



**liverpool bay ccs**

# **Phase 2 Tranche C Supervening Event Reopener**

**February 2026**

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## 1. Executive Summary

This submission seeks Ofgem’s approval for a Change in Scope, under limb (c) of the Licence Change in Scope definition in Special Condition E1, to descope Phase 2 Tranche C (Runcorn Spurline) remaining development and execution activities from the Approved T&S Network. The request for cancellation follows DESNZ’s Track 1 Expansion announcement, [HyNet expansion: project negotiation list - GOV.UK](#), on 5th August 2025, which placed Viridor’s Runcorn Carbon Capture Project on the Standby list and therefore removed the Viridor Project from HMG’s current preferred configuration for the cluster.

LBCCS recognises that the Viridor Project may be redesignated as a Priority User at a later stage and will continue with the ongoing TCPA application and related activities until it reaches a conclusion. However, as no Priority project requires the Phase 2C infrastructure, LBCCS proposes to undertake no further activities at this stage. Proceeding with further development would not be consistent with the Licence’s requirement for economic, efficient, and effective development of the T&S Network under Standard Condition B1.

## 2. Project Overview

The LBCCS T&S system offers the opportunity for CO<sub>2</sub> emissions from industrial entities to be captured and permanently stored in three depleted Liverpool Bay stores previously used for hydrocarbon production.

The development project has been designed for an initial CO<sub>2</sub> storage capacity of 4.5 Million Tonnes per Annum (MTPA) with a long-term expansion capability of up to 10MTPA and store capacity of up to 190 MT.

The project is being delivered in Phases, the first of which commenced execution in April 2025 and aims to reach readiness for commercial operations in 2028.

The second phase is being delivered in Tranches and includes Phase 2 Tranche C.

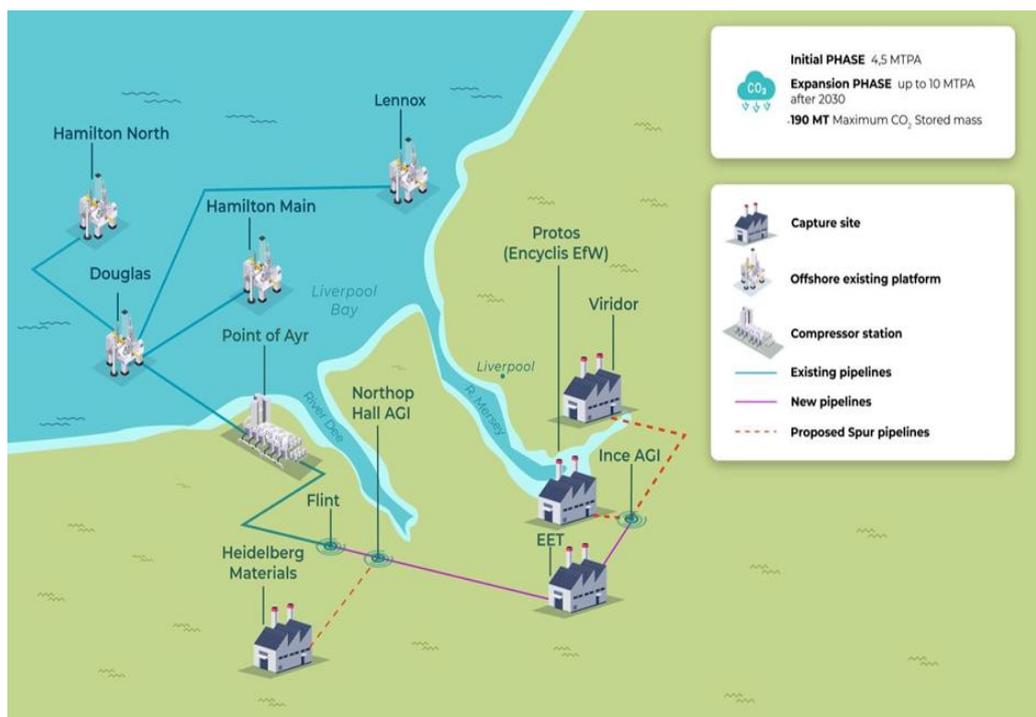


Figure 1 - Approved T&S Network

### 3. Phase 2 Tranche C - Current Approved Scope

Phase 2 Tranche C (Phase 2C) forms part of the Liverpool Bay Approved CO<sub>2</sub> Transport & Storage (T&S) Network, connecting the Viridor capture project to the main onshore pipeline.

At Licence Award, Viridor was designated as a Phase 2 User and was expected to require a Registered Capacity of 1.24 MTPA of the 4.5 MTPA capacity of the system, with an estimated connection date of June 2029.

The Licence defines the Phase 2C scope in section 3.2(h) of the Approved Project Development Plan also represented below, and includes:

- Onshore 20" pipeline from Runcorn AGI to Ince AGI (design flow: 3.00 MTPA / 95.13 kg/s)
- Fibre optic cable along the route
- Construction of Runcorn AGI and ancillary support systems
- Upgrades to Ince AGI
- Associated permitting, engineering, and commissioning activities

With

- A Scheduled Handover: June 2029
- A Scheduled Acceptance: as determined by Regulator under Schedule 10.

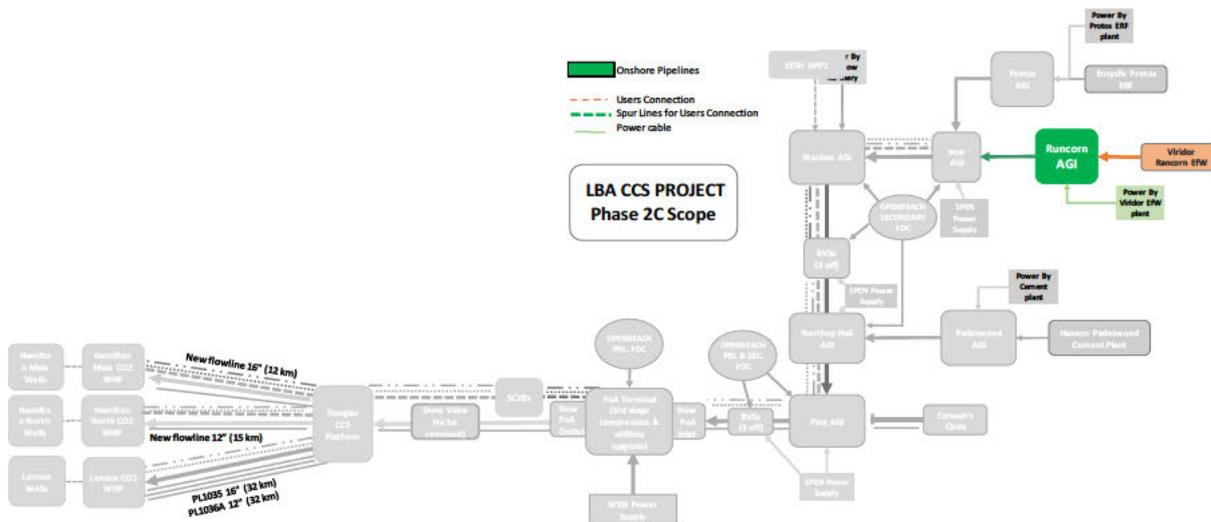


Figure 2 – Phase 2C Scope in Approved Project Development Plan

The Users configuration at Licence Award in April 2025 is indicated below:

User	Connection Point and Spurline	Phase	Anticipated Average Flow (MTPA)
Encyclis	Protos AGI & Spurline	Phase 1	0.43
EETH-HPP1	Stanlow AGI – no spurline	Phase 1	0.66
Heidelberg	Padeswood AGI & Spurline	Phase 2B	1.01
Viridor	Runcorn AGI & Spurline	Phase 2C	1.04
<b>All</b>			<b>3.44</b>

The **provisional estimates** for the delivery of those activities are outlined in the Financial Settlement Document (FSD):

- Ongoing Devex Allowances: £6.1M in base year values or £7.5M in nominal values of which £1.4M have been spent to date
- SRAV CAPEX (Construction & Commissioning) & Opex and Ongoing Capex: £96.7M in base year values, or £123.5M in nominal values, of which £0M have been spent to date.

#### 4. **Phase 2 Tranche C - Development Progress**

Since the approval of the Phase 2C at Licence Award in April 2025, LBCCS has progressed the related development activities in line with the Licence conditions, as follows:

- Issued the Invitation to Tender (ITT) for Engineering, Procurement & Construction (EPC) works in May 2025;
- Issued the ITT for the Company Provided Items (CPI) / Long Lead Items (LLI) in May 2025;
- Completed the non-statutory public consultation to support the proposed development;
- Completed and submitted two Town and Country Planning Act (TCPA) planning applications to Cheshire West & Chester Council (CWCC) and Halton Borough Council (HBC) on 3 July 2025, which were then validated by the respective Local Planning Authorities (LPA) on 8<sup>th</sup> July and 15<sup>th</sup> August 2025;
- Engaged with relevant consultees as applicable to support the planning applications and address any concerns or objections;
- Engaged with landowners, other interested parties, and their representatives on an as-required basis to avoid objections to the planning applications.

#### 5. **Changes in Circumstances - Rationale for Cancellation**

On 5th August 2025, the DESNZ Track 1 Expansion announcement introduced a new Priority/Standby classification for potential Users, redesignating Viridor's Runcorn Carbon Capture Project as a 'Standby' project, and thus not part of DESNZ's preferred configuration for the cluster. Two new projects were introduced, as 'Priority' to be connected to the T&S Network, with the Registered Capacity requirements of all Priority projects anticipated to fully-utilise Obligated Network Capacity.

The following aspects have been considered to support the cancellation of the Phase 2C scope as currently defined in the Licence:

- There is no other project on either the 'Priority' or 'Standby' list which would require the Phase 2 Tranche C infrastructure;
- User Forecast Changes – Viridor is not considered a Priority project by DESNZ, nor part of the preferred cluster configuration. The Priority projects are anticipated to fully-utilise the LBCCS Obligated Network Capacity;
- Cost Efficiency - Avoidance of significant capex for spurline and AGI works that do not deliver Value for Money given Viridor's redesignation as a Standby project;
- Programme Alignment - Delivery of Phase 1 and other Phase 2 tranches are not impacted;
- Regulatory Compliance – Change in Scope is permitted under Special Condition E1 and Schedule 10, subject to Regulator's approval.

Continuing Phase 2C works would risk significant regret costs and fail economic efficiency tests under Standard Condition B1 and is the primary reason for LBCCS submission of this CiS application.

## 6. **Actions Taken**

Considering the August 2025 announcement, and recognising that Viridor may connect to the Approved Network at a later stage, the following actions have been taken:

- [REDACTED]
- [REDACTED]
- Following engagement with DESNZ and in accordance with DESNZ preference, committed to continuing the TCPA planning applications with respective LPAs;
- [REDACTED]

## 7. **Proposal to Implement the potential Change in Scope**

Given the change in circumstances and recognising Viridor's status as a standby project and potential future User connecting to the T&S Network at a later stage, LBCCS proposes to continue some remaining key activities through 2026. These activities would support a future update to the Approved T&S Network, should Phase 2C be reintroduced, by progressing planning application and related stakeholder activities, including representation in the Cubico DCO process.

As part of implementing this Change in Scope, the Licensee plans to progress the following activities through 2026.

### 1. TCPA Planning Application

As agreed with DESNZ during September 2025 the Licensee will continue to support the Runcorn Spur Pipeline TCPA planning application and related activities until it reaches a conclusion.

Since the planning application is a TCPA, determination was expected within 16 weeks of submission and no longer than 26 weeks, therefore within Q4 2025. [REDACTED]

[REDACTED]

The Figure below indicates the extent and proximity of the Cubico Frodsham Solar Development in relation to the Runcorn Spur Pipeline proposed development, where:

- Red lines = Planning redline boundary (RLB) included the pipeline route and all required compounds and access roads.
- Green line shows the indicative pipeline route within the RBL.
- Blue area = the Cubico FSD solar arrays.
- Purple area = the Runcorn spur pipeline through the Cubico NMMBA Cell 3.



**Figure 3 – Runcorn Spur CO2 Pipeline and Cubico FSD.**

## 2. Engagement with Cubico Frodsham Solar Development DCO

As agreed with DESNZ in September 2025, the Licensee has registered as an interested party and is engaging with both Cubico and the Examining Authority (ExA) in the Cubico Frodsham Solar Development DCO, [REDACTED].

To date the Licensee has supported the DCO examination process by means of the following activities.

- Registered with the ExA as an interest party in the Cubico DCO examination
- Attended the Examination preliminary meeting remotely
- Attended the Issue specific Hearing remotely
- Attended the Open Floor Hearing remotely
- Submitted a response to examination Deadline No. 1
- Reviewed Cubico and Natural England's responses to Deadline No. 1
- Worked with Cubico to further develop the Statement of Common Ground (SoCG)

The Licensee will continue to support the DCO process through the following events and key milestones as applicable.

- Examination Deadline No. 3 – 28<sup>th</sup> January 2026
- Examination Deadline No. 3a – 17<sup>th</sup> February 2026
- Examination Deadline No. 4 – 5<sup>th</sup> March 2026
- Examination Deadline No. 5 – 26<sup>th</sup> March 2026
- Examination Deadline No. 6 – 22<sup>nd</sup> April 2026
- Examination Deadline No. 7 – 29<sup>th</sup> April 2026

### 3. Engagement with Standby Project

Regular interface meetings with Viridor.

### 4. Engagement with Department of Energy Security & Net Zero

Addressing DESNZ enquiries through to end December 2026.

[REDACTED]

### Cost breakdown of Phase 2C CiS Implementation

The below breakdown details costs from January 2026 through to end of December 2026 for the activities that will be required to implement this Change in Scope, mainly for the progression of planning consent related activities.

<b>Runcorn descoping implementation activities</b>	<b>Nominal Costs (£)</b>
1. TCPA Planning Application -Supporting the Runcorn Spur Pipeline TCPA application [REDACTED]	[REDACTED]
2. Engagement with Cubico FSD DCO Process - Supporting the Runcorn spur pipeline position with the Cubico FSL DCO through to the end of the DCO process [REDACTED]	[REDACTED]
3. Engagement with Standy User through 2026	[REDACTED]
4. Engagement with DESNZ addressing enquiries through 2026	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
<b>TOTAL CiS Implementation Cost (nominal)</b>	<b>£926,438</b>

## 8. Impact Assessment

In implementing the above proposal for descoping Runcorn, the following aspects have been analysed and the following impacts on the Licence have been identified:

- **T&S Network Infrastructure**- removal of Runcorn infrastructure from the Approved T&S Network outlined in the Approved Project Development Plan. Runcorn descoping has no impact on the operations of the T&S Network;
- **Revenue Calculation** – descoping Runcorn would result in no impact on the Revenue calculation, neither in changes to ex ante allowances, nor in changes to the cost sharing factor;
- **Licence Obligations** – descoping Runcorn would have no anticipated impact on the ability of the Licensee to perform its obligations under the Licence;
- **Targets & Output** – removing Viridor’s anticipated flow of 1.24 MTPA from the total average flow envisaged at Licence Award of 3.46 MTPA. As such, the T&S Network remaining average expected flow is expected to be 2.22 MTPA.

<i>User</i>	<i>Connection Point and Spurline</i>	<i>Phase</i>	<i>Anticipated Average Flow (MTPA)</i>
Encyclis	Protos AGI & Spurline	Phase 1	0.49*
EETH-HPP1	Stanlow AGI – no spurline	Phase 1	0.68**
Heidelberg	Padeswood AGI & Spurline	Phase 2B	1.05*
<b>All</b>			<b>2.22</b>

\* As reflected in signed Connection Agreements; \*\* As informed by the User

Given the total system capacity of 4.5 MTPA, the remaining 2.28 MTPA capacity is expected to be later filled by the Track 1 Expansion Priority Users, Evero and Uniper, subject to a separate CiS submission application;

- **Key Milestone Dates** – the Project schedule will no longer include the following Phase 2C key dates: Scheduled Phase 2C Handover Date (June 2029) and Scheduled System Acceptance Date (which were to be determined by the Regulator) following descoping Runcorn;
- **New Construction, Commissioning and Operations periods** – there are no such new periods required in relation to this potential CiS;
- **WACC** – descoping Runcorn would have no anticipated impact on the WACC;
- **Other** – there are no other amendments and/or modifications anticipated to be required to the Licence to reflect the impact of this potential CiS. The Obligated Network Capacity (4.74 MTPA) remains achievable without Phase 2C; no Priority User requires Phase 2C infrastructure; there are no adverse effect on Phase 1 or other Phase 2 tranches.

## 9. Proposed Amendments

The proposed amendments are attached, presented in red line. In summary:

- **APDP**: Phase 2C scope, construction activities and commissioning activities are removed – as outlined in Annex 1;
- **Technical Details Document**: Phase 2C Handover and System Acceptance scheduled dates and related obligations are removed – as outlined in Annex 2;
- **Financial Settlement Document**: Phase 2C related allowances are adjusted as outlined in Annex 3:
  - Ongoing Devex – the remaining allowances of £4.2m are removed;
  - SRAV Capex Construction & Commission and Ongoing Capex allowances of £96.7 are removed

Phase 2C Runcorn Spurline	Approved Allowance	Approved Allowances Nominal	Spent @ Dec '25 Nominal	CiS Implement. Nominal	Total Spend @ Dec '26 Nominal	Total Spend (@ Dec '26)	Remaining Allowance)
Devex (M£)	6.1	7.5	1.4	0.9	2.3	1.9	4.2
Capex (M£)	96.7	123.5	-	-	-	-	96.7

- **Schedule 10 (Licence):** Project-specific conditions related to Phase 2C are removed as outlined in Annex 4.

## 10. Requested Regulator Action

Ofgem is requested to approve this Change in Scope submission and issue a Licence modification following determination of the factors outlined in SC J2.9 to:

- Amend Approved Project Development Plan, Technical Details Document and Financial Settlement Document, and
- Update Schedule 10 of the Licence accordingly.

## **Annex 1 – APDP - Proposed Amendments**

## **Annex 2 – TDD - Proposed Amendments**

## **Annex 3 – FSD - Proposed Amendments**

## **Annex 4 – Schedule 10 - Proposed Amendments**

Approved Project Development Plan relating to the carbon dioxide transport and storage licence granted to Liverpool Bay CCS Limited (company number 13194018) (the "**Licensee**") pursuant to section 7 (as modified by section 16 and schedule 1) of the Energy Act 2023, relating to the "Liverpool Bay T&S" T&S Network (the "**Licence**")

## 1. ACRONYMS AND DEFINITIONS

1.1 In this APDP, where capitalised terms are also defined in the Licence, they will have the same meaning in this APDP and, unless otherwise defined within this APDP or the context otherwise requires, capitalised terms used in this APDP which are not also defined in the Licence shall have the following meaning:

<b>"AGI"</b>	means an above ground installation;
<b>"BVS"</b>	means a block valve station;
<b>"Douglas CCS Platform"</b>	means the surface facilities providing heating, pressure control and distribution of the full CO <sub>2</sub> flow and utilities support to Hamilton Main, Hamilton North and Lennox;
<b>"EET HPP1"</b>	means the Planned Initial User identified in row 4 of the Planned Initial Users table at section 4.1(b);
<b>"Encyclis Protos ERF"</b>	means the Planned Initial User identified in row 2 of the Planned Initial Users table at section 4.1(b);
<b>"Environmental Statement AGI Location Plan"</b>	means the Environmental Statement (Volume III) Above Ground Installations Location Plan HyNet Carbon Dioxide Pipeline DCO (Planning Act 2008; The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 – Regulations 5(2)(o); Document Reference Number D.2.10; Applicant: Liverpool Bay CCS Limited; Inspectorate Reference: EN070007);
<b>"Environmental Statement BVS Location Plan"</b>	means the Environmental Statement (Volume III) Block Valve Stations Location Plan HyNet Carbon Dioxide Pipeline DCO (Planning Act 2008; The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 – Regulations 5(2)(o); Document Reference Number D.2.7; Applicant: Liverpool Bay CCS Limited; Inspectorate Reference: EN070007);
<b>"First Group of Phase 2D Devex Activities"</b>	has the meaning given to it in section 3.2(l)(ii);
<b>"Flint AGI"</b>	means the multi-junction AGI at the location shown on drawing EN070007-D.2.10-LAY-Sheet 4 of the Environmental Statement AGI Location Plan where the new 36" pipeline connects to the 24" repurposed and extended P852 pipeline;
<b>"Flint-PoA Pipeline"</b>	has the meaning given in section 3.1(d)(i)(D);

<b>"Hamilton Main" or "HM"</b>	means the offshore wellhead platform receiving CO <sub>2</sub> for injection into the Hamilton Carbon Store (of which the jacket is repurposed);
<b>"Hamilton North" or "HN"</b>	means the offshore wellhead platform receiving CO <sub>2</sub> for injection into the Hamilton North Carbon store (of which the jacket is repurposed);
<b>"Hanson Padeswood"</b>	means the Planned Initial User identified in row 3 of the Planned Initial Users table at section 4.1(b);
<b>"Ince AGI"</b>	means the multi-junction AGI at the location shown on drawing EN070007-D.2.10-LAY-Sheet 1 of the Environmental Statement AGI Location Plan where CO <sub>2</sub> enters the T&S Network from <u>the Runcorn Spurline Encyclis</u> ;
<b>"Lennox"</b>	means the offshore wellhead platform receiving CO <sub>2</sub> for injection into the Lennox Carbon Store (of which the jacket is repurposed);
<b>"Licence"</b>	means the licence granted to the Licensee pursuant to section 7 of the Act;
<b>"Mechanical Completion"</b>	<p>is achieved when:</p> <p>(a) excluding any relevant Handover Punchlist Items:</p> <p>(i) construction of:</p> <p>(A) the Phase 1 Systems; or</p> <p>(B) any of the Phase 2 Systems</p> <p>(as the case may be), is complete in accordance with the requirements of this APDP and any other relevant Licence or Project-related requirements; and</p> <p>(ii) all inspections and testing undertaken in accordance with the requirements of this APDP of (as the case may be):</p> <p>(A) the Phase 1 Systems (which inspections and testing do not form part of the Commissioning Activities); or</p> <p>(B) any of the Phase 2 Systems (which inspections and testing do not form part of the relevant Phase 2 Commissioning Activities),</p> <p>have been satisfactorily completed; and</p>

- (b) in the case of:
- (i) the Phase 1 Systems, there are no construction related elements of the Phase 1 Systems which are outstanding which would have an adverse effect on the performance of the Commissioning Activities; and
  - (ii) any Phase 2 Systems, there are no construction related elements of such Phase 2 Systems which are outstanding which would have an adverse effect on the performance of the relevant Phase 2 Commissioning Activities;

<b>"NESO"</b>	means National Energy System Operator Limited (company number 11014226), which body is designated by the SoS as the ISOP (as such term is defined in the Act) in accordance with section 162(1) of the Act;
<b>"Northop Hall AGI"</b>	means the multi-junction AGI at the location shown on drawing EN070007-D.2.10-LAY-Sheet 3 of the Environmental Statement AGI Location Plan where CO <sub>2</sub> enters the T&S Network from the Padeswood Spurline;
<b>"Operations Readiness and Assurance Plan"</b>	means the operational readiness and assurance plan with document reference 000593_DV_CD.OPS.0274.000_00 CD01 provided by the Licensee prior to Licence Award;
<b>"Padeswood AGI"</b>	means the one-system entry AGI at the location where CO <sub>2</sub> enters the T&S Network from Hanson Padeswood shown at Exhibits C and D of Appendix A ( <i>Phase 2B and 2C pipeline routes</i> ) to schedule 10 ( <i>Project-specific conditions</i> ) of the Licence;
<b>"Padeswood Spurline"</b>	means the CO <sub>2</sub> pipeline connecting the Padeswood AGI to Northop Hall AGI;
<b>"Phase 1 Offshore Systems"</b>	means the elements of the Offshore Transportation and Storage System which form part of the Phase 1 Systems;
<b>"Phase 1 User"</b>	means a User that is scheduled in the Project Programme to supply CO <sub>2</sub> prior to the Commercial Operations Date;
<b>"Phase 2 Acceptance Punchlist Items"</b>	means, in respect of each of the Phase 2 Tranche A Commissioning Activities, Phase 2 Tranche B Commissioning Activities, <del>Phase 2 Tranche C Commissioning Activities,</del> Phase 2 Tranche D Commissioning Activities and Phase 2 Tranche E Commissioning Activities, any minor defects, deficiencies, or omissions which:

- (a) would not have an adverse effect on the operation of the relevant Phase 2 Systems if not rectified, resolved or completed prior to the relevant Phase 2 Acceptance; and
- (b) have been confirmed in writing as Phase 2 Acceptance Punchlist Items by the relevant Independent Certifier (acting in accordance with the relevant IC Deed of Appointment);

**"Phase 2 Handover Punchlist Items"**

means, in respect of each of the Phase 2 Tranche A Handover Works, Phase 2 Tranche B Handover Works, Phase 2 Tranche C Handover Works, and Phase 2 Tranche D Handover Works, any minor defects, deficiencies, or omissions which:

- (a) would not have an adverse effect on the safe performance of the relevant Phase 2 Commissioning Activities and/or safe operation of the relevant Phase 2 Systems if not rectified, resolved or completed prior to the relevant Phase 2 Handover; and
- (b) have been confirmed in writing as Phase 2 Handover Punchlist Items by the relevant Independent Certifier (acting in accordance with the relevant IC Deed of Appointment);

**"Phase 2 User"**

means a User that is listed as a Planned Initial User but is not a Phase 1 User;

**"Phase 2D Devex Activities"**

means any and all of the development-related activities included in the First Group of Phase 2D Devex Activities, the Second Group of Phase 2D Devex Activities and the Third Group of Phase 2D Devex Activities as more particularly described in section 3.2(l);

**"PLANC Register"**

means the relevant register of permits, licences, authorisations, notifications and consents;

**"PoA Terminal" or "PoA"**

means the compression plant that exports the CO<sub>2</sub> offshore to the Douglas CCS Platform distribution hub (of which the gas reception terminal is repurposed);

**"Protos AGI"**

means the multi-junction AGI (Planning Application reference 24/00777/FUL as decided and amended or as per any future Planning Applications which move the site to the west of the Encyclis Protos ERF site) where CO<sub>2</sub> enters the T&S Network from Encyclis Protos ERF;

**"Runcorn AGI"**

means the multi-entry AGI at the location where CO<sub>2</sub> enters the T&S Network from Viridor (Runcorn) shown at Exhibits A and B of Appendix A (Phase 2B and 2C pipeline routes) to schedule 10 (Project specific conditions) of the Licence;

<b>"Runcorn Spurline"</b>	means the CO <sub>2</sub> pipeline connecting the Runcorn AGI to the Ince AGI;
<b>"Safety Instrument Functions"</b>	means logic driven operations built into the control of equipment that takes the equipment from a hazardous situation to a safe state;
<b>"Second Group of Phase 2D Devex Activities"</b>	has the meaning given to it in section 3.2(l)(iii);
<b>"SPEN"</b>	means ScottishPower Energy Networks;
<b>"Stanlow AGI"</b>	means the multi-junction AGI at the location shown on drawing EN070007-D.2.10-LAY-Sheet 2 of the Environmental Statement AGI Location Plan where CO <sub>2</sub> enters the T&S Network from EET HPP1;
<b>"Third Group of Phase 2D Devex Activities"</b>	has the meaning given to it in section 3.2(l)(iv);
<b>"Track 1 Expansion Users"</b>	means the potential Future Users to be identified as part of the CCUS deployment track 1 expansion referred to in the notice entitled " <i>Carbon capture, usage and storage (CCUS) deployment: Track-1 expansion: HyNet cluster</i> " <sup>1</sup> issued on 20 December 2023;
<b>"Transferred Assets"</b>	has the meaning given to that term in the Asset Transfer Agreement;
<b>"T&amp;S Network Portal"</b>	has the meaning given to that term in the CCS Network Code; and
<b>"Viridor (Runcorn)"</b>	means the Planned Initial User identified in row 1 of the Planned Initial Users table at section 4.1(b).

## 2. OVERVIEW OF THE PROJECT

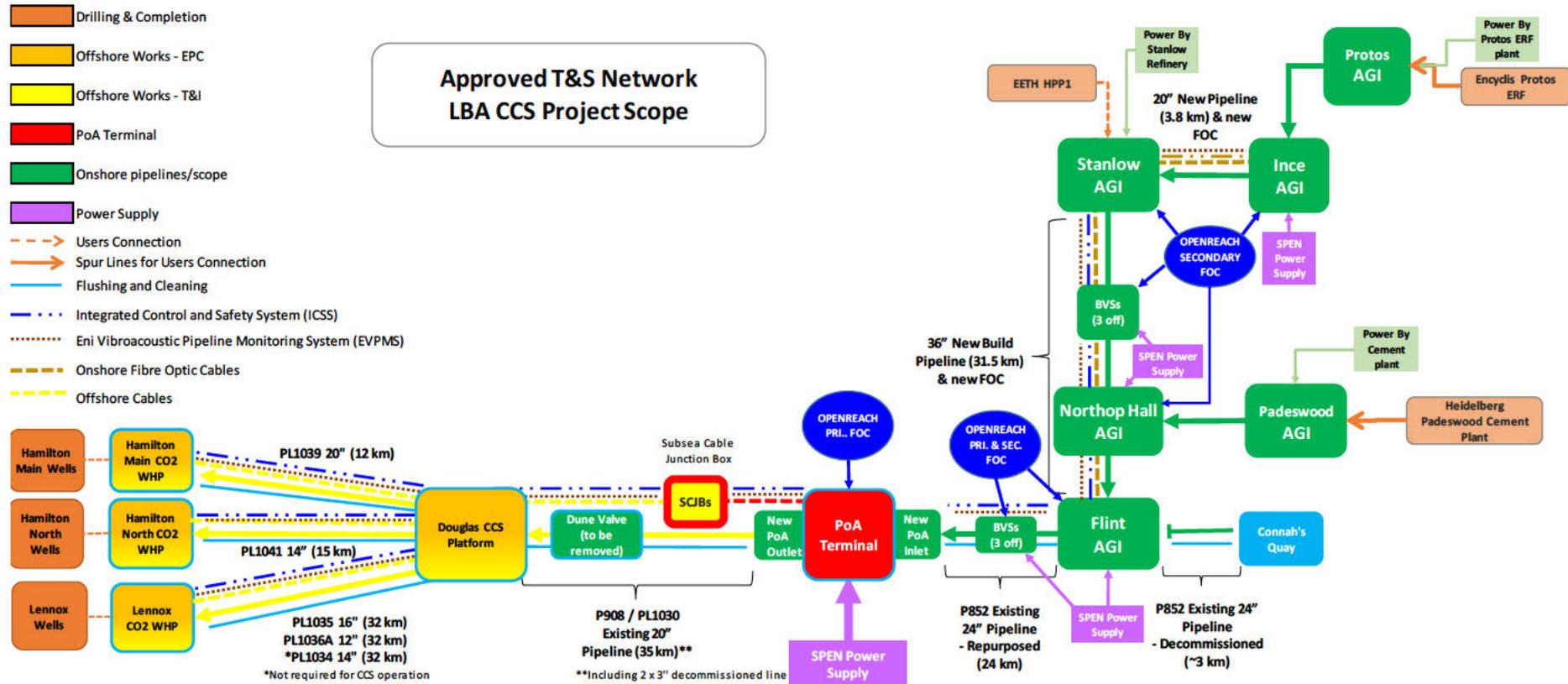
- 2.1 The Project includes all works and activities being undertaken by the Licensee to deliver the T&S Network required for the geological storage of the CO<sub>2</sub> captured by the Users of the T&S Network.
- 2.2 The T&S Network provides for the transportation and storage of 4.74 MTPA (150.30 kg/s) of CO<sub>2</sub> required for the Planned Initial Users and the Track 1 Expansion Users.
- 2.3 CO<sub>2</sub> captured and metered by the Users will be transported to the PoA Terminal through an Onshore Transportation System that includes a main trunkline system and spurlines originating from the Users.
- 2.4 From the PoA Terminal, the CO<sub>2</sub> will be transported offshore through the Offshore Pipeline Infrastructure and distributed to the injection facilities.

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<sup>1</sup> Carbon capture, usage and storage (CCUS) deployment: Track-1 expansion: HyNet cluster - GOV.UK ([www.gov.uk](http://www.gov.uk))

- 2.5 The CO<sub>2</sub> will be injected into, and stored in, three T&S Storage Sites, as described in Annex A to Section A of the Licence.
- 2.6 The Project will be delivered as described in this APDP, including:
- (a) Phase 1 Activities which are set out in section 3.1; and
  - (b) Phase 2 Activities which are set out in section 3.2, and will be divided into ~~five~~ four Phase 2 Tranches as described further in section 3.2(b).
- 2.7 As at Licence Award, there are no Development Activities.
- 2.8 The development of the Approved T&S Network is planned in phases (with tranches of work/activities within each phase), and is premised on an equal re-pressurisation of the three reservoirs within the T&S Storage Sites over the Project operational life:
- (a) CO<sub>2</sub> will initially flow directly into the reservoirs within the T&S Storage Sites whilst reservoir pressures and flow rates are low.
  - (b) Subsequently, intermediary compression at PoA is required.
  - (c) At a later stage it may be necessary for the facilities to be upgraded to allow the offshore section of the Approved T&S Network to be converted to dense phase flow. The timing of this upgrade will be dependent on a number of factors, including reservoir pressure.
  - (d) The conversion to dense phase forms Phase 2 Tranche D, which is further described in section 3.2(b)(iv).

Figure 1: Approved T&S Network\*, as amended by this Phase 2C Supervening Event Reopener



\* This diagram is illustrative only

Note: Consolidated documents are not formal Public Register documents and should not be relied on. Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited - Consolidated to 15 January 2026

- 2.9 The Phase 2 Activities will be undertaken in ~~five~~ **four** tranches, as more particularly described in section 3.2.
- 2.10 There are four Planned Initial Users, which Users are located in Cheshire or Northeast Wales.
- 2.11 As at Licence Award, it is anticipated that, once connected to the Approved T&S Network, the Planned Initial Users will have flow rates as follows:

User	Anticipated average flow rate (MTPA)
Viridor (Runcorn)	1.04
Encyclis Protos ERF	0.4349*
Hanson Padeswood	1.0105*
EET HPP1	0.6668**

*\* As reflected in signed Connection Agreements*

*\*\* As updated by the User*

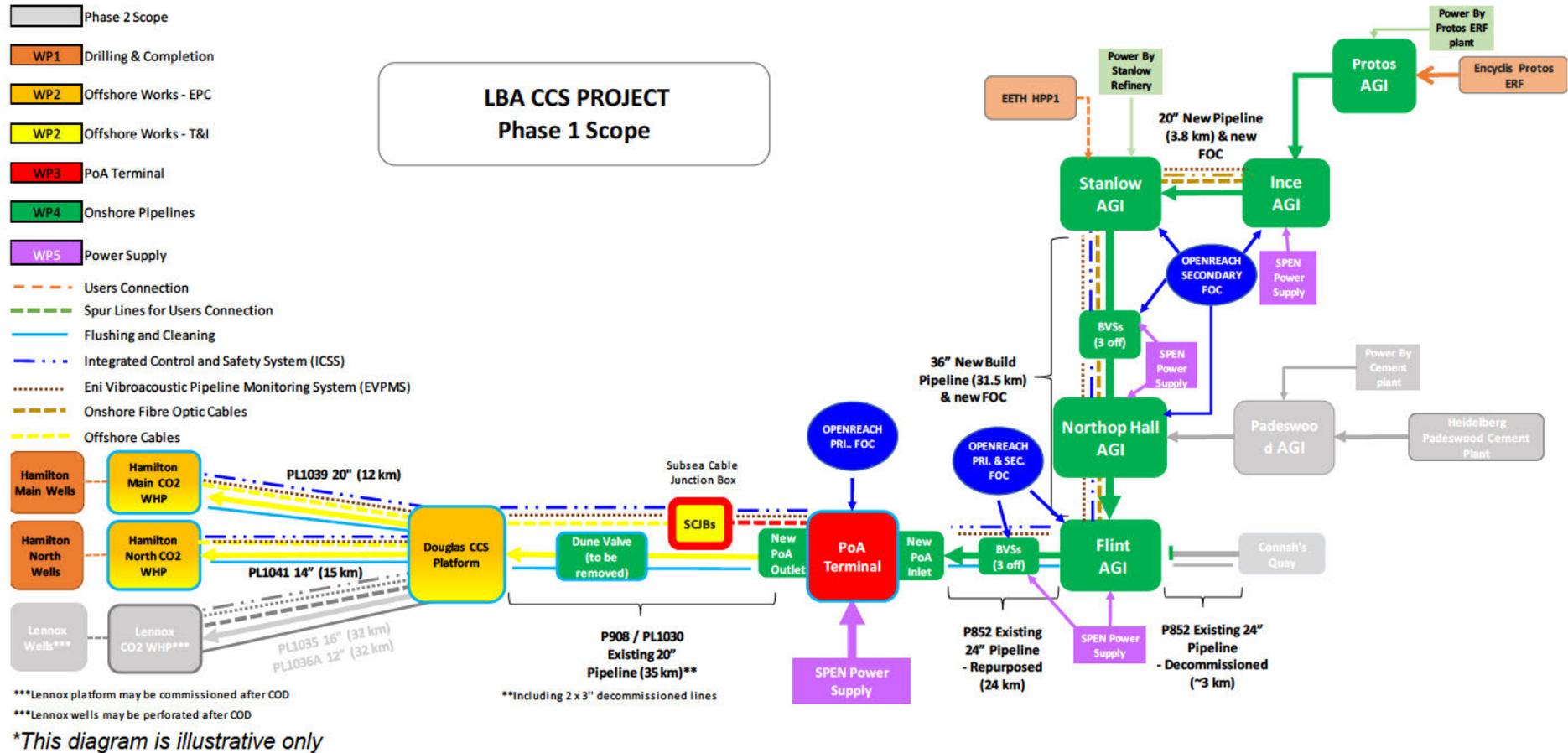
### 3. SCOPE OF THE APPROVED T&S NETWORK

The Approved T&S Network comprises the works and activities required for the transportation and storage of 4.74 MTPA (150.30 kg/s) of CO<sub>2</sub> from the Planned Initial Users as set out in this section 3.

