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# Addendum to Chapter 5 of Volume 1 the Environmental Statement - Alternative Sites and Processes

Ryedale Gas Project

September 2010

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Planning · Design · Delivery

**Addendum to Chapter 5 of Volume 1 the Environmental Statement -  
Alternative Sites and Processes**

**Ryedale Gas Project**



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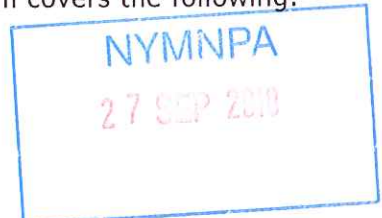
## 1.0 ADDENDUM TO CHAPTER 5 OF VOLUME 1 THE ENVIRONMENTAL STATEMENT - ALTERNATIVE SITES AND PROCESSES

### Introduction

1.1 The Environmental Statement which accompanies the planning application for the Ryedale Gas Project (application refs NY/2010/0159/ENV and NYM/2010/0262/EIA) includes an outline of the main alternatives studied by the applicant, Moorland Energy, and an indication of the main reasons for the choice, taking into account environmental, social and economic effects, and including, where relevant, technical and commercial feasibility.

1.2 Following the submission of the planning application on 1 April 2010, a number of objectors have questioned the proposed location for the proposed gas processing facility off Hurrell Lane, Thornton-le-Dale. We are aware that some objectors have suggested alternative sites, each of which was considered but rejected by Moorland Energy, whilst others have raised concerns about the effects of the proposed development upon ecological habitats, on views from the surrounding area, including from within the National Park boundary and noise. Others have questioned why the red line boundary includes an area of 5.5 ha for the proposed gas processing facility at Hurrell Lane when the operational facility will occupy a footprint of 2.2 ha. We answer these points below. This Addendum covers the following:

1. Development in the Countryside
2. Available Land Allocated for Industrial Uses
3. National Policy Framework for Considering Alternative Sites
4. Local Policy for Considering the Development of New Reserves and the Location of Gathering Stations
5. Alternative Wellsite Locations
6. Development Area of the Proposed Hurrell Lane Processing Facility
7. Alternative Site 1 – Land immediately adjacent to the Ebberston Wellsite or elsewhere within the National Park
8. Alternative Site 2 – Givendale Head Farm
9. Alternative Site 3 – Wilton Heights Quarry
10. Alternative Site 4 – Outgang Lane, Pickering
11. Alternative Site 5 – Knapton Electricity Generating Station
12. Alternative Site 6 – Given Dale Valley
13. Alternative Site 7 – Penniston Lane, Allerston
14. Conclusions



## 1. Development in the Countryside

- 1.3 A key principle in PPS7b (Sustainable Development in Rural Areas) is that new building development in the open countryside away from existing settlements or outside areas allocated for development should be strictly controlled. The Government's overall aim is to protect the countryside for the sake of its intrinsic character and beauty, landscape, heritage and wildlife. At the same time, the Statement also advises that planning authorities should support a wide range of economic activity in rural areas.
- 1.4 In its letter of 5 June 2010, CPRE refers to ENV1 of the Ryedale Local Plan as justification for recommending refusal for development at Hurrell Lane, adding that the development contravenes Ryedale DC's policies covering development in the countryside. However, policy ENV1 is not a "saved" policy and therefore does not carry any weight in the determination of planning applications within Ryedale District.
- 1.5 Nevertheless, a number of objectors have questioned the appropriateness and potential impact of the proposed development at Hurrell Lane upon the open countryside. Is it essential that this form of development takes place in a countryside location?
- 1.6 Both national guidance and the North Yorkshire Minerals Local Plan 1997 make clear that minerals such as gas can only be worked where they are found and, consequently, associated forms of development may need to be located alongside such operations. MPS1 Annex 4 acknowledges that production gathering stations will take up the most land compared to the wellsite. Oil and gas infrastructure is currently to be found in locations within the open countryside in North Yorkshire, notably at East Knapton. In considering the proposal, careful consideration needs to be given to the following:
- Owing to locational, geological, geotechnical and environmental constraints, it is highly unlikely that there will be many opportunities for gas processing facilities in urban areas;
  - The general concern over the proximity of gas handling and processing operations in relation to residential areas.
- 1.7 In the light of the above, in principle, a development of that proposed at Hurrell Lane can take place in a countryside location, subject to suitable mitigation measures.

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## 2. Available Land Allocated for Industrial Uses

- 1.8 CPRE has stated in its response that the draft of the new Ryedale Local Development Framework which will replace the "saved" policies of the Ryedale Local Plan makes provision for considerable expansion in the area for industrial use.
- 1.9 Ryedale DC was one of the first local planning authorities to prepare its draft Core Strategy, submitting it to the SoS in November 2005. Unfortunately, following an examination into objections in July 2006, the Core Strategy was found to be unsound in January 2007. Since then, the Council has started again to prepare a new Core Strategy. The Council published a draft for public consultation in June 2009. At the same time, the Council is preparing a Facilitating Development DPD which will set out the allocations for development within the District. In response to a request for sites, 440 separate sites have been put forward by landowners and developers for consideration as potential sites for future development. Between December 2009 and June 2010, Members of the Full Ryedale Council considered the content of the emerging policies of the Core Strategy. The Council published a Pre-Submission draft Core Strategy on 15 September 2010 for public consultation. The emerging Core Strategy, therefore, is at a relatively early stage in its preparation. The Council has not identified any sites which it has indicated will be its preferred allocations for development, contrary to CPRE's response. Consequently, it is incorrect that the draft Facilitating Development DPD makes provision for considerable expansion in the local area for industrial use.
- 1.10 CPRE referred, in its undated letter, to policies in the Employment section of the Yorkshire and Humber RSS which state that local planning authorities should allocate land for economic development in accordance with potential job growth specified in the RSS. On 6 July 2010, the Secretary of State formally announced that the RSSs have been revoked and as a result, they no longer form part of the Development Plan. Local planning authorities will be expected to progress with LDF Core Strategies and other LDF documents which reflect local people's aspirations and decisions on matters such as economic development.



### 3. National Policy Framework for Considering Alternative Sites

#### (a) Draft Overarching National Policy Statement for Energy (EN-1)

##### (i) Generic Policy Approach to the Consideration of Alternatives

1.11 In November 2009, the Government published a draft National Policy Statement (NPS) which sets out national policy for energy infrastructure. The policy takes effect upon the decisions of the Infrastructure Planning Commission (IPC) on applications for energy developments. The energy suite comprises an Overarching NPS for Energy (EN1) plus five other documents, including Gas Supply Infrastructure and Gas and Oil Pipelines (EN4).

1.12 In his covering letter sent to all local authorities, dated 9 November 2009, the Chief Planner stated that NPSs are not part of the statutory development plan for the purposes of the town and country planning regime. However, he made it clear that the NPSs are statements of national policy on nationally significant infrastructure. Local planning authorities must have regard to NPSs when preparing their plans. Emerging policy in a published draft NPS may also be relevant.

1.13 Para 1.2.1 of EN1 states that:

**"In England and Wales, this NPS may also be a material consideration in decision making on applications that fall under the Town and Country Planning Act (as amended). Where relevant, decision makers of such applications in England should apply the policy and guidance in this NPS as far as practicable."**



1.14 Therefore, it is clear that the draft Energy NPSs are relevant and should be taken into account when local planning authorities make decisions on applications for energy infrastructure which fall under the Town and Country Planning Act.

1.15 Section 4.4 of the EN1 deals with the issue of alternatives. There is no general policy requirement to consider alternatives or to establish whether the proposal represents the best option. The ES which accompanies the RGP planning application includes an outline of the main alternatives studied by the applicant and an indication of the main reasons for the applicant's choice, taking into account environmental, social and economic effects, and including, where relevant, technical and commercial feasibility.

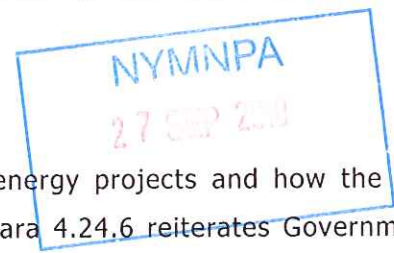
1.16 Where a policy or legal requirement to consider alternatives does arise, the NPS advises at para 4.4.3 that the IPC should frame any consideration of alternatives as follows:

- *Given the urgency of the need for energy infrastructure set out in the NPS for Energy, the consideration of alternatives should be carried out in a proportionate manner;*
- *In view of the level of need for energy infrastructure, the IPC should be guided in considering alternative proposals by whether there is a realistic prospect of the alternative delivering the necessary infrastructure in line with the urgency of the need;*
- *Alternatives not among the main alternatives studied by the applicant (as reflected in the ES) should only be considered to the extent that the IPC thinks they are both important and relevant to its decision;*
- *In view of the need for energy infrastructure, it should be reasonable for the IPC to conclude that alternative proposals which mean the development could not proceed, for example, because the alternative proposals are not commercially viable or physically suitable, may be excluded on the grounds that they are not important and relevant to its decision;*
- *It should be reasonable for the IPC to conclude that alternative proposals which are vague or inchoate may be excluded on the grounds that they are not important and relevant to its decision; and*
- *Where an alternative is put forward by a third party it may be reasonable for the IPC to place the onus on the person proposing the alternative to provide the evidence for it and the IPC should not necessarily expect the applicant to have assessed it.*

**(ii) Landscape and Visual Impacts**

1.17 Section 4.24 deals with landscape and visual impacts of energy projects and how the IPC should take them into account in its decision making. Para 4.24.6 reiterates Government policy in respect of major development within nationally designated landscapes, defined as National Parks, the Broads and Areas of Outstanding Natural Beauty. These areas have the highest status of protection in relation to landscape and scenic beauty. Only exceptionally may consent be granted for development in these areas, if the development is demonstrated to be in the public interest. Consideration of applications will take account of the cost of, and scope for, developing elsewhere outside the designated area or meeting the need for it in some other way.

