EET's Transition Strategy and Economic Impact

Essar Energy Transition (EET) operates the Stanlow Refinery in neighbouring Cheshire West and Chester, and the Tranmere Oil Terminal on the Wirral. These strategically important facilities are intrinsically linked, with Stanlow's refining operations dependent upon the bulk importation of crude oil and fuels via the River Mersey to Tranmere, from where they are transported directly to the refinery by pipeline. Stanlow is also directly linked, through a distribution pipeline network, to Carrington in Trafford, and Manchester Airport, enabling movement of significant volumes of fuel products across the region while helping to reduce road congestion and limiting the environmental impacts associated with road haulage.

Following the closure of the Prax Lindsey Refinery in 2025, Stanlow is now one of only four operational refineries in the UK and has increased production to help meet national fuel demand. The refinery and its pipelines are critical elements of the UK's energy infrastructure, supplying approximately 25% of the nation's road transport fuels and 12.5% of domestic aviation fuel. As one of the country's remaining refining facilities, Stanlow plays an important role in supporting national energy security and reducing exposure to international fuel supply disruptions.

EET also demonstrates a strong commitment to domestic procurement, with more than 90% of its suppliers based in the UK and 40% of purchase orders placed with businesses in the north-west. In FY2025 alone, annual supply chain expenditure at Stanlow totalled £426 million, supporting economic activity across the UK and particularly within the regional economy.

The downstream chemicals sector surrounding Stanlow represents one of the UK's most significant concentrations of industrial manufacturing activity. This industrial clustering enables businesses to benefit from shared infrastructure, larger labour and product markets, reduced transport costs and greater access to industry expertise, thereby enhancing productivity and competitiveness across the region.

EET is committed to becoming a leading producer of low-carbon fuels through the development of a major energy transition hub in north-west England, centred on the Stanlow Refinery. Through investment in energy efficiency, electrification, low-carbon hydrogen fuel switching and carbon capture technologies, Stanlow is being transformed into what is intended to be the world's first low-carbon process refinery, with emissions expected to reduce by up to 95% during the 2030s.

In February 2023, EET was established to deliver an energy transition hub at Stanlow as part of the HyNet regional decarbonisation cluster. HyNet is a nationally significant initiative designed to strengthen energy security while facilitating large-scale industrial decarbonisation through carbon capture and the transition from conventional fuels to low-carbon hydrogen.

Alongside decarbonising refinery operations, EET is expanding the co-processing of biofuels and developing new low-carbon fuel technologies, including a Methanol-to-Jet (MTJ) facility for Sustainable Aviation Fuel production and marine methanol manufacturing. Planned investments include the HPP1 and HPP2 low-carbon hydrogen production facilities, which will supply both refinery operations and

regional industrial users, together with the CHP1 and CHP2 hydrogen-ready power generation projects. Collectively, these developments represent around 1.35 GW of hydrogen production capacity and up to 200 MW of power generation capacity.

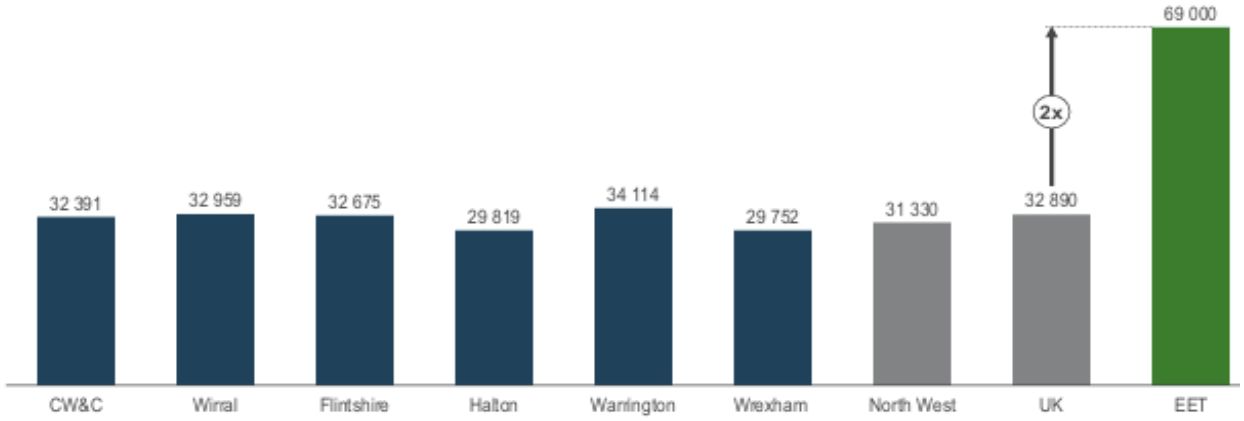
EET's carbon capture projects will divert CO2 from operational businesses within the region, connecting directly to the Liverpool Bay CO_2 transport and storage network, enabling significant emissions reductions while supporting the wider adoption of low-carbon hydrogen across the north-west. Current estimates indicate that EET's future projects could abate up to 3.5 million tonnes of CO_2 annually and avoid a further 600,000 tonnes per annum. In addition, EET is exploring the development of a future energy hub at Tranmere, including a dedicated CO_2 import and export terminal.

The hydrogen, carbon capture and sustainable aviation fuel projects alone represent more than £4.3 billion of planned investment, with over £1 billion approaching Final Investment Decision. Around half of this investment is expected to be spent directly within the UK, with all proposed developments anticipated to come forward during the lifetime of the emerging Cheshire East Local Plan.

EET's Stanlow Refinery and HPP1 hydrogen project currently employ 1,216 highly skilled workers (FY2025) across operations, engineering, hydrogen production, maintenance, safety, administration, sales and distribution. This includes up to 110 apprenticeship and graduate positions. The refinery also supports an estimated 800 to 900 contractors on an ongoing basis, bringing the total number of jobs currently sustained by EET to approximately 2,066. These are highly productive and well-remunerated roles that make a significant contribution to the north-west economy.

Employee remuneration further strengthens local economic activity. In FY2025, EET paid £84 million in salaries and wages, with average earnings approximately twice the regional and national averages. This expenditure supports household spending across a wide range of sectors, including retail, hospitality, leisure and personal services, generating wider economic benefits throughout the communities in the region where employees live and work.

Figure 1.11 Median Gross Incomes of EET Workforce and Selected Local Authorities
(GBP, FY 2025)



Source: EET Fuels, ONS Annual Survey of Hours and Earnings, FGE NexantECA Analysis

Beyond its direct economic contribution, EET's operations and planned investments help maintain and develop specialist capabilities in process engineering, digital operations, hydrogen technologies and industrial decarbonisation. These skills are strategically important to the UK's transition towards a low-carbon industrial economy.

The refinery's existing economic contribution, combined with the scale of planned investment, will support long-term industrial activity, generate high-value employment and sustain regional productivity and tax revenues for decades to come. EET's approach demonstrates how established industrial assets can support the transition to net zero while maintaining energy security and economic competitiveness. By preserving essential refining capacity alongside the development of next-generation clean energy infrastructure, Stanlow will continue to strengthen regional industrial resilience while contributing to national decarbonisation objectives.

These nationally significant assets deliver substantial economic value to both the UK economy and the north-west region. Through continued capital investment, operational activity and high-value employment, EET is expected to make a significant contribution to economic output, wages and public finances throughout the Local Plan period.

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