#### 3.1 Phase 1 Activities

- (a) Phase 1 Activities comprise the Handover Works and the Commissioning Activities, being in each case works and activities which are scheduled in the Project Programme to be carried out during the Construction Period and/or Commissioning Period, with associated SRAV Capex relating to the Approved T&S Network.
- (b) The Licensee's Phase 1 Activities scope is shown in the following diagram:

Figure 2: Phase 1 Scope\* as amended by this Phase 2C Supervening Event Reopener



Note: Consolidated documents are not formal Public Register documents and should not be relied on. Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited - Consolidated to 15 January 2026

- (c) Any references to operating conditions, performance standards, specified design, Project requirements and design flow assurance models in this section 3.1 where parameters are not fully defined at Licence Award will be further defined through the detailed design process and the fully developed requirements (as approved by the Regulator in accordance with Special Condition J3.10 (*Independent Certifier*) of the Licence) will apply following the conclusion of detailed design, and the provisions of this section 3.1 will be construed accordingly.
- (d) The "**Phase 1 Systems**", being the systems forming part of the Approved T&S Network to which the Phase 1 Activities relate, are as follows:
- (i) Onshore Transportation System:
- (A) onshore 36" pipeline from Stanlow AGI to Flint AGI suitable to convey a flow rate of 10.50 MTPA (332.95 kg/s);
  - (B) onshore 20" pipeline from Ince AGI to Stanlow AGI suitable to convey a flow rate of 2.50 MTPA (79.27 kg/s);
  - (C) onshore 20" pipeline from Protos AGI to Ince AGI suitable to convey a flow rate of 2.50 MTPA (79.27 kg/s);
  - (D) onshore 24" pipeline from Flint AGI to PoA Terminal suitable to convey a flow rate of 4.74 MTPA (150.30 kg/s) (P852 repurposed and extended) (the "**Flint-PoA Pipeline**");
  - (E) fibre optic cable ("**FOC**") along the 36" and 20" pipelines;
  - (F) five AGIs, being Ince AGI, Stanlow AGI, Northop AGI, Flint AGI and Protos AGI, and all ancillary support systems;
  - (G) three BVSs in the pipeline between Stanlow AGI and Northop Hall AGI, being:
    - (aa) the BVS at the location shown on the drawing entitled "Rock Bank BVS Location Plan" (drawing number EN070007-D.2.7-LAY-Sheet 1) on sheet 1 of the Environmental Statement BVS Location Plan;
    - (bb) the BVS at the location shown on the drawing entitled "Mollington BVS Location Plan" (drawing number EN070007-D.2.7-LAY-Sheet 2) on sheet 2 of the Environmental Statement BVS Location Plan; and
    - (cc) the BVS at the location shown on the drawing entitled "Aston Hill BVS Location Plan" (drawing number EN070007-D.2.7-LAY-Sheet 3) on sheet 3 of the Environmental Statement BVS Location Plan;
  - (H) three BVSs in the Flint-PoA Pipeline, being:
    - (aa) the BVS at the location shown on the drawing entitled "Cornist Lane BVS Location Plan" (drawing number EN070007-D.2.7-LAY-Sheet 4) on sheet 4 of the Environmental Statement BVS Location Plan;

- (bb) the BVS at the location shown on the drawing entitled "Pentre Halkyn BVS Location Plan" (drawing number EN070007-D.2.7-LAY-Sheet 5) on sheet 5 of the Environmental Statement BVS Location Plan; and
  - (cc) the BVS at the location shown on the drawing entitled "Barbell BVS Location Plan" (drawing number EN070007-D.2.7-LAY-Sheet 6) on sheet 6 of the Environmental Statement BVS Location Plan; and
  - (l) support elements, being infrastructure providing support to Encyclis Protos ERF's pipelines that connect to the Protos AGI, which infrastructure consists of pipe racks with minor structural steel and new build pipe bridges.
- (ii) PoA Terminal:
- (A) gas filtration;
  - (B) metering;
  - (C) three electrically driven two-stage centrifugal gas compressor trains suitable to reliably manage 4.74 MTPA (150.30 kg/s) in given operating conditions including 50% spare capacity;
  - (D) control room and integrated control and safety system;
  - (E) venting system;
  - (F) utilities (including emergency power generation, and compressor instrument air package); and
  - (G) electrical substation and new 33kV connection from SPEN;
- (iii) repurposed offshore pipelines:
- (A) 20" PoA Terminal to Douglas CCS Platform (P908/P1030) repurposed with confirmed achievable flow of 4.74 MTPA (150.30 kg/s) (and achievable flow of 10.53 MTPA (333.90 kg/s) in dense phase operation subject to the appropriate compression at PoA);
  - (B) 20" Douglas CCS Platform to HM (PL1039) repurposed with confirmed achievable flow of 4.25 MTPA (134.77 kg/s); and
  - (C) 14" Douglas CCS Platform to HN (PL1041) repurposed with confirmed achievable flow of 2.00 MTPA (63.42 kg/s);
- (iv) new subsea power and communications cables (1 x 33kV integrated with FOCs):
- (A) PoA Terminal to Douglas CCS Platform;
  - (B) Douglas CCS Platform to HM; and
  - (C) Douglas CCS Platform to HN;

- (v) Douglas CCS Platform including:
    - (A) helideck;
    - (B) two heaters performing a combined heating duty of 2.9 MW;
    - (C) pressure control;
    - (D) power transformers and electrical distribution; and
    - (E) risers;
  - (vi) Hamilton Main:
    - (A) new topsides including:
      - (aa) helideck;
      - (bb) two heaters performing a combined heating duty of 2.3 MW;
      - (cc) filtration;
      - (dd) metering;
      - (ee) power transformers and electrical distribution; and
      - (ff) riser; and
    - (B) four injection wells and one monitoring well (including drilling and completion, perforation and Xmas trees installation);
  - (vii) Hamilton North:
    - (A) new topsides including:
      - (aa) helideck;
      - (bb) one heater performing a heating duty of 0.8 MW;
      - (cc) filtration;
      - (dd) metering;
      - (ee) power transformers and electrical distribution; and
      - (ff) riser; and
    - (B) two injection wells, one monitoring well and one sentinel well (including drilling and completion, perforation and Xmas tree installation); and
  - (viii) Approved T&S Network-wide leak detection system (e-VPMS - Eni Vibroacoustic Pipeline Monitoring System).
- (e) The "**Handover Works**" include the following works and activities which relate to the Phase 1 Systems:
- (i) design and engineering of the Phase 1 Systems;

- (ii) execution planning of the Phase 1 Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;
- (iii) permitting the Phase 1 Systems - securing the approvals required to, as a minimum, construct and install the Phase 1 Systems, including any and all licences, permits, consents and approvals, including any regulatory and statutory approvals;
- (iv) fabrication, construction and installation of the Phase 1 Systems to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning, gauging and hydrotesting of any assemblies or equipment forming part of the Phase 1 System have been satisfactorily completed and documented in accordance with specified design and Project requirements;
- (v) **organisational readiness:**
  - (A) personnel recruitment and training relating to Phase 1 Activities are in progress and aligned with the Operations Readiness and Assurance Plan; and
  - (B) development and approval processes of operating procedures relating to Phase 1 Activities are in progress and aligned with the Operations Readiness and Assurance Plan;
- (vi) all drawings and documentation required for performance of the Commissioning Activities are modified in red-line mark-up;
- (vii) successful completion of the Mitigation Measures Preparatory Activities, being:
  - (A) the preparation of applications to the NSTA to amend (i) the Storage Permit relating to the Hamilton Carbon Store; and (ii) the Storage Permit relating to the Hamilton North Carbon Store to permit the Licensee to implement the Mitigation Measures, together with preparation and submission of all relevant studies, documents or other Supporting Information required by the NSTA, including the following activities:
    - (aa) flow assurance evaluation of proposed Mitigation Measures Systems and definition of maximum injection rate over time without exceeding facility and store pressure and temperature limits;
    - (bb) uncertainty analysis update for increased injection profiles;
    - (cc) geomechanical modelling;
    - (dd) fault stability analysis and reporting; and
    - (ee) agreement of a Carbon Storage Development Plan for each of the Hamilton Carbon Store and the Hamilton North Carbon Store with the NSTA;

- (B) submission of the Hamilton Storage Permit Addendum Application and the Hamilton North Storage Permit Addendum Application to the NSTA; and
- (C) all activities required to prepare (i) the draft Mitigation Measures Plan; and (ii) all other Supporting Information to be submitted to the Regulator accordance with paragraphs 3.3(c)(v) and 3.3(c)(vi) of schedule 10 (*Project-specific conditions*) of the Licence, including the following activities:
  - (aa) FEED to incorporate an additional injection well on each of the Hamilton Carbon Store and the Hamilton North Carbon Store:
    - (a) flowline design;
    - (b) weight assessment of each of the Hamilton Carbon Store and the Hamilton North Carbon Store, each with an additional injection well;
    - (c) layout definition in detailed design of Phase 1 Systems;
    - (d) preliminary quantitative risk assessment in detailed design of Phase 1 Systems;
    - (e) definition of long lead items; and
    - (f) update of detailed design of Phase 1 Systems, e.g. electrical load, I/O count to include additional injection well on each of the Hamilton Carbon Store and the Hamilton North Carbon Store;
  - (bb) preparation of draft drilling programme for the Hamilton Carbon Store fifth injection well and the Hamilton North Carbon Store third injection well;
  - (cc) procurement:
    - (a) initiate sourcing process for long lead items required before a Phase 2 Tranche A Uncertain Cost Event occurs; and
    - (b) initiate preliminary negotiations of variation orders with main contractors for Mitigation Measures Plan activities;
  - (dd) permitting requirements:
    - (a) where necessary, expansion of permits relating to the Phase 1 Systems to include an additional injection well on each of the Hamilton Carbon Store and Hamilton North Carbon Store; and
    - (b) identification of additional permits required in the event implementation of the Mitigation Measures Plan is required; and

- (ee) MMP schedule preparation:
  - (a) based on earliest forecast Phase 2 Tranche A Uncertain Cost Event; and
  - (b) based on 300-day longstop Phase 2 Tranche A Uncertain Cost Event; and
- (viii) preparation of a punchlist containing the Licensee's proposed Phase 1 Handover Punchlist Items.
- (f) Subject to section 3.1(g), the "**Commissioning Activities**" include the following works and activities which relate to the Phase 1 Systems:
  - (i) achievement of Handover, as determined by the Regulator under Special Condition F3.6(a) (*Handover Date*) of the Licence;
  - (ii) the rectification, resolution and/or completion of all Phase 1 Handover Punchlist Items and, where applicable, COD Readiness Punchlist Items;
  - (iii) the transfer to the Licensee of all Transferred Assets in accordance with the Asset Transfer Agreement, and securing that all assets relating to the Phase 1 Systems are in the ownership of the Licensee;
  - (iv) pre-commissioning of the Phase 1 Systems prior to the introduction of CO<sub>2</sub>, including:
    - (A) successful completion of site acceptance testing to the extent not completed as part of the Handover Works;
    - (B) successful completion of functional testing of all equipment forming part of the Phase 1 Systems including successful operational testing of utilities and of the process systems in closed loop with inert fluids;
    - (C) preparatory activities for CO<sub>2</sub> introduction into the Phase 1 Systems including dewatering, gauging, cleaning and pipeline drying, process lines leak testing and inerting, well barriers testing, first fill of pipelines and equipment with nitrogen;
    - (D) calibration of fiscal and allocation metering;
    - (E) successful completion of testing of all CO<sub>2</sub> specification monitoring systems, including shutdown of systems on detection of out of specification CO<sub>2</sub>;
    - (F) successful completion of testing of all venting facilities and other safety systems;
    - (G) energisation (where appropriate) of the Phase 1 Systems; and
    - (H) well perforation, installation and successful completion of testing of Xmas trees, and flowline hook-up in respect of the Phase 1 Systems;
  - (v) securing the following approvals required to, as a minimum, commission and operate the Phase 1 Systems, including any and all:
    - (A) licences;

- (B) permits;
  - (C) consents;
  - (D) approvals, including any and all regulatory and statutory approvals; and
  - (E) all relevant land agreements
- (vi) the following commissioning of the Phase 1 Systems:
- (A) super drying of the Phase 1 Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (B) first fill of pipelines and equipment forming part of the of the Phase 1 Systems with CO<sub>2</sub>;
  - (C) successful completion of functional testing of all equipment forming part of the Phase 1 Systems with CO<sub>2</sub>;
  - (D) successful completion of testing of all venting and safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body; and
  - (E) commissioning of process systems with process fluid;
- (vii) **organisational readiness:**
- (A) personnel recruitment and training relating to Phase 1 Activities are in progress and aligned with the Operations Readiness and Assurance Plan; and
  - (B) development and approval processes of operating procedures relating to Phase 1 Activities are in progress and aligned with the Operations Readiness and Assurance Plan;
- (viii) all drawings and documentation required for operations are modified in red-line mark-up;
- (ix) procurement, implementation and successful completion of testing of the information technology (IT) applications, databases and communication systems, including that of the T&S Network Portal in line with the requirements under the CCS Network Code;
- (x) successful completion of performance testing of the Phase 1 Systems to demonstrate at a minimum the following:
- (A) **wells:** well performance testing will include multi-rate testing on each well including start-up and shutdown with CO<sub>2</sub>. The performance testing is required to demonstrate that the wells which form part of the Phase 1 Systems:
    - (aa) can, in aggregate, accept the Planned Initial Users' peak instantaneous flow volumes; and

- (bb) are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year, i.e. across six wells are:
  - (a) proven by physical injection to be able to inject a minimum of 0.58 MTPA (18.39 kg/s) per well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates) and at least 0.20 MTPA (6.34 kg/s) per well; and
  - (b) predicted based on calibrated well models to be able to inject a minimum of 0.85 MTPA (26.95 kg/s) per Hamilton Carbon Store well on average and 0.50 MTPA (15.85 kg/s) per Hamilton North Carbon Store wells on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates) and at least 0.20 MTPA (6.34 kg/s) per well when the store conditions are 48bara at Hamilton Carbon Store and 51bara at Hamilton North Carbon Store;
- (B) **compression:** compression capacity of two online trains is at least 4.74 MTPA (150.30 kg/s) (this applies to all combinations, i.e. testing all three trains in different combinations). As part of the site acceptance testing, the compressor performance map shall be verified across the complete range of operating conditions. Control system shall be tested to demonstrate capacity of control. The performance testing is required to demonstrate the following:
  - (aa) performance testing to verify the complete compressor performance map, including 10% intervals between speed covering minimum turndown and max flow rate on ramp-up, ramp-down and for a warm ramp-up, in each case in recycle-mode:
    - (a) shutdown and retest of capacity tests to verify repeatability and no hysteresis; and
    - (b) running: 72hrs continuous test period;
  - (bb) operating performance:
    - (a) unpressurised condition start-up duration (i.e. replicating a cold start), re-start from the suction pressure based on normal operating procedures (i.e. replicating a warm/hot start);
    - (b) unit changeover tests to demonstrate ability to perform changeover of compressor trains without trip; and
    - (c) verifying functionality of Safety Instrument Functions within the control system performs the intended functions and tasks according to the design specifications and functional requirements with varying User flow rate;

provided that, where there is sufficient back pressure available within the Phase 1 Offshore Systems the compression tests

under this section 3.1(f)(x)(B)(bb) will be performed with forward-flow instead of full recycle-mode;

- (C) **onshore pipelines:** none of the onshore pipelines has blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates;
- (D) **offshore pipelines:**
  - (aa) PoA Terminal to Douglas CCS Platform offshore pipeline has no blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates and composition;
  - (bb) Douglas CCS Platform to HM offshore pipeline has no blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates and composition; and
  - (cc) Douglas CCS Platform to HN pipeline has no blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates and composition;
- (E) **the Approved T&S Network is capable of handling the expected flow perturbations and the control system operates within the operating envelope of the Approved T&S Network:**
  - (aa) **Phase 1 User shutdown/start-up:** no adverse impact on other Phase 1 User(s);
  - (bb) **loss of half injection capacity:** no constraint on Users beyond 3 hours;
  - (cc) **loss of one User:** no constraint on other User(s) beyond 3 hours;
  - (dd) **minimum injected volume required:** 31,000 tonnes; and
  - (ee) **minimum continuous flow:** 7 days injecting at least 0.20 MTPA (6.34 kg/s); and
- (F) successful completion of any such performance and operational testing as required to comply with Schedule 4 or Schedule 6 of the Construction Agreement(s) for the First User(s) and any other Phase 1 Users that will connect to the Approved T&S Network prior to the Commercial Operations Date; and
- (xi) preparation of a punchlist containing the proposed System Acceptance Punchlist Items.
- (g) Where the Licensee evidences to the Regulator's satisfaction that only one User is available to supply CO<sub>2</sub>, "**Commissioning Activities**" shall be construed to include:
  - (i) all works and activities which relate to the Phase 1 Systems and are set out in sections 3.1(f)(i) to 3.1(f)(viii) and section 3.1(f)(xi);

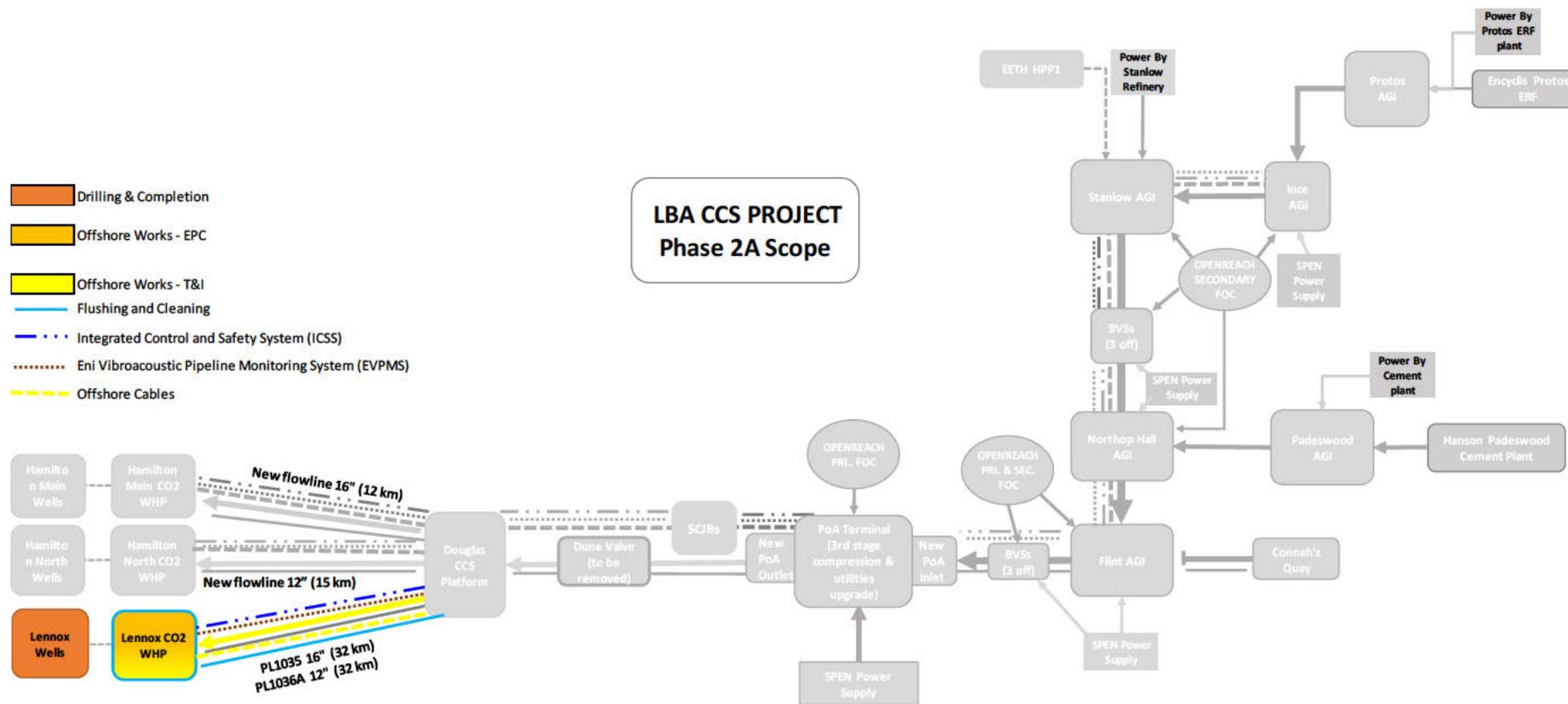
- (ii) successful completion of performance testing of the Phase 1 Systems to demonstrate at a minimum the requirements set out in section 3.1(f)(x), save that:
- (A) **wells:** section 3.1(f)(x)(A)(bb)(a) shall be adjusted such that the wells, i.e. across six wells, are proven by physical injection to be able to inject a minimum of:
- (aa) 0.58 MTPA instantaneous (18.39 kg/s) per well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates); or
- (bb) the maximum flow rate contributed by the relevant User and at least 0.20 MTPA instantaneous (6.34 kg/s) per well,
- provided that if at the time of testing User flows are not capable of providing 0.58 MTPA instantaneous (18.39 kg/s):
- (aa) section 3.1(f)(x)(A)(bb)(a) shall be adjusted such that the wells are proven by physical injection to be able to inject the actual instantaneous flow rates delivered by the User(s); and
- (bb) section 3.1(f)(x)(A)(bb)(b) shall be adjusted such that the wells are predicted based on calibrated well models to be able to inject a minimum of 0.58 MTPA (18.39 kg/s);
- (B) **compression:** section 3.1(f)(x)(B) shall be adjusted such that all compression tests will be performed in recycle; and
- (C) **the Approved T&S Network is capable of handling the expected flow perturbations and the control system operates within the operating envelope of the Approved T&S Network:** section 3.1(f)(x)(E) shall be adjusted such that:
- (aa) section 3.1(f)(x)(E)(aa) is disapplied such that the Phase 1 User shutdown/start-up test is not required; and
- (bb) section 3.1(f)(x)(E)(cc) is disapplied such that the loss of one User test is not required.
- (h) The **"COD Readiness Activities"** comprise:
- (i) the works and activities which relate to the Phase 1 Systems which are set out in sections 3.1(f)(i), 3.1(f)(iii) and 3.1(f)(iv)(A) to 3.1(f)(iv)(G);
- (ii) the rectification, resolution and/or completion of all Phase 1 Handover Punchlist Items;
- (iii) the works and activities which relate to the Phase 1 Systems which are set out in section 3.1(f)(v) to the extent that CO<sub>2</sub> is not required in order to obtain such licences, permits, consents and approvals;
- (iv) the works and activities which relate to the Phase 1 Systems which are set out in section 3.1(f)(vi); and

- (v) successful operational testing of utilities and of the process systems in closed loop with inert fluids under conditions as close as possible to standard operation of the Approved T&S Network.

### 3.2 Phase 2 Activities

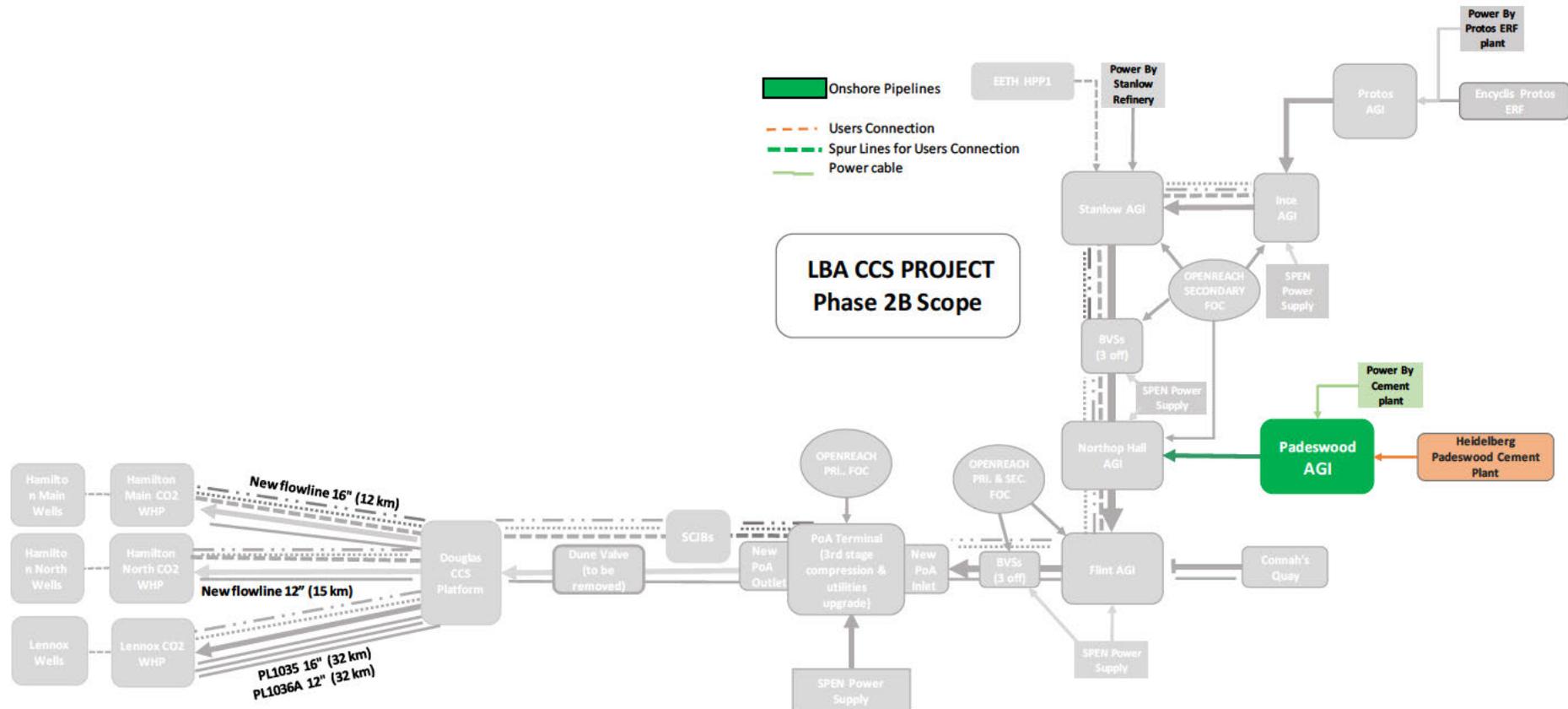
- (a) The Phase 2 Activities comprise the Phase 2 Handover Works and the Phase 2 Commissioning Activities, being in each case works and activities relating to the Approved T&S Network which shall secure the 4.74 MTPA (150.30 kg/s) long term capacity.
- (b) The Phase 2 Activities are divided into ~~five~~ **four** Phase 2 Tranches, as follows:
  - (i) **"Phase 2 Tranche A"**, being works and activities related to the Lennox Carbon Store, as more particularly described in sections 3.2(j)(ii) and 3.2(k)(ii);
  - (ii) **"Phase 2 Tranche B"**, being works and activities related to the Padeswood Spurline, as more particularly described in sections 3.2(j)(iii) and 3.2(k)(iii);
  - ~~(iii) **"Phase 2 Tranche C"**, being works and activities related to the Runcorn Spurline, as more particularly described in sections 3.2(j)(iv) and 3.2(k)(iv);~~
  - ~~(iv)~~**(iii) "Phase 2 Tranche D"**, being the conversion of the Offshore Transportation and Storage System to operate in dense phase at 4.74 MTPA (150.30 kg/s) design capacity, as more particularly described in sections 3.2(j)(v) and 3.2(k)(v); and
  - ~~(v)~~**(iv) "Phase 2 Tranche E"**, being works and activities related to Planned Initial Users other than the (i) First User(s) and (ii) Phase 2 Users to whom Phase 2 Tranche B ~~or Phase 2 Tranche C~~ applies ("**Other User(s)**"), as more particularly described in section 3.2(k)(vi).
- (c) The Licensee's Phase 2 Activities scope (excluding Phase 2 Activities which relate to Phase 2 Tranche E) is shown in the following diagrams:

Figure 3: Phase 2A Scope\* as amended by this Phase 2C Supervening Event Reopener



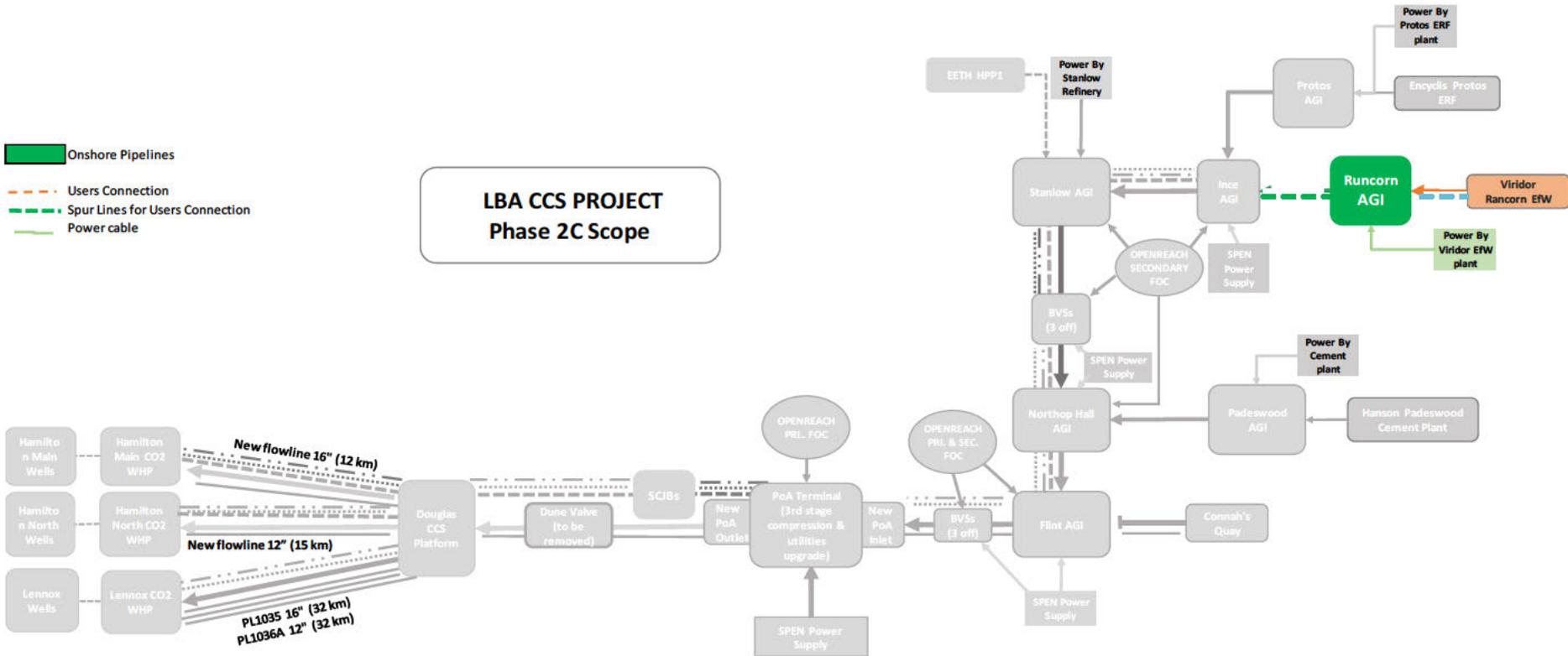
\*This diagram is illustrative only

Figure 4: Phase 2B Scope\* as amended by this Phase 2C Supervening Event Reopener



\*This diagram is illustrative only

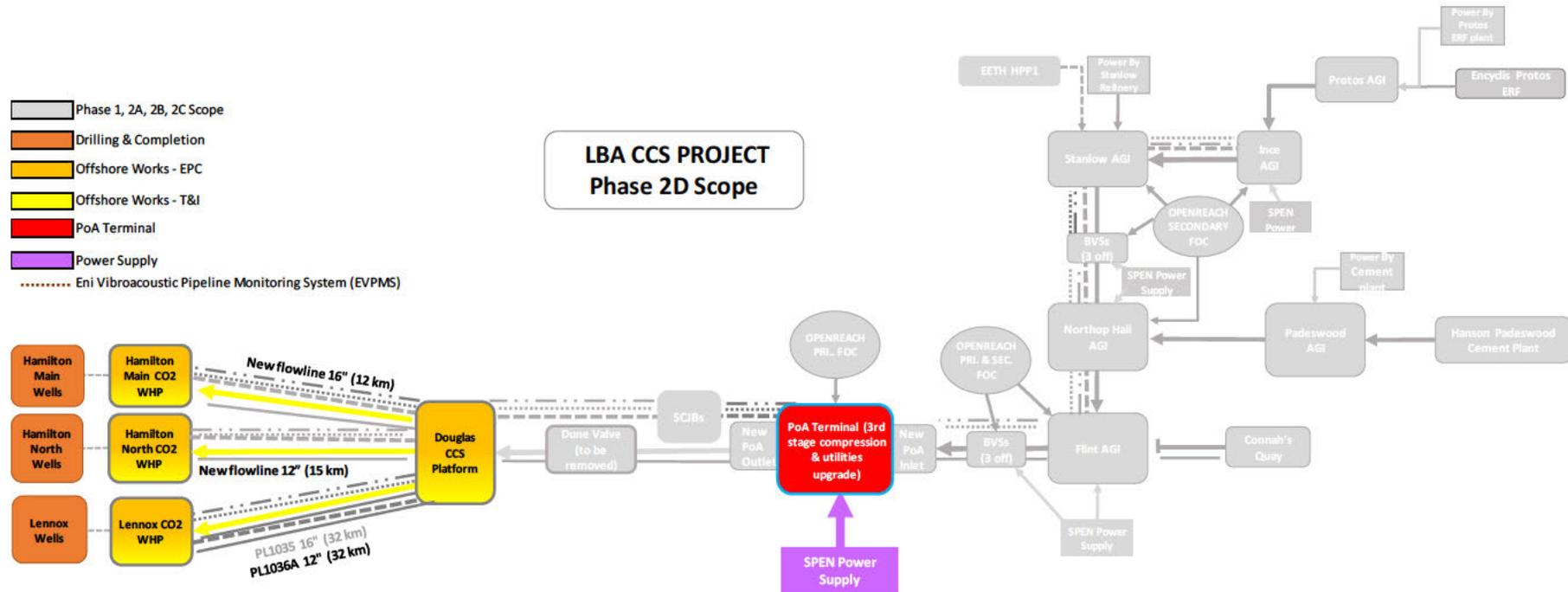
Figure 5: Phase 2C Scope\*



\*This diagram is illustrative only

Note: Consolidated documents are not formal Public Register documents and should not be relied on. Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited - Consolidated to 15 January 2026

Figure 6: Phase 2D Scope\* as amended by this Phase 2C Supervening Event Reopener



\*This diagram is illustrative only

- (d) Any references to operating conditions, performance standards, specified design, Project requirements and design flow assurance models in this section 3.2 where parameters are not fully defined at Licence Award will be further defined through the detailed design process and the fully developed requirements (as approved by the Regulator in accordance with Special Condition J3.10 (*Independent Certifier*) of the Licence) will apply following the conclusion of detailed design, and the provisions of this section 3.2 will be construed accordingly.
- (e) The "**Phase 2 Systems**" are any and all of the Phase 2 Tranche A Systems, the Phase 2 Tranche B Systems, ~~the Phase 2 Tranche C Systems~~ and the Phase 2 Tranche D Systems.
- (f) The "**Phase 2 Tranche A Systems**", being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche A relate, are as follows:
- (i) Lennox platform new topsides including:
    - (A) helideck;
    - (B) two heaters performing a combined heating duty of 4.8 MW;
    - (C) filtration;
    - (D) metering;
    - (E) power transformers and electrical distribution; and
    - (F) riser;
  - (ii) a new subsea power and communications cable (1 x 33kV integrated with FOC) from Douglas CCS Platform to Lennox;
  - (iii) offshore pipelines suitable to convey a combined flow rate of 2.50 MTPA instantaneous (79.27 kg/s), as follows:
    - (A) repurposed 16" Douglas CCS Platform to Lennox (PL1035); and
    - (B) repurposed 12" Douglas CCS Platform to Lennox (PL1036A); and
  - (iv) two injection wells, one sentinel well and one monitoring well.
- (g) The "**Phase 2 Tranche B Systems**", being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche B relate, are as follows:
- (i) onshore 16" pipeline from Padeswood AGI to Northop Hall AGI suitable to convey a flow rate of 2.30 MTPA (72.93 kg/s), including an FOC along the route;
  - (ii) Padeswood AGI and ancillary support systems; and
  - (iii) upgrades of Northop Hall AGI to allow connection of the new 16" pipeline from Padeswood AGI.