1.18 Paras 4.24.9-10 deal with developments for new energy infrastructure outside nationally designated areas but which might affect them. This is particularly relevant in this case as



the proposed gas processing facility at Hurrell Lane adjoins the boundary of the National Park. Para 4.24.9 states that

**“a project that lies outside but relatively close to a nationally designated landscape should be designed sensitively given the various siting, operational and other relevant constraints. Its potential impact on that landscape should be taken into account by the IPC and the aim should be to avoid compromising the objectives of designation.”**

1.19 Para 4.24.10 states that the fact that a proposed project will be visible from within a designated area should not in itself be a reason for refusing consent.

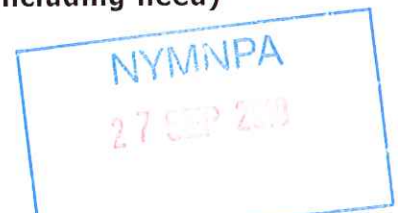
1.20 Outside designations such as the National Park, the NPS advises that there are local landscapes which may be highly valued and protected by a local designation. Para 4.24.12 is specific to nationally significant energy infrastructure but it is a valid comment for other forms of energy infrastructure. It notes that

**“Virtually all nationally significant energy infrastructure will have effects on the landscape. The scale of such projects means that they will often be visible within many miles of the site of the proposed infrastructure. The IPC should judge whether any adverse impact on the landscape would be so damaging that it is not offset by the benefits (including need) of the project.”**

1.21 Para 4.24.15 deals with the issue of visual impact.

**“All proposed energy infrastructure is likely to have visual effects for many receptors around proposed sites. The IPC will have to judge whether the visual effects on sensitive receptors, such as local residents, and other receptors, such as visitors to the local area, outweigh the benefits of the project.”**

1.22 The NPS notes that adverse landscape and visual effects may be minimised through appropriate siting of infrastructure, design including colours and materials, and landscaping schemes.

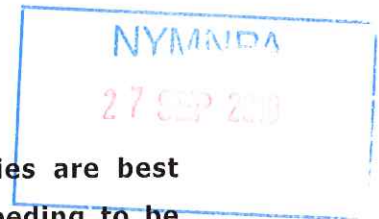




**(b) Draft National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4)**

- 1.23 Section 2.8 of the draft Policy Statement deals with gas reception facilities, such as that proposed at Hurrell Lane in the RGP application. Paras 2.8.5-7 identifies the factors influencing site selection by the applicant.
- 1.24 Para 2.8.5 acknowledges that gas reception facilities are critically linked to the wider network of onshore gas supply infrastructure. Consequently, this places limits and requirements on their location.
- 1.25 Para 2.8.7 is also important and is reproduced below.

**"Because of their function, gas reception facilities are best sited near the source of incoming natural gas needing to be processed. Factors which may therefore be relevant to their location include the location of new and existing production fields, offshore natural gas storage facilities and LNG tanker routes. Access to the National Transmission System by pipeline will be a further factor, as will their important role in the wider network of onshore and offshore gas supply infrastructure. Developers may therefore be faced with a limited set of options for sites."**



**4. Local Policy Framework for Considering the Development of New Reserves and the Location of Gathering Stations**

- 1.26 The North Yorkshire Minerals Local Plan (NYMLP) was adopted in December 1997. The majority of the policies covering oil and gas are Saved policies under a Direction issued by the Secretary of State in September 2007.
- 1.27 Policy 7/7 (Development of New Reserves) states that, unless such development would be technically impracticable or environmentally unacceptable, planning permission for the development of oil or gas reserves as yet undiscovered will only be granted where the development utilises existing available surface infrastructure or pipelines. Policy 7/8 (Gathering Stations) states that, unless such development would be technically impracticable or environmentally unacceptable, planning permission for the development of gathering stations will only be granted where the development is located on land allocated for

industrial use and/or where it is associated with rail or waterway transport. The supporting text states that development in the open countryside or served by road only would require particular justification to demonstrate why an environmentally better alternative site was not available.

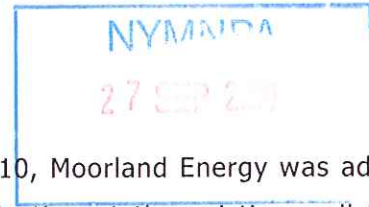
- 1.28 The proposed development accords with Policy 7/7 of the Plan by utilising an existing high pressure gas pipeline at the "hot-tap" connection immediately to the south of the proposed facility. The only existing available surface infrastructure which could be utilised is the Knapton Generating Station at East Knapton. However, chapter 5 of the ES and Section 11 of this Addendum explain why it would be both technically impracticable and environmentally unacceptable for Knapton to burn the gas to generate electricity. The significant differences in efficiency between generating electricity at a local station such as Knapton and piping the gas via the NTS to a large-scale CCGT station means that there would be greater levels of carbon dioxide emissions if the gas was to be piped to Knapton. This would be contrary to PPS Planning and Climate Change, the supplement to PPS1.
- 1.29 An existing pipeline operated by Northern Gas Networks (NGN) runs between Whitby and Pickering. Part of the route runs to the west of Givendale Head Farm to Pickering (shown on Figure 5.2 of the ES). However, there are a number of technical reasons why utilising the pipeline would not be possible. First, a gas processing facility would need to be constructed between the wellsite and the NGN pipeline and Moorland Energy has demonstrated that there are no suitable sites. Second, NGN has confirmed that the pipeline does not have sufficient capacity to transport the processed the gas from the Ebberston wellsite and consequently is not available.
- 1.30 Therefore, the proposal makes use of an existing available high pressure pipeline, that is, the NTS. However, utilising either the Knapton Power Generating Station or an existing NGN pipeline is both technically impracticable and environmentally unacceptable.
- 1.31 The proposed development also accords with Policy 7/8 which requires gathering stations forming part of a gas development to only be granted planning permission where it can be located on and allocated for industrial use or where it is associated with rail or waterway transport, unless such development would be technically impracticable or environmentally unacceptable. There is currently no land available allocated in the Ryedale Local Plan for industrial use of sufficient size or in the area. That said, even if there was suitable industrial land available, it is questionable whether a gas processing facility would be acceptable to existing neighbouring uses on an industrial estate because of perceived concerns about operational noise, air quality, and safety. It has been demonstrated above at Section 10 that

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a site adjacent to Thornton Road Industrial estate at Outgang Road, Pickering is not acceptable.

- 1.32 The justification for locating a processing facility with rail or waterway transport is more appropriate for an oil development, which can be transported by road, rail or water, rather than gas which can only be piped. The Alternative Sites chapter of the ES and this Addendum demonstrate why the proposed facility can only be located in the countryside and that there are no environmentally better alternative sites available.
- 1.33 In summary, therefore, the Proposed Development accords with the relevant policies in the North Yorkshire Minerals Local Plan which set out the policy approach towards the development.

## 5. Alternative Wellsite Locations



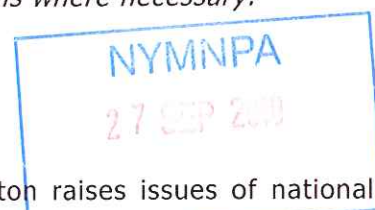
- 1.34 At a meeting with officers at the NYMNPDA on 18 August 2010, Moorland Energy was advised that officers were of the view that the proposed gas production at the existing wellsite at Ebberston, which falls within the National Park, should be considered as a major development. Moorland Energy does not necessarily agree that the proposal to produce gas from the temporary Ebberston well site is of such significance as to fall within the definition of major development. Notwithstanding this, Moorland Energy has prepared additional information, set out below, to enable officers to assess the proposal for gas production against national policy set out in PPS7 (Sustainable Development in Rural Areas). This Section comprises Moorland Energy's response.
- 1.35 Paragraphs 22 and 23 of PPS7 are reproduced below:

22. *Major developments should not take place in these designated areas, except in exceptional circumstances. This policy includes major development proposals that raise issues of national significance. Because of the serious impact that major developments may have on these areas of natural beauty, and taking account of the recreational opportunities that they provide, applications for such developments should be subject to the most rigorous examination. Major development proposals should be demonstrated to be in the public interest before being allowed to proceed. Consideration of such applications should therefore include an assessment:*

- (i) the need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy;*
- (ii) the cost of , and scope for, developing elsewhere outside the designated area, or meeting the need for it in some other way; and*
- (iii) any detrimental effect on the environment, the landscape and recreational opportunities, and the extent to which that could be moderated.*

23. *Planning authorities should ensure that any planning permission granted for major developments in these designated area should be carried out in high environmental standards through the application of appropriate conditions where necessary.*

### **National Significance**

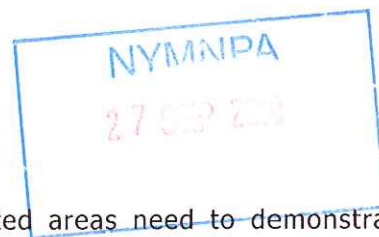


1.36 The proposal to produce gas at the existing wellsite at Ebberston raises issues of national significance for two reasons. First, the estimated reserves at the wellsite are expected to generate relatively large amounts of gas up to 40 mmscfd. The report prepared by the Energy Contract Company has demonstrated that the RGP will make a small but important contribution to the need for gas in future years. Moorland Energy and its technical and engineering consultants have verified that less than 3.5 days' gas production at the Hurrell Lane facility will provide the required annual energy needs of 1,600 households. That equates in broad terms to meeting the annual needs of 160,000 households for one year's production – the combined populations of Ryedale District, Scarborough Borough and the City of York.

