4th June 2026

Additional response to enquiries submitted to Justin Madders MP

Sent by email to: justin.madders.mp@parliament.uk

Dear Justin,

Thank you very much for sharing the information provided in our previous email with your constituents and for raising their additional concerns with us. We sincerely appreciate your patience, and apologise for the delay in replying.

We have provided a series of responses to the themes raised in your email, below. We hope this information gives your constituents further clarity, however please note we're still in a relatively early stage in the project development process and may not have all of the answers right now.

In addition to the information provided below, your constituents may be interested to read the recently updated 'Questions and Answers' and factsheets on key topics on our website.

If you would like discuss the project further, please do not hesitate to get in touch and we can arrange a time to meet, either in your constituency or in Whitehall.

Best regards,

David Parkin, Chair, Peak Cluster

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The potential for importing CO_2 from overseas to be stored as part of the project

Peak Cluster is proposing to construct a pipeline to transport carbon dioxide (CO_2) captured from cement and lime production plants in Derbyshire and Staffordshire (Breedon, Tarmac, Holcim, and Buxton Lime), to depleted gas reservoirs under the East Irish seabed. These reservoirs are known as the Morecambe Net Zero (MNZ) stores and will be managed by Spirit Energy.

The proposed pipeline would have the potential to connect additional industrial sites that are seeking to capture unavoidable CO_2 emissions in the future.

The transport and of CO_2 by ship for storage within MNZ does not currently form part of the Peak Cluster project. However, there is potential over time for CO_2 to be transported via non-pipeline methods, including shipping. Spirit Energy is working with Stanlow Terminal to explore options for receiving and storing shipped CO_2 at MNZ from sources both within the UK and internationally, subject to the necessary regulatory changes to enable cross-border transport of captured CO_2.

Individually, and together, the Peak Cluster and MNZ projects, present significant economic opportunities for the North West region, including creating and safeguarding industrial jobs and enabling decarbonisation of new and traditional industries.

Funding and investment

Peak Cluster Limited is funding the Peak Cluster project. It is a joint venture between the four cement and lime operators, the project developer (Progressive Energy), Summit Energy Evolution Limited (a subsidiary of Sumitomo Corporation), and the UK's National Wealth Fund.

Collectively, we have committed to developing the project through to a Final Investment Decision (FID). Once our detailed project designs are complete, and if we are granted a Development Consent Order (DCO), FID is when Peak Cluster will make the decision that it is ready to sign all the main contracts to proceed into construction, . At this stage, the project will consider whether existing investors remain part of the project and seek additional investment, which could bring millions of pounds into the UK economy.

There may be a need for further government support for the project to develop in the future. However, this will depend on a number of factors, including the cost of emitting carbon. As the project progresses and becomes more established, it is expected to attract increasing interest from private investors. The amount of future private investment secured may also influence the potential need for further government support.

Ongoing responsibility for the project

The storage operations of Morecambe Net Zero (MNZ) are subject to regulation by the UK's CCS storage regulator, the North Sea Transition Authority. It is expected that after the storage site is closed, Spirit Energy, the owners of MNZ, will be responsible for monitoring leakage and resolving any issues until the responsibility is handed over to the national authorities. This monitoring is expected to continue for at least 20 years before the handover.

The transport and storage components of the project (namely, the onshore pipeline, the offshore pipeline and the store) will be subject to economic regulation by the regulator Ofgem. This regulatory regime operates under an economic licence which compels the operator to operate and maintain the asset safely, reliably and efficiently. The operator is granted an allowed revenue to cover these ongoing operational costs. This is exactly the same mechanism as is used to economically regulate natural gas pipelines and electricity transmission and distribution networks in the UK.

Needs case for the project – cost effectiveness and alternatives to CCS

Cement and lime are the foundations to our day-to-day lives. Cement is the backbone of concrete—the world's most widely used material. Lime, though less visible, is essential to everything from growing food to cleaning our air and water. Ensuring the UK can continue producing these essential materials in a low-carbon future isn't just important—it's vital for our economy.

Peak Cluster will help to secure a reliable supply of sought-after, sustainable British-made cement and lime—essential for building homes and infrastructure, producing safe drinking water and creating healthy soils for our food production, both in the UK and for export worldwide.

Carbon dioxide (CO_2) is released as an unavoidable by-product of cement and lime manufacturing. 40% of the UK's cement and lime is produced in Derbyshire and Staffordshire, with the four manufacturing plants involved in Peak Cluster currently emitting around 3 million tonnes of carbon dioxide per year. By capturing and storing these emissions, the project will eliminate almost all of this CO_2 from entering the atmosphere.

Simply switching to electricity or low-carbon fuels to support the production of cement and lime would not substantially reduce emissions from these industries. Alternative methods for low-carbon cement production are being explored. However, these are in the early stages of development and not yet available at the scale required to support the UK's construction needs. Therefore, capturing and storing CO_2 is the only option to make a lasting impact on reducing emissions—as identified by the Committee on Climate Change which has acknowledged the technology as an essential way to decarbonise large-scale manufacturing processes, such as cement and lime production.

Our calculations suggested that to get an equivalent carbon benefit through tree-planting, for example, we would need to plant trees across an area of the size of the Peak District National Park, roughly every two and a half years. The UK does not have that space available.

Environmental Impact Assessment (EIA) considerations and process

As Peak Cluster is classified as a Nationally Significant Infrastructure Project (NSIP), we will have to apply for a Development Consent Order (DCO) in order to build the project.

As part of our application, we need to undertake an Environmental Impact Assessment (EIA), which identifies and assesses the effects that the project may have on the environment, people and local communities during construction and operation. It enables decision makers to consider the likely effects of the project and aims to avoid, reduce, mitigate or offset those effects. We will document the results of the EIA in the Environmental Statement (ES), which will be submitted as part of the DCO application to the Planning Inspectorate.

Our Scoping Report— which was prepared and was submitted to the Planning Inspectorate in parallel with our phase 1 consultation—sets out the environmental impacts to be assessed, including noise and vibration, traffic and movement, human health, and climate change. It explains the approach for evaluating any likely significant effects, and defines the proposed scope and structure of the EIA and ES.

Reported construction activity along the proposed route

Peak Cluster is in the pre-application phase of the Development Consent Order (DCO) process. This decision on whether to grant the project a DCO (taken by the Secretary of State) is not expected to be determined until 2028, with construction anticipated to begin in the early 2030s. Any reported construction activity along the proposed route is therefore not associated with or being undertaken by Peak Cluster.

A full project timeline is available to view on our website, here.

Reported survey work along the proposed route

Our teams are currently undertaking non-intrusive environmental and engineering surveys from areas with public rights of way. This work will inform our design development and our environmental and engineering assessments. We are also currently speaking with landowners within the current proposed project boundary about access to carry out surveys on their land.

Phase 2 consultation anticipated timeline

We welcome and are grateful for your constituents' interest in participating in our next phase of consultation.

We are expecting to launch our phase 2 consultation in winter 2026. As part of the phase 2 consultation, we will share much more detail about our plans, including a refined design and the results of our ongoing technical and environmental assessments.

We are currently considering the feedback we received about how we ran the phase 1 consultation to develop our phase 2 consultation approach, and will invite Local Authorities to input into this. If you, or your constituents, would like to read more about our initial approach to the phase 1 consultation, the document issued to Local Authorities in November 2025 is available to view here. We will write to key

stakeholders and communities nearer the time with more information about how to get involved in the phase 2 consultation.

For further information about our approach to consultation and engagement, including a detailed timeline, please advise constituents to view our 'approach to consultation and engagement' factsheet.