(h) The "**Phase 2 Tranche C Systems**", being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche C relate, are as follows:

- (i) onshore 20" pipeline from Runcorn AGI to Ince AGI suitable to convey a flow rate of 3.00 MTPA (95.13 kg/s), including an FOC along the route;
- (ii) Runcorn AGI and ancillary support systems; and
- (iii) upgrades of Ince AGI.

(i)(h) The "**Phase 2 Tranche D Systems**", being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche D relate, are as follows:

- (i) PoA Terminal infrastructure upgrade to dense phase operations:
  - (A) third stage compressors;
  - (B) upgrade of utility system;
  - (C) new vent package; and
  - (D) power connection upgrade to 132 kV;
- (ii) offshore pipelines:
  - (A) new 16" flowline from Douglas CCS Platform to Hamilton Main specified for dense phase flow with a design capacity of 4.25 MTPA (134.77 kg/s);
  - (B) new 12" flowline from Douglas CCS Platform to Hamilton North specified for dense phase flow with a confirmed capacity of 2.00 MTPA (63.42 kg/s); and
  - (C) repurposed 12" flowline from Douglas CCS Platform to Lennox (PL1036A) with a design capacity of 1.66 MTPA (52.64 kg/s); and
- (iii) offshore platforms:
  - (A) riser connections and piping connections required for the new offshore pipelines described in section 3.2(i)(ii);
  - (B) upgrade of metering instrumentation for dense phase flow; and
  - (C) downhole fixed orifice chokes (or such other technology as it may be appropriate to use in their place) in each of the wells to provide backpressure to maintain dense phase flow.

~~(i)~~(i) **Phase 2 Handover Works**

- (i) The "**Phase 2 Handover Works**" are any and all of the Phase 2 Tranche A Handover Works, Phase 2 Tranche B Handover Works, **Phase 2 Tranche C Handover Works** and Phase 2 Tranche D Handover Works.
- (ii) The "**Phase 2 Tranche A Handover Works**" include the following works and activities which relate to the Phase 2 Tranche A Systems:
  - (A) design and engineering of the Phase 2 Tranche A Systems;
  - (B) execution planning of the Phase 2 Tranche A Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;
  - (C) permitting the Phase 2 Tranche A Systems – securing the approvals required to, as a minimum, construct and install the Phase 2 Tranche A Systems, including any and all licences, permits, consents and approvals, including any regulatory and statutory approvals and all relevant land agreements;
  - (D) fabrication, construction and installation of the Phase 2 Tranche A Systems to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning, gauging and hydrotesting of any assemblies or equipment forming part of the Phase 2 Tranche A Systems have been satisfactorily completed and documented in accordance with specified design and Project requirements (wells will be constructed without Xmas tree installation and no perforation of the wells);
  - (E) **organisational readiness:** development and approval processes of operating procedures relating to Phase 2 Tranche A are in progress and aligned with the Operations Readiness and Assurance Plan;
  - (F) all drawings and documentation required for performance of the Phase 2 Tranche A Commissioning Activities are modified in red-line mark-up; and
  - (G) preparation of a punchlist containing the Licensee's proposed Phase 2 Handover Punchlist Items relating to Phase 2 Tranche A.
- (iii) The "**Phase 2 Tranche B Handover Works**" include the following works and activities which relate to the Phase 2 Tranche B Systems:
  - (A) design and engineering of the Phase 2 Tranche B Systems;
  - (B) execution planning of the Phase 2 Tranche B Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;
  - (C) permitting the Phase 2 Tranche B Systems – securing the approvals required to, as a minimum, construct and install the Phase 2 Tranche B Systems, including any and all licences, permits, consents and

approvals, including any regulatory and statutory approvals and all relevant land agreements;

- (D) fabrication, construction and installation of the Phase 2 Tranche B Systems to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning, gauging and hydrotesting of any assemblies or equipment forming part of the Phase 2 Tranche B Systems have been satisfactorily completed and documented in accordance with specified design and Project requirements;
- (E) **organisational readiness:** development and approval processes of operating procedures relating to Phase 2 Tranche B are in progress and aligned with the Operations Readiness and Assurance Plan;
- (F) all drawings and documentation required for performance of the Phase 2 Tranche B Commissioning Activities are modified in red-line mark-up; and
- (G) preparation of a punchlist containing the Licensee's proposed Phase 2 Handover Punchlist Items relating to Phase 2 Tranche B.

~~(iv) The "Phase 2 Tranche C Handover Works" include the following works and activities which relate to the Phase 2 Tranche C Systems:~~

- ~~(A) design and engineering of the Phase 2 Tranche C Systems;~~
- ~~(B) execution planning of the Phase 2 Tranche C Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;~~
- ~~(C) permitting the Phase 2 Tranche C Systems – securing the approvals required to, as a minimum, construct and install the Phase 2 Tranche C Systems, including any and all licences, permits, consents and approvals, including any regulatory and statutory approvals and all relevant land agreements;~~
- ~~(D) fabrication, construction and installation of the Phase 2 Tranche C Systems to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning, gauging and hydrotesting of any assemblies or equipment forming part of the Phase 2 Tranche C Systems have been satisfactorily completed and documented in accordance with specified design and Project requirements;~~
- ~~(E) **organisational readiness:** development and approval processes of operating procedures relating to Phase 2 Tranche C are in progress and aligned with the Operations Readiness and Assurance Plan;~~
- ~~(F) all drawings and documentation required for performance of the Phase 2 Tranche C Commissioning Activities are modified in red line mark up; and~~
- ~~(G) preparation of a punchlist containing the Licensee's proposed Phase 2 Handover Punchlist Items relating to Phase 2 Tranche C.~~

~~(iv)~~(iv) The "**Phase 2 Tranche D Handover Works**" include the following works and activities which relate to the Phase 2 Tranche D Systems:

- (A) design and engineering of the Phase 2 Tranche D Systems;
- (B) execution planning of the Phase 2 Tranche D Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;
- (C) permitting the Phase 2 Tranche D Systems – securing the approvals required to, as a minimum, construct and install the Phase 2 Tranche D Systems, including any and all licences, permits, consents and approvals, including any regulatory and statutory approvals and all relevant land agreements;
- (D) fabrication, construction and installation of the Phase 2 Tranche D Systems to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning, gauging and hydrotesting of any assemblies or equipment forming part of the Phase 2 Tranche D Systems have been satisfactorily completed and documented in accordance with specified design and Project requirements;
- (E) **organisational readiness:**
  - (aa) personnel training relating to Phase 2 Tranche D are in progress and aligned with the Operations Readiness and Assurance Plan; and
  - (bb) development and approval processes of operating procedures relating to Phase 2 Tranche D are in progress and aligned with the Operations Readiness and Assurance Plan;
- (F) all drawings and documentation required for performance of the Phase 2 Tranche D Commissioning Activities are modified in red-line mark-up; and
- (G) preparation of a punchlist containing the Licensee's proposed Phase 2 Handover Punchlist Items relating to Phase 2 Tranche D.

~~(vi)~~(v) Phase 2 Tranche E does not include any Phase 2 Handover Works.

~~(k)~~(j) **Phase 2 Commissioning Activities**

- (i) The "**Phase 2 Commissioning Activities**" are any and all of the Phase 2 Tranche A Commissioning Activities, the Phase 2 Tranche B Commissioning Activities, ~~the Phase 2 Tranche C Commissioning Activities~~, the Phase 2 Tranche D Commissioning Activities and the Phase 2 Tranche E Commissioning Activities.
- (ii) The "**Phase 2 Tranche A Commissioning Activities**" include the following works and activities which relate to the Phase 2 Tranche A Systems:
  - (A) achievement of the relevant Phase 2 Handover, as determined by the Regulator under Special Condition I2.19 (*T&S Network expansion and*

*additional construction, commissioning and operational periods*) of the Licence;

- (B) the rectification, resolution and/or completion of all Phase 2 Handover Punchlist Items relating to Phase 2 Tranche A;
- (C) to the extent not previously transferred as part of the Commissioning Activities, the transfer to the Licensee of all Transferred Assets which relate to the Phase 2 Tranche A Systems in accordance with the Asset Transfer Agreement, and securing that all assets relating to the Phase 2 Tranche A Systems are in the ownership of the Licensee;
- (D) pre-commissioning of the Phase 2 Tranche A Systems prior to the introduction of CO<sub>2</sub>, including:
  - (aa) successful completion of site acceptance testing to the extent not completed as part of the Phase 2 Tranche A Handover Works;
  - (bb) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche A Systems including successful operational testing of utilities and of the process systems in closed loop with inert fluids;
  - (cc) preparatory activities for CO<sub>2</sub> introduction into the Phase 2 Tranche A Systems including dewatering, gauging, cleaning and pipeline drying, process lines leak testing with inert medium, well barriers testing, first fill of pipelines and equipment with nitrogen;
  - (dd) calibration of allocation metering;
  - (ee) successful completion of testing of all safety systems;
  - (ff) energisation (where appropriate) of the Phase 2 Tranche A Systems; and
  - (gg) well perforation, installation and successful completion of testing of Xmas trees, and flowline hook-up in respect of the Phase 2 Tranche A Systems;
- (E) securing the following approvals required to, as a minimum, commission and operate the Phase 2 Tranche A Systems, including any and all:
  - (aa) licences;
  - (bb) permits;
  - (cc) consents;
  - (dd) approvals, including any and all regulatory and statutory approvals; and
  - (ee) all relevant land agreements;

- (F) the following commissioning of the Phase 2 Tranche A Systems:
- (aa) super drying of the Phase 2 Tranche A Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (bb) first fill of pipelines and equipment forming part of the of the Phase 2 Tranche A Systems with CO<sub>2</sub>;
  - (cc) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche A Systems with CO<sub>2</sub>;
  - (dd) successful completion of testing of all safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body; and
  - (ee) commissioning of process systems with process fluid;
- (G) all drawings and documentation required for operations are modified in red-line mark-up;
- (H) to the extent applicable procurement, implementation of the updates to, and subsequent successful completion of testing of, the information technology (IT) applications, databases and communication systems, including that of the T&S Network Portal in line with the requirements under the CCS Network Code;
- (I) successful completion of performance testing of the Phase 2 Tranche A Systems to demonstrate at a minimum the following:
- (aa) **wells:** well performance testing will include multi-rate testing on each well including start-up and shutdown with CO<sub>2</sub>. The performance testing is required to demonstrate that the two wells which form part of the Phase 2 Systems (the "**Phase 2 Wells**"):
    - (a) can, in aggregate across the wells which form part of the Phase 1 Systems (the "**Phase 1 Wells**") and the Phase 2 Wells, accept the 4.74 MTPA instantaneous (150.30 kg/s) peak instantaneous flow volumes (with such testing to be based on the data obtained as part of the well performance testing in respect of the Phase 1 Wells as detailed in section 3.1(f)(ix)(A)); and
    - (b) across all eight injection wells (being the Phase 1 Wells and the Phase 2 Wells) are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year:
      - (i) proven by physical injection to be able to inject a minimum of:
        - (A) 0.58 instantaneous MTPA (18.39 kg/s) per well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates); and

- (B) at least 0.20 MTPA instantaneous (6.34 kg/s) per well,

save where, at the time of testing, User flows are not capable of providing 0.58 MTPA instantaneous (18.39 kg/s), in which case the Phase 2 Wells:

- (A) must be proven by physical injection to be able to inject the actual flow rates delivery by the User(s); and
- (B) must be predicated based on calibrated well models to be able to inject a minimum of 0.58 MTPA instantaneous (18.39 kg/s),

(with such testing to be based on the data obtained as part of the well performance testing in respect of the Phase 1 Wells as detailed in section 3.1(f)(ix)(A)); and

- (c) across the two Lennox injection wells are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year:
  - (i) predicted based on calibrated well models to be able to inject a minimum of 0.75 MTPA (23.78 kg/s) per Lennox well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates) and at least 0.20 MTPA (6.34 kg/s) per well when the store conditions are 45bara at the Lennox Carbon Store;

- (bb) **offshore pipelines:** Douglas CCS Platform to Lennox offshore pipelines PL1035 and PL1036A have no blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates and composition; and

- (cc) **the Approved T&S Network is capable of handling the expected flow perturbations and the control system operates within the operating envelope of the Approved T&S Network:**

- (a) **minimum injected volume required:** 31,000 tonnes injected into Lennox Carbon Store; and
- (b) **minimum continuous flow:** 7 days injecting into Lennox Carbon Store at least 0.20 MTPA (6.34 kg/s); and

- (J) preparation of a punchlist containing the Licensee's proposed Phase 2 Acceptance Punchlist Items relating to Phase 2 Tranche A.

- (iii) The "**Phase 2 Tranche B Commissioning Activities**" include the following works and activities which relate to the Phase 2 Tranche B Systems:
- (A) achievement of the relevant Phase 2 Handover, as determined by the Regulator under Special Condition I2.19 (*T&S Network expansion and additional construction, commissioning and operational periods*) of the Licence
  - (B) the rectification, resolution and/or completion of all Phase 2 Handover Punchlist Items relating to Phase 2 Tranche B;
  - (C) to the extent not previously transferred as part of (i) the Commissioning Activities; or (ii) any other Phase 2 Commissioning Activities, the transfer to the Licensee of all Transferred Assets which relate to the Phase 2 Tranche B Systems in accordance with the Asset Transfer Agreement, and securing that all assets relating to the Phase 2 Tranche B Systems are in the ownership of the Licensee;
  - (D) pre-commissioning of the Phase 2 Tranche B Systems prior to the introduction of CO<sub>2</sub>, including:
    - (aa) successful completion of site acceptance testing to the extent not completed as part of the Phase 2 Tranche B Handover Works;
    - (bb) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche B Systems including successful operational testing of the process systems in closed loop with inert fluids;
    - (cc) preparatory activities for CO<sub>2</sub> introduction into the Phase 2 Tranche B Systems including dewatering, gauging, cleaning and pipeline drying, process lines leak testing and inerting, first fill of pipelines and equipment with nitrogen;
    - (dd) successful completion of testing of all CO<sub>2</sub> specification monitoring systems, including shutdown of systems on detection of out of specification CO<sub>2</sub>;
    - (ee) successful completion of testing of all safety systems; and
    - (ff) energisation (where appropriate) of the Phase 2 Tranche B Systems;
  - (E) securing the following approvals required to, as a minimum, commission and operate the Phase 2 Tranche B Systems, including any and all:
    - (aa) licences;
    - (bb) permits;
    - (cc) consents;
    - (dd) approvals, including any and all regulatory and statutory approvals; and

- (ee) all relevant land agreements;
- (F) the following commissioning of the Phase 2 Tranche B Systems:
  - (aa) super drying of the Phase 2 Tranche B Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (bb) first fill of pipelines and equipment forming part of the of the Phase 2 Tranche B Systems with CO<sub>2</sub>;
  - (cc) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche B Systems with CO<sub>2</sub>;
  - (dd) successful completion of testing of all safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body; and
  - (ee) commissioning of process systems with process fluid;
- (G) all drawings and documentation required for operations are modified in red-line mark-up;
- (H) successful completion of performance testing of the Phase 2 Tranche B Systems to demonstrate at a minimum the following:
  - (aa) **onshore pipelines:** none of the onshore pipelines has blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates;
- (I) successful completion of any such performance and operational testing as required to comply with Schedule 4 or Schedule 6 of the Construction Agreement(s) for the relevant Phase 2 User(s); and
- (J) preparation of a punchlist containing the Licensee's proposed Phase 2 Acceptance Punchlist Items relating to Phase 2 Tranche B.

~~(iv) The "Phase 2 Tranche C Commissioning Activities" include the following works and activities which relate to the Phase 2 Tranche C Systems:~~

- ~~(A) achievement of the relevant Phase 2 Handover, as determined by the Regulator under Special Condition 12.19 (T&S Network expansion and additional construction, commissioning and operational periods) of the Licence;~~
- ~~(B) the rectification, resolution and/or completion of all Phase 2 Handover Punchlist Items relating to Phase 2 Tranche C;~~
- ~~(C) to the extent not previously transferred as part of (i) the Commissioning Activities; or (ii) any other Phase 2 Commissioning Activities, the transfer to the Licensee of all Transferred Assets which relate to the Phase 2 Tranche C Systems in accordance with the Asset Transfer Agreement, and securing that all assets relating to the Phase 2 Tranche C Systems are in the ownership of the Licensee;~~

- (D) pre-commissioning of the Phase 2 Tranche C Systems prior to the introduction of CO<sub>2</sub>, including:
  - (aa) successful completion of site acceptance testing to the extent not completed as part of the Phase 2 Tranche C Handover Works;
  - (bb) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche C Systems including successful operational testing of the process systems in closed loop with inert fluids;
  - (cc) preparatory activities for CO<sub>2</sub> introduction into the Phase 2 Tranche C Systems including dewatering, gauging, cleaning and pipeline drying, process lines leak testing and inerting, first fill of pipelines and equipment with nitrogen;
  - (dd) successful completion of testing of all CO<sub>2</sub> specification monitoring systems, including shutdown of systems on detection of out of specification CO<sub>2</sub>;
  - (ee) successful completion of testing of all safety systems; and
  - (ff) energisation (where appropriate) of the Phase 2 Tranche C Systems;
- (E) securing the following approvals required to, as a minimum, commission and operate the Phase 2 Tranche C Systems, including any and all:
  - (aa) licences;
  - (bb) permits;
  - (cc) consents;
  - (dd) approvals, including any and all regulatory and statutory approvals; and
  - (ee) all relevant land agreements;
- (F) the following commissioning of the Phase 2 Tranche C Systems:
  - (aa) super drying of the Phase 2 Tranche C Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (bb) first fill of pipelines and equipment forming part of the of the Phase 2 Tranche C Systems with CO<sub>2</sub>;
  - (cc) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche C Systems with CO<sub>2</sub>;
  - (dd) successful completion of testing of all safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body; and

- ~~(ee) commissioning of process systems with process fluid;~~
- ~~(G) all drawings and documentation required for operations are modified in red line mark up;~~
- ~~(H) successful completion of performance testing of the Phase 2 Tranche C Systems to demonstrate at a minimum the following:~~
  - ~~(aa) onshore pipelines: none of the onshore pipelines has blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates;~~
- ~~(I) successful completion of any such performance and operational testing as required to comply with Schedule 4 or Schedule 6 of the Construction Agreement(s) for the relevant Phase 2 User(s); and~~
- ~~(J) preparation of a punchlist containing the Licensee's proposed Phase 2 Acceptance Punchlist Items relating to Phase 2 Tranche C.~~

~~(iv)~~(iv) The "**Phase 2 Tranche D Commissioning Activities**" include the following works and activities which relate to the Phase 2 Tranche D Systems:

- (A) achievement of the relevant Phase 2 Handover, as determined by the Regulator under Special Condition I2.19 (*T&S Network expansion and additional construction, commissioning and operational periods*) of the Licence;
- (B) the rectification, resolution and/or completion of all Phase 2 Handover Punchlist Items relating to Phase 2 Tranche D;
- (C) to the extent not previously transferred as part of (i) the Commissioning Activities; or (ii) any other Phase 2 Commissioning Activities, the transfer to the Licensee of all Transferred Assets which relate to the Phase 2 Tranche D Systems in accordance with the Asset Transfer Agreement, and securing that all assets relating to the Phase 2 Tranche D Systems are in the ownership of the Licensee;
- (D) pre-commissioning of the Phase 2 Tranche D Systems prior to the introduction of CO<sub>2</sub>, including:
  - (aa) successful completion of site acceptance testing to the extent not completed as part of the Phase 2 Tranche D Handover Works;
  - (bb) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche D Systems including successful operational testing of utilities and of the process systems in closed loop with inert fluids;
  - (cc) preparatory activities for CO<sub>2</sub> introduction into the Phase 2 Tranche D Systems including dewatering, gauging, cleaning and pipeline drying, process lines leak testing and inerting, well barriers testing, first fill of pipelines as described in section 3.2(k)(iv)(F)(bb) and relevant well head platform equipment with nitrogen;

- (dd) calibration of allocation metering;
  - (ee) successful completion of testing of all venting facilities and other safety systems; and
  - (ff) energisation (where appropriate) of the Phase 2 Tranche D Systems;
- (E) securing the following approvals required to, as a minimum, commission and operate the Phase 2 Tranche D Systems, including any and all:
- (aa) licences;
  - (bb) permits;
  - (cc) consents;
  - (dd) approvals, including any and all regulatory and statutory approvals; and
  - (ee) all relevant land agreements;
- (F) the following commissioning of the Phase 2 Tranche D Systems:
- (aa) super drying of the Phase 2 Tranche D Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (bb) first fill of pipelines and equipment forming part of the of the Phase 2 Tranche D Systems with CO<sub>2</sub>;
  - (cc) successful completion of functional testing of all equipment forming part of the Phase 2 Tranche D Systems with CO<sub>2</sub>;
  - (dd) successful completion of testing of all venting and safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body; and
  - (ee) commissioning of process systems with process fluid;
- (G) organisational readiness:
- (aa) personnel training relating to Phase 2 Tranche D dense phase operations are in progress and aligned with Operations Readiness and Assurance Plan; and
  - (bb) development and approval processes of operating procedures relating to Phase 2 Tranche D are in progress and aligned with the Operations Readiness and Assurance Plan;
- (H) all drawings and documentation required for operations are modified in red-line mark-up;

- (I) to the extent applicable procurement, implementation of the updates to, and subsequent successful completion of testing of, the information technology (IT) applications, databases and communication systems, including that of the T&S Network Portal in line with the requirements under the CCS Network Code;
- (J) successful completion of performance testing of the Phase 2 Tranche D Systems to demonstrate at a minimum the following:
  - (aa) **compression:** compression capacity of two online trains is at least 4.74 MTPA (150.30 kg/s) (this applies to all combinations, i.e. testing all three trains in different combinations). As part of the site acceptance testing, the compressor performance map shall be verified across the complete range of operating conditions. Control system shall be tested to demonstrate capacity of control. The performance testing is required to demonstrate the following:
    - (a) performance testing to verify the complete compressor performance map, including 10% intervals between speed covering minimum turndown and max flow rate on ramp-up, ramp-down and for a warm ramp-up;
      - (i) shutdown and retest of capacity tests to verify repeatability and no hysteresis; and
      - (ii) running: 72hrs continuous test period; and
    - (b) operating performance:
      - (i) unpressurised condition start-up duration (i.e. replicating a cold start), re-start from the suction pressure based on normal operating procedures (i.e. replicating a warm/hot start);
      - (ii) unit changeover tests to demonstrate ability to perform changeover of compressor trains without trip; and
      - (iii) verifying functionality of Safety Instrument Functions within the control system performs the intended functions and tasks according to the design specifications and functional requirements with varying User flow rate;
  - (bb) **offshore pipelines:**
    - (a) Douglas CCS Platform to HM offshore pipeline has no blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates and composition; and
    - (b) Douglas CCS Platform to HN pipeline has no blockages and the observed pressure and temperatures are in line with design flow assurance modelling for the actual flow rates and composition; and

- (cc) **the Approved T&S Network is capable of handling the expected flow perturbations and the control system operates within the operating envelope of the Approved T&S Network:**
- (a) **User shutdown/start-up:** no adverse impact on other User(s);
  - (b) **loss of half injection capacity:** no constraint on Users beyond 3 hours;
  - (c) **loss of one User:** no constraint on other User(s) beyond 3 hours;
  - (d) **minimum injected volume required:** all Users minimum flow rates for 30 days; and
  - (e) **minimum continuous flow:** 7 days injecting at least 0.20 MTPA (6.34 kg/s); and
- (K) preparation of a punchlist containing the Licensee's proposed Phase 2 Acceptance Punchlist Items relating to Phase 2 Tranche D.

~~(v)~~(v) The "**Phase 2 Tranche E Commissioning Activities**" include the following works and activities in respect of any Other User(s):

- (A) successful completion of any such performance and operational testing as required to comply with Schedule 4 or Schedule 6 of the Construction Agreement(s) for such Other User(s).

#### ~~(k)~~(k) **Phase 2D Devex Activities**

- (i) The Phase 2D Devex Activities are divided into three Groups of Phase 2D Devex Activities, in respect of which paragraph 3.6 (*Uncertain Cost Events*) of schedule 10 (*Project-specific conditions*) of the Licence applies.
- (ii) The "**First Group of Phase 2D Devex Activities**" shall include the following Phase 2D Devex Activities:
  - (A) procurement and supervision of feasibility studies and offer creation in respect of the PoA power connection upgrade (as referred to in section 3.2(i)(i)(D)) by NESO (or local electrical distributor);
  - (B) concept select of:
    - (aa) offshore pipelines (as referred to in section 3.2(i)(ii));
    - (bb) riser connections (as referred to in section 3.2(i)(iii)(A)); and
    - (cc) any other pipeline works required from a safety, integrity, efficiency, or economic perspective;

- (C) concept select of PoA plant update compressor upgrade (as referred to in section 3.2(i)(i)(A)) and associated facilities (as referred to in sections 3.2(i)(i)(B) to 3.2(i)(i)(D)); and
  - (D) in respect of the offshore platforms (as referred to in section 3.2(i)(iii)):
    - (aa) well back pressure options evaluation; and
    - (bb) dense phase metering screening study.
- (iii) The **"Second Group of Phase 2D Devex Activities"** shall include the following Phase 2D Devex Activities:
- (A) procurement and supervision of PoA power connection upgrade (as referred to in section 3.2(i)(i)(D)) by NESO (or local electrical distributor), including:
    - (aa) FEED; and
    - (bb) market engagement and preparation of invitation to tender ("ITT");
  - (B) in respect of:
    - (aa) offshore pipelines (as referred to in section 3.2(i)(ii));
    - (bb) riser connections (as referred to in section 3.2(i)(iii)(A)); and
    - (cc) any other pipeline works required from a safety, integrity, efficiency, and economic perspective,the following:
    - (a) FEED;
    - (b) pipeline route surveys;
    - (c) preparation of submissions for environmental and other relevant approvals; and
    - (d) market engagement and preparation of ITT;
  - (C) in respect of the PoA compressor upgrade (as referred to in section 3.2(i)(i)(A)) and associated facilities (as referred to in sections 3.2(i)(i)(B) to 3.2(i)(i)(D)):
    - (aa) FEED;
    - (bb) preparation of submissions for all relevant permits and approvals; and
    - (cc) market engagement and preparation of ITT; and
  - (D) in respect of offshore platforms (as referred to in sections 3.2(i)(iii)(B) and 3.2(i)(iii)(C)):
    - (aa) wells (as referred to in section 3.2(i)(iii)(C)):
      - (a) well intervention to evaluate conditions;

- (b) vendor engagement; and
  - (c) technology qualification and testing (where relevant); and
- (bb) dense phase metering (as referred to in section 3.2(i)(iii)(B)), including:
  - (a) technical specification; and
  - (b) technology qualification and testing (where relevant).
- (iv) The **"Third Group of Phase 2D Devex Activities"** shall comprise all Phase 2D Devex Activities required to enable the Licensee to progress from completion of the second Group of Phase 2D Devex Activities to a point at which the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities are sufficiently certain such that the Ongoing Capex Allowance(s) can be adjusted to fully and finally reflect the same, including:
  - (A) in respect of the PoA power connection upgrade (as referred to in section 3.2(i)(i)(D)):
    - (aa) supervision and monitoring of the ITT being performed by NESO (or local electrical distributor),
    - (bb) review of bid evaluation and recommendation to award by NESO (or local electrical distributor); and
    - (cc) recommendation to proceed;
  - (B) in respect of the offshore pipelines (as referred to in section 3.2(i)(ii)) and risers (as referred to in section 3.2(i)(iii)(A)):
    - (aa) issue of ITT documents;
    - (bb) ITT bid evaluation and recommendation to award; and
    - (cc) environmental and other relevant approvals submission, review and approval;
  - (C) in respect of the PoA compressor upgrade (as referred to in section 3.2(i)(i)(A)) and associated facilities (as referred to in sections 3.2(i)(i)(B) to 3.2(i)(i)(D)):
    - (aa) issue of ITT documents; and
    - (bb) ITT bid evaluation and recommendation to award; and
  - (D) in respect of the offshore platforms (as referred to in section 3.2(i)(iii)):
    - (aa) wells (as referred to in section 3.2(i)(iii)(C)):
      - (a) issue of ITT documents; and
      - (b) ITT bid evaluation and recommendation to award; and
    - (bb) dense phase metering (as referred to in section 3.2(i)(iii)(B)):
      - (a) issue of ITT documents; and

(b) ITT bid evaluation and recommendation to award.

### 3.3 Availability Target and Availability Floor

- (a) The Availability Target is 95%.  
 (b) The Availability Floor is 75%.

### 3.4 Obligated Network Capacity

	Obligated Network Capacity
Maximum Flow Rates	Maximum Instantaneous Flow Rate: 150.30 kg/s (4.74 MTPA instantaneous)
	Maximum Annual Cumulative Flow: 4.50 MtCO <sub>2</sub>
Minimum Flow Rate	Minimum Instantaneous Flow Rate: 6.34 kg/s (0.20 MTPA instantaneous)
Overall Store Capacity	109 MtCO <sub>2</sub>

## 4. USERS

### 4.1 Planned Initial Users

- (a) The "Planned Initial Users" are the potential Users identified within the "Cluster sequencing Phase-2: Track-1 project negotiation list"<sup>2</sup> issued in March 2023 as detailed in the table below.
- (b) Planned Initial Users table:

Row no.	Planned Initial User	User Phase	Connection Location	Indicative scheduled commencement date*
1.	Virider (Runcorn)	Phase 2 User	Runcorn AGI	████████
2.	Encyclis Protos ERF	Phase 1 User	Protos AGI	████████
3.	Hanson Padeswood	Phase 2 User	Padeswood AGI	████████
█	EET HPP1	Phase 1 User	Stanlow AGI	████████

\*As such term is defined in the relevant Connection Agreements.

<sup>2</sup> Cluster sequencing Phase-2: Track-1 project negotiation list, March 2023 - GOV.UK ([www.gov.uk](http://www.gov.uk))

5. **DEVELOPMENT ACTIVITIES**

5.1 Development Activities

- (a) At Licence Award, there are no Development Activities. Accordingly, at Licence Award there are no:
  - (i) Ongoing Devex Stage Check Activities; or
  - (ii) Tranches of Stage Check Activities.

5.2 Expansion Activities

- (a) At Licence Award there are no Expansion Activities. Accordingly, at Licence Award there are no:
  - (i) ExpA Acceptance Punchlist Items;
  - (ii) ExpA Commissioning Activities;
  - (iii) ExpA Handover Punchlist Items; or
  - (iv) ExpA Handover Works.

6. **IC SCOPE**

6.1 General obligations

- (a) The Independent Certifier shall act as an objective and unbiased third-party who certifies that relevant works and activities have been performed in accordance with the Licence and this APDP and the relevant Legal Requirements.
- (b) The Independent Certifier shall check and verify such information necessary to satisfy itself that all relevant works and activities have been satisfactorily executed in accordance with the Licence and this APDP and the relevant Legal Requirements. Such checks and verification shall form part of a primarily desktop exercise using information provided by the Licensee, focussing on critical documentation relating to (as relevant) the Handover Works, Commissioning Activities, Phase 2 Commissioning Activities, ExpA Handover Works and/or ExpA Commissioning Activities (as the case may be), with a sample check for detailed information.
- (c) The Independent Certifier shall attend as an observer, or procure the attendance of others as observers, a selection of testing (selected by the Independent Certifier) performed and verified by others to inform its opinion on whether such tests are performed and witnessed in line with the relevant testing procedures. The Independent Certifier will not be required under an IC Deed of Appointment to perform or witness, or engage others to perform or witness, testing on any element of the T&S Network.
- (d) The Independent Certifier shall obtain records from the Licensee, verify models and interview personnel to ascertain to its own satisfaction that all aspects of relevant Project milestones have been achieved or have been demonstrated to be possible to be achieved at an appropriate future time.

- 6.2 In respect of (where relevant) the Handover Works and/or any Phase 2 Handover Works and/or any ExpA Handover Works:
- (a) an Independent Certifier shall review the evidence provided by the Licensee and certify whether it is satisfied that the Handover Works, any Phase 2 Handover Works and/or any ExpA Handover Works (as relevant) have been completed in accordance with the Licence and this APDP and the relevant Legal Requirements. This will include review of information related to:
    - (i) Mechanical Completion, including information relating to construction, fabrication, installation, integrity testing, functional testing cleaning, gauging, hydrotesting, leak testing, inspection, preservation, re-instatement, and record keeping activities;
    - (ii) the design and engineering verification performed by the Licensee and any independent verification bodies contracted by the Licensee;
    - (iii) permits and consents required to be in place by Handover, the relevant Phase 2 Handover and/or the relevant ExpA Handover (as relevant) as outlined in the PLANC Register; and
    - (iv) the operating organisation in-place and its training / competence status with reference to anticipated status in the relevant Operations Readiness and Assurance Plan; and
  - (b) an Independent Certifier shall review and confirm (as relevant) the Phase 1 Handover Punchlist Items prior to the Handover Date, any relevant Phase 2 Handover Punchlist Items prior to the date of the relevant Phase 2 Handover and any relevant ExpA Handover Punchlist Items prior to the date of the relevant ExpA Handover.
- 6.3 In respect of (where relevant) the Commissioning Activities and/or any Phase 2 Commissioning Activities and/or ExpA Commissioning Activities:
- (a) an Independent Certifier shall review the evidence provided by the Licensee and certify whether it is satisfied that the Commissioning Activities, Phase 2 Commissioning Activities and/or ExpA Commissioning Activities (as relevant) have been completed in accordance with the Licence and this APDP and the relevant Legal Requirements, which will include certifying that the relevant System Acceptance, Phase 2 Acceptance or ExpA Acceptance performance metrics (as relevant) have been demonstrated and that operations can start in accordance with the Licence and this APDP and the relevant Legal Requirements. This will include review of the following information related to the Commissioning Activities and System Acceptance and/or any Phase 2 Commissioning Activities and/or ExpA Commissioning Activities and relevant Phase 2 Acceptance and/or ExpA Acceptance (as relevant):
    - (i) commissioning records proving integrity of bolted joints and equipment demonstrating the leak tightness of the pressure boundary in readiness for introduction of CO<sub>2</sub>;
    - (ii) performance tests as detailed in this APDP; and
    - (iii) where relevant, calibrated well and fluid models demonstrating the ability of the wells to achieve the injection rates specified for future conditions as specified in this APDP; and

- (b) an Independent Certifier shall review and confirm (as relevant) the System Acceptance Punchlist Items prior to the COD and/or the relevant Phase 2 Acceptance Punchlist Items and/or the relevant ExpA Acceptance Punchlist Items prior to the date of the relevant Phase 2 Acceptance and/or the date of the relevant ExpA Acceptance (as relevant).

6.4 In respect of the COD Readiness Activities:

- (a) an Independent Certifier shall review the evidence provided by the Licensee and certify whether it is satisfied that the COD Readiness Activities have been completed and the T&S Network can receive injected CO<sub>2</sub> from the Users in accordance with the Licence and this APDP, the CCS Network Code and the relevant Legal Requirements. This will include review of the following information related to the COD Readiness Activities:
  - (i) commissioning records including leak test records for all pressure containing equipment; and
- (b) an Independent Certifier shall review and confirm the COD Readiness Punchlist Items prior to COD Readiness.

6.5 Notwithstanding any other provision of this section 6, if the Licensee has notified the Regulator that it has completed the Mitigation Measures Preparatory Activities under paragraph 3.3(a)(i)(D)(aa) of schedule 10 (*Project-specific conditions*) of the Licence, the Independent Certifier will deem the Mitigation Measures Preparatory Activities to have been completed.

## 7. STORAGE LICENCES

7.1 The following are the Storage Licences:

- (a) the Storage Licence in respect of the Hamilton Carbon Store (with reference CS004A);
- (b) the Storage Licence in respect of the Hamilton North Carbon Store (with reference CS004B); and
- (c) the Storage Licence in respect of the Lennox Carbon Store (with reference CS004C).

Technical Details Document relating to the carbon dioxide transport and storage licence granted to Liverpool Bay CCS Limited (company number 13194018) (the "**Licensee**") pursuant to section 7 (as modified by section 16 and schedule 1) of the Energy Act 2023, relating to the "Liverpool Bay T&S" T&S Network (the "**Licence**")

**Overview**

The purpose of this document is to set out certain key milestones dates in respect of the Project and the Project Programme, as contemplated by the conditions of the Licence.

Any capitalised words and expressions used in this Technical Details Document have the meaning given to them in the Licence or the APDP, unless otherwise specified.