1.37 Secondly, this is the first planning application in more than 35 years seeking planning permission for gas production within the North York Moors National Park. In that time, the policy framework against which planning applications are determined has changed considerably. In particular, the need for increased gas supply infrastructure has been clearly identified by the Government in the Energy White Paper of 2003, 'Our Energy Future – creating a low carbon economy'. The Ministerial Written Statement of 16 May 2006 and, most recently, the draft overarching National Planning Statement for Energy and the draft National policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (see Section 3 above) confirm that there is a significant need for new major energy infrastructure which will have to be met by projects coming through quickly, given that developments often have long lead in times.

1.38 However, Moorland Energy is of the view that the proposal does not raise issues of national significance in terms of its scale or environmental impact which are considered in the Environmental Statement. The landscape and visual impact and ecology chapters of the Environmental Statement which accompanies the planning application demonstrate that the wellsite will not have any adverse effect upon the National Park. The photomontages and zones of visual influence plans which have recently been prepared confirm that this is the case.

1.39 It is worth noting that planning permission was granted in December 2007 for the drilling and siting of a temporary borehole and access for exploration, testing and evaluation of hydrocarbons at the well site. The planning application was determined under delegated powers by the planning case officer which reflects the fact that the proposal did not raise concerns or attract objections on policy grounds.



**Public Interest**

1.40 Applicants for major development proposals within designated areas need to demonstrate that the proposal is in the public interest before being allowed to proceed. The Secretary of State for Trade and Industry issued a Ministerial Written Statement on 16 May 2006 about the need for additional gas supply infrastructure, which continues to remain in force. The Statement is intended to provide assistance in planning on energy infrastructure to both land use planning professionals in local authorities and local councillors involved in land use planning in interpreting implications of Government policy as a material factor in planning decisions on energy infrastructure. It states:

- *To manage the decline in indigenous gas supplies, new gas supply infrastructure is needed to increase Great Britain's capacity to import, store and transport gas efficiently*
- *A balance must be struck between meeting the concerns of local authorities and those they represent, and the national need for infrastructure that will provide us with secure energy supplies*
- *The provision of energy infrastructure is part of a delivery system that provides an essential national service. Business and homes in the UK require a reliable supply of energy, free from disruption and interruption.*
- *New energy infrastructure projects may not always appear to convey any particular local benefit, but they provide crucial national benefits, which all localities share.*
- *Projects add to the reliability of national energy supply, from which every user of the system benefits.*

- *A failure to put energy infrastructure in place will reduce the reliability of energy systems with potentially disastrous consequences. Energy infrastructure projects often have long lead times. Even where new projects may not appear to have any immediate benefits, failure to put them in place may reduce future reliability.*

1.41 The Ministerial Statement is clear in setting out the importance of additional gas supply infrastructure for the next 20 years. The Government welcomes all solutions which could help address this need. Based upon this the Ryedale Gas Project, including the proposed gas production at Ebberston, is clearly in the public interest.

**Need for the Development, including any national considerations, and the impact of permitting it, or refusing it, upon the local economy**

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1.42 The need for the development has been established in the report prepared by the Energy Contract Company, entitled "The Importance of the Ryedale Gas Project". The report found that the RGP will create an additional and reliable indigenous supply. Market conditions in the gas market in Britain are expected to change for the worse in 3-4 years time. From around 2013 or 2014, the current over-supply in the winter will ease and the market will begin to tighten. The likelihood is that Britain will move into an era of higher prices and considerable price volatility.

1.43 The Annual Gas Statement issued in July 2010 by DECC makes clear that the UK's own indigenous supplies of oil and gas remain important. The Government has stated that "we must maximise economic production while applying environmental and safety regulations." It is committed to building additional infrastructure to maintain and improve the UK's security and access to competitive supplies.

**Cost of and Scope for Developing Elsewhere outside the Designated Area**

1.44 There are a number of technical criteria for a site to be considered suitable as a wellsite. A site must:

- lie within a drillable distance of the target hydrocarbons;
- be reasonably level, with no significant slope;
- be of a suitable size to accommodate the drilling rig, ancillary services and materials needed to drill the well;
- have suitable access for articulated vehicles

- ideally be located at least 400m from the nearest residential property to ensure noise is mitigated. Additionally, environmental considerations such as visual impact and ecological factors clearly need to be taken into consideration, not to mention proximity to sites of archaeological importance.
- 1.45 It is not unusual for wells to be directionally drilled to enable the target accumulations to be accessed from well sites that cannot be sited above the target reservoirs; however, there are limits on the lateral distances that can be achieved which are largely dependent on the characteristics of the geological formations that the well is drilled through. The Ebberston South - 1 (ES-1) well was directionally drilled to access an accumulation of gas which lies to the north-east of the well site. The well cost approximately £4million to drill, including site preparation and a new access, and has been temporarily suspended pending the granting of planning permission for future gas production.
- 1.46 As the wellbore length increases, so do the technical challenges, and hence risk and therefore cost. Drilling in the Ryedale area is more difficult than in many areas due to faulting and associated extensively fractured rocks.
- 1.47 The selected well site sits on level ground at the top of a hill in a remote location which is well screened. Mature trees surround the site to the east and north; to the west screening is provided by soil bunds that were installed prior to previous drilling and testing on the site. A footpath runs along the southern boundary of the site, which overlooks it, however trees and vegetation beyond this prevent it being seen from further to the south.
- 1.48 In addition to topographical and political boundaries, site selection is constrained by Moorland's Petroleum Exploration and Development Licence (PEDL) boundary, which runs in a north-south orientation approximately 1.5 km to the east of the current site.
- 1.49 The southern boundary of the site runs concurrent with the southern boundary of the National Park, so to move the well site outside the NP would require a move south or south-west (away from the gas reservoir). Unfortunately, the ground slopes steeply in that direction.
- 1.50 If a 1km radius is considered from the existing well site, which would still facilitate a well to be to target the discovered gas accumulation with a reasonable chance of success, there are no suitable alternative sites in evidence. Further, such a move would have a detrimental visual impact both from within and outside the boundaries of the NP.

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- 1.51 There is no technical reason for the existing well not to be used for production of the gas which was discovered in accordance with a valid PEDL, granted by the UK Government. If Moorland was required to re-drill this well from an alternate location, this would amount to a penalty of the full £4 million, plus an uplift to account for the additional risk for a new well (because an extended reach well has a higher chance of failure). Further costs would be incurred in design changes, and subsequent planning applications for the alternative site. This is not an economic proposition.

### **Detrimental Effects upon the Environment**

- 1.52 The selection of the wellsite within the technical constraints imposed by drilling techniques referred to above is dictated by a number of inter-related environmental considerations, including access, ecology, archaeology, visual impact and residential amenity. The site is bounded on three sides by trees – a young coniferous plantation to the north, more conifer trees to the east and a mixed deciduous and coniferous shelter belt to the south. The proposals will not adversely change the character of the area. The Environmental Statement which accompanied the RGP planning application demonstrates that the effects upon the environment, the landscape and the recreational opportunities arising from proposed gas production at the wellsite will be negligible.
- 1.53 It is important to highlight the precedence of well site production in the North York Moors National Park. The Lockton wells produced gas during the 1960s and 1970s, until the last remaining producing well, Lockon-2A, was closed in 1974.
- 1.54 In conclusion, Moorland Energy does not necessarily agree that proposed gas production at the existing temporary Ebberston well site falls within the definition of major development. Notwithstanding that, Moorland considers that there is demonstrable evidence to show that the proposal is in the public interest and satisfies the criteria set out in para 22 of PPS7 to fully justify gas production at the Ebberston well site.

### **6. Development Area of the Proposed Hurrell Lane Processing Facility**

- 1.55 Some objectors have expressed confusion about the area required to accommodate the gas processing facility, the construction compound and the pipe-laying down area. For clarity, this is explained below.
- 1.56 The site area required to accommodate both the Operational Processing Facility and the Construction Compound measures 322m by 177m (at its widest point), an area of 5.5 ha.



