li> </ul>
Underground Gas Pipeline and Associated Above Ground Installation (Not subject to any variation request)	<ul style="list-style-type: none"> <li>• Environmental Statement (March 2011)</li> <li>• Non-Technical Summary of the Environmental Statement (March 2011)</li> <li>• Environmental Statement Further Information Document (July 2011)</li> <li>• Non-Technical Summary of the Environmental Statement Further Information Document (July 2011)</li> <li>• Planning Permission Ref:11/50286/TTGFUL granted 8 March 2012 by Thurrock Thames Gateway Development Corporation (now implemented)</li> </ul>

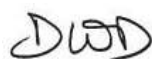
APPLICATION	HISTORIC DOCUMENTS ON 2X USB DRIVES
Gateway Energy Centre (2010)	<ul style="list-style-type: none"> <li>• Environmental Statement (February 2010)               <ul style="list-style-type: none"> <li>a) Non-Technical Summary</li> <li>b) Volume I: Main Text</li> <li>c) Volume II: Appendices</li> <li>d) Volume III: Figures</li> </ul> </li> <li>• Combined Heat and Power Assessment (February 2010)</li> <li>• Carbon Capture Readiness Feasibility Study (February 2010)</li> <li>• Design and Access Statement (February 2010)</li>   <li>• Environmental Statement Further Information Document (December 2010)               <ul style="list-style-type: none"> <li>a) Non-Technical Summary</li> <li>b) Main Text</li> <li>c) Figures</li> </ul> </li> <li>• Supplementary Combined Heat and Power Assessment (December 2010)</li> <li>• Transport Report (December 2010)</li> <li>• Supplementary Flood Risk Assessment (December 2010)</li> <li>• Revised Design and Access Statement (December 2010)</li> </ul>

In accordance with the July 2013 Guidance Note on varying consents granted under section 36 for generating stations in England and Wales, 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) that the Variation Application has been accepted as suitable for publication and place a notice in the London Gazette, and notices for two consecutive weeks in both the Thurrock Gazette and the Thurrock Enquirer.

Please will you kindly confirm receipt of this application. Should you have any queries regarding the enclosed please contact Jon Bowen ([jon.bowen@dwdllp.com](mailto:jon.bowen@dwdllp.com)) or Rob Booth ([rob.booth@dwdllp.com](mailto:rob.booth@dwdllp.com)) by email or telephone on 020 7489 0213.

Yours sincerely,



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