**Table of key milestone dates and Project Programme**

Licence reference	Item	Details
Special Condition F2	<b>Scheduled Handover Date</b>	[REDACTED]
Special Condition G2	<b>Scheduled COD</b>	[REDACTED]
Special Condition G2	<b>Longstop Date</b>	As per definition of "Longstop Date" in Special Condition E1 (Definitions) of the Licence – at Licence Award this is anticipated to be [REDACTED]
Special Condition H11	<b>RAV Asset Life</b>	25 years
Special Conditions F2.2 and G2.3	<b>Project Programme</b>	<u>Phase 1 Activities</u> <ul style="list-style-type: none"> <li>• <b>Handover:</b> [REDACTED]</li> <li>• <b>COD Readiness:</b> [REDACTED]</li> <li>• <b>Commercial Operations Date:</b> [REDACTED]</li> </ul>

		<ul style="list-style-type: none"> <li>• <b>Anticipated pre-COD User connection dates:</b> <ul style="list-style-type: none"> <li>○ Encyclis Protos ERF – [REDACTED]</li> <li>○ EET HPP1 – [REDACTED]</li> </ul> </li> </ul> <p><u>Phase 2 Activities</u></p> <ul style="list-style-type: none"> <li>• Phase 2 Tranche A (Lennox): <ul style="list-style-type: none"> <li>○ <b>Date of appointment of Independent Certifier for Phase 2 Tranche A</b></li> <p>No later than the date which falls nine months following Licence Award.</p> <li>○ <b>Reporting Commencement Date for Phase 2 Tranche A</b></li> <p>Licence Award</p> <li>○ <b>P2/ExpA Reporting Period for Phase 2 Tranche A</b></li> <p>From Licence Award until Handover, the P2/ExpA Reporting Period for Phase 2 Tranche A is a P2/ExpA Quarter.</p> <p>From Handover onwards, the P2/ExpA Reporting Period for Phase 2 Tranche A is a P2/ExpA Month.</p> <li>○ <b>Scheduled Phase 2 Tranche A Handover Date:</b></li> <p>[REDACTED] or such later date as the Regulator may direct</p> <li>○ <b>Scheduled Phase 2 Tranche A Acceptance Date:</b></li> <p>[REDACTED] or such later date as the Regulator may direct</p> </ul> </li> <li>• Phase 2 Tranche B (Padeswood Spurline): <ul style="list-style-type: none"> <li>○ <b>Date of appointment of Independent Certifier for Phase 2 Tranche B</b></li> <p>No later than the date which falls nine months following commencement of the Phase 2 Tranche B Handover Works or such later date as the Regulator may direct.</p> <li>○ <b>Reporting Commencement Date for Phase 2 Tranche B</b></li> </ul> </li> </ul>
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Licence reference	Item	Details
		<p>On commencement of the Phase 2 Tranche B Handover Works.</p> <ul style="list-style-type: none"> <li>○ <b>P2/ExpA Reporting Period for Phase 2 Tranche B</b></li> </ul> <p>From commencement of the Phase 2 Tranche B Handover Works until Handover of Phase 2 Tranche B, the P2/ExpA Reporting Period for Phase 2 Tranche B is a P2/ExpA Quarter.</p> <p>From Handover of Phase 2 Tranche B onwards, the P2/ExpA Reporting Period for Phase 2 Tranche B is a P2/ExpA Month.</p> <ul style="list-style-type: none"> <li>○ <b>Scheduled Phase 2 Tranche B Handover Date:</b></li> </ul> <p>██████████ or such later date as the Regulator may direct</p> <ul style="list-style-type: none"> <li>○ <b>Scheduled Phase 2 Tranche B Acceptance Date:</b></li> </ul> <p>The date determined as such by the Regulator under paragraph 3.4 of schedule 10 (<i>Project-specific conditions</i>) of the Licence or such later date as the Regulator may direct</p> <p><del>● <b>Phase 2 Tranche C (Runcorn Spurline):</b></del></p> <ul style="list-style-type: none"> <li><del>○ <b>Date of appointment of Independent Certifier for Phase 2 Tranche C</b></del></li> </ul> <p><del>No later than the date which falls nine months following commencement of the Phase 2 Tranche C Handover Works or such later date as the Regulator may direct.</del></p> <ul style="list-style-type: none"> <li><del>○ <b>Reporting Commencement Date for Phase 2 Tranche C</b></del></li> </ul> <p><del>On commencement of the Phase 2 Tranche C Handover Works.</del></p> <p><del><b>P2/ExpA Reporting Period for Phase 2 Tranche C</b></del></p>

Licence reference	Item	Details
		<p>From commencement of the Phase 2 Tranche C Handover Works until Handover of Phase 2 Tranche C, the P2/ExpA Reporting Period for Phase 2 Tranche C is a P2/ExpA Quarter.</p> <p>From Handover of Phase 2 Tranche C onwards, the P2/ExpA Reporting Period for Phase 2 Tranche C is a P2/ExpA Month.</p> <p><b>Scheduled Phase 2 Tranche C Handover Date:</b>  <span style="background-color: black; color: black;">[REDACTED]</span> or such later date as the Regulator may direct</p> <p><b>Scheduled Phase 2 Tranche C Acceptance Date:</b>  The date determined as such by the Regulator under paragraph 3.5 of schedule 10 (<i>Project specific conditions</i>) of the Licence or such later date as the Regulator may direct</p> <ul style="list-style-type: none"> <li>• Phase 2 Tranche D: <ul style="list-style-type: none"> <li>○ <b>Date of appointment of Independent Certifier for Phase 2 Tranche D</b>  No later than the date which falls nine months following commencement of the Phase 2 Tranche D Handover Works or such later date as the Regulator may direct.</li> <li>○ <b>Reporting Commencement Date for Phase 2 Tranche D</b>  On commencement of the Phase 2 Tranche D Handover Works.</li> <li>○ <b>P2/ExpA Reporting Period for Phase 2 Tranche D</b>  From commencement of the Phase 2 Tranche D Handover Works until Handover of Phase 2 Tranche D, the P2/ExpA Reporting Period for Phase 2 Tranche D is a P2/ExpA Quarter.  From Handover of Phase 2 Tranche D onwards, the P2/ExpA Reporting Period for Phase 2 Tranche D is a P2/ExpA Month.</li> </ul> </li> </ul>

Licence reference	Item	Details
		<ul style="list-style-type: none"> <li>○ <b>Scheduled Phase 2 Tranche D Handover Date:</b>  ██████████ or such later date as the Regulator may direct</li> <li>○ <b>Scheduled Phase 2 Tranche D Acceptance Date:</b>  The date determined as such by the Regulator under paragraph 3.6 of schedule 10 (<i>Project-specific conditions</i>) of the Licence or such later date as the Regulator may direct</li> <li>• <b>Phase 2 Tranche E:</b> <ul style="list-style-type: none"> <li>○ <b>Date of appointment of Independent Certifier for Phase 2 Tranche E</b>  N/A</li> <li>○ <b>Reporting Commencement Date for Phase 2 Tranche E</b>  Commercial Operations Date</li> <li>○ <b>P2/ExpA Reporting Period for Phase 2 Tranche E</b>  The P2/ExpA Reporting Period for Phase 2 Tranche E is a P2/ExpA Month.</li> <li>○ <b>Scheduled Phase 2 Tranche E Handover Date:</b>  Not applicable – there are no Phase 2 Tranche E Handover Works</li> <li>○ <b>Scheduled Phase 2 Tranche E Acceptance Date:</b>  ██████████ or such later date as the Regulator may direct</li> </ul> </li> </ul> <p><u>Development Activities</u></p> <ul style="list-style-type: none"> <li>• Not applicable – at Licence Award there are no Development Activities</li> </ul>

Financial Settlement Document relating to the carbon dioxide transport and storage licence granted to Liverpool Bay CCS Limited (company number 13194018) (the "**Licensee**") pursuant to section 7 (as modified by section 16 and schedule 1) of the Energy Act 2023, relating to the "Liverpool Bay T&S" T&S Network (the "**Licence**")

Any capitalised words and expressions used in this Financial Settlement Document have the meaning given to them in the Licence or the APDP, unless otherwise specified.

## Part 1: Financial Settlement Document

### General

Item reference	Item	Details
Definitions	<b>Base Year</b>	The period from 1 April 2021 to 31 March 2022 inclusive (2021/22), with average CPIH INDEX 00: ALL ITEMS 2015=100 of 113.117.
Definitions	<b>Pre-Licence Award Devex</b>	£154.3 million in Base Year prices
Definitions	<b>Day1 SRAV</b>	The sum of:  a) Pre-Licence Award Devex (above); and  b) upfront Debt Fees incurred at financial close of £21.9 million in Base Year prices.  c) Pre-Licence Award Capex Costs of £51.8 million in Base Year prices.
Special Condition F5	<b>Re-Use Assets Valuation(s)</b>  Subject to the provisions of Schedule 10 paragraph 11.1 and Special Conditions F5.3 and G8.3.	██████████ including ██████████ for the provisional seed payment to the decommissioning fund in respect of Re-Use Assets, ██████████ for scrap and land value and ██████████ for differential payment, all in Base Year prices
Special Condition J4	<b>Delay WACC</b>	██████████ real
Special Conditions F12 and G15	<b>PreCOD WACC</b>	6.09% real
	<b>PreCOD Cost of Debt</b>	██████████ real

Note: Consolidated documents are not formal Public Register documents and should not be relied on. Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited - Consolidated to 15 January 2026  
[Revised Phase 2C allowances using the FSD CPIH of 1.22](#)

Item reference	Item	Details
	<b>PreCOD Cost of Equity</b>	
Special Condition H10	<b>Notional Gearing</b>	60%
	<b>PostCOD WACC</b>	5.55% real
	<b>PostCOD Cost of Debt</b>	
	<b>PostCOD Cost of Equity</b>	
Schedule 10 Paragraph 6	<b>Pre-Licence Award Capex Allowance</b>	£60.0 million in Base Year prices

### Ongoing Devex Allowance

Item reference	Item	Details
Special Condition F9, G12 & H6	<b>Ongoing Devex Allowance</b>  Combined allowances to include Devex during Construction, Commissioning and Operational Periods and any Additional Pre-Licence Award Devex  Subject to the provisions of Schedule 10 and Ongoing Devex Re-Openers as noted in Special Condition J5 where applicable	Phase 1 and Phase 2 Tranche A (Lennox) Devex £0.0 million (zero)
		Phase 2 Tranche B (Padeswood Spurline) Devex £5.2 million in Base Year prices
		Phase 2 Tranche C (Runcorn Spurline) Devex <del>£1.916.1</del> million in Base Year prices
		Phase 2 Tranche D (4.5Mtpa dense phase) Devex £25.5 million in Base Year prices

### Early Development Activities Use-it-or-lose-it Allowance

Item reference	Item	Details
Special Condition J15	<b>Early Development Activities Use-it-or-lose-it Allowance or EDA UIOLIA</b>	£5 million in Base Year prices per Regulatory Period (being the “ <b>EDA UIOLIA Regulatory Period Limit</b> ”) with a respective limit of £2 million contributing to any potential Development Project (being the “ <b>EDA UIOLIA Project Limit</b> ”) )

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### Construction and Commissioning Period Allowances

Item reference	Item	Details
Special Condition F6	<b>SRAV Capex and Opex Construction Period Allowance</b>	<p><del>£1,710.0</del> <b>£1,636.2</b> million in Base Year prices which excludes Pass Through Costs of £9.3 million but includes the following allowances subject to Uncertain Cost Event Reopeners as noted in Schedule 10:</p> <p>Phase 2 Tranche B (Padeswood Spurline) Capex and Opex £80.5 million</p> <p><b>Phase 2 Tranche C (Runcorn Spurline) Capex and Opex <del>£73.80</del> million</b></p> <p>Phase 2 Tranche D (4.5Mtpa dense phase) Capex and Opex £0.0 million (zero)</p>
Special Condition G10	<b>SRAV Capex and Opex Commissioning Period Allowance</b>	<p><del>£73.8</del> <b>£56.7</b> million in Base Year prices which excludes Pass Through Costs of £0.1 million but includes the following allowances subject to Uncertain Cost Event Reopeners as noted in Schedule 10:</p> <p>Phase 2 Tranche B (Padeswood Spurline) Capex and Opex £0.0 million (zero)</p> <p><b>Phase 2 Tranche C (Runcorn Spurline) Capex and Opex <del>£47.40</del> million</b></p> <p>Phase 2 Tranche D (4.5Mtpa dense phase) Capex and Opex £0.0 million (zero)</p>
Special Conditions F10 and G13	<b>Debt Fee Allowance</b>	<p>██████████ in Base Year prices, to cover Debt Fees during the Construction and Commissioning period, but excluding upfront Debt Fees incurred at Financial Close which are included in Day1 SRAV above</p>

### Operational Period Allowances

Item reference	Item	Details
Special Condition H5	<b>Ongoing Capex Allowance</b>	<p>The Ongoing Capex Allowance for the First Regulatory Period is</p> <p>Operational Charging Year 1 £5.8 million in Base Year Prices</p> <p>Operational Charging Year 2 £0.0 million (zero)</p> <p>Operational Charging Year 3 £0.0 million (zero)</p>

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Revised Phase 2C allowances using the FSD CPIH of 1.22

Item reference	Item	Details
		<p>Operational Charging Year 4 £9.7 million in Base Year Prices</p> <p>Note that these figures are made up of</p> <p>Phase 2 Tranche B (Padeswood Spurline) £0.0 million (zero)</p> <p><b>Phase 2 Tranche C (Runcorn Spurline) £5.8<sup>01</sup> million in Base Year Prices in Operational Charging Year 1</b></p> <p>Phase 2 Tranche D (4.5Mtpa dense phase)  Operational Charging Year 1 £0.0 million (zero)  Operational Charging Year 2 £0.0 million (zero)  Operational Charging Year 3 £0.0 million (zero)  Operational Charging Year 4 £9.7 million in Base Year Prices</p> <p>Note that Phase 2 Tranche D (4.5Mtpa dense phase) is expected to have a provisional Ongoing Capex Allowance of £375.3 million in Base Year prices (and which includes costs after the First Regulatory Period).</p> <p>Subject to the provisions of Schedule 10.</p>

<p>Special Condition H12</p>	<p><b>Opex Allowance (provisional)</b></p>	<p>Opex Allowance, on an annualised basis, including Variable Opex Allowance, but excluding Pass Through Costs and ETS Allowance, in Base Year prices</p> <p>Operational Charging Year 1 £56.1 million pa Operational Charging Year 2 £62.7 million pa Operational Charging Year 3 £73.3 million pa Operational Charging Year 4 £80.1 million pa</p> <p>The underlying Variable Opex Allowance is based on the following indicative throughputs in tCO<sub>2</sub> pa</p> <p>Operational Charging Year 1 █████ million tCO<sub>2</sub> pa Operational Charging Year 2 █████ million tCO<sub>2</sub> pa Operational Charging Year 3 █████ million tCO<sub>2</sub> pa Operational Charging Year 4 █████ million tCO<sub>2</sub> pa</p> <p>The underlying Variable Opex Allowance is based on the following Fixed Unit Costs in £/tCO<sub>2</sub> in Base Year prices</p> <p>Operational Charging Year 1 £████/tCO<sub>2</sub> Operational Charging Year 2 £████/tCO<sub>2</sub> Operational Charging Year 3 £████/tCO<sub>2</sub> Operational Charging Year 4 £████/tCO<sub>2</sub></p> <p>The Fixed Unit Costs are based on</p> <p>a) The forecast energy relationship assumption in MWh/tCO<sub>2</sub></p> <p>Operational Charging Year 1 █████/tCO<sub>2</sub> Operational Charging Year 2 █████/tCO<sub>2</sub> Operational Charging Year 3 █████/tCO<sub>2</sub> Operational Charging Year 4 █████/tCO<sub>2</sub></p> <p>b) Indicative electricity prices £/MWh in Base Year prices</p> <p>Operational Charging Year 1 £████/MWh Operational Charging Year 2 £████/MWh</p>
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Revised Phase 2C allowances, using the FSD CPIH of 1.22

Item reference	Item	Details
		<p>Operational Charging Year 3 £ [REDACTED] MWh  Operational Charging Year 4 £ [REDACTED] MWh  c) The Re-Use Service Opex Allowance in  £/tCO<sub>2</sub> in Base Year prices  Operational Charging Year 1 [REDACTED] CO<sub>2</sub>  Operational Charging Year 2 [REDACTED] CO<sub>2</sub>  Operational Charging Year 3 [REDACTED] CO<sub>2</sub>  Operational Charging Year 4 [REDACTED] CO<sub>2</sub></p>
Special Condition H12 & H14	<b>ETS Allowance(provisional)</b>	<p>The ETS volume component of the ETS Allowance will be set as a % of forecast throughput as follows:</p> <p>Operational Charging Year 1 [REDACTED]  Operational Charging Year 2 [REDACTED]  Operational Charging Year 3 [REDACTED]  Operational Charging Year 4 [REDACTED]</p>

## Part 2: The Mandated Financing Terms

The following terms are the Mandated Financing Terms referred to in Standard Condition B18 (*Financial Resilience and Credit Quality*), applicable to the Licensee:

### 1. **Regulatory Asset Ratio**

- 1.1 Subject to paragraph 1.2, in respect of any Test Date, the RAR must be equal to or less than 80 per cent.
- 1.2 There shall not be a breach of the Mandated Financing Term in paragraph 1.1 if an Equity Cure Amount has been applied in accordance with paragraph 3 (Equity Cure) of Part B (Financial Covenants) of Schedule 3 (Covenants) of the Common Terms Agreement, such that following the recalculation of the RAR after receipt by the Licensee of such Equity Cure Amount, the RAR is equal to or less than 80 per cent.

### 2. **Lock-up**

No Restricted Payment shall be declared, made, paid or permitted by any Relevant Obligor and no amount shall be transferred or paid into the Restricted Payment Account unless:

- (a) (i) such Restricted Payment is a Permitted Payment and is made in compliance with the Financing Documents, the Licence and the Government Support Package; (ii) on any Test Date commencing from the first Test Date to occur after the earlier of (A) the Commercial Operations Date and (B) the commencement of the Licensee receiving Full Revenues, the Historic ADSCR, as specified in the MFT Compliance Certificate delivered to the Regulator in respect of the Test Date immediately preceding the date of the proposed Restricted Payment or transfer or payment into the Restricted Payments Account, is equal to, or in excess of, 1.10:1; and (iii) for any Restricted Payment or transfer or payment into the Restricted Payments Account to be made during the Secretary of State Discontinuation Decision Period only, the Projected ADSCR, as specified in the MFT Compliance Certificate delivered to the Secretary of State in respect of the Test Date immediately preceding the date of the proposed Restricted Payment or transfer or payment into the Restricted Payments Account, is equal to, or in excess of, 1.10:1; or
- (b) such Restricted Payment is (i) made in compliance with the Financing Documents, the Licence and the Government Support Package and (ii) made or paid by the Licensee from the Restricted Payments Account and in an amount not exceeding the amount standing to the credit of the Restricted Payments Account at the date of such Restricted Payment; or
- (c) such Restricted Payment or transfer or payment into the Restricted Payments Account otherwise constitutes a Permitted Payment.

### 3. **Initial Shareholder Change of Control**

Unless the Secretary of State has provided its prior written consent, no Change of Control shall occur during the Equity Lock-in Period.

#### 4. **Operator Change of Control**

Unless the Secretary of State has provided its prior written consent, at all times prior to the replacement of the Interim Service Support Arrangements with an Acceptable Alternative Operating Arrangement, the Licensee shall remain an Eni Group Company.

#### 5. **Governance**

Unless the Secretary of State has provided its prior written consent:

- (a) at all times on and from the SID Appointment Date, the Licensee must ensure (and procure that each other Relevant Obligor ensures) that, if its board of directors fails to decide the relevant matter unanimously (including with the consent of the SIDs), the SIDs, acting jointly, together with the directors directly or indirectly nominated for appointment by the Non-Related Shareholders or the Non-Related Shareholders themselves, have the power to make the following decisions for the Licensee and each other applicable Relevant Obligor (and to direct the implementation of those decisions through a duly appointed delegate or attorney):
  - (i) to exercise any right of termination and/or enforce or waive the Licensee's material rights under any Related Party Contract; and
  - (ii) to commence, discontinue and/or settle any material dispute, litigation, arbitration claim or proceeding against any counterparty to a Related Party Contract or in respect of the services performed (or to be performed) by any counterparty to a Related Party Contract,

without the consent of the directors appointed by the relevant Related Party Shareholder or the consent of the relevant Related Party Shareholder; and

- (b) it shall be a breach of this paragraph 5 (Governance) of these Mandated Financing Terms if any term of the constitutional documents of a Relevant Obligor or any agreement or arrangement in force with a Sponsor, Shareholder (or a Shareholders' or Sponsor's Affiliate) or a director of the Licensee circumvents, overrides or is otherwise inconsistent with the principles set out in this paragraph.

For the purpose of this paragraph 5 only, the enforcement or waiver of any of the Licensee's rights or the commencement, discontinuation and/or settlement of any such dispute, litigation, arbitration claim or proceeding shall be considered to be material where the liability, cost or expense or loss of profit (**Loss**) incurred by the Licensee exceeds or the Loss to be incurred by the Licensee could reasonably be expected to exceed £5,000,000 (or equivalent in other currency or currencies). When determining the amount of any Loss incurred or to be incurred by the Licensee in relation to any such event, the amount of such Loss shall be calculated in aggregate in relation to such event.

#### 6. **Rating downgrade in respect of certain Acceptable Credit Support**

Unless the Secretary of State otherwise agrees in writing, if, at any time during which a Shareholder is required to procure and maintain Required Credit Support, a MFT Acceptable Credit Rating Event occurs with respect to Eni International B.V. as Acceptable Credit Support Provider providing Acceptable Credit Support pursuant to paragraph (a) of the definition of Acceptable Credit Support, the Licensee must procure that the Shareholder

replaces such Required Credit Support as soon as possible (or, in any event, no later than ten (10) Business Days) thereafter with alternative Acceptable Credit Support.

## 7. **Provision and content of MFT Compliance Certificate**

7.1 The Licensee must, on each date it is to deliver a Compliance Certificate under (and as defined in) the Financing Documents, deliver a MFT Compliance Certificate to the Regulator.

7.2 The MFT Compliance Certificate must:

- (a) set out in reasonable detail computations as to compliance with paragraph 1 (Regulatory Asset Ratio) and paragraph 2 (Lock-up) of the Mandated Financing Terms as at the most recent Test Date; and
- (b) confirm that:
  - (i) the contents of such certificate is accurate in all material respects; and
  - (ii) no breach of the Mandated Financing Terms has occurred that has not been waived or remedied in accordance with the Liaison Agreement and the Licence; and
- (c) be signed by two directors or a director and the company secretary of the Licensee.

## 8. **Defined terms**

8.1 Subject to paragraph 8.2, in these Mandated Financing Terms:

**Acceptable Credit Support** means:

- (a) a parent company guarantee from Eni International B.V.;
- (b) a parent company guarantee from an entity with (i) a credit rating of (I) BBB or higher in the case of S&P or Fitch; and/or (II) Baa2 or higher in the case of Moody's (as applicable); and (ii) either total assets valued at or above £10 billion, or funds under management valued at or above £5 billion;
- (c) a letter of credit from a bank or financial institution with a long-term unsecured debt obligations rating of (i) A- or higher by S&P or Fitch; and/or (ii) A3 or higher by Moody's (as applicable); or
- (d) cash collateral deposited in an account secured in favour of the Security Trustee;

**Acceptable Credit Support Provider** has the meaning given in the Master Definitions Agreement;

**Acceptable Alternative Operating Arrangement** means the Licensee self-performing the operation of the Project and (i) such arrangements have been approved by (A) the Secretary of State under the Government Support Package and (B) the NSTA under the Storage Permit and (ii) the arrangements are sufficient to enable the Licensee to issue a Certificate 1R or Certificate 2R for the purpose of Standard Condition B14;

**Affiliates** has the meaning given in the Master Definitions Agreement;

**Base Equity Funding** has the meaning given in the Shareholder Support Agreement;

**Change of Control** has the meaning given in the Discontinuation Agreement;

**Closing Date** has the meaning given in the Common Terms Agreement;

**Committed Shareholder Funding** has the meaning given in the Shareholder Support Agreement;

**Common Terms Agreement** has the meaning given to it in the Master Definitions Agreement;

**Debt Service** has the meaning given to it in the Master Definitions Agreement;

**Default** has the meaning given in the Master Definitions Agreement;

**Eni Group Companies** means Eni S.p.A. and each chain of persons in which each person in the chain holds all of the voting shares of the entity immediately below it in the chain (other than up to two persons in the chain provided that they hold at least 50 per cent or more of the voting shares of the entity immediately below it in the chain) and **Eni Group Company** shall be interpreted accordingly;

**Equity Cure Amount** has the meaning given in the Master Definitions Agreement;

**Equity Lock-in Period** means the period from the date of the Common Terms Agreement until the conclusion of the First Regulatory Period;

**First Regulatory Period** has the meaning given in the Master Definitions Agreement;

**Full Revenues** has the meaning given in the Master Definitions Agreement;

**Issuer** means (if applicable) a limited liability company incorporated as an Affiliate of the Licensee for the purposes of the issuance of any listed bonds or notes in connection with the financing of the T&S Network and the on-lending of the proceeds thereof to the Licensee;

**MFT Acceptable Credit Rating Event** means a public announcement by any of S&P, Moody's or Fitch (or, if applicable, any other rating agency appointed by or with the consent of Eni International B.V. or Eni SpA) that:

- (a) any credit rating of Eni International B.V.'s long-term unsecured debt obligations maintained or solicited by Eni International B.V. has fallen below BBB- in the case of S&P, Baa3 in the case of Moody's or BBB- in the case of Fitch (or any equivalent rating in the case of any other rating agency appointed by or with the consent of Eni International B.V.); and
- (b) where Eni International B.V. does not solicit or maintain a credit rating in respect of its long-term unsecured debt obligations from any of S&P, Moody's or Fitch, any credit rating of Eni SpA's long-term unsecured debt obligations maintained or solicited by Eni SpA has fallen below BBB- in the case of S&P, Baa3 in the case of Moody's or BBB- in the case of Fitch (or any equivalent rating in the case of any other rating agency appointed by or with the consent of Eni SpA);

**MFT Compliance Certificate** means a certificate delivered in accordance with paragraph 7 (Provision and content of MFT Compliance Certificate) of the Mandated Financing Terms;

**Historic ADSCR** has the meaning given in the Common Terms Agreement;

**HoldCo** means Eni CCUS Holding Limited;

**Interim Service Support Arrangements** means the arrangements between the Licensee and HoldCo for the provision of services by HoldCo to the Licensee, as well as various secondment arrangements entered into by the Licensee with Eni S.p.A., Eni International Resources Limited and EniProgetti S.p.A. or any other Eni Group Companies for the provision of secondees to the Licensee;

**Master Definitions Agreement** means the Master Definitions Agreement entered into between, amongst others, the Security Trustee, the Secretary of State and the Licensee on or about the date of Licence Award;

**Net Cash Flow** has the meaning given in the Master Definitions Agreement;

**Non-Related Shareholder** means, in respect of a Related Party Contract, any Sponsor who is not a Related Party Shareholder;

**Permitted Payment** has the meaning given in the Discontinuation Agreement;

**Project** has the meaning given in the Master Definitions Agreement;

**Project Document** has the meaning given in the Master Definitions Agreement;

**Projected ADSCR** means, in respect of a Projected Test Period, the ratio of (a) Net Cash Flow projected to be received in such Projected Test Period to (b) Debt Service projected to fall due in such Projected Test Period;

**Projected Test Period** means for the purpose of determining the Projected ADSCR, each period of twelve (12) months commencing on (but excluding) a Test Date;

**Related Party Contract** means any Transaction Document entered into by the Licensee with a Sponsor or Sponsor's Affiliate;

**Related Party Shareholder** means any Sponsor that is itself, or is a Sponsor's Affiliate of, a counterparty to a Related Party Contract;

**Relevant Obligor** means each of the Licensee and (if applicable) the Issuer;

**Required Credit Support** has the meaning given in the Shareholder Support Agreement;

**Restricted Payment** has the meaning given in the Master Definitions Agreement;

**Restricted Payments Account** has the meaning given in the Common Terms Agreement;

**Shareholder** has the meaning given to the term "Funding Shareholder" in the Master Definitions Agreement;

**Shareholder Support Agreement** has the meaning given in the Master Definitions Agreement;

**SID Appointment Date** means the date that is the earliest of:

- (a) three months after Licence Award; and
- (b) the date on which two SIDs are appointed;

**Sponsor** means the "Initial Investor" (as defined in the Master Definitions Agreement) or any ~~subsequent (direct or indirect) owner of share capital in the Licensee;~~

**Test Date** means each 31 March, 30 June, 30 September and 31 December; and

**Transaction Documents** has the meaning given in the Master Definitions Agreement.

## 8.2 Interpretation

- (a) In this Part 2 of the Financial Settlement Document, except to the extent otherwise defined in paragraph 8.1 or as the context otherwise requires, words and phrases shall bear the respective meanings given to them in the Licence.
- (b) In this Part 2 of the Financial Settlement Document, where the terms used (and set out in paragraph 8.1) have been assigned meanings given to corresponding terms or definitions in the Financing Documents, the Common Terms Agreement, the Master Definitions Agreement or the Shareholder Support Agreement, those corresponding terms or definitions shall be as set out in the Financing Documents, the Common Terms Agreement, the Master Definitions Agreement and the Shareholder Support Agreement as at Licence Award, unless the Secretary of State has expressly consented to any amendment to any such definition.
- (c) For the purpose of paragraph 8.2(b), the Secretary of State shall be deemed to have expressly consented to any amendment to any such corresponding term or definition if it has provided its consent or approval of such amendment by way of the approval in accordance with any entrenched rights under the Financing Documents.

## Project-specific conditions

### 1. Definitions

1.1 In this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*), unless otherwise defined within this licence or the context otherwise requires, capitalised terms used in this [Error! Reference source not found.Schedule 10](#) shall have the following meaning:

<b>"Additional Public Sector Control Requirement"</b>	has the meaning given to it in the Liaison Agreement;
<b>"Additional Public Sector Control Requirement Costs"</b>	means the costs of the Licensee associated with the Additional Public Sector Control Requirement Event;
<b>"Additional Public Sector Control Requirement Event"</b>	means where following Licence Award the Secretary of State requires the Licensee to comply with an Additional Public Sector Control Requirement pursuant to paragraph 6.1(a) of schedule 9 ( <i>Public Sector Control Requirements</i> ) of the Liaison Agreement;
<b>"Additional Public Sector Control Requirement Scope"</b>	means the scope of the Additional Public Sector Control Requirement, as may be updated pursuant to paragraph <a href="#">3.6(h)3-7(h)</a> ( <i>Uncertain Cost Events</i> ) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Adjusted NR Land Agreement"</b>	means: <ol style="list-style-type: none"> <li>(a) an amended NR Deed of Grant or NR Lease following an NR Land Agreement Change;</li> <li>(b) a lease which replaces an NR Lease following an NR Land Agreement Change; or</li> <li>(c) a grant of rights or lease which replaces the NR Deed of Grant following an NR Land Agreement Change;</li> </ol>
<b>"Agreed Allowances (Early Works)"</b>	means the ex ante allowances set out in the "Agreed Allowances (£)" column of the first table set out in Appendix B of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Asset Transfer Agreement"</b>	means the agreement entered into between the Licensee and the Seller at or prior to Licence Award pursuant to which, amongst other things, certain assets transfer from the Seller to the Licensee for the purposes of the Project;
<b>"Challenge Free"</b>	means:

- (a) that no Challenge Proceedings have been commenced within the relevant Challenge Period;
- (b) that if any Challenge Proceedings are commenced within the relevant Challenge Period then:
  - (i) such Challenge Proceedings are abandoned, lost or finally disposed of, leaving in place a Planning Permission; or
  - (ii) if such Challenge Proceedings are successful and the subject matter of the Challenge Proceedings is referred back to the relevant Competent Authority for reconsideration, that in consequence of that reconsideration, a Planning Permission is granted which is also Challenge Free;

<b>"Challenge Period"</b>	means six weeks and ten Business Days after the date of issue of a Planning Permission;
<b>"Challenge Proceedings"</b>	means any application or appeal to any court, tribunal, person or forum against or in respect of a decision of a Competent Authority;
<b>"Code Accession Agreement"</b>	has the meaning given to it in the CCS Network Code;
<b>"DCO Works Plans"</b>	means the <a href="#">Works Plans for the HyNet Carbon Dioxide Pipeline DCO</a> (Planning Act 2008; The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 – Regulations 5(2)(j)); Document Reference Number D.2.4; Applicant: Liverpool Bay CCS Limited; Inspectorate Reference: EN070007);
<b>"Decommissioning Fund Obligation Date"</b>	means the date which is 30 months before Scheduled COD;
<b>"Decommissioning Regulations Event"</b>	means that: <ul style="list-style-type: none"> <li>(a) the Initial Decommissioning Regulations have come into force; or</li> <li>(b) the Initial Decommissioning Regulations have not come into force by the Decommissioning Fund Obligation Date;</li> </ul>
<b>"Draft Mitigation Measures Event Re-opener Application"</b>	has the meaning given in paragraph 3.3(b)(i) of this <a href="#">Error! Reference source not found, Schedule 10</a> ;

"DRE Review"	has the meaning given in paragraph 8.7 ( <i>Decommissioning Regulations Event Re-opener</i> ) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
"DRE Submission"	has the meaning given in paragraph 8.6 of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
"Early Padeswood Works"	has the meaning given to it in paragraph 4.1(c) ( <i>Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works</i> ) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Early Runcom Works"</b>	has the meaning given to it in paragraph 4.2(c) of this <a href="#">Schedule 10</a> ;
"Early Works"	means the works and activities that form part of the works and activities described in Appendix A of this <a href="#">Error! Reference source not found.Schedule 10</a> but which are also identified and described as Early Works in the first table in Appendix B to this <a href="#">Error! Reference source not found.Schedule 10</a> ;
"First Group of Phase 2D Devex Activities"	has the meaning given to it in the APDP;
"First Phase 2 Tranche D Uncertain Cost Event"	has the meaning given in paragraph <del>3.5(f)(i)</del> 3.6(f)(i) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
"Flint AGI"	has the meaning given to it in the APDP;
"Flint-PoA Pipeline"	has the meaning given to it in the APDP;
"Flint-PoA Pipeline Minimum Allowable Operating Temperature"	means a minimum operating temperature of -6°C within the Flint-PoA Pipeline;
"Fourth Phase 2 Tranche D Uncertain Cost Event"	has the meaning given in paragraph <del>3.5(f)(i)</del> 3.6(f)(i) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
"Hamilton Carbon Store"	means the T&S Storage Site described as the "Hamilton Carbon Store" in the Storage Permit with reference number CS004A;
"Hamilton Main" or "HM"	has the meaning given to it in the APDP;
"Hamilton North" or "HN"	has the meaning given to it in the APDP;
"Hamilton North Carbon Store"	means the T&S Storage Site described as the "Hamilton North Carbon Store" in the Storage Permit with reference number CS004B;

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<b>"Hamilton North Storage Permit Addendum"</b>	means the addendum to the Licensee's Storage Permit in respect to the Hamilton North Carbon Store, documenting the amendments approved by the NSTA as a result of the Hamilton North Storage Permit Addendum Application;
<b>"Hamilton North Storage Permit Addendum Application"</b>	means the application to be submitted by the Licensee to the NSTA to amend the Licensee's Storage Permit in respect to the Hamilton North Carbon Store, as described in sections 3.1(e)(vii)(A) and (B) of the APDP;
<b>"Hamilton Storage Permit Addendum"</b>	means the addendum to the Licensee's Storage Permit in respect to the Hamilton Carbon Store, documenting the amendments approved by the NSTA as a result of the Hamilton Storage Permit Addendum Application;
<b>"Hamilton Storage Permit Addendum Application"</b>	means the application to be submitted by the Licensee to the NSTA to amend the Licensee's Storage Permit in respect to the Hamilton Carbon Store, as described in sections 3.1(e)(vii)(A) and (B) of the APDP;
<b>"Hanson Commitment Event"</b>	means the entry by Hanson Padeswood into the following legally binding and unconditional agreements with the Licensee:  (a) Construction Agreement;  (b) Connection Agreement; and  (c) Code Accession Agreement;
<b>"Hanson Padeswood"</b>	has the meaning given to it in the APDP;
<b>"Initial Decommissioning Regulations"</b>	means the first statutory instrument made pursuant to section 92 of the Act, requiring that security for the performance of obligations relating to the future abandonment or decommissioning of offshore carbon dioxide-related sites, pipelines or installations must be provided by way of a decommissioning fund, and including provisions relating to the process for establishing the decommissioning fund;
<b>"Initial Padeswood Planning Permission"</b>	means a Padeswood Planning Permission granted pursuant to the Initial Padeswood TCPA Application;
<b>"Initial Padeswood TCPA Application"</b>	means the first Padeswood TCPA Application to be submitted to a Competent Authority;

**"Initial Runcorn Planning Permission"** means a Runcorn Planning Permission granted pursuant to an Initial Runcorn TCGA Application;

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**"Initial Runcorn TCGA Application"** means the first Runcorn TCGA Application to be submitted to each of the following Competent Authorities;

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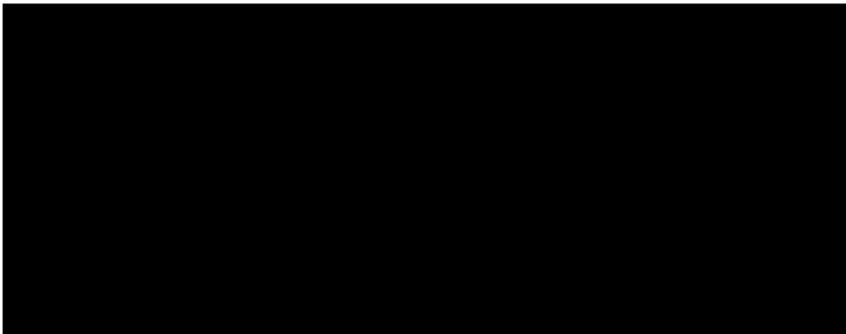
(a) Cheshire West and Chester Council; and