This is referred to at para 4.17 in the ES and is shown on drawing no 18761901-1 (entitled "Hurrell Lane Gas Facility Plot Plan"). This includes all the hardstanding areas and the internal roads within the perimeter fencing but excludes those areas identified along the four boundaries for additional proposed landscaping, together with 14 parking spaces.

- 1.57 The Operational Processing Facility occupies an area 183m by 124m, bounded by the internal roadway which measures 2.269 ha. The Pipe-line lay down area to the east of the processing facility measures 135 by 50 m or 0.6750 ha (drawing no 18761961-1 – Pipeline Construction Area Plot Plan).
- 1.58 Following the completion of the gas processing facility, the temporary construction compounds would be restored to calcareous grassland, which has been requested by Natural England. These areas comprise the construction compound between the processing facility and Hurrell Lane, measuring 135m by 177m (2.3 ha), the pipeline construction compound and the land immediately to the north, comprising 160m by 130m (2.0 ha). Yorkshire Wildlife Trust, the leading conservation organisation in the region, is to work with Moorland Energy to prepare a wildlife conservation area to mitigate the impact of the proposed development.

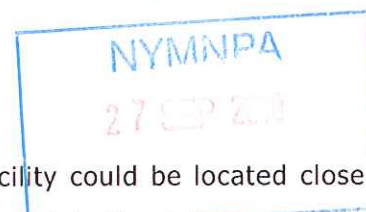
## **7. Alternative Site 1 - Land adjacent to the Ebberston Wellsite or elsewhere within the National Park**

- 1.59 A number of objectors have questioned why the processing facility cannot be located either immediately adjacent to the wellsite at Ebberston or at Cockmoor Hall Plantation to the east, within the National Park.
- 1.60 Planning guidance about major development in the National Park is clear. National Parks, together with the Broads, the New Forest and Areas of Outstanding Natural Beauty, are nationally designated areas which have been given the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage and the conservation of the natural beauty of the landscape are a specific purpose for National Parks, and included in the National Parks and Access to the Countryside Act 1949. Accordingly, National Planning Policy Guidance requires local authorities to give great weight to these considerations in development control decisions, set out in PPS7 (Sustainable Development in Rural Areas). Para 22 states that major developments shall not take place in these designated areas except in exceptional circumstances. Because of the potential impact that major developments may have on National Parks, and bearing in mind the recreational opportunities that the Parks provide, major development proposals must be in the public

interest before being allowed to proceed. Any assessment of major development in a National Park must include (i) the need for the development (ii) the cost of and scope for locating the development outside the National Park and (iii) any detrimental effect on the environment, the landscape and recreational opportunities.

- 1.61 In summary, therefore, the 1949 Act does not *prevent* major development occurring in National Parks. However, it sets out the purposes of why a National Park is designated, which include conservation of wildlife, cultural heritage and natural beauty. National Planning Guidance makes clear that major developments should not take place except in exceptional circumstances. This message is repeated in the North Yorks Moors Core Strategy. To attempt to prove exceptional circumstances, a developer must satisfy three tests including a clear demonstration that there is no scope for siting the development outside the National Park. Moorland Energy's planning advisers met with the National Park Authority last year to discuss the possibility of permitting an electricity generating facility in the Park associated with gas production at Ebberston. The Park Authority has confirmed in writing that it would not support development of this nature within the Park boundary. Consequently, Moorland Energy has identified what it believes to be a suitable site outside the Park at Hurrell Lane which can be satisfactorily accommodated with mitigation measures without causing long term significant adverse effects upon the environment.

## 8. Alternative Site 2 - Givendale Head Farm



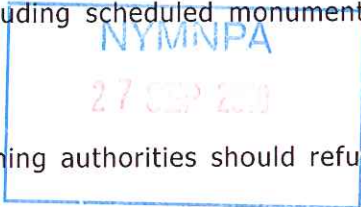
- 1.62 A number of objectors have suggested that the processing facility could be located close to the wellsite but outside the National Park, in particular, at Givendale Head Farm. The 248-acre farm lies immediately to the south of the National Park boundary although it is surrounded on three sides by land within the National Park. It currently is operated as a mixed livestock and arable business and there is an agricultural waste processing facility on site. The farm includes up to 10 ha of land which potentially could accommodate a gas processing facility, construction compound and pipe-laying down site. In practice, however, the actual land area available is severely limited by two constraints:

### (a) Archaeology

- 1.63 This part of Ryedale District is an archaeologically rich landscape which contains several Schedule Monuments. A Scheduled Monument is any building, structure or work which is considered to be of national importance. A Scheduled Monument, reference SM3515 (MNY12177), runs broadly north to south across the site (see **Appendix 1**). This is described by English Heritage as an embanked pit alignment, which dates from the early

Bronze Age or Iron Age, and is graded High. There are also the scheduled Oxmoor and Givendale Dikes (SM 35443) to the east. Revised National Planning policy guidance in respect of development and heritage assets was published in March 2010 (PPS5: Planning for the Historic Environment). The Government's objectives are that the historic environment should be conserved and enjoyed for the quality of life they bring to this and future generations.

1.64 PPS5 advises that there should be a presumption in favour of the conservation of designated heritage assets. The more significant the designated heritage asset, the greater the presumption in favour of its conservation should be. Significance can be harmed or lost by permitting inappropriate development within its setting. Loss affecting any designated heritage asset should require clear and convincing justification. Substantial harm to or loss of designated heritage assets of the highest significance, including scheduled monuments, should be wholly exceptional.



1.65 Where an application will lead to substantial harm, local planning authorities should refuse consent unless it can be demonstrated that:

- the substantial harm to or loss of significance is necessary in order to deliver substantial public benefits which outweigh that harm or loss; or
- the nature of the heritage asset prevents all reasonable uses of the site; and
- the harm to or loss of the heritage asset is outweighed by the benefits of bringing the site back into use.

1.66 Owing to the scale and nature of a gas processing facility, locating such a facility at Givendale Head Farm is expected to give rise to substantial harm or loss of significance of the Scheduled Monument. There is a valid concern, that development at this location would give rise to significant potential adverse impact upon the setting of the monument, during both the construction and the operation of a gas processing facility at this location. The monument is largely ploughed out so the effects would not be great as if the remains were upstanding. Nevertheless, it is likely to be such that it would generate an objection from English Heritage.

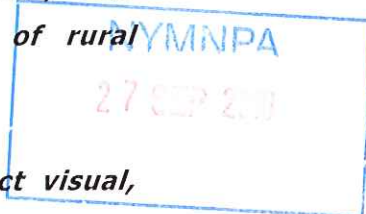
**(b) Landscape**

1.67 The whole of Givendale Head Farm and the surrounding area outside the National Park lies within the Fringe of the Moors Area of High Landscape Value. Appendix 5 of the Ryedale

Local Plan, dated March 2002, gives details of the characteristics and strategy of the AHLV in some detail. The Fringe of the Moors is described as being:

***"particularly important for its largely unspoilt rural character. Development has generally been restricted and sensitively handled. Up on the windswept plateau, in the hidden valleys and rural villages, there is a sense of peacefulness and a strong appreciation of the traditional, vernacular farmed landscape within which the area is so well endowed. Because the area has been relatively undisturbed by development, ancient landscape features, special habitats, archaeological and historic remains have survived intact, including the distinctive visual pattern of medieval linear fields, and unspoilt villages with their wealth and variety of rural architecture.***

***To summarise, the Fringe of the Moors has distinct visual, ecological and architectural characteristics. Together these qualities make the Fringe of the Moors a special place, which landscape strategies should seek to conserve and enhance."***



- 1.68 The Appendix gives brief landscape guidelines about the scope of adding new infrastructure into the landscape. *"The sloping plateau of locally undulating rising land that characterises the Fringe of the Moors is visually prominent and displays a strong visual character. Developments of an urban character, such as the introduction of transmission towers, power lines, wind farms or even road widening schemes, should be resisted."*
- 1.69 CPRE has stated in its written response that "the AHLV designation is less stringent than that of a National Park or AONB, and that provided the right site is selected, the impact on the landscape could be small – the mere fact of designation should not rule out development." CPRE go on to acknowledge that any site north of the A170 would be within the Fringe of the Moors AHLV and near the boundary of the National Park.
- 1.70 Policy ENV3 is a saved policy within the Ryedale Local Plan and sets out the criteria against which development proposed within the AHLV will be considered. It is worth noting bullet point (iii):

**“large-scale development will only be permitted where it can be clearly demonstrated that the proposal would have significant economic or social benefits, is incapable of being located outside the Areas of High Landscape Value and is designed to do as little damage to the environment as practicable.”**

1.71 The supporting text adds:

**“In view of the expansive views within these landscapes and their vulnerable, largely undeveloped character, proposals for large-scale development will be closely scrutinised. Only where a proposal would have significant economic or social benefits and would not be detrimental to local landscape character will proposals be accepted.”**

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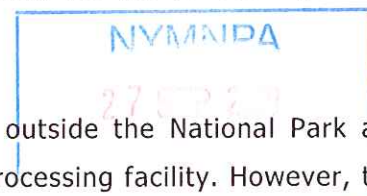
1.72 Accordingly, any proposal to locate the gas processing facility within the AHLV must satisfy the three criteria set out in Policy ENV3. Moorland Energy acknowledges that the first of these, that the proposal would have significant economic or social benefits, is met as the production of UK gas reserves will assist in improving the security of supply as well providing local employment. However, it is highly questionable whether it could be demonstrated that the processing facility is incapable of being located outside the AHLV. The Environmental Statement which accompanies the current planning application demonstrates that the proposed gas processing facility at Hurrell Lane will not have an adverse environmental impact, subject to the proposed mitigation measures being put in place. The proposed location for the gas processing facility lies adjacent to but outside the AHLV; moreover, there is a defensible boundary between the application site and the AHLV, marked by a 6m high railway embankment, which enables the proposed development to be naturally screened from views to the north. Accordingly, Moorland Energy strongly believes that the proposal can be satisfactorily located outside the AHLV, subject to appropriate mitigation measures. Therefore, any alternative location within the AHLV would potentially fail to meet the second criteria in policy ENV3 (3).