(b) Halton Borough Council;

**"Interim Holding Arrangements"** has the meaning given to it in the Asset Transfer Agreement;

**"Joule-Thomson Impact"** means that, as a direct result of the impact of the Joule-Thomson effect on the Flint-PoA Pipeline, the Licensee will be unable to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature;

**"Joule-Thomson Uncertain Cost Event"** has the meaning given to it in paragraph 3.7(g)3-8(g) of this [Error! Reference source not found.Schedule 10](#);



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**"Lennox Carbon Store"** means the T&S Storage Site described as the "Lennox Carbon Store" in the Storage Permit with reference number CS004C;

**"Lift and Shift Provision"** means a provision within an NH Lease pursuant to which the Licensee may, following service of a Relocation Notice on the Licensee by National Highways under and in accordance with the relevant NH Lease, be required to permanently remove, relocate or reposition any section of online onshore pipeline which (i) forms part of the Approved T&S Network; and (ii) is located on the National Highways land which is the subject of the relevant NH Lease;

<b>"Mechanical Completion"</b>	has the meaning given to it in the APDP;
<b>"Mitigation Measures"</b>	means the increase in the injection rate and total capacity of the Hamilton Carbon Store and the Hamilton North Carbon Store (but only to the extent permitted by the NSTA pursuant to the Hamilton Storage Permit Addendum Application and the Hamilton North Storage Permit Addendum Application), in accordance with the Mitigation Measures Plan (including any Notified Early Works), with the objective of achieving the Mitigation Measures Objective;
<b>"Mitigation Measures Commissioning Activities"</b>	has the meaning given to it in paragraph 3.3 of Appendix A of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Mitigation Measures Event"</b>	<p>means where:</p> <ul style="list-style-type: none"><li>(a) a Phase 2 Tranche A Uncertain Cost Event has occurred; and</li><li>(b) the NSTA has approved the Licensee's Hamilton Storage Permit Addendum Application and/or the Hamilton North Storage Permit Addendum Application (in whole or in part),</li></ul> <p>noting that:</p> <ul style="list-style-type: none"><li>(c) where the Licensee has received approval from the NSTA (in whole or in part) in relation to one of the applications referred to in paragraph (b) above, paragraph (b) will not be satisfied until the Licensee has received a decision (which may be an approval or a rejection) from the NSTA in relation to the other application referred to in paragraph (b);</li><li>(d) to constitute an approval for the purposes of paragraph (b), any approval from the NSTA is to be an approval that allows the Mitigation Measures to be implemented (that is, to increase the injection rate/total capacity and not merely to drill additional wells); and</li></ul> <p>any reference to an application to the NSTA being approved "in whole or in part" in this <a href="#">Error! Reference source not found.Schedule 10</a> is a reference to the fact that the NSTA, in approving an increase in the injection rate and total capacity of a T&amp;S Storage Site, may approve the application or may require the Licensee to amend its original application and only approve a partial increase;</p>

<b>"Mitigation Measures Handover Works"</b>	has the meaning given to it in paragraph 2 of Appendix A of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Mitigation Measures Objective"</b>	the objective of delivering the Obligated Network Capacity set out in the APDP that would have been required to be delivered had the Phase 2 Tranche A Uncertain Cost Event not occurred;
<b>"Mitigation Measures Plan"</b>	means a plan which is aligned with the elements set out in Appendix A to this <a href="#">Error! Reference source not found.Schedule 10</a> , setting out the works, activities and other steps (including any preparatory engineering activities) that need to be undertaken by the Licensee to implement the Mitigation Measures (other than the Mitigation Measures Preparatory Activities, but including all Early Works (even where such Early Works are Notified Early Works)), which shall include the Hamilton Acceptance Requirements (as defined in Appendix A to this <a href="#">Error! Reference source not found.Schedule 10</a> );
<b>"Mitigation Measures Preparatory Activities"</b>	means the activities described in section 3.1(e)(vii) of the APDP;
<b>"Mitigation Measures Systems"</b>	has the meaning given in paragraph 1 of Appendix A of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Mitigation Measures Works and Activities"</b>	means the works, activities and other steps set out in the Mitigation Measures Plan;
<b>"National Highways" or "NH"</b>	means National Highways Limited (company number 09346363);
<b>"Network Rail" or "NR"</b>	means Network Rail Infrastructure Limited (company number 02904587) (or any successor entity, permitted assignee or transferee);
<b>"NH Lease"</b>	means a lease entered into between National Highways and the Licensee which relates to land upon which part(s) of the Approved T&S Network are situated;
<b>"Notified Early Works"</b>	means the Early Works that the Licensee has notified to the Regulator pursuant to paragraph 3.2(e)(ii) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Notified Early Works Uncertain Cost Event"</b>	means where: <ul style="list-style-type: none"> <li>(a) a Phase 2 Tranche A Uncertain Cost Event has occurred; and</li> </ul>

- (b) the Licensee has made an application for an Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event in accordance with paragraph 3.1(d) of this [Error! Reference source not found.Schedule 10](#);

**"NR Deed of Grant"**

means the deed of grant between Network Rail and the Licensee, which was originally entered into between (1) Railtrack Plc; and (2) BHP Petroleum Limited on 25 June 2001, and which relates, amongst other things, to land upon which part(s) of the Approved T&S Network are situated;

**"NR Land Agreement Change"**

means:

- (a) the terms of the NR Deed of Grant or an NR Lease are amended;
- (b) an NR Lease is surrendered and a replacement lease is entered into; or
- (c) the NR Deed of Grant is surrendered and replaced by a new grant of rights or lease in respect of the NR Talacre Pipeline;

**"NR Lease"**

means each of the leases entered into between Network Rail and the Licensee which relate to land upon which part(s) of the Approved T&S Network are situated, such leases relating to land at and around:

- (a) the TRS-01 railway crossing on the Hapsford railway line at the location shown on for "Work No. 4" on drawing EN070007-D.2.4-WP-Sheet 1 of the DCO Works Plans;
- (b) the TRS-20 railway crossing on the Mollington railway line at the location shown on for "Work No. 24" on drawing EN070007-D.2.4-WP-Sheet 9 of the DCO Works Plans;
- (c) the TRS-29 railway crossing on the North Wales Coast railway line at the location shown on for "Work No. 32" on drawing EN070007-D.2.4-WP-Sheet 14 of the DCO Works Plans; and
- (d) the TRS-36 railway crossing on the Wrexham to Bidston (Borderlands) railway line at the location shown on for "Work No. 38" on drawing EN070007-D.2.4-WP-Sheet 17 of the DCO Works Plans,

	and which leases are entered into on substantially the same terms as the Standard NR Lease;
<b>"NR Lease ARF"</b>	has the meaning given to it in paragraph 2.4 ( <i>Availability Relief Factors</i> ) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"NR Misalignment"</b>	has the meaning given to it in paragraph 5.3 ( <i>NR-related FM Events</i> ) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"NR-related FM Event"</b>	means: <ul style="list-style-type: none"><li>(a) the absolute determination of the rights granted under the NR Deed of Grant under and in accordance with a relevant NR Termination Provision;</li><li>(b) Network Rail exercises its rights under an NR Talacre Pipeline Provision to require and/or undertake the removal of all or part of the NR Talacre Pipeline, including where Network Rail substitutes other convenient works (as referred to in the NR Deed of Grant); or</li><li>(c) the termination of a relevant NR Lease by Network Rail under and in accordance with a relevant NR Termination Provision;</li></ul>
<b>"NR-related FM Notice"</b>	means: <ul style="list-style-type: none"><li>(a) where Network Rail notifies the Licensee, or otherwise makes the Licensee aware, of its intent to exercise its rights under an NR Talacre Pipeline Provision;</li><li>(b) where Network Rail notifies the Licensee, or otherwise makes the Licensee aware, of its intent to take any action which will result in the determination of the rights granted under the NR Deed of Grant under and in accordance with an NR Termination Provision; or</li><li>(c) a notice given to the Licensee by Network Rail under and in accordance with an NR Termination Provision;</li></ul>
<b>"NR Talacre Pipeline"</b>	means the section of online onshore pipeline which: <ul style="list-style-type: none"><li>(a) forms part of the Approved T&amp;S Network; and</li></ul>

- (b) forms part of the "Works" (as such term is defined in the NR Deed of Grant);

**"NR Talacre Pipeline Provision"**

means the provision within the NR Deed of Grant pursuant to which Network Rail:

- (a) may require and/or undertake the removal of all or part of the NR Talacre Pipeline where such removal is required by Network Rail under and in accordance with the NR Deed of Grant for the purposes of the construction or erection of works that Network Rail deems necessary over, under or adjoining the NR Talacre Pipeline and/or the raising, widening and/or alteration of Network Rail's railway and works; and
- (b) where Network Rail requires and/or undertakes the removal of all or part of the NR Talacre Pipeline as referred to in limb (a) of this definition, shall, so far as it is practicable to do so, substitute other convenient works (as referred to in the NR Deed of Grant);

**"NR Termination Provision"**

means:

- (a) the provision within the NR Deed of Grant pursuant to which the rights granted to the Licensee under the NR Deed of Grant absolutely determine as a result of the complete removal of the "Works" (as such term is defined in the NR Deed of Grant); or
- (b) a provision within an NR Lease pursuant to which Network Rail may terminate the relevant NR Lease if Network Rail requires the land the subject of the NR Lease (or any part of it) for the purposes of its statutory undertaking;

**"ONC-related Change in Scope"**

has the meaning given to it in paragraph 11.3 (*Obligated Network Capacity*) of this [Error! Reference source not found.Schedule 10](#);

**"Onerous Condition"**

means a condition on a Planning Permission which:

- (a) the Licensee has not agreed to be included in the grant of the relevant Planning Permission;
- (b) the Licensee considers to be an unacceptable or onerous condition and so notifies the Regulator under paragraph 3.4(c)(ii)(A) or paragraph

~~1.1(a)(i)(A)3-5(c)(ii)(A)~~ of this ~~Error! Reference source not found.Schedule 10~~ (as applicable);  
and

- (c) the Regulator determines under paragraph 3.4(c)(ii)(B) or paragraph ~~1.1(a)(i)(A)3-5(c)(ii)(B)~~ of this ~~Error! Reference source not found.Schedule 10~~ (as applicable) is an unacceptable or onerous condition;

<b>"Padeswood Appeal or Revision"</b>	has the meaning given to it in paragraph 3.4(e)(v) of this <del>Error! Reference source not found.Schedule 10</del> ;
<b>"Padeswood Planning Permission"</b>	means a Planning Permission granted by a Competent Authority pursuant to a Padeswood TCPA Application;
<b>"Padeswood Spurline"</b>	has the meaning given to it in the APDP;
<b>"Padeswood TCPA Application"</b>	means a Planning Application for the Phase 2 Tranche B Systems;
<b>"Payment Date"</b>	means the date when the Seller pays the Seller's Decommissioning Fund Contribution to the Licensee in accordance with the terms of the Asset Transfer Agreement;
<b>"Phase 1 Onshore Pipelines"</b>	means the parts of the Onshore Transportation System which form part of the Phase 1 Systems as detailed in para. 3.1(d)(i) of the APDP;
<b>"Phase 1 Systems"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Systems"</b>	means (as applicable): <del>(a)</del> the Phase 2 Tranche B Systems; <del>or</del> <del>(b)(a)</del> <u>the Phase 2 Tranche C Systems;</u>
<b>"Phase 2 Tranche A"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche A Systems"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche A Uncertain Cost Event"</b>	means where the Licensee or Eni UK Limited sends a notice in accordance with clause 8.4 of the Asset Transfer Agreement, electing to remove all of the Lennox Assets from the scope of the Transferred Assets (where "Lennox Assets" and "Transferred Assets" have the meaning given to them in the Asset Transfer Agreement);
<b>"Phase 2 Tranche B"</b>	has the meaning given to it in the APDP;

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<p><b>"Phase 2 Tranche B Handover Works"</b></p>	<p>has the meaning give to it in the APDP;</p>
<p><b>"Phase 2 Tranche B Planning Elements"</b></p>	<p>means the elements of the relevant Phase 2 Tranche B Uncertain Cost Event described in paragraphs 3.4(d)(i)(A) and (B) of this <a href="#">Error! Reference source not found, Schedule 10</a>;</p>
<p><b>"Phase 2 Tranche B Systems"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche B Uncertain Cost Event"</b></p>	<p>has the meaning given in paragraph 3.4(a) of this <a href="#">Error! Reference source not found, Schedule 10</a>;</p>
<p><b>"Phase 2 Tranche C"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche C Handover Works"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche C Planning Elements"</b></p>	<p>means the elements of the Phase 2 Tranche C Uncertain Cost Event described in paragraphs 3.5(d)(i)(A) and (B) of this <a href="#">Schedule 10</a>;</p>
<p><b>"Phase 2 Tranche C Systems"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche C Uncertain Cost Event"</b></p>	<p>has the meaning given in paragraph 3.5(a) of this <a href="#">Schedule 10</a>;</p>
<p><b>"Phase 2 Tranche D"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche D Commissioning Activities"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche D Handover Works"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2 Tranche D Uncertain Cost Events"</b></p>	<p>means the First Phase 2 Tranche D Uncertain Cost Event, the Second Phase 2 Tranche D Uncertain Cost Event, the Third Phase 2 Tranche D Uncertain Cost Event and the Fourth Phase 2 Tranche D Uncertain Cost Event (each a <b>"Phase 2 Tranche D Uncertain Cost Event"</b> and together the <b>"Phase 2 Tranche D Uncertain Cost Events"</b>);</p>
<p><b>"Phase 2 User"</b></p>	<p>has the meaning given to it in the APDP;</p>
<p><b>"Phase 2B User"</b></p>	<p>means the Phase 2 User identified in row 3 of the Planned Initial Users table at section 4.1(b) of the APDP;</p>
<p><b>"Phase 2C User"</b></p>	<p>means the Phase 2 User identified in row 1 of the Planned Initial Users table at section 4.1(b) of the APDP;</p>

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<b>"Phase 2D Devex Activities"</b>	has the meaning given in paragraph <a href="#">3.5(a)</a> <del>3.6(a)</del> of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Planned Initial Users"</b>	has the meaning given to it in the APDP;
<b>"Planning Application"</b>	means an application for full planning permission submitted by or on behalf of the Licensee under the Town and Country Planning Act 1990 to a relevant Competent Authority;
<b>"Planning Permission"</b>	means a full planning permission granted by a Competent Authority pursuant to a Planning Application;
<b>"Planning Refusal"</b>	means: <ul style="list-style-type: none"><li>(a) refusal to grant a Planning Permission;</li><li>(b) the non-determination by a Competent Authority of a Planning Application within the relevant statutory period (together with such extensions to such statutory period as the Licensee may have agreed with the Competent Authority); or</li><li>(c) the grant of a Planning Permission contains one or more Onerous Conditions;</li></ul>
<b>"PoA Terminal"</b>	has the meaning given to it in the APDP;
<b>"Potential Additional ARF"</b>	has the meaning given in paragraph 2 of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Pre-Licence Award Capex"</b>	means pre-Licence Award capital expenditure costs incurred in respect of the Approved T&S Network;
<b>"Pre-Licence Award Capex Allowance"</b>	means an allowance in respect of the Licensee's Pre-Licence Award Capex which is as set out in the Financial Settlement Document;
<b>"Pre-Licence Award Capex Costs"</b>	means the Pre-Licence Award Capex costs incurred by the Licensee in respect of the Approved T&S Network, excluding any Excluded Project Spend;
<b>"Relevant NR Definitions"</b>	has the meaning given to that term in paragraph 5.2 of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Relevant Padeswood Planning Refusal"</b>	means a Planning Refusal which relates: <ul style="list-style-type: none"><li>(a) to an Initial Padeswood TCPA Application; or</li></ul>

(b) where the Planning Refusal occurs under limb (c) of the definition of Planning Refusal, the Initial Padeswood Planning Permission;

"Relevant Runcorn Planning Refusal"

means a Planning Refusal which relates:

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(a) to an Initial Runcorn TCPA Application; or

(b)(a) where the Planning Refusal occurs under limb (c) of the definition of Planning Refusal, the relevant Initial Runcorn Planning Permission;

"Relocation Notice"

has the meaning given to that term in a relevant NH Lease;

"Required Flint-PoA Pipeline Flow Rate"

means a flow rate of at least 150.30 kg/s;

"Resolving Modifications"

has the meaning given to it in paragraph 5.6(a) of this [Error! Reference source not found.Schedule 10](#);

"RFS Agreement"

means the Reverse Flow Services Agreement entered into between the Licensee and Eni CCUS Holding Limited (company number 14821773);

"Runcorn Appeal or Revision"

has the meaning given to it in paragraph 3.5(e)(vi) of this [Schedule 10](#);

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"Runcorn Planning Permission"

means a Planning Permission granted by a Competent Authority pursuant to a Runcorn TCPA Application;

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"Runcorn Planning Refusal"

means a Planning Refusal of a Runcorn TCPA Application (and, where relevant, the relevant Planning Permission is a Runcorn Planning Permission);

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"Runcorn Spurtine"

has the meaning given to it in the APDP;

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"Runcorn TCPA Application"

means each of:

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(a) a Planning Application submitted by or on behalf of the Licensee to Cheshire West and Chester Council for such parts of the Phase 2 Tranche G Systems as are located in that Competent Authority's administrative area; and

(b)(a) a Planning Application submitted by or on behalf of the Licensee to Halton Borough Council for such parts of the Phase 2 Tranche G Systems as are located in that Competent Authority's administrative area;

<b>"Satisfactory Padeswood Planning Permission"</b>	means a Padeswood Planning Permission which is a Satisfactory Planning Permission;
<b>"Satisfactory Planning Permission"</b>	means a Planning Permission which contains no Onerous Conditions;
<b>"Satisfactory Runcom Planning Permission"</b>	means a Runcom Planning Permission which is a Satisfactory Planning Permission;
<b>"Scenario"</b>	has the meaning given to it in paragraph 3.2(e)(ii) of this Schedule 10;
<b>"Scheduled Phase 2 Tranche B Acceptance Date"</b>	has the meaning given in the Technical Details Document;
<b>"Scheduled Phase 2 Tranche B Handover Date"</b>	has the meaning given in the Technical Details Document;
<b>"Scheduled Phase 2 Tranche C Acceptance Date"</b>	has the meaning given in the Technical Details Document; and
<b>"Scheduled Phase 2 Tranche C Handover Date"</b>	has the meaning given in the Technical Details Document;
<b>"Scheduled Phase 2 Tranche D Acceptance Date"</b>	has the meaning given in the Technical Details Document;
<b>"Scheduled Phase 2 Tranche D Handover Date"</b>	has the meaning given in the Technical Details Document;
<b>"Second Group of Phase 2D Devex Activities"</b>	has the meaning given to it in the APDP;
<b>"Second Phase 2 Tranche D Uncertain Cost Event"</b>	has the meaning given in paragraph 3.5(g)(i)-3.5(g)(ii) of this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Seller"</b>	means Eni UK Limited;
<b>"Seller's Decommissioning Fund Contribution"</b>	means the Seller's Decommissioning Fund Contribution (as defined in the Asset Transfer Agreement), representing a financial contribution from the Seller towards the future decommissioning of the assets that are the subject of the Asset Transfer Agreement;
<b>"Standard NR Lease"</b>	means the form of lease set out in Appendix D ( <i>Standard NR Lease</i> ) to this <a href="#">Error! Reference source not found.Schedule 10</a> ;
<b>"Suspension Provision"</b>	means a provision of a relevant NR Lease the result of which is that Network Rail may cut-off, or procure the cut-off of, the flow of CO2 through any relevant section of

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online onshore pipeline (i) forming part of the Approved T&S Network; and (ii) which is located on Network Rail land which is the subject of the relevant NR Lease;

"Third Group of Phase 2D Devex Activities" has the meaning given to it in the APDP;

"Third Phase 2 Tranche D Uncertain Cost Event" has the meaning given in paragraph 3.5(h)(i)3-6(h)(i) of this [Error! Reference source not found.Schedule 10](#);

"Track 1 Expansion Users" has the meaning given to it in the APDP;

"Viridor Commitment Event" means the entry by Viridor (Runcorn) into the following legally binding and unconditional agreements with the Licensee;

(a) Construction Agreement;

(b) Connection Agreement; and

(c)(a) Code Accession Agreement; and

"Viridor (Runcorn)" has the meaning given to it in the APDP;

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## 2. Availability Relief Factors

2.1 The following shall be an Availability Relief Factor under Special Condition H [Error! Reference source not found.40.10\(g\)](#) (Availability incentive):

(a) any factor designated as an "Availability Relief Factor" under paragraph 2.2(c)(i) of this [Error! Reference source not found.Schedule 10](#) (Project-specific conditions).

2.2 Where any of the events specified in paragraph 2.3 of this [Error! Reference source not found.Schedule 10](#) (each a "Potential Additional ARF") occurs:

(a) the Licensee must notify the Regulator as soon as reasonably practicable after having become aware of such occurrence, including in such notice:

- (i) the details of the circumstance(s) of such Potential Additional ARF;
- (ii) the Licensee's analysis of the likely impact of the relevant Potential Additional ARF on Availability, including a detailed justification in respect of the same; and
- (iii) the Licensee's proposals to respond to the relevant Potential Additional ARF;

(b) following submission of a notice by the Licensee under paragraph 2.2(a) of this [Error! Reference source not found.Schedule 10](#), the Licensee must provide to the Regulator any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of:

- (i) the relevant Potential Additional ARF;

- (ii) the Licensee's proposals to respond to the relevant Potential Additional ARF; and
  - (iii) the Licensee's analysis of the likely impact of the relevant Potential Additional ARF on Availability; and
- (c) following receipt of a notice from the Licensee under paragraph 2.2(a) of this [Error! Reference source not found.Schedule 10](#) and all Supporting Information required under paragraph 2.2(b) of this [Error! Reference source not found.Schedule 10](#), the Regulator will review the notice and the relevant Supporting Information and will either:
- (i) determine that the relevant Potential Additional ARF is designated as an Availability Relief Factor for the purposes of Special Condition H [Error! Reference source not found.18-13](#), provided that such designation shall only apply in respect of the circumstances included in the notice from the Licensee under paragraph 2.2(a) of this [Error! Reference source not found.Schedule 10](#); or
  - (ii) determine that the relevant Potential Additional ARF is not designated as an Availability Relief Factor for the purposes of Special Condition H [Error! Reference source not found.18-13](#),

in each case for the purposes of paragraph 2.1(a) of this [Error! Reference source not found.Schedule 10](#). At the same time that the Regulator makes a determination under this limb (c), it may, in respect of the Potential Additional ARF, make a determination as to the matters described in limbs (i) and (ii) of Special Condition H [Error! Reference source not found.18-13](#) and their impact on the Potential Additional ARF.

2.3 The following events are each a Potential Additional ARF for the purposes of paragraph 2.2 of this [Error! Reference source not found.Schedule 10](#):

- (a) during the Operational Period, the Licensee is required pursuant to a Lift and Shift Provision to remove, relocate or reposition any relevant section of online onshore pipeline forming part of the Approved T&S Network which is located on National Highways land which is the subject of the relevant NH Lease, provided that:
  - (i) the relevant Lift and Shift Provision was required by National Highways to be included in the relevant NH Lease notwithstanding the reasonable endeavours of the Licensee to exclude the relevant Lift and Shift Provision from the relevant NH Lease; and
  - (ii) the Licensee notifies the Regulator that the relevant NH Lease contains a Lift and Shift Provision, together with full details of the relevant Lift and Shift Provision, including the circumstances in which it can be exercised, either:
    - (A) where the relevant NH Lease is entered into between National Highways and the Licensee prior to Licence Award, by no later than Licence Award; and
    - (B) where the relevant NH Lease is entered into between National Highways and the Licensee at or following Licence Award, promptly (and in any

event not later than 15 Business Days) following the date on which the Licensee and National Highways enter into the relevant NH Lease; and

- (b) during the Operational Period, the flow of CO<sub>2</sub> through any relevant section of online onshore pipeline forming part of the T&S Network which is located on Network Rail land which is the subject of the relevant NR Lease is cut-off for a continuous period of 24 hours or more by (or on behalf of or upon the instruction of) Network Rail as a result of Network Rail exercising its rights under a Suspension Provision, provided that:
- (i) only the period of cut-off over and above the first continuous 24-hour period shall qualify as a Potential Additional ARF (and, therefore, if designated as an Availability Relief Factor under paragraph 2.2(c)(i) of this [Error! Reference source not found.Schedule 10](#), would be taken into account for the purposes of Special Condition H [Error! Reference source not found.18.13](#));
  - (ii) the relevant Suspension Provision was required by Network Rail to be included in the relevant NR Lease notwithstanding the reasonable endeavours of the Licensee to exclude the relevant Suspension Provision from the relevant NR Lease;
  - (iii) the Licensee notifies the Regulator that the relevant NR Lease contains a Suspension Provision, together with full details of the relevant Suspension Provision, including the circumstances in which it can be exercised, either:
    - (A) where the relevant NR Lease is entered into between Network Rail and the Licensee prior to Licence Award, by no later than Licence Award; and
    - (B) where the relevant NR Lease is entered into between Network Rail and the Licensee at or following Licence Award, promptly (and in any event not later than 15 Business Days) following the date on which the Licensee and Network Rail enter into the relevant NR Lease; and
  - (iv) the provisions of paragraph 2.4 of this [Error! Reference source not found.Schedule 10](#) shall apply.

#### 2.4 NR Lease ARFs

- (a) This paragraph 2.4 shall apply in respect of any Potential Additional ARF which is:
- (i) an event specified in paragraph 2.3(b) of this [Error! Reference source not found.Schedule 10](#); and
  - (ii) designated as an "Availability Relief Factor" under paragraph 2.2(c)(i) of this [Error! Reference source not found.Schedule 10](#),
- (each, once so designated as an "Availability Relief Factor", an "NR Lease ARF").

(b) Where in respect of any Operational Charging Year, Confirmed Availability is equal to or above the Availability Target for such Operational Charging Year, the application of any NR Lease ARF and its impact on the definition of:

- (i) Adjusted Constrained Registered Capacity; and
- (ii) Adjusted Curtailed Nomination,

shall not result in any positive adjustment to the Allowed Revenue pursuant to Special Condition H [Error! Reference source not found.18-19\(b\)](#)

(c) Notwithstanding paragraph 2.4(b) of this [Error! Reference source not found. Schedule 10](#):

- (i) the Licensee's obligations under Special Condition H [Error! Reference source not found.18-8](#) shall continue to apply in respect of any NR Lease ARF;
- (ii) the Licensee's obligations under Special Condition H [Error! Reference source not found.18-9](#) shall continue to apply in respect of any NR Lease ARF;
- (iii) the evidence provided by the Licensee to the Regulator under Special Condition H [Error! Reference source not found.18-10](#) must include notice of the occurrence of any NR Lease ARF, evidence satisfactory to the Regulator in respect of the nature, cause(s) and duration of any NR Lease ARF and the impact of such NR Lease ARF on Nominated Quantity and/or Registered Capacity, including the duration of such impact and the affected Delivery Periods; and
- (iv) the Regulator may, at any time, require further Supporting Information from the Licensee in respect of any NR Lease ARF and its impact on the Project and the Licensee must provide any such evidence to the Regulator promptly following such request.

### 3. Uncertain Cost Events

#### 3.1 Uncertain Cost Event relating to Phase 2 Tranche A

- (a) A Phase 2 Tranche A Uncertain Cost Event is an Uncertain Cost Event in respect of which Special Conditions J [Error! Reference source not found.7-1](#) to J [Error! Reference source not found.7-6](#) (*Variation Re-openers*) shall not apply.
- (b) No Change in Scope, Qualifying Change in Law or ONC-related Change in Scope shall arise for the purposes of this licence in connection with, or as a result of:
  - (i) a Phase 2 Tranche A Uncertain Cost Event; or
  - (ii) any circumstances or events giving rise to a Phase 2 Tranche A Uncertain Cost Event,

and the provisions of Part A (*Changes in Scope*) and Part B (*Qualifying Changes in Law*) of Special Condition J [Error! Reference source not found.2](#) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall not apply in respect of the same.

- (c) For the purpose of Special Condition [JError! Reference source not found.6-6](#) (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Phase 2 Tranche A Uncertain Cost Event on the Project in accordance with this paragraph 3.1.
- (d) As soon as reasonably practicable following the occurrence of a Phase 2 Tranche A Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Phase 2 Tranche A Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#) and paragraph 3.1(e) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*).
- (e) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) and this paragraph 3.1 shall include (as a minimum) a copy of the notice referred to in the definition of Phase 2 Tranche A Uncertain Cost Event, to evidence that the Phase 2 Tranche A Uncertain Cost Event has occurred.
- (f) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event under paragraph 3.1(d) of this [Error! Reference source not found.Schedule 10](#), the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the Phase 2 Tranche A Uncertain Cost Event.
- (g) Provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.1(e) and 3.1(f) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [JError! Reference source not found.6-4](#), where the Licensee has made an application for a Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event under this paragraph 3.1, the Regulator will determine:
- (i) amendments to Annex A to Section A of this licence such that:
- (A) paragraph 2.1(c) is amended to remove reference to:
- (aa) the Lennox Carbon Store; and
- (bb) the carbon dioxide appraisal and storage licence number CS004C (Lennox); and
- (B) Exhibit B is amended to remove reference to the Lennox Carbon Store, the related T&S Storage Site and the related Offshore Pipeline Infrastructure;

- (ii) amendments to update the APDP to reflect the impact of the Phase 2 Tranche A Uncertain Cost Event such that:
  - (A) the APDP is amended to remove all references to Phase 2 Tranche A, as follows:
    - (aa) deletion of the reference to "Lennox" in the definition of "Douglas CCS Platform" in section 1.1 of the APDP;
    - (bb) deletion of the definition of "Lennox" in section 1.1 of the APDP;
    - (cc) deletion of reference to the Phase 2 Tranche A Commissioning Activities in the definition of "Phase 2 Acceptance Punchlist Items" in section 1.1 of the APDP;
    - (dd) deletion of reference to the Phase 2 Tranche A Handover Works in the definition of "Phase 2 Handover Punchlist Items" in section 1.1 of the APDP;
    - (ee) amendment of section 2.5 of the APDP to refer to two T&S Storage Sites rather than three;
    - (ff) amendment of section 2.6(b) of the APDP to refer to four Phase 2 Tranches rather than five;
    - (gg) amendment of section 2.8 to refer to two reservoirs rather than three;
    - (hh) amendment of "Figure 1: Approved T&S Network" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;
    - (ii) amendment of section 2.9 of the APDP to refer to four tranches rather than five;
    - (jj) amendment of "Figure 2: Phase 1 Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines, as well as "\*\*\* Lennox platform may be commissioned after COD" and "\*\*\*Lennox wells may be perforated after COD";
    - (kk) amendment of section 3.2(b) of the APDP to refer to four tranches rather than five;
    - (ll) section 3.2(b)(i) of the APDP to be replaced with "Not used";
    - (mm) "Figure 3: Phase 2A Scope" at section 3.2(c) of the APDP to be deleted and renamed "Figure 3: Not used";
    - (nn) amendment of "Figure 4: Phase 2B Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;

~~(oo)~~ amendment of "Figure 5: Phase 2G Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;

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~~(pp)(oo)~~ amendment of "Figure 6: Phase 2D Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;

~~(qq)(oo)~~ deletion of reference to the Phase 2 Tranche A Systems in the definition of "Phase 2 Systems" in section 3.2(e) of the APDP;

~~(rr)(qq)~~ section 3.2(f) of the APDP to be replaced with "Not used";

~~(ss)(rr)~~ section 3.2(i)(ii)(C) of the APDP to be replaced with "Not used";

~~(tt)(ss)~~ deletion of reference to the Phase 2 Tranche A Handover Works in the definition of "Phase 2 Handover Works" in section 3.2(j)(i) of the APDP;

~~(uu)(tt)~~ section 3.2(j)(ii) of the APDP to be replaced with "Not used";

~~(vv)(uu)~~ deletion of reference to the Phase 2 Tranche A Commissioning Activities Works in the definition of "Phase 2 Commissioning Activities" in section 3.2(k)(i) of the APDP; and

~~(ww)(vv)~~ section 3.2(k)(ii) of the APDP to be replaced with "Not used";

(B) section 3.2(i)(ii) of the APDP is deleted, to be replaced with "Not used";

(C) section 3.4 of the APDP is amended to read as follows:

	Obligated Network Capacity
<b>Maximum Flow Rates</b>	<b>Maximum Instantaneous Flow Rate:</b> 139.52 kg/s (4.4 MTPA instantaneous)
	<b>Maximum Annual Cumulative Flow:</b> 2.9 MtCO <sub>2</sub>
<b>Minimum Flow Rate</b>	6.34 kg/s (0.2 MTPA instantaneous)
<b>Overall Store Capacity</b>	71 MtCO <sub>2</sub>

(D) section 7.1(c) to be replaced with "Not used"; and

- (E) any other consequential amendments as required to give effect to the amendments listed in paragraph 3.1(g)(ii) of this [Error! Reference source not found.Schedule 10](#);
- (iii) amendments to update the Financial Settlement Document to reflect the impact of the Phase 2 Tranche A Uncertain Cost Event such that:
  - (A) the SRAV Capex and Opex Construction Period Allowance is reduced by £133.1 million;
  - (B) the SRAV Capex and Opex Commissioning Period Allowance is reduced by £11.2 million;
  - (C) the Opex Allowances are reduced by:
    - (aa) £5.7 million in respect of Operational Charging Year 1;
    - (bb) £4.6 million in respect of Operational Charging Year 2; and
    - (cc) £13.2 million in respect of Operational Charging Year 3; and
    - (dd) £14.1 million in respect of Operational Charging Year 4.
- (iv) amendments to update the Technical Details Document to reflect the impact of the Phase 2 Tranche A Uncertain Cost Event such that the Technical Details Document is amended to remove all references to Phase 2 Tranche A, as follows:
  - (A) "Phase 2 Tranche A (Lennox)" is deleted under the "Phase 2 Activities" heading;
  - (B) the date of appointment of Independent Certifier for Phase 2 Tranche A is deleted;
  - (C) the Reporting Commencement Date for Phase 2 Tranche A is deleted;
  - (D) the P2/ExpA Reporting Period for Phase 2 Tranche A is deleted;
  - (E) the Scheduled Phase 2 Tranche A Handover Date is deleted;
  - (F) the Scheduled Phase 2 Tranche A Acceptance Date is deleted; and
  - (G) any other consequential amendments as required to give effect to the amendments listed in paragraph 3.1(g)(iv) of this [Error! Reference source not found.Schedule 10](#).

### 3.2 Uncertain Cost Event relating to Notified Early Works

- (a) A Notified Early Works Uncertain Cost Event is an Uncertain Cost Event in respect of which Special Conditions [JError! Reference source not found.7-1](#) to [JError! Reference source not found.7-6](#) (*Variation Re-openers*) shall not apply.

- (b) No Change in Scope, Qualifying Change in Law or ONC-related Change in Scope shall arise for the purposes of this licence in connection with, or as a result of:
- (i) a Notified Early Works Uncertain Cost Event; or
  - (ii) any circumstances or events giving rise to a Notified Early Works Uncertain Cost Event,
- and the provisions of Part A (*Changes in Scope*) and Part B (*Qualifying Changes in Law*) of Special Condition [JError! Reference source not found.2](#) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall not apply in respect of the same.
- (c) For the purpose of Special Condition [JError! Reference source not found.6-6](#) (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Notified Early Works Uncertain Cost Event on the Project (in terms of the Licensee carrying out any Early Works) in accordance with this paragraph 3.2.
- (d) As soon as reasonably practicable following the occurrence of a Notified Early Works Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Notified Early Works Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#) and paragraph 3.2(e) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*).
- (e) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a Notified Early Works Uncertain Cost Event pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) and this paragraph 3.2 shall include (as a minimum) the following information:
- (i) a copy of the notice referred to in the definition of Phase 2 Tranche A Uncertain Cost Event, to evidence that the Phase 2 Tranche A Uncertain Cost Event has occurred;
  - (ii) which scenario set out in the second table in Appendix B (each a "**Scenario**") applies (subject to paragraph 3.2(h) of this [Error! Reference source not found.Schedule 10](#)) and based on that Scenario, the Early Works corresponding to that Scenario, as set out in the second table in Appendix B, that the Licensee will be proceeding with (with such Early Works, notified in the application, being the "**Notified Early Works**");
  - (iii) Supporting Information to evidence the existence of the Scenario referred to in paragraph 3.2(e)(ii) of this [Error! Reference source not found.Schedule 10](#); and
  - (iv) evidence that the Licensee has received all necessary approvals from the NSTA, pursuant to the Storage Licences relating to the Hamilton Carbon Store and/or the Hamilton North Carbon Store, which may be required to permit the Licensee to carry out the Notified Early Works.