1.73 There must also be a significant concern as to whether the proposed gas processing facility could be designed within the AHLV to do as little damage to the environment as possible (the third criterion set out in Policy ENV3), when compared for example, to the Hurrell Lane site. The land at Givendale Head Farm which lies to the north of the SAM is prominent at 230m AOD, one of the highest points in the area. It also lies immediately adjacent to the boundary

of the National Park to the west and the north. The facility would not be screened by any existing substantial vegetation and would be highly prominent from the two public rights of way footpaths which run through Dalby Forest to Givendale Head Farm. PROW 25.4/5/1 has open views across the open field south of Givendale Head Farm for more than 800m, whilst PROW 25.4/6/1 would have open views of the field for 100m as it emerges from the Forest. There would also be major adverse views of the facility for occupants of the farmhouse.

1.74 It is acknowledged that local landscape designations such as AHLV should not be used in themselves to refuse development as they may unduly restrict acceptable development. However, the criteria set out in Policy ENV3 are clear in only permitting development where it is incapable of being permitted outside the AHLV. The conclusion must be that locating the gas processing facility on land adjacent to Givendale Head Farm would be likely to have a more adverse visual impact upon the National Park and for users of the two public rights of way, compared with the likely visual impact arising from locating the gas processing facility at Hurrell Lane which has been assessed in the ES.

1.75 Some objectors have suggested that an alternative location outside the National Park and immediately south of the well site would be suitable for the processing facility. However, this site would fall within an Area of High Landscape Value and as indicated by Figure 13.1 of the Environmental Statement there are a number of significant archaeological sites and finds within this vicinity including a proximity to both the Oxmoor and Scamridge Dykes SAM's. The well site was originally located at Givendale Head Farm because of the existing mature trees which screen the development from view. However, this screening does not extend around the southern field and a processing facility at the top of the valley would leave both long distance and nearby views exposed especially for surrounding farms and Listed Buildings including Cockmoor Hall, Scamridge Farm and Pheasant Hill. Similarly, locating the processing facility in this location would require a significant "cut" into the land as the natural topography is undulating. Moreover, connecting the pipeline from a processing facility in this location to either the proposed pipeline route or a new pipeline route would not be technically feasible and would cause significant archaeological damage. The angle at which the pipeline would need to be developed to utilise the existing "cut" in the SAM as the proposed pipeline route does, would not be technically feasible and would require earthworks into and around the SAM (Oxmoor Dykes). Similarly, to create a new pipeline route in a north-south alignment would require the avoidance of a series of disused quarries, SAM's, Listed Buildings and a Registered Park and Garden at Ebberston Hall, flood zones, Allerston and Ebberston Beck, established woodland, valleys and farm buildings. An alternative pipeline route running in this direction was previously discounted and detailed in the Environmental Statement.



## 9. Alternative Site 3 - Wilton Heights Quarry

1.76 CPRE and a small number of other objectors have commented upon the reasons for discounting Wilton Heights Quarry as a possible site for the proposed gas processing facility. CPRE claims that the cost of either widening and improving Outgang Lane or constructing a new road from the A170 in order to access the site is the real reason for the site being rejected. Others have said that the quarry is sufficiently large and deep to incorporate the processing facility.

### (a) Ecology

1.77 Neither CPRE nor other objectors appear to have given any weight to the fact that Wilton Heights Quarry is a designated Site of Importance for Nature Conservation (SINC), one of only three SINCS in the Thornton le Dale ward. The supporting text in the Ryedale Local Plan (para 15.3.5.2) states that the District Council has worked with English Nature (now Natural England):

**“to compile a list of nature conservation sites that are at least of District significance and which provide a key element of the network necessary to ensure the maintenance of the current range of flora and fauna in the Plan area. These are sites that, whilst not quite of SSSI status, are similar in that they are of such quality and importance that they cannot be adequately recreated, relocated or compensated.”**

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1.78 Policy ENV12 sets out the policy framework. Development proposals which would have a direct or indirect detrimental effect on a SINC will only be permitted where conditions and planning obligations can be used to prevent any material damage to the site. Alternatively, where it would not be possible to prevent material damage to the site, the District Council will only permit proposals that would provide benefits that clearly outweigh the significant importance of the site. Most fundamentally, the policy states that it will also be necessary to demonstrate that no suitable alternative site is available.

1.79 The Wilton Heights Quarry SINC is important for flora and invertebrates. Just this summer, members of the Yorkshire Butterflies recorded up to ten varieties between June and September 2010 at the site including Common Blue, Small Heath, Small Copper and Garden Pebble ([www.yorkshirebutterflies.org.uk](http://www.yorkshirebutterflies.org.uk)).

1.80 Sites of local biodiversity and geological interest, such as SINCs, have a fundamental role to play in meeting overall biodiversity targets, contributing to the quality of life and well-being of the community and supporting research and education. Designations should not be used in themselves to refuse development consent where there is suitable mitigation. That said, the criteria of Policy ENV12 is clear; for development to be permitted which will have either a direct or indirect impact upon a SINC, it is necessary to demonstrate that no suitable alternative site is available. It is apparent that the Hurrell Lane site is not just a suitable alternative but the best option for locating a development of this nature. The Hurrell Lane site is not a designated site of importance to biodiversity and the proposed development would not have an adverse impact upon either habitats or species. Moorland Energy has proposed a number of mitigation measures as an integral part of the proposed development which will ensure that potential minor, temporary and indirect effects will be avoided. Consequently, there will be no significant residual adverse effects on flora and fauna arising from the proposed development and that proposals will not conflict with the relevant policies for nature conservation.

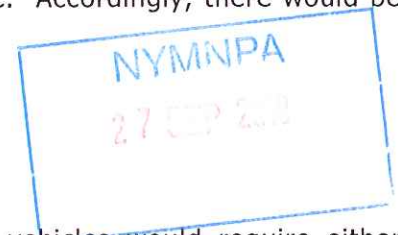
**(b) Landscape Impact**

1.81 As with Givendale Head Farm, and indeed all land to the north of the A170, Wilton Heights Quarry lies within the Area of High Landscape Value. The policy remains 'saved' and therefore, it is part of the Development Plan and accordingly carries a significant degree of weight. The text in paragraphs 1.66 to 1.73 above therefore applies.

1.82 Whilst views from the south would be partially restricted by the Wilton Heights Plantation, the public right of way 25.4.6/1 which runs through Dalby Forest from Givendale Head to Outgang Lane passes through the area designated as the SINC. Accordingly, there would be significant adverse views from the footpath.

**(c) Highway Access**

1.83 Access to the Quarry for both construction and operational vehicles would require either significant improvements and the widening of Outgang Lane, or a new access road. Concern has been expressed by some objectors that the junction of Outgang Lane and the A170 has poor visibility. The lower part of the Lane is used by refuse vehicles travelling to and from the waste disposal facility at Caulklands Quarry. The three alternative access routes would be:



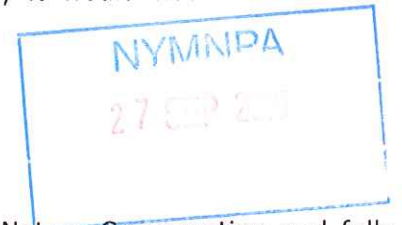


- a new access from the A170 immediately to the east of Wilton. This would require a new access of approximately 1.5 km rising steeply up the escarpment and cutting through the Wilton Heights plantation before entering the Quarry on the eastern side;
- a new access with the A170 further east at Cliff Edge climbing up the escarpment before turning to the west to run along the top of the plateau north of the Plantation;
- taking an access off an existing unclassified road which runs from Allerston north to Warren House which would run along the top of the escarpment for approximately 1.3 km westwards to the Quarry. The existing access road is particularly narrow and would require passing places to be created along its length.

1.84 All three roads would have significant visual impact within the AHLV. The new access road would be highly visible from the A170. Because of the steeply rising topography, any road would need to be cut into the hillside, which would have a permanent effect upon the landscape character.

**(d) Health and Safety**

1.85 It is not normal practice to place gas processing equipment in areas not well ventilated, whether using either natural ventilation or forced ventilation. The quarry has been excavated below the surrounding ground level; consequently, it would not be a suitable technical location for the gas processing facility.

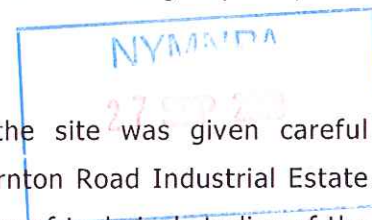


**(e) Cumulative Effects**

1.86 Wilton Heights Quarry is a designated Site of Importance for Nature Conservation and falls within an Area of High Landscape Value. It also lies immediately adjacent to a Public Right of Way and the North York Moors National Park Authority. For development such as a gas processing facility to be permitted either within a Site of Importance for Nature Conservation or an Area of High Landscape Value, it must be demonstrated that there is no suitable alternative site available. In this case, therefore, there is a very strong presumption against development. The additional adverse visual impact of constructing a new highway through the AHLV across the plateau will further add to the overall damage to the landscape from locating the gas processing facility at Wilton Heights Quarry.

**10. Alternative Site 4 - Outgang Lane, Pickering**

- 1.87 CPRE has stated that there is no evidence that there have been any discussions with Ryedale District Council about the availability of a suitable site on an existing or proposed industrial estate.
- 1.88 Separate, informal discussions were held with Ryedale Council's Economic Development Officer and United Utilities in April 2009 about the suitability of locating the processing facility on land at Outgang Lane, Pickering (identified as Site 7 in Chapter 5 of the ES). The site was occupied by a natural gas processing facility operated by Home Oil of Canada between 1970 and 1974. The facility was subsequently demolished and the site partially restored. It is currently used as rough pasture. On the face of it, the site has two positive factors in favour of its use as a gas processing facility. First, it lies immediately adjacent to the National Transmission System, enabling processed gas to be transported directly into the NTS without the need for a lengthy pipeline. Secondly, initial discussions with United Utilities indicated that the landowner, Northern Gas Networks, would be willing in principle to consider selling the site.
- 1.89 The Council's Economic Development Officer indicated that the site was given careful consideration by the Council as a potential extension of the Thornton Road Industrial Estate which was built in the 1980s. The Council commissioned a number of technical studies of the site to help determine its suitability for employment use. The studies indicated that the site was likely to be potentially contaminated, despite the fact that it had been restored. The site is understood to have poor drainage. Land immediately to the east is identified by the Environment Agency as being liable to flooding. An ecological survey undertaken in September 2008 indicated the likelihood of colonies of great crested newts along the northern boundary which adjoins the existing industrial estate. The studies also indicated that the existing Outgang Lane was unlikely to be suitable for access owing to its limited width at its southern end and the poor visibility at the junction with Thornton Road (A170). Accordingly, the likelihood is that access to the site would be required to come through the existing Thornton Road Industrial Estate. This in turn would have potential implications for the colony of great crested newts.
- 1.90 In theory, it is possible that the site could be fully restored by removing any remaining contaminants, that a new access road could be constructed from the existing Thornton Road Industrial Estate, the colonies of great crested newts to be identified, captured and relocated, and for a suitable drainage system to be installed. These are all environmental constraints which could potentially be overcome. However, the primary constraint to locating



the gas processing facility on this site is the proximity of residential properties on Outgang Lane and occupiers of the business units on the Thornton Road Industrial Estate. The residential properties would be less than 400m from the facility, whilst the occupiers of the business units would be within 100m. The close proximity of these receptors during the construction period and the operational stage would be likely to generate valid complaints about visual impact, noise and traffic movements. The CPRE acknowledges that a recent planning permission for residential development in the vicinity has ruled the site out on health and safety grounds.

- 1.91 There are also technical matters associated with this site which, at the present time, could not be overcome at Outgang Lane. There are a number of existing gas pipelines which lie within a narrow corridor close to Broadmires Lane. Adding two further pipelines within this corridor to enable gas and condensate to be transported from the wellsite to Outgang Lane is unlikely to be possible. The known drainage issues with flooding in the area are also likely to make pipeline construction technically very challenging.

#### **11. Alternative Site 5 - Knapton Electricity Generating Station**

- 1.92 Following the grant of planning approval for the Knapton electricity generating facility in 1992, the accompanying Section 106 agreement states that Kelt, ~~the applicant,~~ will use its best endeavours to ensure that any gas discovered by other companies in the Vale of Pickering or adjacent areas will be used for electricity generation at Knapton except where Kelt is limited by permitted capacity. There is a strong case in favour of developing a new facility as part of the RGP as well as a number of reasons why it is not possible to utilise the existing Knapton facility. Since 1992, advancements in modern technology as well as demands for security of gas supply have meant that the context in which the Section 106 was written does not support the Government's objectives for the prudent and efficient use of resources and energy. Local energy generation at Knapton is inefficient and the majority of gas is lost thus increasing emissions and environmental issues. Moreover, based on current knowledge, Knapton does not have the capacity to deal with the gas reserves which have been discovered at the existing Ebberston Wellsite nor any future reserves which may be discovered in PEDL 120. The detailed justification for the development of a new gas processing facility at Hurrell Lane rather than remodelling or retrofitting the existing Knapton facility is set out below.

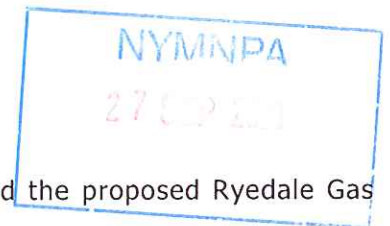
**a. Limited Capacity**

1.93 There is limited capacity at the existing Knapton facility to process the significant reserves of gas which have been discovered at the existing Ebberston Wellsite adjacent to Dalby Forest. Knapton has a limited capacity of 9.8mmscf/d which is currently fully satisfied by its own resources. The reserve at the Ebberston Wellsite has the potential to produce up to 20mmscf/d with other gas reserves within PEDL 120, and the potential to produce in excess of 100Bcf of gas. Therefore, Moorland Energy's proposed gas processing facility has the potential to process gas from other fields in the area for the next 20-25 years, providing a long-term solution to the efficient use of resources in the Cleveland Basin. These reserves could be processed and administered from one facility with gas being transferred into the National Transmission System (NTS) to meet demand for gas supplies as necessary throughout the UK. With capacity for only 9.8mmscf/d, Knapton has insufficient capacity to process the potential gas reserves of 20mmscf/d at the Ebberston Wellsite. Moreover, it is sufficiently lacking in capacity to process the wider gas reserves within PEDL 120, thus rendering Knapton unsuitable for the long-term exploration and production of other potential reserves in the Cleveland Basin.

**b. Power generation vs. gas supply**

1.94 A significant difference between the existing Knapton facility and the proposed Ryedale Gas Processing Facility is that Knapton is engineered to turn gas into power, rather than processing gas for commercial supply via the NTS. Gas was originally discovered in Ryedale in the 1970's and a majority of this lies within the Permian limestone at a depth of approximately 5,000ft. Gas from the limestone contains hydrogen sulphide (H<sup>2</sup>S) and is commonly referred to as being "sour". Hydrogen sulphide must be processed and removed from the gas prior to exportation into the NTS. Knapton has a 41MW open cycle gas turbine and uses a series of pipelines to collect gas from several reserves located in the Vale of Pickering which is then transported to Knapton for processing into electricity. Small quantities of hydrogen sulphide are removed from the gas at Knapton before it is burned for electricity generation. The burning of gas produces nitrogen oxides (NO<sub>x</sub>) which are a greenhouse gas associated with acid rain and the depletion of the ozone layer as well as detrimental effects on health.

1.95 Considering the high quantities of sour gas in the area which would need to be burned to produce electricity, power generation at Knapton is not considered to be the most suitable technical or environmental option for the production of local gas reserves. Moreover, the limited capacity of Knapton would require the expansion and refurbishment of existing



facilities. The retrospective fitting of modern technologies to older infrastructure is not considered to be the most efficient use of resources. To build a facility capable of processing the gas from PEDL 120 into power would require a much larger footprint than the existing Knapton facility. Gas processing infrastructure has advanced significantly since the commissioning of Knapton in 1994 and therefore, it is considered that a new gas processing facility would prove the most environmentally friendly, efficient and suitable solution to gas production in Ryedale. It is widely accepted that there is a shortage of gas supply in the UK and with such significant amounts of gas available in PEDL 120, generating the gas into power rather using it to add to the UK's gas supply would be contrary to demands for increased security of gas supply. Electricity generation is increasingly being promoted through renewable resources such as wind, tidal and geothermal power but the Government accepts that fossil fuels such as gas will continue to form an important part of our energy resources for the foreseeable future. On this basis, it is necessary to exploit gas reserves and to use them in their raw form to ensure that the security of gas supply is encouraged as far as practicably possible whilst renewable energy technologies continue to develop for the production of alternative energy sources.