- (f) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a Notified Early Works Uncertain Cost Event under paragraph 3.2(d) of this [Error! Reference source not found, Schedule 10](#), the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the Notified Early Works Uncertain Cost Event.
- (g) For the purpose of Special Condition [Error! Reference source not found, 6-6](#), and provided that both (A) the Licensee has provided the relevant information required pursuant to paragraphs 3.2(e) and 3.2(f) of this [Error! Reference source not found, Schedule 10](#) and Special Condition [Error! Reference source not found, 6-4](#); and (B) the Regulator has made a determination pursuant to paragraph 3.1(g) of this [Error! Reference source not found, Schedule 10](#), where the Licensee has made an application for a Uncertain Cost Event Re-opener in respect of a Notified Early Works Uncertain Cost Event under this paragraph 3.2, the Regulator will:
- (i) determine how the Agreed Allowances (Early Works) corresponding to the Notified Early Works are to be allocated to the different categories of ex ante allowances provided for under this licence and amendments to the Financial Settlement Document to reflect the same;
  - (ii) determine and make amendments to the APDP to incorporate the Notified Early Works as a new "Phase 2 Tranche F", which amendments shall include:
    - (A) insertion of reference to the Phase 2 Tranche F Commissioning Activities in the definition of "Phase 2 Acceptance Punchlist Items" in section 1.1 of the APDP;
    - (B) insertion of reference to the Phase 2 Tranche F Handover Works in the definition of "Phase 2 Handover Punchlist Items" in section 1.1 of the APDP;
    - (C) amendment of section 2.6(b) of the APDP to refer to five Phase 2 Tranches rather than four;
    - (D) amendment of section 2.9 of the APDP to refer to five tranches rather than four;
    - (E) amendment of section 3.2(b) of the APDP to refer to five tranches rather than four;
    - (F) insertion of new section 3.2(b)(vi) of the APDP as follows:  
"**Phase 2 Tranche F**", being works and activities relating to the Notified Early Works, as more particularly described in sections 3.2(j)(vii) and 3.2(k)(vii).";
    - (G) insertion of new "Figure 7: Phase 2F Scope" at section 3.2(c) of the APDP to reflect the scope of Phase 2 Tranche F;

- (H) insertion of reference to the Phase 2 Tranche F Systems in the definition of "Phase 2 Systems" in section 3.2(e) of the APDP;
  - (I) insertion of new section 3.2(iA) of the APDP following section 3.2(i) of the APDP, as follows:

"The **"Phase 2 Tranche F Systems"**, being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche F relate, being:

    - (i) *[insert elements of the "Mitigation Measures Systems" set out in paragraph 1 of Appendix A to this [Error! Reference source not found.Schedule 10](#) which relate to the Notified Early Works].*;
  - (J) insertion of reference to the Phase 2 Tranche F Handover Works in the definition of "Phase 2 Handover Works" in section 3.2(j)(i) of the APDP;
  - (K) insertion of new section 3.2(j)(vii) of the APDP, as follows:

"The **"Phase 2 Tranche F Handover Works"** include the following works and activities which relate to the Phase 2 Tranche F Systems:

    - (A) *[insert relevant elements of the "Mitigation Measures Handover Works" set out in paragraph 2 of Appendix A to this [Error! Reference source not found.Schedule 10](#) which relate to the Notified Early Works].*;
  - (L) insertion of reference to the Phase 2 Tranche F Commissioning Activities Works in the definition of "Phase 2 Commissioning Activities" in section 3.2(k)(i) of the APDP;
  - (M) insertion of new section 3.2(k)(vii) of the APDP, as follows:

"The **"Phase 2 Tranche F Commissioning Activities"** include the following works and activities which relate to the Phase 2 Tranche F Systems:

    - (A) *[insert relevant elements of the "Mitigation Measures Commissioning Activities" set out in paragraph 3.1 of Appendix A to this [Error! Reference source not found.Schedule 10](#) which relate to the Notified Early Works].*"; and
  - (N) any other consequential amendments as required to give effect to the amendments listed in this paragraph 3.2(g)(ii);
- (iii) determine and make amendments to the Technical Details Document to reflect the inclusion of new Phase 2 Tranche F, such that the Technical Details Document is amended as follows:

- (A) a new section is included for "Phase 2 Tranche F (Notified Early Works)" under the "Phase 2 Activities" heading after the section for "Phase 2 Tranche E";
  - (B) a date of appointment of Independent Certifier for Phase 2 Tranche F is inserted, being the date of commencement of the Notified Early Works;
  - (C) the Reporting Commencement Date for Phase 2 Tranche F is inserted, being the date of commencement of the Notified Early Works;
  - (D) the P2/ExpA Reporting Period for Phase 2 Tranche F is inserted, being:

"From commencement of the Phase 2 Tranche F Handover Works until Handover of Phase 2 Tranche F, the P2/ExpA Reporting Period for Phase 2 Tranche F is a P2/ExpA Quarter.

From Phase 2 Tranche F Handover onwards, the P2/ExpA Reporting Period for Phase 2 Tranche F is a P2/ExpA Month."
  - (E) the Scheduled Phase 2 Tranche F Handover Date is inserted, being:

"25 January 2029 or such later date as the Regulator may direct";
  - (F) the Scheduled Phase 2 Tranche F Acceptance Date is inserted, being:

"4 July 2029 or such later date as the Regulator may direct"; and
  - (G) any other consequential amendments as required to give effect to the amendments listed in this paragraph 3.2(g)(iii).
- (h) Where the Regulator agrees, where the Licensee provides information to the Regulator pursuant to paragraph 3.2(e)(ii) of this [Error! Reference source not found. Schedule 10](#) that a particular Scenario applies, the Licensee may proceed on the basis that a particular Scenario applies notwithstanding that not all the circumstances (such as the number of days) fully correspond with the details of that Scenario as set out in the second table in Appendix B.

### 3.3 Uncertain Cost Event relating to Mitigation Measures

- (a) **Mitigation Measures Preparatory Activities**
  - (i) The Licensee must:
    - (A) notify the Regulator as soon as reasonably practicable after Licence Award which (if any) of the Mitigation Measures Preparatory Activities have been completed prior to Licence Award;
    - (B) carry out and complete the Mitigation Measures Preparatory Activities (if not already completed prior to Licence Award) as soon as reasonably practicable following Licence Award, and in any event by no later than the end of November 2025 or such later date as directed by the Regulator;

- (C) in carrying out the Mitigation Measures Preparatory Activities, the Licensee must use its best endeavours to secure that the NSTA's approval of the Hamilton North Storage Permit Addendum Application and Hamilton Storage Permit Addendum Application would allow the Licensee to achieve the Mitigation Measures Objective should a Phase 2 Tranche A Uncertain Cost Event occur; and
  - (D) notify the Regulator promptly upon:
    - (aa) completion of the Mitigation Measures Preparatory Activities; and
    - (bb) the Hamilton Storage Permit Addendum Application and the Hamilton North Storage Permit Addendum being approved by the NSTA (whether in whole or in part), or where the NSTA has notified the Licensee that either of its applications has been rejected.
- (ii) For the purposes of paragraph 3.3(a)(i)(C) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*), the Licensee shall be considered to have used its best endeavours to secure the NSTA's approval to the extent that it has taken all reasonable steps to implement all economic, efficient and effective solutions, including technical solutions, to secure such approval.
- (b) **Draft Mitigation Measures Event Re-opener Application**
- (i) Prior to the occurrence of a Mitigation Measures Event, the Licensee may submit to the Regulator a draft application for a re-opener under paragraph 3.3(c) of this [Error! Reference source not found.Schedule 10](#) in respect of such Mitigation Measures Event, which draft application will include the particulars referred to in paragraph 3.3(c)(v) of this [Error! Reference source not found.Schedule 10](#) (a "**Draft Mitigation Measures Event Re-opener Application**"), and following receipt of a Draft Mitigation Measures Event Re-opener Application:
    - (A) the Regulator will be entitled to request any Supporting Information that it considers appropriate in respect of such Draft Mitigation Measures Event Re-opener Application, which Supporting Information the Licensee shall promptly provide; and
    - (B) the Regulator will review and consider the relevant Draft Mitigation Measures Event Re-opener Application and may provide comments to the Licensee in respect of the same,provided that any comments or other response made by the Regulator in respect of a Draft Mitigation Measures Event Re-opener Application shall not be construed as binding as to the Regulator's determination(s) in respect of any application for a re-opener submitted under paragraph 3.3(c)(iv) of this [Error! Reference source not found.Schedule 10](#).

(c) **Mitigation Measures Event**

- (i) A Mitigation Measures Event is an Uncertain Cost Event, and in respect of such Uncertain Cost Event Special Conditions [JError! Reference source not found.7-4](#) to [JError! Reference source not found.7-6](#) (*Variation Re-openers*) shall only apply where:
- (A) the Mitigation Measures are intended to increase the Obligated Network Capacity (or any part of it) beyond the levels set out in the APDP as at Licence Award; or
- (B) the cost of the Mitigation Measures increases the value of the SRAV or RAV (as the case may be) by £50 million (CPIH Indexed) or more (being a net increase, taking into account the reduction in the value of the SRAV as a result of the Phase 2 Tranche A Uncertain Cost Event).
- (ii) No Change in Scope or Qualifying Change in Law shall arise for the purposes of this licence in connection with, or as a result of:
- (A) a Mitigation Measures Event; or
- (B) any circumstances or events giving rise to a Mitigation Measures Event, and the provisions of Part A (*Changes in Scope*) and/or Part B (*Qualifying Changes in Law*) of Special Condition [JError! Reference source not found.2](#) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall not apply in respect of the same.
- (iii) For the purpose of Special Condition [JError! Reference source not found.6-6](#) (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Mitigation Measures Event (including the implementation of a Mitigation Measures Plan approved by the Regulator) on the Project in accordance with this paragraph 3.3(c).
- (iv) As soon as reasonably practicable following the occurrence of a Mitigation Measures Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Mitigation Measures Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#) (*Uncertain Cost Events*) and paragraph 3.3(c)(v) of this [Error! Reference source not found.Schedule 10](#).
- (v) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) (*Uncertain Cost Events*) and this paragraph 3.3(c) shall include (as a minimum) the following information:
- (A) a draft Mitigation Measures Plan for approval by the Regulator, which must align and be executable in accordance with the Licensee's amended Storage Permits (and must show any changes from any prior draft

Mitigation Measures Plan provided to the Regulator pursuant to paragraph 3.3(b) of this [Error! Reference source not found.Schedule 10](#);

- (B) evidence that the Licensee has informed the NSTA, HSE and OPRED of such draft Mitigation Measures Plan and, where required by the NSTA, HSE and/or OPRED, that it has discussed any elements of the draft Mitigation Measures Plan with the NSTA, HSE and/or OPRED (as relevant);
  - (C) Supporting Information evidencing the Licensee's justification for:
    - (aa) the proposed works and/or activities contained within the draft Mitigation Measures Plan (including any alternative works and/or activities considered by the Licensee);
    - (bb) the proposed programme of such works and/or activities; and
    - (cc) any departures from the elements set out in Appendix A to this [Error! Reference source not found.Schedule 10](#) where it is no longer possible for the draft Mitigation Measures Plan to be substantially aligned with the elements set out in Appendix A to this [Error! Reference source not found.Schedule 10](#);
  - (D) the Licensee's analysis of the effect(s), or likely effect(s), of the implementation of the draft Mitigation Measures Plan (if approved) on allowances, including:
    - (aa) any reasonable adjustments to any ex ante allowance(s) and/or any proposed new ex ante allowance(s); and
    - (bb) a detailed justification in respect of the same, including all cost estimates and any other information required to be provided pursuant to the Regulator's Cost Guidance; and
  - (E) copies of the Licensee's Storage Permits as amended by the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum, and the Licensee's analysis of the updates (if any) that need to be made to each of the elements of the Obligated Network Capacity set out in section 3.4 of the APDP, such that the Obligated Network Capacity reflects the capacity and flow rates permitted under the Storage Permits.
- (vi) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event under paragraph 3.3(c)(iv) of this [Error! Reference source not found.Schedule 10](#), the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the Mitigation Measures Event and the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan).

- (vii) Where the Licensee has provided the relevant information required pursuant to paragraphs 3.3(c)(v) and 3.3(c)(vi) of this [Error! Reference source not found.Schedule 10](#), the Regulator will review the draft Mitigation Measures Plan and the other information submitted and will:
- (A) determine that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is approved;
  - (B) determine that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is not approved and provide its reasons for such non-approval; or
  - (C) require further Supporting Information from the Licensee to determine whether to approve the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan).
- (viii) Where the Regulator:
- (A) determines under paragraph 3.3(c)(vii)(A) of this [Error! Reference source not found.Schedule 10](#) that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is approved, the draft Mitigation Measures Plan will constitute a Mitigation Measures Plan for the purposes of this licence; or
  - (B) determines under paragraph 3.3(c)(vii)(B) of this [Error! Reference source not found.Schedule 10](#) that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is not approved:
    - (aa) the Licensee must promptly amend and resubmit the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) to the Regulator; and
    - (bb) the procedures in paragraph 3.3(c)(vii) of this [Error! Reference source not found.Schedule 10](#) shall be repeated but this paragraph 3.3(c)(viii)(B) shall not apply.

- (ix) Where the Licensee has provided the relevant information required pursuant to paragraphs 3.3(c)(v) and 3.3(c)(vi) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [Error! Reference source not found.6-4](#) (*Uncertain Cost Events*) and the Regulator has determined that the Licensee's application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is approved under paragraph 3.3(c)(vii)(A) of this [Error! Reference source not found.Schedule 10](#), the Regulator will:
- (A) determine and make amendments to the APDP to incorporate the Mitigation Measures Works and Activities other than the Notified Early Works as part of the Phase 2 Tranche introduced into the APDP under paragraph 3.2(g)(ii) of this [Error! Reference source not found.Schedule 10](#) (i.e. in addition to the Notified Early Works), which amendments shall include:
- (aa) amendment of "Figure 7: Phase 2F Scope" at section 3.2(c) of the APDP to reflect the expanded scope of Phase 2 Tranche F;
- (bb) amendment of section 3.2(iA) of the APDP following section 3.2(i) of the APDP to reflect the expanded scope of Phase 2 Tranche F, as follows:
- "The **"Phase 2 Tranche F Systems"**, being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche F relate, as set out at paragraph [1] (*Mitigation Measures Systems*) of the Mitigation Measures Plan.";
- (cc) amendment of section 3.2(j)(vii) of the APDP to reflect the expanded scope of Phase 2 Tranche F, as follows:
- "The **"Phase 2 Tranche F Handover Works"** include [the works and activities set out at paragraph [2] (*Mitigation Measures Handover Works*) of the Mitigation Measures Plan].";
- (dd) amendment of section 3.2(k)(vii) of the APDP to reflect the expanded scope of Phase 2 Tranche F, as follows:
- "The **"Phase 2 Tranche F Commissioning Activities"** include [the works and activities set out at paragraph [3] (*Mitigation Measures Commissioning Activities*) of the Mitigation Measures Plan].";
- (ee) any adjustment(s) to each of the elements of the Obligated Network Capacity set out in paragraph 3.4 of the APDP having regard to the capacity and flow rates permitted under the Licensee's Storage Permits as amended by the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum (and having regard to any other conditions of this [Error!](#)

[Reference source not found.Schedule 10](#) that may impact the Obligated Network Capacity); and

- (ff) any other consequential amendments as required to give effect to the amendments listed in this paragraph 3.3(c)(ix)(A); and
- (B) determine any adjustments to be made to any ex ante allowances, or any new ex ante allowances, to reflect the impact of the implementation of the Mitigation Measures Plan as approved by the Regulator (taking into account any adjustments to allowances already made in relation to any Notified Early Works pursuant to paragraph 3.2(g) of this [Error! Reference source not found.Schedule 10](#)); and
- (C) determine and make any consequential adjustments or updates to be made to the Project-Specific Documents required to reflect the determinations referred to in this paragraph 3.3(c)(ix).
- (x) Without limiting the generality of the requirements under paragraph 3.3(c) of this [Error! Reference source not found.Schedule 10](#), Special Conditions H[Error! Reference source not found.22-14](#) and H[Error! Reference source not found.22-15](#) (*Storage Site performance*) shall apply.

#### 3.4 Uncertain Cost Events relating to Phase 2 Tranche B

##### (a) Phase 2 Tranche B Uncertain Cost Events

- (i) Each of the following constitutes a "Phase 2 Tranche B Uncertain Cost Event" in respect of which Special Conditions J[Error! Reference source not found.7-1](#) to J[Error! Reference source not found.7-6](#) (*Variation Re-openers*) shall not apply:
  - (A) together, the circumstances described in paragraph 3.4(d)(i)(A) to (C) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*);
  - (B) a Relevant Padeswood Planning Refusal; and

■ [REDACTED]

##### (b) Regulator's determinations relating to Phase 2 Tranche B Uncertain Cost Events - general

- (i) For the purpose of Special Condition J[Error! Reference source not found.6-6](#) (*Uncertain Costs Events*), the Regulator will determine the impact or expected impact (if any) of a relevant Phase 2 Tranche B Uncertain Cost Event on the Project in accordance with this paragraph 3.4.

- (ii) The Regulator's determinations under this paragraph 3.4 will not:
  - (A) include any impact or expected impact on, nor any adjustment in respect of, the following:
    - (aa) Ongoing Devex Allowance(s), other than in the circumstances provided for under paragraphs 3.4(d)(iv)(C), 3.4(e)(iv) and 3.4(f)(vi) of this [Error! Reference source not found.Schedule 10](#); or
      - [REDACTED]
      - [REDACTED]
      - [REDACTED]
      - [REDACTED]
      - [REDACTED]
  - (B) save where the Licensee expressly requests otherwise in its application for the relevant Phase 2 Tranche B Uncertain Cost Event, include any impact or expected impact on, nor any adjustment in respect of, the following:
    - (aa) pipeline route where it falls within the area within the red line boundary as shown at Exhibits C and D of Appendix C (*Phase 2B and 2C pipeline routes*) to this [Error! Reference source not found.Schedule 10](#) ;
    - (bb) the start and end point of the Padeswood Spurline as shown at Exhibits C and D of Appendix C to this [Error! Reference source not found.Schedule 10](#);
    - (cc) pipe diameter as outlined in section 3.2(g)(i) of the APDP (i.e. nominal pipe diameter of 16");
    - (dd) materials selection where such materials are consistent with those specified in 100002F0BXR08009 Rev01 dated 21 May 2024 "Material Selection Report Padeswood Pipeline";
    - (ee) wall thickness selection where such wall thickness is consistent with those specified in section 4.1 of 100002F0BLRH80037 Rev01 dated 7 June 2024 "Padeswood Pipeline Mechanical Design Report"; and
    - (ff) number and/or type of crossings where the number and type of crossings are consistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "Heidelberg Materials Padeswood Cement" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024.

(iii) [REDACTED]

(iv) In making a determination under paragraph 3.4(d)(iv)(A) of this [Error! Reference source not found.Schedule 10](#), the Regulator will take into account:

- (A) its determination (if any) under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) (*Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works*) of this [Error! Reference source not found.Schedule 10](#); and
- (B) any costs which have been properly and efficiently incurred by the Licensee in connection with any Early Padeswood Works which are the subject of a determination by the Regulator under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) of this [Error! Reference source not found.Schedule 10](#).

(c) **Notification on grant of Padeswood Planning Permission**

(i) Where a Padeswood Planning Permission is granted by a Competent Authority, the Licensee shall notify the Regulator as soon as reasonably practicable:

- (A) that a Padeswood Planning Permission has been granted by a Competent Authority; and
- (B) whether the Licensee considers that the grant of such Padeswood Planning Permission contains one or more condition(s) which is/are onerous or unacceptable and therefore the relevant Padeswood Planning Permission will not be a Satisfactory Planning Permission for the purposes of this paragraph 3.4.

(ii) Where the Licensee considers that the grant of a Padeswood Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Padeswood Planning Permission should not be a Satisfactory Planning Permission for the purposes of this paragraph 3.4:

- (A) the Licensee shall include in its notice under paragraph 3.4(c)(i) of this [Error! Reference source not found.Schedule 10](#) a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that the grant of the relevant Padeswood Planning Permission contains one or more condition(s) which is/are onerous or unacceptable; and
- (B) the Regulator will, having reviewed and considered the notice issued by the Licensee, determine whether or not the relevant condition(s) is/are

onerous or unacceptable and therefore whether the relevant Padeswood Planning Permission is a Satisfactory Planning Permission.

- (iii) Where the Licensee considers that the grant of a Padeswood Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Padeswood Planning Permission will not be a Satisfactory Planning Permission, the Licensee may issue the notice under paragraph 3.4(c)(i) of this [Error! Reference source not found.Schedule 10](#) at the same time that it issues any notice under paragraph 3.4(e) of this [Error! Reference source not found.Schedule 10](#).

(d) **Satisfactory Planning Permission granted** [REDACTED]

- (i) As soon as reasonably practicable following the last to occur of:
- (A) the date on which a Satisfactory Padeswood Planning Permission is Challenge Free;
  - (B) the date on which the Licensee confirms to the Regulator that, in its opinion (acting reasonably), there is a high likelihood of successfully securing and retaining for the purposes of the Project [REDACTED] required to enable the construction, operation and maintenance of the Phase 2 Tranche B Systems; and
  - (C) the date on which the Licensee has submitted to the Regulator the final cost estimate for the works and activities which form part of Phase 2 Tranche B, which estimate is a class 2 estimate (or a class 3 estimate, if so agreed by the Regulator), as required by the Regulator's Cost Guidance,

the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche B Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#) and paragraph 3.4(d)(ii) of this [Error! Reference source not found.Schedule 10](#).

- (ii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche B Uncertain Cost Event pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) and this paragraph 3.4(d) shall include (as a minimum) the following information:
- (A) an analysis of any reasonable increases or decreases which the Licensee proposes are required to the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances as a result of the relevant Phase 2 Tranche B Uncertain Cost Event, and any associated proposed amendments to update the Financial Settlement Document;
  - (B) an analysis of any reasonable increases which the Licensee proposes are required to any Ongoing Devex Allowance(s) to reflect additional

development costs which have been properly and efficiently incurred by the Licensee prior to the date of the relevant application in connection with the relevant Phase 2 Tranche B Planning [REDACTED] Elements as a direct result of a delay in the progression of Phase 2 Tranche B by the Licensee caused by the Phase 2B User, and any associated proposed amendments to update the Financial Settlement Document;

- (C) any proposed adjustments to key milestone dates relating to Phase 2 Tranche B, including the relevant Scheduled Phase 2 Handover Date and Scheduled Phase 2 Acceptance Date, as a result of the relevant Phase 2 Tranche B Uncertain Cost Event, and any associated proposed amendments to update the Technical Details Document; and
  - (D) any proposed amendments required to update section 3.2(g) of the APDP as a result of the relevant Phase 2 Tranche B Planning [REDACTED] Elements.
- (iii) Following submission of an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(d):
- (A) where the Licensee reasonably believes that it is, or shall be, delayed in the progression of Phase 2 Tranche B as a direct result of a delay which is directly caused (or will be directly caused) by the Phase 2B User, the Licensee may provide to the Regulator any Supporting Information relating to such delay by the Phase 2B User that the Licensee considers appropriate in the context of its application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(d); and
  - (B) the Licensee must provide to the Regulator any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche B Uncertain Cost Event and, where paragraph 3.4(d)(iii)(A) of this [Error! Reference source not found, Schedule 10](#) applies, delay to the progression of Phase 2 Tranche B.
- (iv) Subject to paragraph 3.4(b)(ii) of this [Error! Reference source not found, Schedule 10](#), and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.4(d)(ii) and 3.4(d)(iii) of this [Error! Reference source not found, Schedule 10](#) and Special Condition J [Error! Reference source not found, 6.4](#), where the Licensee has made an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(d), the Regulator will determine:
- (A) any adjustments to be made to:
    - (aa) the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances; and

- (bb) any key milestone dates, including the Scheduled Phase 2 Tranche B Handover Date and the Scheduled Phase 2 Tranche B Acceptance Date,

in each case to reflect the impact of the relevant Phase 2 Tranche B Uncertain Cost Event (and any consequential adjustments or updates to be made to the Project-Specific Documents required to reflect the same);

- (B) any adjustments to be made to the following:

- (aa) pipeline flow rate as outlined in section 3.2(g)(i) of the APDP;
- (bb) pipeline route where it falls outside the area within the red line boundary as shown at Exhibits C and D of Appendix C to this [Error! Reference source not found.Schedule 10](#);
- (cc) the connection point between the Padeswood Spurline and the Phase 1 Onshore Pipelines;
- (dd) pipe diameter where the pipe diameter is inconsistent with the pipe diameter outlined in section 3.2(g)(i) of the APDP (i.e. nominal pipe diameter of 16");
- (ee) the design of the Padeswood AGI to exclude the high integrity pressure protection system ("**HIPPS**");
- (ff) the number and location of block valve stations which form part of the Phase 2 Tranche B Systems;
- (gg) materials selection where such materials are inconsistent with those specified in 100002F0BXR08009 Rev01 dated 21 May 2024 "Material Selection Report Padeswood Pipeline";
- (hh) wall thickness selection where such wall thickness is inconsistent with those specified in section 4.1 of 100002F0BLRH80037 Rev01 dated 7 June 2024 "Padeswood Pipeline Mechanical Design Report";
- (ii) the number and/or type of crossings where the number and type of crossings are inconsistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "Heidelberg Materials Padeswood Cement" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024; and
- (jj) the APDP where the Licensee expressly requests adjustment(s) in its application for the relevant Phase 2 Tranche B Uncertain Cost Event,

in each case to reflect the impact of the relevant Phase 2 Tranche B Planning XXXXXXXXXX Elements (and any consequential

adjustments or updates to be made to the Project-Specific Documents required to reflect the same); and

- (C) at its discretion, and provided that the Licensee has provided a robust justification in respect of the same, any adjustments to be made to any Ongoing Devex Allowance(s) to reflect additional development costs which have been properly and efficiently incurred by the Licensee in connection with the relevant Phase 2 Tranche B Planning [REDACTED] Elements as a direct result of a delay in the progression of Phase 2 Tranche B by the Licensee which delay is directly caused by the Phase 2B User (and any consequential adjustments or updates to be made to the Financial Settlement Document required to reflect the same).

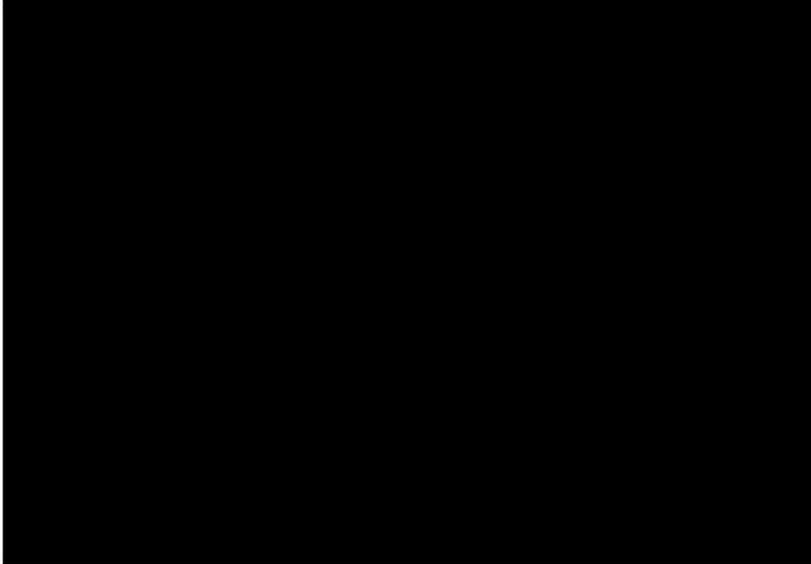
(e) **Planning Refusal**

- (i) As soon as reasonably practicable following the date of a Relevant Padeswood Planning Refusal, the Licensee:
- (A) must notify the Regulator whether the Licensee intends to address such circumstance by way of:
- (aa) an appeal against such Relevant Padeswood Planning Refusal; or
- (bb) submission of a revised Padeswood TCPA Application; and
- (B) may submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche B Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#) and paragraph 3.4(e)(ii) of this [Error! Reference source not found.Schedule 10](#).
- (ii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche B Uncertain Cost Event pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) and this paragraph 3.4(e) shall include (as a minimum):
- (A) the Licensee's analysis of any reasonable increases or decreases which the Licensee considers necessary to any Ongoing Devex Allowance to reflect the impact of the relevant Phase 2 Tranche B Uncertain Cost Event (and any consequential adjustments or updates to be made to the Financial Settlement Document to reflect any such increases or decreases); and
- (B) Supporting Information evidencing that the Licensee acted in accordance with Good Industry Practice in the preparation and submission of the relevant Padeswood TCPA Application.
- (iii) Following submission of an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(e), the Licensee must provide any Supporting

Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche B Uncertain Cost Event.

- (iv) Subject to paragraphs 3.4(b)(ii) and 3.4(e)(v) of this [Error! Reference source not found.Schedule 10](#), and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.4(f) and 3.4(e)(iii) of this [Error! Reference source not found.Schedule 10](#) and Special Condition J [Error! Reference source not found.6-4](#), where the Licensee has made an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(e), the Regulator will determine:
  - (A) any adjustments to be made to the Ongoing Devex Allowance(s) to reflect:
    - (aa) the impact of the relevant Phase 2 Tranche B Uncertain Cost Event on the Ongoing Devex Allowance(s); and
    - (bb) any failure by the Licensee to act in accordance with Good Industry Practice in the preparation and submission of the relevant Padeswood TCPA Application; and
  - (B) any associated amendments to update the Financial Settlement Document to reflect the same.
- (v) Where the Regulator considers that any proposal made by the Licensee in accordance with paragraph 3.4(e)(i)(A)(aa) and/or 3.4(e)(i)(A)(bb) of this [Error! Reference source not found.Schedule 10](#) (the "**Padeswood Appeal or Revision**") is not capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, then the Regulator will:
  - (A) notify and consult the Secretary of State as to whether the Padeswood Appeal or Revision is capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network; and
  - (B) where:
    - (aa) the Secretary of State agrees that the Padeswood Appeal or Revision is not capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, the Regulator will notify the Licensee and the Licensee must promptly notify the Regulator under Special Condition J [Error! Reference source not found.2](#) (Part A) (*Supervening Event Reopeners, Insured Risk Events and Relief Events*) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche B; or
    - (bb) the Secretary of State considers that the Padeswood Appeal or Revision is capable of being compatible with the economic,





3.5 ~~Uncertain Cost Events relating to Phase 2 Tranche C~~

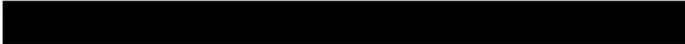
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(a) ~~Phase 2 Tranche C Uncertain Cost Events~~

(i) ~~Each of the following constitutes a "Phase 2 Tranche C Uncertain Cost Event" in respect of which Special Conditions J7.1 to J7.6 (Variation Re-openers) shall not apply:~~

(A) ~~together, the circumstances described in paragraph 3.5(d)(i)(A) to (B) of this Schedule 10 (Project specific conditions);~~

(B) ~~a Relevant Runcorn Planning Refusal; and~~



(b) ~~Regulator's determinations relating to Phase 2 Tranche C Uncertain Cost Events - general~~

(i) ~~For the purpose of Special Condition J6.6 (Uncertain Costs Events), the Regulator will determine the impact or expected impact (if any) of a relevant Phase 2 Tranche C Uncertain Cost Event on the Project in accordance with this paragraph 3.5.~~

(ii) ~~The Regulator's determinations under this paragraph 3.5 will not:~~

(A) ~~include any impact or expected impact on, nor any adjustment in respect of, the following:~~

(aa) ~~Ongoing Devex Allowance(s), other than in the circumstances provided for under paragraphs 3.5(d)(iv)(C), 3.5(e)(v) and 3.5(f)(vii) of this Schedule 10; and~~

[REDACTED]

(B) save where the Licensee expressly requests otherwise in its application for the relevant Phase 2 Tranche C Uncertain Cost Event, include any impact or expected impact on, nor any adjustment in respect of, the following:

(aa) pipeline route where it falls within the area within the red line boundary as shown at Exhibits A and B of Appendix G to this Schedule 10;

(bb) the start and end point of the Runcorn Spurline as shown at Exhibits A and B of Appendix G to this Schedule 10;

(cc) pipe diameter as outlined in section 3.2(h)(i) of the APDP (i.e. nominal pipe diameter of 20");

(dd) materials selection where such materials are consistent with those specified in 100002E0BXR00010 Rev01 dated 4 June 2024 "Material Selection Report for Runcorn Pipeline";

(ee) wall thickness selection where such wall thickness is consistent with those specified in section 4.1 of 100002E0BLR100143 Rev02 dated 20 November 2024 "Pipeline Mechanical Design Report"; and

(ff) number and/or type of crossings where the number and type of crossings are consistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "VIRIDOR RUNCORN ERW" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024.

[REDACTED]

(iv) In making a determination under paragraph 3.5(d)(iv)(A) of this Schedule 10, the Regulator will take into account:

(A) its determination (if any) under paragraph 4.2(e)(i) or paragraph 4.2(e)(iii) (Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works) of this Schedule 10; and

(B) any costs which have been properly and efficiently incurred by the Licensee in connection with any Early Runcom Works which are the subject of a determination by the Regulator under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) of this Schedule 10;

(c) Notification on grant of Runcom Planning Permission(s)

(i) Where a Runcom Planning Permission is granted by a Competent Authority, the Licensee shall notify the Regulator as soon as reasonably practicable:

(A) that a Runcom Planning Permission has been granted by a Competent Authority; and

(B) whether the Licensee considers that the grant of such Runcom Planning Permission contains one or more condition(s) which is/are onerous or unacceptable and therefore the relevant Runcom Planning Permission will not be a Satisfactory Planning Permission for the purposes of this paragraph 3.5;

(ii) Where the Licensee considers that the grant of a relevant Runcom Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Runcom Planning Permission should not be a Satisfactory Planning Permission for the purposes of this paragraph 3.5:

(A) the Licensee shall include in its notice under paragraph 3.5(c)(i) of this Schedule 10 a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that the grant of the relevant Runcom Planning Permission contains one or more condition(s) which is/are onerous or unacceptable; and

(B) the Regulator will, having reviewed and considered the notice issued by the Licensee, determine whether or not the relevant condition(s) is/are onerous or unacceptable and therefore whether the relevant Runcom Planning Permission is a Satisfactory Planning Permission;

(iii) Where the Licensee considers that the grant of a relevant Runcom Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Runcom Planning Permission will not be a Satisfactory Planning Permission, the Licensee may issue the notice under paragraph 3.5(c)(i) of this Schedule 10 at the same time that it issues any notice under paragraph 3.5(e) of this Schedule 10;

(d) Satisfactory Planning Permissions granted [REDACTED]

(i) As soon as reasonably practicable following the last to occur of:

(A) the date on which both Runcom Planning Permissions are:

(aa) Satisfactory Runcom Planning Permissions; and

(bb) Challenge Free;

(D) the date on which the Licensee confirms to the Regulator that, in its opinion (acting reasonably), there is a high likelihood of successfully securing and retaining for the purposes of the Project all [REDACTED] required to enable the construction, operation and maintenance of the Phase 2 Tranche C Systems; and

(E) the date on which the Licensee has submitted to the Regulator the final cost estimate for the works and activities which form part of Phase 2 Tranche C, which estimate is a class 2 estimate (or a class 3 estimate, if so agreed by the Regulator), as required by the Regulator's Cost Guidance;

the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche C Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.5(d)(iii) of this Schedule 10;

(iii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche C Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.5(d) shall include (as a minimum) the following information:

(A) an analysis of any reasonable increases or decreases which the Licensee proposes are required to the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances as a result of the relevant Phase 2 Tranche C Uncertain Cost Event, and any associated proposed amendments to update the Financial Settlement Document;

[REDACTED]

(G) any proposed adjustments to key milestone dates relating to Phase 2 Tranche C, including the relevant Scheduled Phase 2 Handover Date and Scheduled Phase 2 Acceptance Date, as a result of the relevant Phase 2 Tranche C Uncertain Cost Event, and any associated proposed amendments to update the Technical Details Document; and

(D) any proposed amendments required to update section 3.2(h) of the APDP as a result of the relevant Phase 2 Tranche C [REDACTED]

- (iii) Following submission of an application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(d);
- (A) where the Licensee reasonably believes that it is, or shall be, delayed in the progression of Phase 2 Tranche C as a direct result of a delay which is directly caused (or will be directly caused) by the Phase 2C User, the Licensee may provide to the Regulator any Supporting Information relating to such delay by the Phase 2C User that the Licensee considers appropriate in the context of its application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(d); and
- (B) the Licensee must provide to the Regulator any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche C Uncertain Cost Event and, where paragraph 3.5(d)(iii)(A) of this Schedule 10 applies, delay to the progression of Phase 2 Tranche C;
- (iv) Subject to paragraph 3.5(b)(ii) of this Schedule 10, and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.5(d)(ii) and 3.5(d)(iii) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(d), the Regulator will determine:
- (A) any adjustments to be made to:
- (aa) the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances; and
- (bb) any key milestone dates, including the Scheduled Phase 2 Tranche C Handover Date and the Scheduled Phase 2 Tranche C Acceptance Date;
- in each case to reflect the impact of the relevant Phase 2 Tranche C Uncertain Cost Event (and any consequential adjustments or updates to be made to the Project Specific Documents required to reflect the same);
- (B) any adjustments to be made to the following:
- (aa) pipeline flow rate as outlined in section 3.2(h)(i) of the APDP;
- (bb) pipeline route where it falls outside the area within the red line boundary as shown at Exhibits A and B of Appendix C to this Schedule 10;
- (cc) the connection point between the Runcorn Spurline and the Phase 1 Onshore Pipelines;
- (dd) pipe diameter where the pipe diameter is inconsistent with the pipe diameter outlined in section 3.2(h)(i) of the APDP (i.e. nominal pipe diameter of 20");

- (ee) the design of the Runcorn AGI to exclude the IHPPS;
- (ff) the number and location of block valve stations which form part of the Phase 2 Tranche C Systems;
- (gg) materials selection where such materials are inconsistent with those specified in 100002E0BXIV00010 Rev01 dated 4 June 2024 "Material Selection Report for Runcorn Pipeline";
- (hh) wall thickness selection where such wall thickness is inconsistent with those specified in section 4.1 of 100002E0BLRI00143 Rev02 dated 20 November 2024 "Pipeline Mechanical Design Report";
- (ii) the number and/or type of crossings where the number and type of crossings are inconsistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "VIRIDOR-RUNCORN EFW" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission GAPEX Report" dated 23 February 2024;
- (jj) presence or extent of trace heating; and
- (kk) the APDP where the Licensee expressly requests adjustment(s) in its application for the relevant Phase 2 Tranche C Uncertain Cost Event;

in each case to reflect the impact of the relevant Phase 2 Tranche C Planning Elements (and any consequential adjustments or updates to be made to the Project-Specific Documents required to reflect the same); and

- (G) at its discretion, and provided that the Licensee has provided a robust justification in respect of the same, any adjustments to be made to any Ongoing Devex Allowance(s) to reflect additional development costs which have been properly and efficiently incurred by the Licensee in connection with the relevant Phase 2 Tranche C Planning Elements as a direct result of a delay in the progression of Phase 2 Tranche C by the Licensee, which delay is directly caused by the Phase 2C User (and any consequential adjustments or updates to be made to the Financial Settlement Document required to reflect the same);

(e) Planning Refusal(s)

- (i) Subject to paragraph 3.5(e)(ii) of this Schedule 10, as soon as reasonably practicable following the last to occur of:
  - (A) the date on which a decision has been issued by a Competent Authority in respect of both Initial Runcorn TGPA Applications; and
  - (B) the date of a Relevant Runcorn Planning Refusal;

the Licensee:

- (aa) must notify the Regulator whether the Licensee intends to address such circumstance by way of:
    - (a) an appeal against the relevant Relevant Runcorn Planning Refusal(s); or
    - (b) submission of a revised Runcorn TCPA Application(s); and
  - (bb) may submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche C Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.5(e)(iii) of this Schedule 10.
- (ii) Where Planning Refusals occur which are relevant for the purposes of paragraph 3.5(e)(i) of this Schedule 10 and which are Runcorn Planning Refusals in respect of both initial Runcorn TCPA Applications (and, where relevant, related Runcorn Planning Permissions), the Licensee shall consolidate its applications for Uncertain Cost Event Re-openers in respect of such Phase 2 Tranche C Uncertain Cost Events into one single application under paragraph 3.5(e)(iii) of this Schedule 10 as if they were a single Phase 2 Tranche C Uncertain Cost Event.
- (iii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche C Uncertain Cost Event(s) pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.5(e) shall include (as a minimum):
- (A) the Licensee's analysis of any reasonable increases or decreases which the Licensee considers necessary to any Ongoing Devex Allowance to reflect the impact of the relevant Phase 2 Tranche C Uncertain Cost Event(s) (and any consequential adjustments or updates to be made to the Financial Settlement Document to reflect any such increases or decreases); and
  - (B) Supporting Information evidencing that the Licensee acted in accordance with Good Industry Practice in the preparation and submission of the relevant Runcorn TCPA Application(s).
- (iv) Following submission of an application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(e), the Licensee must provide any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche B Uncertain Cost Event.