**c. Connection into the NTS and required standards**

- 1.96 The existing Knapton facility does not have a connection into the National Transmission System (NTS) and therefore, as previously discussed, runs purely on the reserves in the local area. This approach means that the lifespan and security of supply from Knapton is dependent upon the extent of local reserves. With no NTS connection, the potential to diversify and produce gas suitable for transportation into the NTS for commercial use is removed. Additionally, the operators of the Knapton facility have a long-term power supply contract in place with Scottish Power and are therefore subject to existing commitments for the foreseeable future. The Knapton site has not been designed or built to process gas for domestic supply. The required treatment of the gas is far less rigorous, being primarily to remove fluids so that the gas will burn efficiently in the generators. In particular, sulphur compounds (Hydrogen Sulphide and Mercaptans) are not removed before the gas is used. This operation is a completely different proposition from the Ryedale Gas Project, which proposes cleaning produced gas to the far more stringent standards required for domestic supply.

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**d. Efficient use of resources**

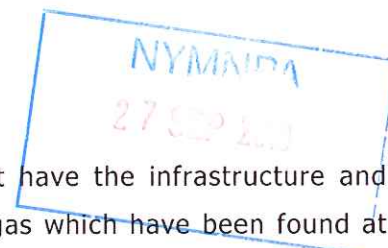
1.97 Planning Policy Statement 1 (PPS1) "Delivering Sustainable Development" (2005) promotes the efficient use of resources which is reinforced by the Government's UK strategy for sustainable development, "Securing the Future" (2005) and Minerals Policy Statement 1 (MPS1) "Planning and Minerals" (2006) which both promote "the efficient use of resources and energy" (MPS1, p4). Local electricity generation is not as efficient as gas export via the NTS and proposals for local generation of the large quantities of gas which have been found at the Ebberston Well site would not make efficient use of resources and would therefore be contrary to central Government policy. Combined Cycle Gas Turbines (CCGT) operate at approximately 56% efficiency compared to local electricity generation efficiency of only 32% at Knapton with 68% of the raw material therefore being wasted through inefficient operations. Notwithstanding this, the environmental implications of local generation and such significant inefficiencies increase the amount of CO<sub>2</sub> and NoX emissions being released into the atmosphere to the detriment of the local environment. The RGP therefore offers a more suitable alternative to local generation by proposing a modern, up-to-date and efficient facility which will provide energy to the NTS where there is capacity for additional gas supplies and can be used to meet demand for gas in the UK.

**e. Remodelling of the Knapton facility**

1.98 As previously discussed, the existing Knapton facility does not have the infrastructure and therefore the capacity to deal with the significant amounts of gas which have been found at the Ebberston Well site or any other future reserves of PEDL 120. Knapton would therefore have to be significantly remodelled or removed and redesigned to accommodate the existing and any new energy processes. A number of scenarios for the remodelling of Knapton are considered below;

**i) Gas supply from Knapton to the NTS with no electricity generation**

To process and supply gas to the NTS from the Knapton site would require the removal of the existing plant and infrastructure at Knapton and the installation of a completely new facility which would require a much larger site footprint to accommodate the additional infrastructure. This could have adverse effects upon the environment in terms of visual impact and local ecology. This scenario has therefore been discounted.



**ii) Using the Ebberston gas reserve for local electricity generation only**

As previously discussed in Section 4 "Efficient use of resources", local electricity generation would not be as efficient as gas supply into the NTS and would be contrary to central Government policy on the efficient use of resources and energy. Notwithstanding this contradiction, it is widely accepted that the security of the UK's gas supplies need to be increased to meet demands especially during the winter months. This is epitomised by the National Grid "Gas Balancing Alert" (GBA) issued in January 2010. A GBA is a mechanism which indicates to the market that National Grid considers it likely that some form of demand-side response or additional supplies might be required to ensure the physical balance of the network, based on the current capability, recent reliability of supplies to the market and demand levels. This mechanism ensures that energy to homes is not interrupted and triggers controls on other high energy users such as power stations or factories. On this basis it would be more prudent to use the gas in its original form to meet these gas supply demands because electricity can be generated from a multitude of other sources including renewables. This scenario has therefore been discounted.

**iii) New stand-alone facility for gas export into the NTS**

A new facility can be built using modern, high quality equipment which is more efficient and uses a smaller development footprint than a facility which would deal with gas supply and electricity generation on the same site i.e. Knapton. The use of modern equipment on a new site means that existing infrastructure does not need to be adapted, refurbished or retrofitted and therefore the retrofitting of modern infrastructure to an older site (Knapton is now 15 years old) will not produce an inefficient amalgamation of technologies. Knapton does not currently have a connection to the NTS and therefore more pipelines would be needed to connect the Knapton facility to the NTS, therefore causing more archaeological and environmental disruption. The RGP can be constructed with no disruption to the existing commitments and operations of Knapton and will promote the efficient use of resources and energy by utilising gas export into the NTS rather than local electricity generation. This scenario is therefore suitable for development.

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1.99 In addition to the issues outlined in scenarios i) and ii), any remodelling, removal or redesign of equipment and infrastructure of the Knapton facility requires the co-operation and agreement of the landowner and operator, Viking Petroleum Plc and RGS Energy who bought the site from Scottish Power in 2006. none of these has any obligation to accept gas from PEDL 120. Furthermore Scottish Energy has a long-term power purchase and supply agreement in place under which energy is sold to the market at a discounted price. The

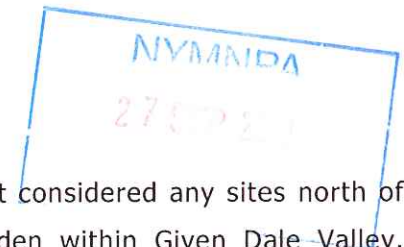
significant remodelling and redesign of the Knapton facility which would be needed to accommodate gas from PEDL 120 would require the cessation of generation at the Knapton facility whilst the new site is constructed. This would impact local energy supplies, employment, income and the validity of existing energy contracts between Scottish Power and RGS Energy. The development of a new, modern stand-alone facility at Hurrell Lane is therefore the most suitable option for development.

#### **f Current Planning Application by Viking UK Gas**

- 1.100 An application has been submitted on behalf of Viking UK Gas Limited to North Yorkshire County Council for the extension of an existing wellsite at the Kirby Misperton 2 (West) site at Alma Farm, Malton. The proposal seeks to utilise the existing access to mobilise the drilling and ancillary equipment for the development of two exploratory boreholes and the retention of the site and wellhead valve assembly gear for the production of gas including transfer to the existing Knapton Generating Station. The proposed development does not seek to extend the capacity of the Knapton Generating Station. Consequently, this facility will continue to have insufficient capacity to process the anticipated gas supplies from the existing Ebberston wellsite.

#### **12. Alternative Site 6 - Given Dale Valley**

- 1.101 CPRE has stated in its objection that Moorland Energy has not considered any sites north of Allerston where it claims a processing facility could be hidden within Given Dale Valley. However, it fails to identify a suitable location. All the land north of the A170 is designated as an Area of High Landscape Value. The only site within the Valley which could physically accommodate the facility is located to the north east of Stonygate Moor. The site is relatively level and avoids the removal of large areas of woodland. The nearest property is Warren Farm which lies 1 km to the south west. However, the site lies immediately to the south of a Public Right of Way and the National Park boundary. The development at this location would give rise to permanent adverse views of the processing facility for users of the footpath. Access to the site would need to be from the narrow unclassified road which connects Warren Farm to the A170. The road would need to be widened and extended by approximately 1 km. Owing to the visual impact of the proposal upon the AHLV and users of the public right of way and the need to significantly widen and extend an existing access, this option has been discounted.
- 1.102 CPRE has commented that a site north of Allerston would have involved shorter pipelines between the wellsite and the NTS connection point. The proposed gas pipelines between the





wellsite and the Hurrell Lane site would be 8.6km in length. If a suitable site could be found within the Valley for a gas processing facility, we estimate that the length of the pipeline could be reduced by no more than 1km. This also presumes that a connection to the NTS with the necessary above-ground infrastructure would be permitted in open countryside at Wilton Ings Lane, close to Grange Farm, and that National Grid would support such tie-in to their infrastructure. Consequently, this is not considered to be a viable option.

### 13. Alternative Site 7 - Penniston Lane, Allerston

1.103 Some objectors have suggested that the gas processing facility could be located to the west of Ebberston and south of the A170. Land south of the Bloody Beck and north of Penniston Lane is flat and lies outside the Area of High Landscape Value. However, these benefits are outweighed by poor access and adverse visual impact:

#### (a) Access

1.104 Access for both construction and operational vehicles to the site from Penniston Lane using either Main Street, Ebberston or the B1415 road through the village of Allerston would not be acceptable owing to the likely adverse effects from heavy goods vehicles passing through the villages.

1.105 As a result, a new access road would need to be constructed from the A170 to the site. However, it is highly unlikely that it would be possible to meet the necessary visibility splay standards at any junction owing to the adverse horizontal and vertical alignment of the road.

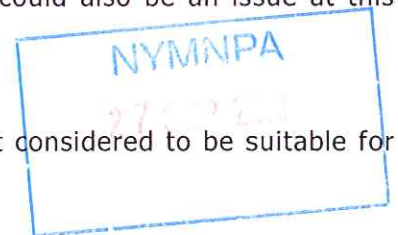
#### (b) Visual Impact

1.106 The land at Penniston Lane, Allerston has varying vegetation along its boundaries, with a substantial hedgerow and a woodland block to the north, a substantial tree belt to the east, and trimmed hedges on the remaining boundaries. The site is located at the foot of the scarp slope, at an elevation of between 25-30m AOD, as is the Hurrell Lane site, although the Hurrell Lane Site is at an elevation of below 25m AOD. The landscape to the east, north and west exhibits a similar field pattern to that surrounding the Hurrell Lane site, with trimmed hedgerows along the majority of the boundaries. The landscape to the south is, however, more open in nature than Hurrell Lane.

1.107 Penniston Lane runs adjacent to the alternative site of the southern boundary, with Allerston Lane and the B1258 further south.

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- 1.108 However, the PROWs 25.4/2/4 and 25.28/1/2 runs less than 150m to the north of this site and residential properties in Ebberston and Allerston, on higher ground, are approximately 600m and 900m to the east and west of the site respectively. In comparison, the nearest PROW 25.97/1/1 to the Hurrell Lane site is approximately 375m from the site, and residential properties in Wilton and Thornton-le-Dale, also on more elevated ground, are over 1.0km and 1.2km to the north-east and north-west respectively.
- 1.109 In many respects, the site at Penniston Lane is not dissimilar in landscape and visual context to the Hurrell Lane Site. However, the slightly higher elevation of the alternative site, the closer proximity of PRsOW and the residential properties, and the more open landscape to the south affording views from Penniston Lane, Allerston Lane and the B1258 would potentially result in a slightly greater visual impact than that of the Hurrell Lane site. With the implementation of landscape mitigation proposals, similar to those proposed for the Hurrell Lane, the potential visual effect could be reduced, but not completely mitigated.
- 1.110 In summary, therefore, locating a gas processing facility at Penniston Lane would be likely to give rise to adverse visual impacts within a wide area. Owing to the topography and limited intervening vegetation to the south of the site, the facility would be highly visible from Penniston Lane, Allerston Lane and the B1258 between Ebberston and Yedingham. It would also be highly visible from public rights of ways 25.28/1/2 and 25.4/2/4 which runs east to west from Ebberston to Allerston, less than 150m to the north of the site. Whilst the facility would be approximately located 600m from residential properties in Ebberston to the east, and 900m from residential properties in Allerston to the west, the absence of significant existing screening would mean that the processing facility would be visible from residential properties in both Allerston and Ebberston, particularly Mill Farm and Mill House. The setting of the Registered Historic Park and Garden at Ebberston Hall could also be an issue at this location.
- 1.111 Consequently, the land between Allerston and Ebberston is not considered to be suitable for a gas processing facility.



#### **14. Conclusions**

- 1.112 The consideration of alternatives sites needs to be carried out in a proportionate manner. Where there is only a relatively modest impact arising from proposed infrastructure which is in the national interest, a decision-maker will need to be satisfied that there is a very clear advantage in a potential alternative site before refusing consent in order to avoid that impact.

1.113 The decision-maker also needs to take into account whether there is a realistic prospect of any alternative site delivering the necessary infrastructure, bearing in mind the need and urgency for new major energy infrastructure.

1.114 The ES which accompanied the planning application includes an outline of the main alternatives studied by the applicant and an indication of the main reasons for the choice, taking into account environmental, social and economic effects, and including, where relevant, technical and commercial feasibility.

1.115 The consultation responses have questioned the reasons why Moorland Energy has discounted a number of the alternative sites for the proposed gas processing facility that Moorland Energy considered and rejected. These are:

1. Land immediately adjacent to the Ebberston Wellsite or elsewhere within the National Park;
2. Land south of Givendale Head Farm;
3. Wilton Heights Quarry;
4. Land adjacent to the Pickering NTS at Outgang Lane, Pickering; and
5. The existing Knapton Electricity Generation Facility.

1.116 In addition, alternative sites have been suggested at:

6. Given Dale Valley; and
7. Land to the west of Ebberston (Penniston Lane, Allerston).



1.117 The reasons why none of the locations are suitable alternatives to the proposed gas processing facility at Hurrell Lane are summarised below. These seven alternative sites are shown on drawing 17809/P72B (**Appendix 1**).

1.118 Locations 1-3 and 6, as listed above, are all covered by designations of varying degrees of importance. None of them prevent development occurring. Rather, the test is to determine the need for the development and the benefits to be gained against the negative impacts and relevant national and local policy.

1.119 National Parks have been confirmed by the Government as having the highest status of protection in relation to landscape and scenic beauty. In addition, the conservation of wildlife and cultural heritage and the conservation of the natural beauty of the landscape are specific purposes for National Parks. National planning guidance applies a public interest

test for major development in such areas. Any assessment must demonstrate the need for the development, the cost and scope for locating the development outside the National Park and any detrimental effect on the environment, the landscape and recreational opportunities.

- 1.120 The National Park Authority has stated in writing that it would be opposed to an electricity generation facility within the National Park. It has advised that gas produced within the Park should be transported outside the Park where it can be processed. For these reasons, securing planning permission for a gas processing facility at a location within the National Park (Location 1) is unlikely to be forthcoming.
- 1.121 Locations 2, 3 and 6 fall within an area designated as Fringe of the Moors Area of High Landscape Value (AHLV). This area is described in the Ryedale Local Plan as particularly important for its largely unspoilt rural character. It has distinct visual, ecological and architectural characteristics which should be conserved and enhanced. For development to be acceptable in the AHLV, the applicant must demonstrate that there are no suitable locations outside the designated area. Moorland Energy considers that the Hurrell Lane site is capable of satisfactorily accommodating the proposed gas processing facility, subject to appropriate mitigation measures.
- 1.122 PPS7 advises local authorities that criteria-based policies in Local Development Documents, using landscape character assessments, should provide sufficient protection for high value landscape outside nationally designated areas, without the need for rigid local designations. When reviewing their development plans, planning authorities are advised to rigorously consider the justification for retaining existing local landscape designations. Ryedale District Council published its draft Core Strategy in September 2010 for public consultation. However, it is of note that policy ENV3, which sets out the criteria for considering proposals within the AHLV, remains as a saved policy. The Fringe of the Moors AHLV remains in the draft Core Strategy as a material consideration in local landscape terms; this reflects the fact that there is considerable support for the designation of the Vale of Pickering as an Area of High Landscape Value.
- 1.123 In addition, Location 3 (Wilton Heights Quarry) is also a designated Site of Importance for Nature Conservation. The saved policy that applies (ENV12) requires an applicant for development affecting a SINC to demonstrate that there is no suitable alternative available. Locating the gas processing facility at this location would also require new or improved access from the A170 which would be likely to cause considerable adverse visual impact upon the surrounding area. Moorland Energy considers that the Hurrell Lane is a suitable location

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for the gas processing facility. Location 2 (Givendale Head Farm) would be likely to have a significant adverse effect upon a Scheduled Ancient Monument.

1.124 Location 4 can be discounted because it is located in close proximity to both occupants of both residential properties and industrial units. Location 7 is not affected by landscape or ecological designations but it would be likely to have a significant adverse impact upon the views from Allerston and Ebberston. A new access road to the site would technically be very difficult to implement.

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1.125 Location 5 (the existing Knapton facility) is unsuitable as a facility for the processing of natural gas whether it was processed into "sweet" gas or turned into electricity. There is no connection into the NTS at the Knapton facility but moreover, Knapton does not have the capacity to deal with the significant quantities of gas which have been found at the Ebberston Wellsite and future reserves which may be found in PEDL 120. Knapton would either need to be retrofitted with modern equipment which raises questions about acceptable emission levels caused by older, refurbished machinery or there would need to be a cessation of works at Knapton whilst the new facility was designed and installed. This would cause disruption to local electricity generation, the local economy, the existing commitments and contracts of the Knapton facility, and increased environmental and traffic disruption during removal and reconstruction. The remodelling of the Knapton facility is not considered to be the most efficient use of time and resources and would be contrary to central Government policy which seeks the efficient use of resources and energy. It is widely accepted that the UK is dependent on international sources of gas to meet demands especially during the winter periods which as previously discussed, is epitomised by this years GBA and the restrictions in North Sea gas flows from the Ormen Lange and Troll gas fields in Norway. Therefore it is imperative that the security of gas supply in the UK is increased and the RGP provides an opportunity to contribute to this objective. Central Government policy accepts that fossil fuels will still form a major part of energy consumption in the UK for the foreseeable future whilst other forms of renewable energy are being developed and utilised. In the meantime the efficient use and production of gas to meet these demands must be administered. A stand-alone gas processing facility would contribute to securing gas supplies in the UK and would have the capacity to deal with any further significant reserves in the local area or PEDL 120 in an efficient, modern facility.

1.126 Consequently, Moorland Energy strongly believes that the Hurrell Lane site is the most suitable location for the proposed gas processing facility and that the alternative sites considered by Moorland Energy and other sites suggested by third parties are not suitable on grounds of adverse impact upon the landscape character of the area, ecological sites of

importance for nature conservation, a Scheduled Ancient Monument, accessibility, proximity to existing residential properties, and inadequate capacity and impacts on climate change.



# APPENDIX 1

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