- (v) Subject to paragraphs 3.5(b)(ii) and 3.5(e)(vi) of this Schedule 10, and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.5(e)(iii) and 3.5(e)(iv) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Phase 2 Tranche C Uncertain Cost Event(s) under this paragraph 3.5(e), the Regulator will determine:
- (A) any adjustments to be made to the Ongoing Devex Allowance(s) to reflect:
- (aa) the impact of the relevant Phase 2 Tranche C Uncertain Cost Event(s) on the Ongoing Devex Allowance(s); and
- (bb) any failure by the Licensee to act in accordance with Good Industry Practice in the preparation and submission of the relevant Runcorn TCGPA Application(s); and
- (B) any associated amendments to update the Financial Settlement Document to reflect the same;
- (vi) Where the Regulator considers that any proposal made by the Licensee in accordance with paragraph 3.5(e)(i)(B)(aa)(a) and/or 3.5(e)(i)(B)(aa)(b) of this Schedule 10 (the "Runcorn Appeal or Revision") is not capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, then the Regulator will:
- (A) notify and consult the Secretary of State as to whether the Runcorn Appeal or Revision is capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network; and
- (B) where:
- (aa) the Secretary of State agrees that the Runcorn Appeal or Revision is not capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, the Regulator will notify the Licensee and the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche C; or
- (bb) the Secretary of State considers that the Runcorn Appeal or Revision is capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, the Regulator will continue to make the determination described in paragraph 3.5(e)(v) of this Schedule 10;



[REDACTED]

[REDACTED]

[REDACTED]

### 3.63.5 Uncertain Cost Events relating to Phase 2 Tranche D

- (a) The Regulator and the Licensee acknowledge that:
- (i) the Licensee shall undertake development activities in respect of Phase 2 Tranche D (the "Phase 2D Devex Activities");
  - (ii) the Phase 2D Devex Activities are not sufficiently certain at Licence Award to set a full and final Ongoing Devex Allowance in respect of the same at Licence Award; and
  - (iii) the works and activities in respect of Phase 2 Tranche D which comprise the Phase 2 Tranche D Handover Works and Phase 2 Tranche D Commissioning Activities are not sufficiently certain at Licence Award to reflect the same fully and finally in the Ongoing Capex Allowance(s) and Opex Allowance(s) at Licence Award.
- (b) The Licensee must conduct the Phase 2D Devex Activities in accordance with this paragraph 3.53.6 of this [Error! Reference source not found.Schedule 10](#) (Project-specific conditions).
- (c) The Phase 2D Devex Activities shall be divided into three groups of activities (each a "Group of Phase 2D Devex Activities"), as set out in section 3.2(l) of the APDP.
- (d) For the purpose of Special Condition [Error! Reference source not found.6-6](#) (Uncertain Costs Events), the Regulator will make determinations:
- (i) in the case of the First Phase 2 Tranche D Uncertain Cost Event, in accordance with paragraph [3.5\(f\)\(iv\)3-6\(f\)\(iv\)](#) of this [Error! Reference source not found.Schedule 10](#); and
  - (ii) in the case of all other Phase 2 Tranche D Uncertain Cost Events, in respect of the impact or expected impact (if any) of the relevant Phase 2 Tranche D Uncertain Cost Events on the Project, and specifically on:
    - (A) where relevant, any subsequent Phase 2D Devex Activities and Groups of Phase 2D Devex Activities; and

- (B) Phase 2 Tranche D, including the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities,
- in accordance with paragraphs 3.5(f)3-6(f) to 3.5(i)3-6(i) of this [Error! Reference source not found.Schedule 10](#).
- (e) Each of the Phase 2 Tranche D Uncertain Cost Events is an Uncertain Cost Event in respect of which Special Conditions [JError! Reference source not found.7-1](#) to [JError! Reference source not found.7-6](#) (*Variation Re-openers*) shall not apply.
- (f) **First Phase 2 Tranche D Uncertain Cost Event**
- (i) Where the Licensee notifies the Regulator that it wishes to apply for the first Uncertain Cost Event Re-opener in respect of Phase 2 Tranche D in accordance with Special Condition [JError! Reference source not found.6-3\(a\)](#), an Uncertain Cost Event shall be deemed to have occurred (which Uncertain Cost Event is the "First Phase 2 Tranche D Uncertain Cost Event").
- (ii) As soon as reasonably practicable following the notification referred to in paragraph 3.5(f)(i)3-6(f)(i) of this [Error! Reference source not found.Schedule 10](#), and on no more than one occasion, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the First Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#).
- (iii) The Licensee must ensure that any application made pursuant to paragraph 3.5(f)(i)3-6(f)(i) of this [Error! Reference source not found.Schedule 10](#) and Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) in respect of the First Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
- (A) any proposed changes to the First Group of Phase 2D Devex Activities and/or any subsequent Group(s) of Phase 2D Devex Activities, and any associated proposed amendments to update (where relevant) this paragraph 3.5-6 of this [Error! Reference source not found.Schedule 10](#);
- (B) and/or the APDP to reflect the same;
- (C) a forecast of the Actual Ongoing Devex Costs that the Licensee envisages will be incurred in undertaking:
- (aa) the First Group of Phase 2D Devex Activities; and
- (bb) the subsequent Groups of Phase 2D Devex Activities (if any), which forecast may be (at the Licensee's election):
- (a) an overall forecast for all subsequent Groups of Phase 2D Devex Activities; or

- (b) a forecast for each of the subsequent Groups of Phase 2D Devex Activities,
- (as such Groups of Phase 2D Devex Activities may have been changed as proposed in paragraph ~~3.5(f)(iii)(A)3-6(f)(iii)(A)~~ of this ~~Error! Reference source not found.Schedule 10~~, and any associated proposed amendments to update the Financial Settlement Document to reflect the same; and
- (D) any proposed updates required to section 3.2(i) of the APDP.
- (iv) For the purpose of Special Condition ~~JError! Reference source not found.6-6~~, and provided that the Licensee has provided the relevant information required pursuant to paragraph ~~3.5(f)(iii)3-6(f)(iii)~~ of this ~~Error! Reference source not found.Schedule 10~~ and Special Condition J6.4, the Regulator will:
- (A) determine whether the Licensee can proceed to undertake the First Group of Phase 2D Devex Activities; and
- (B) where the Regulator determines under paragraph ~~3.5(f)(iv)(A)3-6(f)(iv)(A)~~ of this ~~Error! Reference source not found.Schedule 10~~ that the Licensee can proceed to undertake the First Group of Phase 2D Devex Activities, (where relevant):
- (aa) determine and make any changes to the First Group of Phase 2D Devex Activities and/or any subsequent Groups of Phase 2D Devex Activities, and any associated proposed amendments to update (where relevant) this paragraph ~~3.53-6~~ of this ~~Error! Reference source not found.Schedule 10~~ and/or the APDP to reflect the same;
- (bb) determine any positive or negative adjustments (and/or the grant of any new Ongoing Devex Allowance(s)) to be made in respect of:
- (a) the First Group of Phase 2D Devex Activities; and
- (b) the subsequent Groups of Phase 2D Devex Activities (if any),
- and any associated proposed amendments to update the Financial Settlement Document; and
- (cc) determine any adjustments to be made to section 3.2(i) of the APDP, and any associated proposed amendments to update the APDP.
- (v) Where the Regulator determines under paragraph ~~3.5(f)(iv)(A)3-6(f)(iv)(A)~~ of this ~~Error! Reference source not found.Schedule 10~~ that the Licensee may not proceed to undertake the First Group of Phase 2D Devex Activities, the Licensee must promptly notify the Regulator under Special Condition J~~Error! Reference~~

**source not found.2** (Part A) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including any remaining Phase 2D Devex Activities, the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.

- (vi) Where the Regulator considers that the analysis or information received under paragraph **3.5(f)(iii)3-6(f)(iii)** of this **Error! Reference source not found.Schedule 10** and Special Condition **JError! Reference source not found.6-4** is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.
- (g) **Second Phase 2 Tranche D Uncertain Cost Event**
- (i) The completion of the First Group of Phase 2D Devex Activities by the Licensee shall be an Uncertain Cost Event (which Uncertain Cost Event is the "**Second Phase 2 Tranche D Uncertain Cost Event**").
- (ii) As soon as reasonably practicable following the occurrence of the Second Phase 2 Tranche D Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Second Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions **JError! Reference source not found.6-3** to **JError! Reference source not found.6-7**.
- (iii) The Licensee must ensure that any application made pursuant to paragraph **3.5(g)(ii)3-6(g)(ii)** of this **Error! Reference source not found.Schedule 10** and Special Conditions **JError! Reference source not found.6-3(a)** and **JError! Reference source not found.6-4** in respect of the Second Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
- (A) any proposed changes to the Second Group of Phase 2D Devex Activities and/or any subsequent Groups of Phase 2D Devex Activities (if any), and any associated proposed amendments to update (where relevant) this paragraph **3.53-6** of this **Error! Reference source not found.Schedule 10** and/or the APDP to reflect the same;
- (B) a forecast of the Actual Ongoing Devex Costs that the Licensee envisages will be incurred in undertaking:
- (aa) the Second Group of Phase 2D Devex Activities; and
- (bb) the subsequent Groups of Phase 2D Devex Activities (if any) which forecast may be (at the Licensee's election):
- (a) an overall forecast for all subsequent Groups of Phase 2D Devex Activities; or

- (b) a forecast for each of the subsequent Groups of Phase 2D Devex Activities,

(as such Groups of Phase 2D Devex Activities may have been changed as proposed in paragraph 3.5(g)(iii)(A)3-6(g)(iii)(A) of this [Error! Reference source not found.Schedule 10](#)), and any associated proposed amendments to update the Financial Settlement Document to reflect the same; and

- (C) any proposed updates required to section 3.2(i) of the APDP,

in each case to reflect the impact of the Second Phase 2 Tranche D Uncertain Cost Event.

- (iv) For the purpose of Special Condition [JError! Reference source not found.6-6](#), and provided that the Licensee has provided the relevant information required pursuant to paragraph 3.5(g)(iii)3-6(g)(iii) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [JError! Reference source not found.6-4](#), the Regulator will:

- (A) determine whether the Licensee can proceed to undertake the Second Group of Phase 2D Devex Activities; and
- (B) where the Regulator determines under paragraph 3.5(g)(iv)(A)3-6(g)(iv)(A) of this [Error! Reference source not found.Schedule 10](#) that the Licensee can proceed to undertake the Second Group of Phase 2D Devex Activities, (where relevant):
- (aa) determine and make any changes to the Second Group of Phase 2D Devex Activities and/or any subsequent Groups of Phase 2D Devex Activities (if any), and any associated proposed amendments to update (where relevant) this paragraph 3.53-6 of this [Error! Reference source not found.Schedule 10](#) and/or the APDP to reflect the same;
- (bb) determine any positive or negative adjustments (and/or the grant of any new Ongoing Devex Allowance(s)) to be made in respect of:
- (a) the Second Group of Phase 2D Devex Activities; and
- (b) the subsequent Groups of Phase 2D Devex Activities (if any),
- and any associated proposed amendments to update the Financial Settlement Document; and
- (cc) determine any adjustments to be made to section 3.2(i) of the APDP, and any associated proposed amendments to update the APDP,

in each case to reflect the impact of the Second Phase 2 Tranche D Uncertain Cost Event.

- (v) Where the Regulator determines under paragraph [3.5\(g\)\(iv\)\(A\)](#) of this [Error! Reference source not found.Schedule 10](#) that the Licensee may not proceed to undertake the Second Group of Phase 2D Devex Activities, the Licensee must promptly notify the Regulator under Special Condition [JError! Reference source not found.2](#) (Part A) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including any remaining Phase 2D Devex Activities, the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.
  - (vi) Where the Regulator considers that the analysis or information received under paragraph [3.5\(g\)\(iii\)](#) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [JError! Reference source not found.6-4](#) is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.
- (h) **Third Phase 2 Tranche D Uncertain Cost Event**
- (i) The completion of the Second Group of Phase 2D Devex Activities by the Licensee shall be an Uncertain Cost Event (which Uncertain Cost Event is the "**Third Phase 2 Tranche D Uncertain Cost Event**").
  - (ii) As soon as reasonably practicable following the occurrence of the Third Phase 2 Tranche D Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Third Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#).
  - (iii) The Licensee must ensure that any application made pursuant to paragraph [3.5\(h\)\(ii\)](#) of this [Error! Reference source not found.Schedule 10](#) and Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) in respect of the Third Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
    - (A) any proposed changes to the Third Group of Phase 2D Devex Activities and any associated proposed amendments to update (where relevant) this paragraph [3.5-6](#) of this [Error! Reference source not found.Schedule 10](#) and/or the APDP to reflect the same;
    - (B) a forecast of the Actual Ongoing Devex Costs that the Licensee envisages will be incurred in undertaking the Third Group of Phase 2D Devex Activities, and any associated proposed amendments to update the Financial Settlement Document to reflect the same; and

- (C) any proposed amendments required to update section 3.2(i) of the APDP, in each case to reflect the impact of the Third Phase 2 Tranche D Uncertain Cost Event.
- (iv) For the purpose of Special Condition [JError! Reference source not found.6-6](#), and provided that the Licensee has provided the relevant information required pursuant to paragraph [3.5\(h\)\(iii\)3-6\(h\)\(iii\)](#) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [JError! Reference source not found.6-4](#), the Regulator will:
- (A) determine whether the Licensee can proceed to undertake the Third Group of Phase 2D Devex Activities; and
- (B) where the Regulator determines under paragraph [3.5\(h\)\(iv\)\(A\)3-6\(h\)\(iv\)\(A\)](#) of this [Error! Reference source not found.Schedule 10](#) that the Licensee can proceed to undertake the Third Group of Phase 2D Devex Activities, (where relevant):
- (aa) determine and make any changes to the Third Group of Phase 2D Devex Activities, and any associated proposed amendments to update (where relevant) this paragraph [3.53-6](#) and/or the APDP to reflect the same;
- (bb) determine any positive or negative adjustments (and/or the grant of any new Ongoing Devex Allowance(s)) to be made in respect of the Third Group of Phase 2D Devex Activities, and any associated proposed amendments to update the Financial Settlement Document; and
- (cc) determine any adjustments to be made to section 3.2(i) of the APDP, and any associated proposed amendments to update the APDP,
- in each case to reflect the impact of the Third Phase 2 Tranche D Uncertain Cost Event.
- (v) Where the Regulator determines under paragraph [3.5\(h\)\(iv\)\(A\)3-6\(h\)\(iv\)\(A\)](#) of this [Error! Reference source not found.Schedule 10](#) that the Licensee may not proceed to undertake the Third Group of Phase 2D Devex Activities, the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including any remaining Phase 2D Devex Activities, the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.
- (vi) Where the Regulator considers that the analysis or information received under paragraph [3.5\(h\)\(iii\)3-6\(h\)\(iii\)](#) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [JError! Reference source not found.6-4](#), the Regulator will:

[found.6-4](#) is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.

(i) **Fourth Phase 2 Tranche D Uncertain Cost Event**

- (i) The completion of the Third Group of Phase 2D Devex Activities by the Licensee shall be an Uncertain Cost Event (which Uncertain Cost Event is the "**Fourth Phase 2 Tranche D Uncertain Cost Event**").
- (ii) As soon as reasonably practicable following the occurrence of the Fourth Phase 2 Tranche D Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Fourth Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#).
- (iii) The Licensee must ensure that any application made pursuant to paragraph [3.5\(i\)\(ii\)3-6\(i\)\(ii\)](#) of this [Error! Reference source not found.Schedule 10](#) and Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) in respect of the Fourth Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
- (A) the Licensee's analysis of any reasonable increases or decreases which the Licensee proposes are required to the Ongoing Capex Allowance(s), and any associated proposed amendments to update the Financial Settlement Document to reflect any such increases or decreases;
- (B) any proposed adjustments to key milestone dates relating to Phase 2 Tranche D, including the Scheduled Phase 2 Tranche D Handover Date and the Scheduled Phase 2 Tranche D Acceptance Date, and any associated proposed amendments to update the Technical Details Document; and
- (C) any proposed amendments required to update section 3.2(i) of the APDP,
- in each case to reflect the impact of the Fourth Phase 2 Tranche D Uncertain Cost Event and any such determination including any associated amendments to update Project-Specific Documents will be implemented by way of a modification of the conditions of this licence in accordance with section 13 of the Act.

- (iv) For the purpose of Special Condition **JError! Reference source not found.6-6**, and provided that the Licensee has provided the relevant information required pursuant to paragraph **3.5(i)(iii)3-6(i)(iii)** of this **Error! Reference source not found.Schedule 10** and Special Condition **JError! Reference source not found.6-4**, the Regulator will:
- (A) determine whether the Licensee can proceed to carry out the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities;
- (B) where the Regulator determines under paragraph **3.5(h)(iv)(A)3-6(h)(iv)(A)** of this **Error! Reference source not found.Schedule 10** that the Licensee can proceed to carry out the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities, the Regulator will (where relevant) determine adjustments to be made to:
- (aa) Ongoing Capex Allowance(s);
- (bb) Opex Allowance(s);
- (cc) the key milestone dates relating to Phase 2 Tranche D, including the Scheduled Phase 2 Tranche D Handover Date and the Scheduled Phase 2 Tranche D Acceptance Date; and
- (dd) section 3.2(i) of the APDP,
- and any consequential adjustments or amendments to be made to the Project-Specific Documents required to reflect the same,
- in each case to reflect the impact of the Fourth Phase 2 Tranche D Uncertain Cost Event.
- (v) Where the Regulator determines under paragraph **3.5(i)(iv)(A)3-6(i)(iv)(A)** of this **Error! Reference source not found.Schedule 10** that the Licensee may not proceed to carry out the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities, the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.
- (vi) Where the Regulator considers that the analysis or information received under paragraph **3.5(i)(iii)3-6(i)(iii)** of this **Error! Reference source not found.Schedule 10** and Special Condition **JError! Reference source not found.6-4** is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.

**3-73.6 Public Sector Control Requirement Event**

- (a) An Additional Public Sector Control Requirement Event is an Uncertain Cost Event in respect of which Special Conditions [JError! Reference source not found.7-1](#) to [JError! Reference source not found.7-6](#) (*Variation Re-openers*) shall not apply.
- (b) Where an Additional Public Sector Control Requirement Event occurs, the Licensee must submit an application for an Uncertain Cost Event Re-opener in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-6](#) (*Uncertain Costs Events*).
- (c) Where paragraph [3.6\(b\)3-7\(b\)](#) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*) applies, the Licensee must ensure that any application made pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) shall include (as a minimum) the following information:
- (i) the Licensee's analysis of the likely impact of the relevant Additional Public Sector Control Requirement on the Project;
  - (ii) the Licensee's analysis of the effect(s), or likely effect(s), of the relevant Additional Public Sector Control Requirement, including a detailed justification in respect of the same, on:
    - (A) any obligations of the Licensee under this licence and any proposed adjustments of such obligations; and/or
    - (B) the assumptions that were used in the setting of any allowance in relation to personnel or resourcing,to take account of the potential Additional Public Sector Control Requirement.
- (d) For the purpose of Special Condition [JError! Reference source not found.6-6](#), the Regulator will determine the impact of the Additional Public Sector Control Requirement Event in accordance with paragraphs [3.6\(e\)3-7\(e\)](#) to [3.6\(h\)3-7\(h\)](#) (inclusive) of this [Error! Reference source not found.Schedule 10](#).
- (e) Subject to paragraph [3.6\(g\)3-7\(g\)](#) of this [Error! Reference source not found.Schedule 10](#) provided that the Licensee has provided the relevant information required pursuant to paragraph [3.6\(c\)3-7\(e\)](#) of this [Error! Reference source not found.Schedule 10](#) and Special Condition [JError! Reference source not found.6-4](#), the Regulator will:
- (i) determine the impact or expected impact (if any) on the Project of the relevant Additional Public Sector Control Requirement;
  - (ii) determine any adjustment to reflect the difference between the assumptions that were used in the setting of any allowance in relation to personnel or resourcing and the Additional Public Sector Control Requirement Costs;

- (iii) determine any adjustments to be provided to the Licensee to reflect such impact or expected impact on the T&S Business of the relevant Additional Public Sector Control Requirement.
- (f) No adjustment shall be made by the Regulator pursuant to Special Condition **Error! Reference source not found.6-6** to the extent that the Regulator considers that:
  - (i) the Additional Public Sector Control Requirement Costs are not economic, efficient and effective; and/or
  - (ii) the Licensee's procurement or introduction (as appropriate) of the Additional Public Sector Control Requirement is not in accordance with Additional Public Sector Control Requirement Scope.
- (g) The Licensee may propose updates to the Additional Public Sector Control Requirement Scope by submitting a notice to the Regulator containing full particulars of the proposed updates to the Additional Public Sector Control Requirement Scope, which shall include a justification as to why such update to the Additional Public Sector Control Requirement Scope is reasonably required.
- (h) Where paragraph **3.6(g)3-7(g)** of this **Error! Reference source not found.Schedule 10** applies, the Regulator will consider the notice provided by the Licensee and will:
  - (i) determine that all, or part, of the proposed updates are approved and the Additional Public Sector Control Requirement Scope shall be amended accordingly; or
  - (ii) determine that all, or part, of the proposed updates are not approved and provide its reasons for such non-approval.

### ~~3.73.7~~ **Uncertain Cost Event relating to a Joule–Thomson Impact**

- (a) A Joule–Thomson Uncertain Cost Event is an Uncertain Cost Event in respect of which Special Conditions **Error! Reference source not found.7-4** to **Error! Reference source not found.7-6** (*Variation Re-openers*) shall not apply.
- (b) For the purpose of Special Condition **Error! Reference source not found.6-6** (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Joule-Thomson Uncertain Cost Event on the Project in accordance with this paragraph **3.73-8**.
- (c) The Regulator's determinations under this paragraph **3.73-8** will not include any impact or expected impact on, nor any adjustment in respect of, any allowance, including those detailed in the Financial Settlement Document.

- (d) Where the Licensee concludes, acting reasonably and having undertaken such technical due diligence as would be undertaken by a reasonable and commercially prudent operator operating in similar circumstances, that there is a high likelihood that a Joule-Thomson Impact will occur:
- (i) the Licensee must as soon as reasonably practicable notify the Regulator that, in its opinion, there is a high likelihood that a Joule-Thomson Impact will occur and therefore that a potential Joule-Thomson Uncertain Cost Event has occurred; and
  - (ii) as soon as reasonably practicable following a determination by the Regulator under Special Condition [JError! Reference source not found.2-8\(a\)](#) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) pursuant to which the Regulator approves the implementation of a Change in Scope under limb (b) of the definition of Change in Scope for the proposed expansion or enhancement of the Approved T&S Network for at least one of the Track 1 Expansion Users, the Licensee may submit an application for an Uncertain Cost Event Re-opener in respect of the potential Joule-Thomson Uncertain Cost Event in accordance with Special Conditions [JError! Reference source not found.6-3](#) to [JError! Reference source not found.6-7](#) and paragraph [3.7\(e\)3-8\(e\)](#) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*).
- (e) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a potential Joule-Thomson Uncertain Cost Event pursuant to Special Conditions [JError! Reference source not found.6-3\(a\)](#) and [JError! Reference source not found.6-4](#) and this paragraph [3.7-8](#) shall include (as a minimum) the following information:
- (i) Supporting Information, including any studies undertaken by the Licensee, to evidence that there is a high likelihood that a Joule-Thomson Impact will occur and to evidence the direct impact of the Joule-Thomson effect on the Flint-PoA Pipeline; and
  - (ii) Supporting Information to evidence that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature.
- (f) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a potential Joule-Thomson Uncertain Cost Event under paragraph [3.7\(d\)\(ii\)3-8\(d\)\(iii\)](#) of this [Error! Reference source not found.Schedule 10](#), the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the potential Joule-Thomson Uncertain Cost Event.
- (g) Provided that the Licensee has provided the relevant information required pursuant to paragraphs [3.7\(e\)3-8\(e\)](#) and [3.7\(f\)3-8\(f\)](#) of this [Error! Reference source not](#)

~~found.Schedule 10~~ and Special Condition ~~JError! Reference source not found.6.4;~~ where the Licensee has made an application for a Uncertain Cost Event Re-opener in respect of a potential Joule-Thomson Uncertain Cost Event under this paragraph ~~3.73-8,~~ the Regulator determine whether there is a high likelihood that a Joule-Thomson Impact will occur (a "**Joule-Thomson Uncertain Cost Event**").

- (h) Where the Regulator has made a determination under paragraph ~~3.7(g)3-8(g)~~ of this ~~Error! Reference source not found.Schedule 10~~ that there is a high likelihood that a Joule-Thomson Impact will occur:
- (i) a Joule-Thomson Uncertain Cost Event will have occurred; and
  - (ii) the Regulator will consider whether it is satisfied that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature; and
  - (iii) the Regulator will notify the Licensee as to whether or the Regulator is so satisfied.
- (i) Where the Regulator (i) makes a determination under paragraph ~~3.7(g)3-8(g)~~ of this ~~Error! Reference source not found.Schedule 10~~ that a Joule-Thomson Uncertain Cost Event has occurred; and (ii) is satisfied that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice (including taking into account whether to make a CiS Submission for a Change in Scope in accordance with this licence) such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature, the Regulator will also determine amendments to update the APDP to reflect the impact of the Joule-Thomson Uncertain Cost Event such that:
- (i) section 3.4 of the APDP is amended to state that the Maximum Instantaneous Flow Rate is at least 4.00 MTPA (126.84 kg/s); and
  - (ii) section 3.1(d)(i)(D) of the APDP is amended to state that the Flint-PoA Pipeline is suitable to convey to convey a flow rate of at least 4.00 MTPA (126.84 kg/s),
- and the Regulator's determination of amendments to the APDP as referred to in (i) and (ii) will be the only determinations made by the Regulator to reflect the impact of the Joule Thomson Uncertain Cost Event.

- (j) Where (i) the Regulator makes a determination under paragraph 3.7(g)3-8(g) of this **Error! Reference source not found.Schedule 10** that a Joule-Thomson Uncertain Cost Event has not occurred; and/ or (ii) the Regulator is satisfied that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature:
- (i) the Licensee may amend and resubmit its application for a Joule-Thomson Uncertain Cost Event, which application shall comply with the requirements of paragraph 3.7(e)3-8(e) of this **Error! Reference source not found.Schedule 10**; and
- (ii) the procedures in paragraphs 3.7(f)3-8(f) to 3.7(j)3-8(j) of this **Error! Reference source not found.Schedule 10** shall be repeated, but this paragraph 3.7(j)3-8(j) shall not apply.

#### 4. Commencement of Phase 2 Tranche B Handover Works **and Phase 2 Tranche C Handover Works**

##### 4.1 Phase 2 Tranche B Handover Works

- (a) Subject to paragraphs 4.1(c) to 4.1(f) of this **Error! Reference source not found.Schedule 10** (*Project-specific conditions*), the Licensee shall not commence any Phase 2 Tranche B Handover Works before the occurrence of the Hanson Commitment Event.
- (b) The Licensee must promptly notify the Regulator of the occurrence of the Hanson Commitment Event, together with evidence of it and any other relevant Supporting Information.
- (c) The Licensee may notify the Regulator if the Licensee considers that, taking into consideration all relevant circumstances and acting in accordance with Good Industry Practice, it would be economic, efficient and effective to commence any part of the Phase 2 Tranche B Handover Works before the occurrence of the Hanson Commitment Event (and once notified, those parts of the Phase 2 Tranche B Handover Works are referred to as the "**Early Padeswood Works**").
- (d) A notice issued by the Licensee to the Regulator under paragraph 4.1(c) of this **Error! Reference source not found.Schedule 10** must give particulars of:
- (i) a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that it would be economic, efficient and effective to commence the Early Padeswood Works prior to the occurrence of the Hanson Commitment Event, including any cost savings associated with carrying out the Early Padeswood Works before the occurrence of the Hanson Commitment Event instead of after the occurrence of the Hanson Commitment Event;
- (ii) which of the Phase 2 Tranche B Handover Works make up the Early Padeswood Works;

- (iii) an estimate of the costs associated with the Early Padeswood Works;
  - (iv) a timetable for the carrying out of the Early Padeswood Works; and
  - (v) such other Supporting Information that the Regulator has notified the Licensee that the Regulator requires.
- (e) Where paragraph 4.1(c) of this [Error! Reference source not found, Schedule 10](#) applies the Regulator will review and consider the notice issued by the Licensee to the Regulator under paragraph 4.1(c) and may:
- (i) determine that the Licensee may commence all of the Early Padeswood Works before the occurrence of the Hanson Commitment Event;
  - (ii) determine that the Licensee may commence part of the Early Padeswood Works before the occurrence of the Hanson Commitment Event; or
  - (iii) determine that the Licensee may not commence any part of the Early Padeswood Works before the occurrence of the Hanson Commitment Event.
- (f) If:
- (i) the Regulator has made a determination under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) of this [Error! Reference source not found, Schedule 10](#); and
  - (ii) a Change in Scope occurs under limb (c) of the definition of Change in Scope as a direct result of the Hanson Commitment Event not occurring;

in making a determination under Special Condition J [Error! Reference source not found, 2-9 \(Supervening Event Re-openers, Insured Risk Events and Relief Events\)](#) in relation to such Change in Scope, the Regulator will take into account its determination under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) of this [Error! Reference source not found, Schedule 10](#) (as the case may be).

#### 4.2 Phase 2 Tranche G Handover Works

- (a) Subject to paragraphs 4.2(c) to 4.2(f) of this Schedule 10, the Licensee shall not commence any Phase 2 Tranche G Handover Works before the occurrence of the Viridor Commitment Event.
- (b) The Licensee must promptly notify the Regulator of the occurrence of the Viridor Commitment Event, together with evidence of it and any other relevant Supporting information.
- (c) The Licensee may notify the Regulator if the Licensee considers that, taking into consideration all relevant circumstances and acting in accordance with Good Industry Practice, it would be economic, efficient and effective to commence any part of the Phase 2 Tranche G Handover Works before the occurrence of the Viridor Commitment Event (and once notified, those parts of the Phase 2 Tranche G Handover Works are referred to as the "Early Runcom Works");

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- (d) A notice issued by the Licensee to the Regulator under paragraph 4.2(c) of this Schedule 10 must give particulars of:
- (i) a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that it would be economic, efficient and effective to commence the Early Runcorn Works prior to the occurrence of the Viridor Commitment Event, including any cost savings associated with carrying out the Early Runcorn Works before the occurrence of the Viridor Commitment Event instead of after the occurrence of the Viridor Commitment Event;
  - (ii) which of the Phase 2 Tranche C Handover Works make up the Early Runcorn Works;
  - (iii) an estimate of the costs associated with the Early Runcorn Works;
  - (iv) a timetable for the carrying out of the Early Runcorn Works; and
  - (v) such other Supporting Information that the Regulator has notified the Licensee that the Regulator requires;
- (e) Where paragraph 4.2(c) of this Schedule 10 applies the Regulator will review and consider the notice issued by the Licensee to the Regulator under paragraph 4.2(c) of this Schedule 10 and may:
- (i) determine that the Licensee may commence all of the Early Runcorn Works before the occurrence of the Viridor Commitment Event;
  - (ii) determine that the Licensee may commence part of the Early Runcorn Works before the occurrence of the Viridor Commitment Event; or
  - (iii) determine that the Licensee may not commence any part of the Early Runcorn Works before the occurrence of the Viridor Commitment Event;
- (f) If:
- (i) the Regulator has made a determination under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) of this Schedule 10; and
  - (ii) a Change in Scope occurs under limb (c) of the definition of Change in Scope as a direct result of the Viridor Commitment Event not occurring;
- in making a determination under Special Condition J2.9 in relation to such Change in Scope, the Regulator will take into account its determination under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) of this Schedule 10 (as the case may be);

## 5. NR-related FM Events

5.1 The definition of Force Majeure Event shall include the occurrence of an NR-related FM Event after Licence Award in respect of which [JError! Reference source not found.2](#) (Part C) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall apply:

- (a) if and to the extent that the Licensee demonstrates to the Regulator that:
    - (i) the occurrence of the relevant NR-related FM Event is beyond the Licensee's control; and
    - (ii) the effects of the NR-related FM Event could not have been avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice; and
  - (b) provided that:
    - (i) at Licence Award, the Licensee has not received any NR-related FM Notices from Network Rail or otherwise become aware, or been put on notice, that Network Rail intends to issue any NR-related FM Notices; or
    - (ii) in the case of an NR Lease, the relevant NR Termination Provision was required by Network Rail to be included in the relevant NR Lease notwithstanding the reasonable endeavours of the Licensee to exclude the relevant NR Termination Provision from the relevant NR Lease;
    - (iii) where the relevant NR Lease or the NR Deed of Grant (as the case may be) contains an NR Termination Provision and/or, in the case of the NR Deed of Grant, an NR Talacre Pipeline Provision, the Licensee notifies the Regulator:
      - (A) in the case of the NR Deed of Grant, by no later than Licence Award, that the NR Deed of Grant contains an NR Termination Provision and/or NR Talacre Pipeline Provision, together with full details of the relevant NR Termination Provision and/or NR Talacre Pipeline Provision; and
      - (B) in the case of an NR Lease:
        - (aa) that the relevant NR Lease contains an NR Termination Provision, together with full details of the relevant NR Termination Provision; and
        - (bb) of the date of grant of the relevant NR Lease and, where the relevant NR Lease has been registered at the Land Registry, the title number of such NR Lease,
- such notification to be given either:
- (a) where the relevant NR Lease is entered into between Network Rail and the Licensee prior to Licence Award, by no later than Licence Award; and

- (b) where the relevant NR Lease is entered into between Network Rail and the Licensee at or following Licence Award, no later than ten Business Days following the date on which the Licensee and Network Rail enter into the relevant NR Lease;
  - (iv) where the relevant NR Lease contains an NR Termination Provision but, as at the date of the Licensee's notification to the Regulator under paragraph 5.1(b)(iii) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*), the relevant NR Lease is not registered at the Land Registry, the Licensee notifies the Regulator of the title number of such NR Lease as soon as reasonably practicable following any such registration (where applicable); and
  - (v) as soon as reasonably practicable following receipt by the Licensee of an NR-related FM Notice from Network Rail, the Licensee notifies the Regulator of such receipt and, where relevant, provides a copy of such notice to the Regulator.
- 5.2 The Licensee and the Regulator acknowledge that, at Licence Award, the definitions of "NR-related FM Event", "NR Talacre Pipeline Provision" and "NR Termination Provision" in paragraph 1.1 of this [Error! Reference source not found.Schedule 10](#) (the "**Relevant NR Definitions**") reflect the terms of the NR Deed of Grant as at Licence Award and the Standard NR Lease (as applicable).
- 5.3 If at any time an NR Land Agreement Change occurs and the Licensee considers that such NR Land Agreement Change results in a misalignment between the drafting of the Relevant NR Definitions and the corresponding terms of the relevant Adjusted NR Land Agreement (an "**NR Misalignment**"), then the provisions of paragraphs 5.4 to 5.10 of this [Error! Reference source not found.Schedule 10](#) shall apply.
- 5.4 Where an NR Land Agreement Change has occurred and the Licensee considers that an NR Misalignment has arisen therefrom, the Licensee must so notify the Regulator, which notice must give particulars of:
  - (a) the NR Land Agreement Change that has occurred;
  - (b) a detailed explanation of the NR Land Agreement Change and a justification for such NR Land Agreement Change having been made (together with relevant Supporting Information);
  - (c) the NR Misalignment that the Licensee considers will arise as a result of the implementation of its proposals;
  - (d) any proposed modifications to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this [Error! Reference source not found.Schedule 10](#)) that the Licensee considers are required to resolve the NR Misalignment; and
  - (e) such other Supporting Information that the Regulator notifies the Licensee that the Regulator requires.

- 5.5 Where the Licensee has submitted a notice under paragraph 5.4 of this [Error! Reference source not found.Schedule 10](#), the Regulator will review the submission and:
- (a) determine that an NR Misalignment has arisen as a result of the relevant NR Land Agreement Change; or
  - (b) determine that an NR Misalignment has not arisen as a result of the relevant NR Land Agreement Change.
- 5.6 Where the Regulator makes a determination under paragraph 5.5(a) of this [Error! Reference source not found.Schedule 10](#), the Regulator will determine:
- (a) the extent to which it is possible for modifications to be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this [Error! Reference source not found.Schedule 10](#)) to resolve the NR Misalignment such that the Licensee is kept in no better nor worse position than it would have been in had the NR Land Agreement Change not occurred ("**Resolving Modifications**"); and
  - (b) where the Regulator determines that it is possible to make Resolving Modifications under paragraph 5.6(a) of this [Error! Reference source not found.Schedule 10](#), the relevant Resolving Modifications to be made.
- 5.7 Where the Regulator makes a determination under paragraph 5.6(b) of this [Error! Reference source not found.Schedule 10](#), the Regulator will modify this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this [Error! Reference source not found.Schedule 10](#)) by direction to implement the intended Resolving Modifications.
- 5.8 Prior to making a direction under paragraph 5.7 of this [Error! Reference source not found.Schedule 10](#), the Regulator will:
- (a) send a notice to the Licensee setting out the Resolving Modifications to be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this [Error! Reference source not found.Schedule 10](#)); and
  - (b) state a period during which representations may be made on the proposed direction, which will not be less than 28 days.
- 5.9 Any direction under paragraph 5.7 of this [Error! Reference source not found.Schedule 10](#) will set out:
- (a) the Resolving Modifications to be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this [Error! Reference source not found.Schedule 10](#)); and
  - (b) the date on which such Resolving Modifications are to have effect.
- 5.10 Where the Regulator:
- (a) makes a determination under paragraph 5.5(b) of this [Error! Reference source not found.Schedule 10](#); or

- (b) determines under paragraph 5.6(a) of this [Error! Reference source not found, Schedule 10](#) that it is not possible to make Resolving Modifications,

no modifications shall be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this [Error! Reference source not found, Schedule 10](#)) as a result of the relevant NR Land Agreement Change.

## 6. Pre-Licence Award Capex Costs

- 6.1 The Licensee's Pre-Licence Award Capex Costs shall form part of the Day1 SRAV in real (Base Year) prices (and the definition of "**Day1 SRAV**" in Special Condition [EError! Reference source not found, 1-1](#) (*Definitions*) shall be amended in accordance with paragraph 6.2 of this [Error! Reference source not found, Schedule 10](#) (*Project-specific conditions*), provided that in the event that the Licensee's Pre-Licence Award Capex Costs exceed the amount of the Pre-Licence Award Capex Allowance, only the Pre-Licence Award Capex Costs up to (but not exceeding) the Pre-Licence Award Capex Allowance shall form part of the Day1 SRAV.
- 6.2 The definition of "**Day1 SRAV**" in Special Condition [EError! Reference source not found, 1-1](#) shall include a new limb (c) as follows:
- "(c) any Pre-Licence Award Capex Costs which form part of the Day1 SRAV at Licence Award in accordance with paragraph 6.1 of [Error! Reference source not found, Schedule 10](#);"
- and any references in the licence to the "Day1 SRAV" shall be to the Day1 SRAV as amended by this paragraph 6.2.
- 6.3 The amount of the Pre-Licence Award Capex Costs that shall form part of the Day1 SRAV will be notified to the Regulator by the Secretary of State prior to the first End of Quarter Date falling on 30 June after Licence Award.
- 6.4 The Regulator shall determine at the first Annual Iteration Process a negative adjustment to the SRAV Capex and Opex Construction Period Allowance by an amount equal to the Pre-Licence Award Capex Costs added to the Day1 SRAV and shall make amendments to update the Financial Settlement Document to reflect any such adjustments.
- 6.5 No later than 15 Business Days following each End of Quarter Date falling between Licence Award and the first Annual Iteration Process after Licence Award, the Licensee must provide to the Regulator and the Secretary of State details of:
- (a) the Pre-Licence Award Capex Costs incurred by the Licensee; and
- (b) the Pre-Licence Award Capex Allowance and the SRAV Capex and Opex Construction Period Allowance, with reference to the amount of Pre-Licence Award Capex Costs incurred by the Licensee which relate to the capital expenditure costs covered by such Pre-Licence Award Capex Allowance and SRAV Capex and Opex Construction Period Allowance.

## 7. Standard condition B [Error! Reference source not found.24](#) (Procurement)

### 7.1 Amendment to standard condition B [Error! Reference source not found.24](#) (Procurement)

- (a) During the Construction Period and the Commissioning Period only, limb (b) of the definition of "**Applicable Procurement Threshold**" is deemed to read as follows:
- "£5,000,000 (CPIH Indexed) for contracts for the procurement of goods and/or services".
- (b) The amendment in paragraph 7.1(a) of this [Error! Reference source not found.Schedule 10](#) (Project-specific conditions) shall:
- (i) cease to have any effect from the Commercial Operations Date; and
  - (ii) not have effect in relation to any subsequent periods of construction or commissioning under this licence.

### 7.2 Conditions that apply in the context of the amendment to standard condition B [Error! Reference source not found.24](#) (Procurement)

- (a) When the Licensee is procuring goods and/or services during the Construction Period or the Commissioning Period, and the total value of the contract or modification thereto to be awarded is forecast to be:
- (i) equal or less than the Applicable Procurement Threshold; and
  - (ii) greater than £500,000 (CPIH Indexed),
- then, where the Licensee has not carried out a competitive tender process, the Licensee must nonetheless incorporate appropriate procurement benchmarking in its procurement process.

## 8. Decommissioning Regulations Event Re-opener

### Introduction

- 8.1 The purpose of this condition is to set out:
- (a) when Standard Condition D [Error! Reference source not found.2](#) (*Offshore Decommissioning Fund*) comes into force; and
  - (b) the provisions that apply in circumstances where the Licensee becomes aware of a Decommissioning Regulations Event.

### Structure

- 8.2 This condition is structured as follows:
- (a) Part A sets out when Standard Condition D [Error! Reference source not found.2](#) comes into force;
  - (b) Part B provides that the coming into force of the Initial Decommissioning Regulations does not fall within the scope of the Qualifying Changes in Law regime;

- (c) Part C sets out the trigger and process for a DRE Review; and
- (d) Part D states that any modifications will be implemented in accordance with section 13 of the Act.

**Part A: Status of Standard Condition D2 (Offshore Decommissioning Fund)**

8.3 Standard Condition D [Error! Reference source not found.2](#) will come into force on the date when the Initial Decommissioning Regulations come into force.

**Part B: Foreseeable Change in Law**

8.4 For the purposes of Special Condition J [Error! Reference source not found.2](#) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*), the coming into force of the Initial Decommissioning Regulations is a Foreseeable Change in Law.

**Part C: Trigger for a DRE Review**

8.5 Upon the occurrence of a Decommissioning Regulations Event and receipt of a DRE Submission from the Licensee, the Regulator will undertake a DRE Review in accordance with this Part C.

8.6 Where the Licensee becomes aware of a Decommissioning Regulations Event, the Licensee must submit to the Regulator a submission (a "**DRE Submission**") within 60 Business Days of the occurrence of the Decommissioning Regulations Event (or such longer period as the Regulator agrees) giving particulars of:

- (a) the nature of the Decommissioning Regulations Event;
- (b) the Licensee's analysis of the likely impact (if any) of the Decommissioning Regulations Event on arrangements relating to the Licensee's obligations pursuant to the Offshore Decommissioning Requirements, as compared to the arrangements in place as at Licence Award relating to such obligations;
- (c) the Licensee's analysis of the changes (if any) that the Licensee considers are appropriate to Standard Condition D [Error! Reference source not found.2](#) as a result of the Decommissioning Regulations Event, including any changes to arrangements referenced in paragraph 8.6(b) of this [Error! Reference source not found.Schedule 10](#) (*Project-specific conditions*);
- (d) detailed justification in relation to any matters referred to in paragraphs 8.6(b) and 8.6(c) of this [Error! Reference source not found.Schedule 10](#), including the outcome of any consultation by the Licensee in relation to the matters referred to in paragraph 8.6(b) of this [Error! Reference source not found.Schedule 10](#) with the Secretary of State, OPRED and/or the NSTA; and
- (e) the Licensee's assessment and satisfactory evidence of any additional costs as a result of the Decommissioning Regulations Event, including any additional costs arising from changes to the arrangements referenced in paragraph 8.6(b) of this [Error! Reference source not found.Schedule 10](#).

8.7 Where a DRE Submission has been made by the Licensee, the Regulator will initiate a review (a "DRE Review") to make a determination in relation to the matters referred to in paragraphs 8.6(b) and 8.6(c) of this [Error! Reference source not found.Schedule 10](#) and in carrying out its DRE Review, the Regulator will:

- (a) consider the Licensee's DRE Submission; and
- (b) consult the Secretary of State, OPRED and the NSTA for their views on the Licensee's DRE Submission.

8.8 Once the Regulator has completed its DRE Review, the Regulator will:

- (a) where the Initial Decommissioning Regulations come into force, determine whether and/or what modifications are required to Standard Condition D[Error! Reference source not found.2](#) and associated defined terms to make the provisions of Standard Condition D[Error! Reference source not found.2](#) consistent and aligned with the Initial Decommissioning Regulations;
- (b) where the Initial Decommissioning Regulations have not come into force by the Decommissioning Fund Obligation Date, determine whether and/or what modifications are required to Standard Condition D[Error! Reference source not found.2](#) to ensure that the Licensee is able to establish the Offshore Decommissioning Fund contemplated by Standard Condition D[Error! Reference source not found.2](#) in the absence of any Decommissioning Regulations; and
- (c) determine whether and/or what other adjustments under this licence or any Project-Specific Documents are required to address any additional costs of the Licensee to reflect the impact (if any) of the Decommissioning Regulations Event on arrangements relating to the Licensee's obligations pursuant to the Offshore Decommissioning Requirements as compared to the arrangements in place as at Licence Award relating to such obligations, such that the Licensee is put in a no better nor worse position than it would have been in had the Decommissioning Regulations Event not occurred (which may include new ex ante allowances).

#### **Part D: Process for modifications to licence conditions**

8.9 Any determination by the Regulator pursuant to paragraph 8.8 of this [Error! Reference source not found.Schedule 10](#), including any associated amendments to update any Project-Specific Documents, will be implemented by the Regulator by way of a modification of the conditions of this licence in accordance with section 13 of the Act.

8.10 The Regulator shall not be required to undertake more than one DRE Review under this condition.

#### **9. RFS Agreement**

Prior to the Commercial Operations Date, any costs incurred by the Licensee in connection with the RFS Agreement including but not limited to any costs incurred in relation to the performance of any services under the RFS Agreement shall be at the Licensee's own expense and therefore

constitute Excluded Project Spend pursuant to limb (o)(iii) of the definition of Excluded Project Spend.

## 10. Payment of Seller's Decommissioning Fund Contribution

### Introduction

10.1 The purpose of this condition is to set out the Licensee's obligation to pay into the Offshore Decommissioning Fund the Seller's Decommissioning Fund Contribution received by the Licensee in accordance with the terms of the Asset Transfer Agreement.

### Obligation

10.2 Subject to any requirements under the Decommissioning Regulations, if the Licensee receives the Seller's Decommissioning Fund Contribution from the Seller in accordance with the terms of the Asset Transfer Agreement, the Licensee must, as soon as is reasonably possible:

- (a) where, as at the Payment Date, the Licensee has established the Offshore Decommissioning Fund, pay the Seller's Decommissioning Fund Contribution into the Offshore Decommissioning Fund; or
- (b) where, as at the Payment Date, the Licensee has not yet established the Offshore Decommissioning Fund, ensure that the Seller's Decommissioning Fund Contribution is held:
  - (i) in a separate blocked bank account to be segregated from any other assets or monies held by the Licensee; and
  - (ii) in compliance with the Interim Holding Arrangements approved by the Secretary of State, pursuant to the terms of the Asset Transfer Agreement,

and not grant any security (or any right of set off or combination in favour of any person, including the account bank) over it or make any withdrawals or other disposals from it except:

- (A) to comply with paragraph 10.3 of this Schedule 10 (*Project-specific conditions*); or
- (B) for the purposes of carrying out any decommissioning of any part of the Offshore Infrastructure (or related activities) as required by OPRED or the NSTA in accordance with any Offshore Decommissioning Requirements; or
- (C) to comply with any obligation under clause 5.1.2 of the Asset Transfer Agreement to make a payment back to the Seller, where, as contemplated by the terms of the Asset Transfer Agreement, OPRED makes a final determination which results in a reduction in the value of the Seller's Decommissioning Fund Contribution.

- 10.3 Subject to any requirements under the Decommissioning Regulations, where in accordance with paragraph 10.2(b) of this [Error! Reference source not found. Schedule 10](#) the Licensee was not able to pay the Seller's Decommissioning Fund Contribution into the Offshore Decommissioning Fund upon receipt of the Seller's Decommissioning Fund Contribution, the Licensee must pay the Seller's Decommissioning Fund Contribution into the Offshore Decommissioning Fund as soon as reasonably possible after the Offshore Decommissioning Fund has been established.
11. **Obligated Network Capacity**
- 11.1 In accordance with its obligations under Standard Condition B [Error! Reference source not found. 14.3](#) (*Availability of resources*), the Licensee must at all times act in a manner designed to secure that it has available to itself such licences, permits, approvals and consents as may be required for the Licensee to achieve the Obligated Network Capacity.
- 11.2 No Qualifying Change in Law shall occur for the purposes of this licence in connection with, or as a result of, any ONC-related Change in Scope and the provisions of Part B (*Qualifying Changes in Law*) of Special Condition J [Error! Reference source not found. 2](#) shall not apply in respect of the same.
- 11.3 If a change to a licence, permit, approval or consent (including any Storage Permit) comes into effect following Licence Award, which:
- (a) prevents the Licensee from achieving the Obligated Network Capacity (or any part thereof), such change shall constitute grounds for a Change in Scope under limb (c) of the definition of the term "Change in Scope"; or
  - (b) enables the Licensee to increase the Obligated Network Capacity (or any part thereof), such change shall constitute grounds for a Change in Scope under limb (b) of the definition of the term "Change in Scope", notwithstanding that there may be no associated requirement for (i) an allocation of an Ongoing Devex Allowance; and/or (ii) an increase to an SRAV Capex and Opex Allowance and/or the Ongoing Capex Allowances (as relevant)
- (each an "**ONC-related Change in Scope**"), and the provisions of Part A (*Change in Scope*) of Special Condition J [Error! Reference source not found. 2](#) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall apply in respect of any such ONC-related Change in Scope.
- 11.4 In making a determination under Special Condition J [Error! Reference source not found. 2-9](#) in relation to a Change in Scope under limb (c) of the definition of Change in Scope (including any relevant ONC-related Change in Scope) or under Special Condition J [Error! Reference source not found. 2-18](#) in relation to a Qualifying Change in Law, the Regulator will take into account the extent to which the relevant Supervening Event:
- (a) could be, or could have been, avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice; and/or

- (b) is, or was, caused or contributed to by acts and/or omissions of the Licensee or of:
- (i) any of its Affiliates, Related Undertakings or Ultimate Controllers; or
  - (ii) any of its agents, employees, contractors, subcontractors or other suppliers (of any tier) acting on its behalf,
- save to the extent that any such Affiliate, Related Undertaking, Ultimate Controller, agent, employee, contractor, subcontractor or other supplier (of any tier) is (i) acting (or omitting to act) in its capacity as a User; and/or (ii) acting (or omitting to act) on behalf of a User.

12. **Re-use Assets Valuation**

12.1 In addition to any adjustments made to the Re-use Assets Valuation pursuant to Special Condition F [Error! Reference source not found.5:3](#) (*Re-use Assets Valuation*) or Special Condition G [Error! Reference source not found.8:3](#) (*Re-use Assets Valuation*) (as the case may be), the Regulator shall also make adjustments to the Re-use Assets Valuation to reflect any adjustments that are made in accordance with the provisions of the Asset Transfer Agreement to reflect:

- (a) the amount of the Seller's Decommissioning Fund Contribution; and/or
- (b) the occurrence of a Phase 2 Tranche A Uncertain Cost Event.

12.2 The Licensee must provide the Regulator with any information reasonably required to enable the Regulator to determine any adjustment to a Re-use Assets Valuation in accordance with paragraph 12.1 of this Schedule 10 (*Project-specific conditions*).

## Appendix A

### Basis for Mitigation Measures Plan

**The works, activities and other steps that need to be undertaken by the Licensee to implement the Mitigation Measures (other than the Mitigation Measures Preparatory Activities)**

**1. Mitigation Measures Systems:**

The "**Mitigation Measures Systems**" are as follows:

- (a) A fifth injection well on the Hamilton Carbon Store from Hamilton Main and all facilities required to inject into and operate the well; and
- (b) a third injection well on the Hamilton North Carbon Store from Hamilton North and all facilities required to inject into and operate the well.

**2. Mitigation Measures Handover Works:**

The "**Mitigation Measures Handover Works**" include, as relevant, the following works and activities which relate to the Mitigation Measures Systems:

- (a) design and engineering of the Mitigation Measures Systems, of which:
  - (i) the definition of the well design and well programme;
  - (ii) the definition of the HM and HN layouts, flowline size and materials and design of instrumentation and metering;
- (b) procurement of the Mitigation Measures Systems, including long lead items outlined as Early Works Item 3 (see first table in Appendix B);
- (c) execution planning of the Mitigation Measures Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;
- (d) permitting the Mitigation Measures Systems - securing the approvals required to, as a minimum, construct and install the Mitigation Measures Systems, including any and all licences, permits, consents and approvals, including any regulatory and statutory approvals;
- (e) fabrication, construction and installation of the Mitigation Measures Systems, outlined as Early Works Items 1, 2, 4 and 6 (see first table in Appendix B) to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning and hydrotesting of any assemblies or equipment forming part of the Mitigation Measures Systems have been satisfactorily completed and documented in accordance with specified design and Project requirements;
- (f) all drawings and documentation required for performance of the Mitigation Measures Commissioning Activities are modified in red-line mark-up; and
- (g) preparation of a punchlist containing the Licensee's proposed Phase 2 Handover Punchlist Items relating to Phase 2 Tranche F.

### 3. **Mitigation Measures Commissioning Activities:**

The "**Mitigation Measures Commissioning Activities**" include, as relevant, the following works and activities which relate to the Mitigation Measures Systems:

- (a) achievement of Handover of the Mitigation Measures Handover Works, as determined by the Regulator under Special Condition [!Error! Reference source not found.2-19](#) (*T&S Network expansion and additional construction, commissioning and operational periods*);
- (b) the rectification, resolution and/or completion of all Phase 2 Handover Punchlist Items relating to Phase 2 Tranche F;
- (c) pre-commissioning of the Mitigation Measures Systems prior to the introduction of CO<sub>2</sub>, including:
  - (i) successful completion of site acceptance testing to the extent not completed as part of the Mitigation Measures Handover Works;
  - (ii) successful completion of functional testing of all equipment forming part of the Mitigation Measures Systems including successful operational testing of utilities and of the process systems in closed loop with inert fluids;
  - (iii) preparatory activities for CO<sub>2</sub> introduction into the Mitigation Measures Systems including dewatering, cleaning and pipeline drying, process lines leak testing with inert medium, well barriers testing, first fill of equipment with nitrogen;
  - (iv) calibration of allocation metering;
  - (v) successful completion of testing of all safety systems;
  - (vi) energisation (where appropriate) of the Mitigation Measures Systems;
  - (vii) well perforation, installation and successful completion of testing of Xmas trees, and flowline hook-up in respect of the Mitigation Measures Systems;
- (d) securing the following approvals required to, as a minimum, commission and operate the Mitigation Measures Systems, including any and all:
  - (i) licences;
  - (ii) permits;
  - (iii) consents;
  - (iv) approvals, including any and all regulatory and statutory approvals; and
  - (v) all relevant land agreements;
- (e) the following commissioning of the Mitigation Measures Systems:
  - (i) super drying of the Mitigation Measures Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (ii) first fill of equipment forming part of the of the Mitigation Measures Systems with CO<sub>2</sub>;

- (iii) successful completion of functional testing of all equipment forming part of the Mitigation Measures Systems with CO<sub>2</sub>;
- (iv) successful completion of testing of all safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body;
- (v) commissioning of process systems with process fluid;
- (f) all drawings and documentation required for operations are modified are modified in red-line mark-up;
- (g) to the extent applicable procurement, implementation of the updates to, and subsequent successful completion of testing of, the Information Technology (IT) applications, databases and communication systems, including that of the T&S Network Portal (as defined in the CCS Network Code) in line with the requirements under the CCS Network Code;
- (h) successful completion of performance testing of the Mitigation Measures Systems to demonstrate at a minimum well performance multi-rate testing on each well including start-up and shutdown with CO<sub>2</sub>. The performance testing (the "**Hamilton Acceptance Requirements**") is required to demonstrate that the two wells which form part of the Mitigation Measures Systems (the "**Phase 2F Wells**"):
  - (i) can, in aggregate across the wells which form part of the Phase 1 Systems (the "**Phase 1 Wells**") and the Phase 2F Wells, accept the 4.74 MTPA (150.30 kg/s) peak instantaneous flow volumes (with such testing to be based on the data obtained as part of the well performance testing in respect of the Phase 1 Wells as detailed in section 3.1(f)(ix)(A) of the APDP) or such other peak instantaneous flow volumes as revised in the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum and determined by the Regulator under paragraph 3.3(c)(ix)(A)(ee); and
  - (ii) across all eight injection wells (being the Phase 1 Wells and the Phase 2F Wells) are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year:
    - (A) proven by physical injection to be able to inject a minimum of:
      - (aa) 0.58 instantaneous MTPA (18.39 kg/s) per well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates); and
      - (bb) at least 0.20 MTPA instantaneous (6.34 kg/s) per well,  
  
save where, at the time of testing, User flows are not capable of providing 0.58 MTPA instantaneous (18.39 kg/s) or such other flow volumes as revised in the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum and determined by the Regulator under paragraph 3.3(c)(ix)(A)(ee), in which case the Phase 2F Wells:
      - (cc) must be proven by physical injection to be able to inject the actual flow rates delivery by the User(s); and

- (dd) must be predicated based on calibrated well models to be able to inject a minimum of 0.58 MTPA instantaneous (18.39 kg/s),  
  
(with such testing to be based on the data obtained as part of the well performance testing in respect of the Phase 1 Wells as detailed in section 3.1(f)(ix)(A) of the APDP); and
- (iii) across the Phase 2F Wells are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year:
  - (A) predicted based on calibrated well models to be able to inject a minimum of 0.8 MTPA (25.37 kg/s) per Hamilton Carbon Store well on average and 0.6 MTPA (19.03 kg/s) per Hamilton North Carbon Store well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates) and at least 0.20 MTPA (6.34 kg/s) per well when the store conditions are 48bara at the Hamilton Carbon Store and 51bara at the Hamilton North Carbon Store; and
- (i) preparation of a punchlist containing the Licensee's proposed Phase 2 Acceptance Punchlist Items relating to relating to the Mitigation Measures Commissioning Activities.

## Appendix B

### Early Works

The Early Works are described as follows:

Item no.	Early Work	Further details of the Early Work	Agreed Allowance (Early Works) (£)	
			2023/2024 money values	2021 money values
1	Drilling of fifth injection well into Hamilton Carbon Store from Hamilton Main (as defined in the APDP)	Drilling injection well Completion of injection well NB installation of Xmas tree and well perforations not considered Early Works but to be included in MMP	Total £10,215,141*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)	Total £8,897,608*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)
2	Drilling of third injection well into Hamilton North Carbon Store from Hamilton North (as defined in the APDP)	Drilling injection well Completion of injection well NB installation of Xmas tree and well perforations not considered Early Works but to be included in MMP	Total £10,215,141*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)	Total £8,897,608*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)
3	Place order for long lead items for the second well (either Hamilton or	(a) 20" conductors. Estimated 8-12 months lead time.	Total £1,840,000	Total £1,602,680

			Agreed Allowance (Early Works) (£)	
	Hamilton North) plus spare	(b) 13 3/8" casing. Estimated 6-8 months lead time from Tenaris  (c) Wellhead systems. Estimated 12 months lead time		
4	Flowline installation in construction yard	Procurement, fabrication, installation and fit out of flowlines and associated equipment and controls in construction yard prior to sail away. Performance of this Early Work precludes Item no. 6 which is the same activity but executed offshore.	£500,000 per well	£435,511 per well
5	Rig mobilisation	(a) Rig and spread rate based on 15 days  (b) Rig move vessels  (c) Rig move services  (d) Repeat site survey and site-specific assessment  (e) Rock dumping if required to remediate previous spud can depressions  (f) Platform interface costs	Total £6,110,000 per rig move  (This figure is based on:  (a) £2,000,000  (b) £1,040,000  (c) £120,000  (d) £450,000  (e) £2,000,000  (f) £500,000)	Total £5,321,942 per rig move
6	Offshore Installation of Flowlines	(a) Procurement of flowline  (b) Manpower, logistics and vessels required to offshore install and hook-up the flowlines. Based on a 12-day campaign per well	Total £2,050,000 per well  (This figure is based on:  (a) £400,000 per well	Total £1,785,594 per well

		Agreed Allowance (Early Works) (£)	
	Performance of this Early Work precludes Item no. 4, which is the same activity but executed onshore, before the topsides leaves the construction yard.	(b) £1,650,000 per well)	

The different possible Scenarios and the corresponding Early Works (more particularly described above) are as follows:

Scenario	Relative Timing	Early Works
A	Regulator determinations under paragraph 3.1(g) of this <a href="#">Error! Reference source not found.Schedule 10</a> occur at least 28 days before the demobilisation of the drilling rig performing operations at Hamilton North is scheduled to take place based on the Licensee's most current project schedule.	1, 2, 3, 4
B1	Regulator determinations under paragraph 3.1(g) of this <a href="#">Error! Reference source not found.Schedule 10</a> occur:  (a) at least 28 days before the demobilisation of the drilling rig performing operations at Hamilton Main is scheduled to take place based on Licensee's most current project schedule; and  (b) at least 300 days before the new Hamilton Main topsides is scheduled to be ready for sail away based on the Licensee's most current project schedule.	1, 3, 4
B2	Regulator determinations under paragraph 3.1(g) of this <a href="#">Error! Reference source not found.Schedule 10</a> occur:  (a) at least 28 days before the demobilisation of the drilling rig performing operations at Hamilton Main is scheduled to take place based on the Licensee's most current project schedule; and  (b) less than 300 days before the new Hamilton Main topsides is scheduled to be ready for sail away, based on the Licensee's most current project schedule.	1, 3, 6
C1	Regulator determination under paragraphs 3.1(g) of this <a href="#">Error! Reference source not found.Schedule 10</a> occur:  (a) less than 28 days before the demobilisation of the drilling rig performing operations at Hamilton Main is scheduled to take place based on the Licensee's most current project schedule; and	1, 3, 5, 6

Scenario	Relative Timing	Early Works
	(b) the Seller has confirmed that a rig is available to mobilise to Hamilton Main, spud a well and demobilise at least 100 days before the scheduled topsides removal at Hamilton Main based on Licensee's updated project schedule.	
C2	<p>Regulator determinations under paragraph 3.1(g) of this <a href="#">Error! Reference source not found.Schedule 10</a> occur:</p> <p>(a) less than 28 days before the demobilisation of the drilling rig performing operations at Hamilton North is scheduled to take place based on the Licensee's most current project schedule; and</p> <p>(b) the Seller has confirmed that a rig is available to mobilise to Hamilton North, spud a well and demobilise at least 100 days before the scheduled topsides removal at Hamilton North based on Licensee's updated project schedule.</p>	2, 3, 5, 6
D	<p>Regulator determinations under paragraph 3.1(g) of this <a href="#">Error! Reference source not found.Schedule 10</a> occur:</p> <p>(a) less than 28 days before the demobilisation of the drilling rig performing operations at Hamilton North is scheduled to take place based on the Licensee's most current project schedule; and</p> <p>(b) less than 300 days before the new Hamilton Main or Hamilton North topsides is scheduled to be ready for sail away based on the Licensee's most current project schedule.</p>	3, 6

### Appendix C

### Phase 2B and 2C pipeline routes

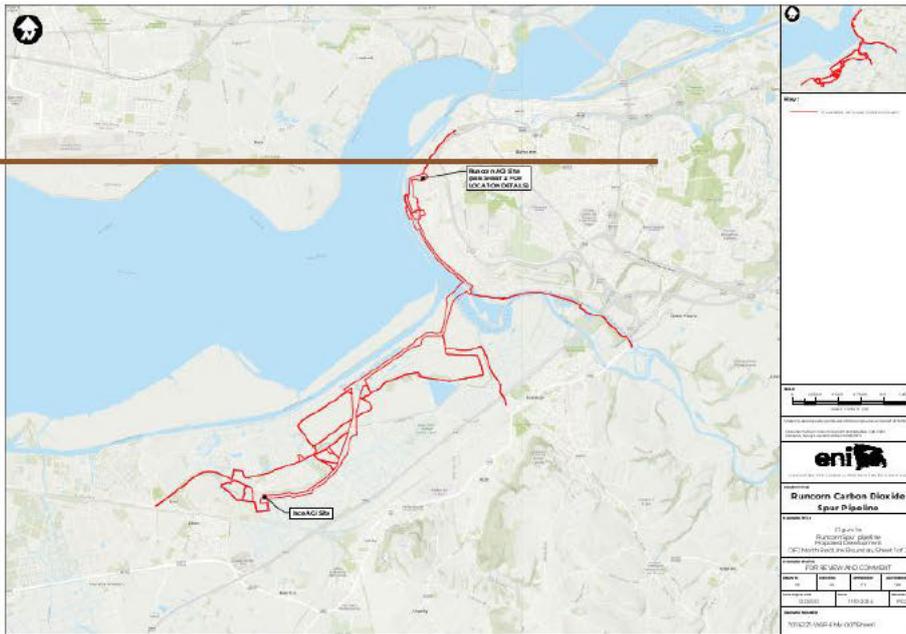


Exhibit 1

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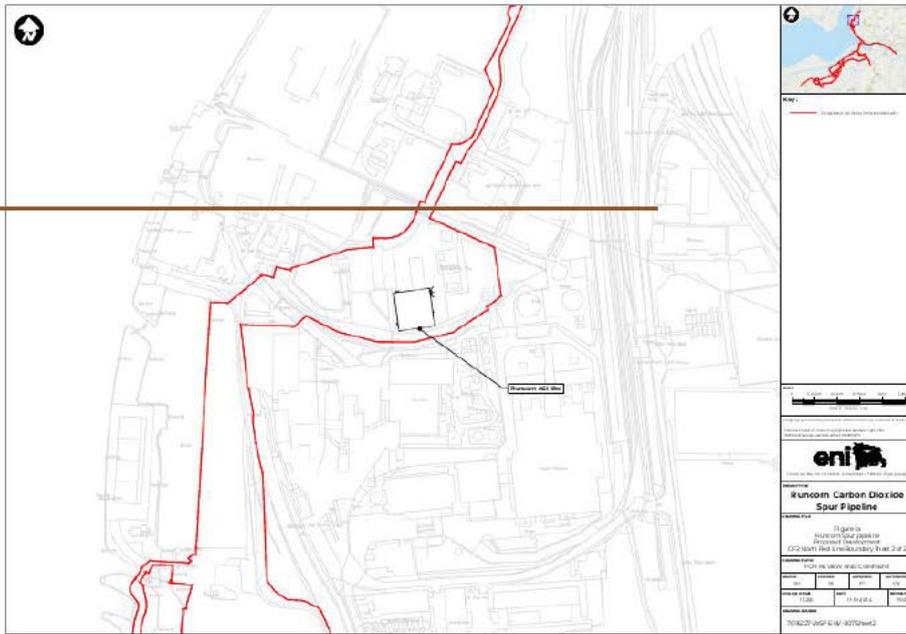


Exhibit 6

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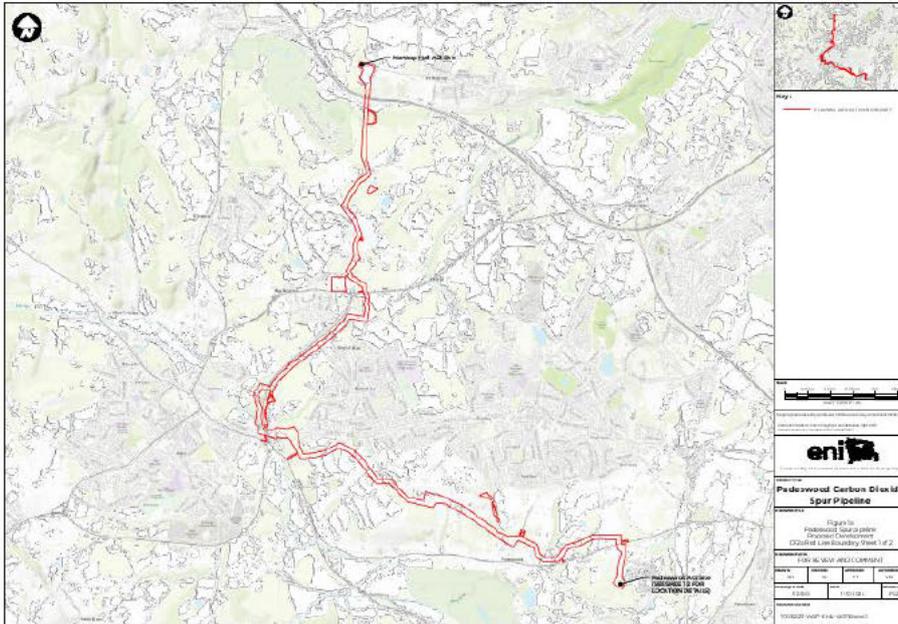


Exhibit 6e

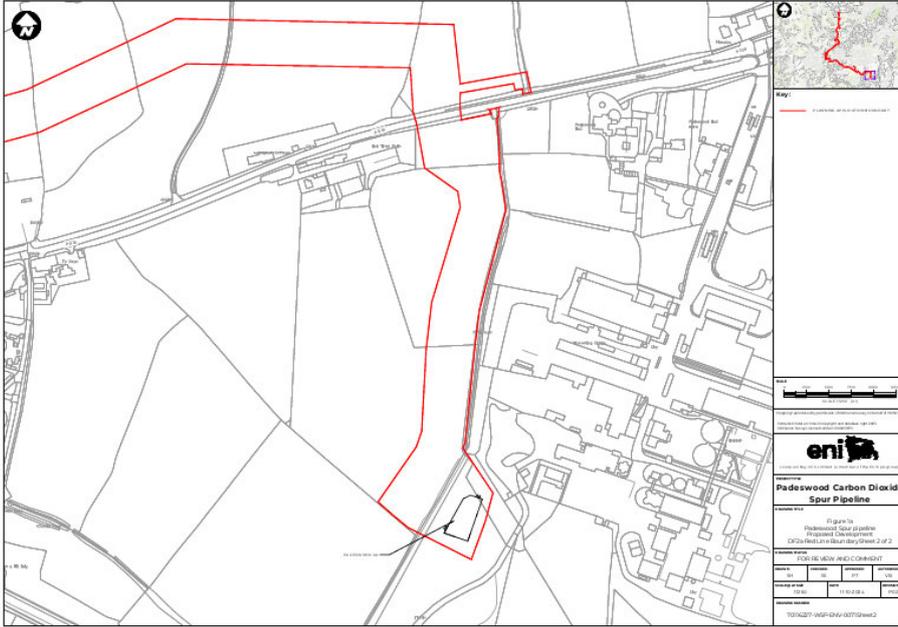


Exhibit **BB**