Whole policy:

- Insular and disregards other options e.g. renewables, North Sea gas etc.
- Disregards public views on fracking – no social licence
- Does not take into account negative impacts of SGE on current economy
- Designed to overrule local democracy and force through shale development – against stated intent of PM May - Where is 'fairness, working for everyone', ' being a force for good', 'everyone plays by same rules' (Tax and planning). 'Government at Service of ordinary people'. 'New laws we will not listen to powerful but listen to you', 'supporting vital public services'
- Does not review 'potential' against 'proven' – this is key – where is the contingency planning?

Made by: **Amber Rudd** (Secretary of State for Energy and Climate Change)
HCWS202

SHALE GAS AND OIL POLICY

My Rt Hon Friend Greg Clark (Secretary of State for Communities and Local Government) and I wish to set out the Government's view that there is a national need to explore and develop our shale gas and oil resources in a safe, and sustainable and timely way, and the steps it is taking to support this. In laying this statement before Parliament, it **formally replaces** the Shale Gas and Oil Policy Statement issued by DECC and DCLG on 13 August 2015. This statement to Parliament **should be taken into account in planning decisions and plan-making.**

The national need to explore our shale gas and oil resources

Exploring and developing our shale gas and oil resources could **potentially** bring substantial benefits and help meet our objectives for secure energy supplies*(renewables are proven not 'potential'*, **economic growth**, *(longer term and overall cost to economy, impact on existing economy e.g. tourism and agriculture jobs, uncosted impacts to public purse , better alternatives-proven- e.g. North sea Gas, and renewables is a sustainable industry whereas SGE is short term so we will still have the same problem if we don't invest heavily now in renewables i.e. balance of trade if purchasing renewables tech from abroad etc.)* and **lower carbon emissions** – *(Now under question – see research).*

Having access to clean, safe and secure supplies of natural gas for years to come is a key requirement *(North Sea Oil & Gas not an unproven SGE strategy)* if the UK is to successfully transition in the longer term to a low-carbon economy. The Government remains fully committed to the **development and deployment of renewable technologies** (tax regimes, removal of subsidies – how is this evidenced?)for heat and electricity generation and to driving up energy efficiency, but we need **gas** *(why not North Sea or from US, other alternatives, cheaper from current suppliers***)**- the cleanest of all fossil fuels – **to support our climate change target by providing flexibility** *- (de-bunk new research re not the cleanest, time to deliver renewables faster and sustainable industry for economy of UK, and also health implications of SGE)* while we do that and help us to reduce the use of high-carbon coal.

Natural gas is absolutely vital to the economy. It provides around one third of our energy supply.

· About one third of gas supply is used for industry and services, not just for power or heating but also as feedstock, e.g. for chemicals; 33%

(Shale from US cheaper than UK Production and proven supply, also plastics trying to move away from – why subsidise? Do a deal with current suppliers if want guaranteed supply? UK SGE not Guaranteed)

· one quarter is used for electricity generation; and *25%*

· the remainder is used in domestic households for heating and cooking[1]. *42%*

Show % of renewables in other countries in timescale and % SGE expected to deliver in same timescale – again unproven supply against proven and sustainable supply

Since 2004, the UK has been a net importer of gas due to the rapid decline of production from the UK Continental Shelf.

(Uplift 10% 2015 investment will uplift further with investment or a tax regime similar to SGE – would also deliver significantly more UK and sustainable jobs)

· Last year around 45% of UK gas supply was made up of net imports[2]**. Our projections** *(see issue re Europe evaluation against actual use + wrong because UK domestic use has increased)* suggest that **domestic production will continue to decline** and, without any contribution from **shale** *(– rework or increase North Sea also review with Bloomberg info on decline of gas and oil and increase in renewables)* gas, net imports could increase to 75% of the gas we consume by 2030[3].

· Domestic oil production has also declined since reaching a peak in 1999. Currently net imports comprise around 40% of the oil we use and DECC projections suggest net imports could increase to 73% by 2030[4].

(again investment via tax regime N.S. + renewables – Bloomberg now saying in decline by 2027 latest, also where is the onshore shale oil?)

Meanwhile events around the world show us how dangerous it can be to assume that we will always be able to rely on existing sources of supply. Developing home-grown shale resources could reduce our (and wider European) dependency on imports and improve our energy resilience.

(US and Norway? Why danger? Also energy resilience is better funded by renewables as sustainable?)

There are also potential economic benefits in building a new industry for the country and for **communities. –** *Untrue see overall cost by roads,public costs etc. impact on current economies in the targeted areas – tourism and agriculture, not a sustainable industry building a similar industry to coal i.e. will end when gas becomes uneconomic in 2025 latest so how help country if have to recover from another decline of fossil fuels industry – just delays a decline and impacts growth in the areas as highlighted by the LEP and Local Plans – particularly when our Tourism offering is growing above national trend and is internationally gaining traction?, we at least need research onn that impact before these statements can be made and Govt canned only research – also 64% of people wont buy a house so why would they holiday? doesn't embed wealth in local communities, impact on economies of SGE areas in comparison i.e. underlying economy has dropped in comparison to other areas with no SGE when SGE pull out.*

· Nationally, we will benefit from development of a new industrial sector, building on the experience and skills developed here in 50 years of on- and offshore oil and gas development.

Business case taking into account all costs, migrant nature of work, and predominance of lift and shift and Migrant workers.negatives re new industry – unconventional and implications of issues, against proven industry e.g. off shore and renewables

· Developing shale resources would deliver investment in key domestic energy infrastructure (*So would production of renewables & 120k UK jobs in NorthSea gas.)* boosting the UK's capital stock and leading to increased productivity and growth.

- *Short term left with industry no longer viable in overall global context of energy development and use - business case?*

· Reducing imports would improve the balance of trade.

- *Export renewable technology does same- and is a sustainable industry. Also is this a target or an outcome?*

· Consultants EY *(EY also say no to shale in latest research*) estimated in **2014[5]** that a thriving shale industry could mean cumulative investment of £33 billion and support 64,500 jobs in the gas, oil, construction, engineering and chemical sectors at peak. Locally that **might mean** (*research doesn't now support this view and offshore could give 120k jobs)* new facilities and jobs for local companies no migrant workers.

We do not yet know the full scale of the UK's shale resources nor how much can be extracted technically or economically – could be none – *(massive investment on a guess like Poland – Tax cost, capital costs, opportunity costs re other proven industries – should shale be a contingency approach not a lead?)*

· The British Geological Survey estimates the shale gas resource in the Bowland-Hodder basin *(what is their lowest value)* under Northern England could be 1300 trillion cubic feet (tcf)[6], compared to current UK annual gas consumption of around 2.5 tcf[7]. The industry need to test how much of this gas in place can be extracted technically and economically. Why the industry and allowing 1 test should not have a presumption this policy is 'all out for shale' not a test scenario which should then go back to parliament and the impacted communities for debate

· National Grid's Future Energy Scenarios (2015) report[8] presents a wide range for potential shale gas production in the UK up to a peak of 32 bcm/year in 2030 *(Demand shift also key will actually displace our long-term security as not sustainable and takes investment away from what is – invest in renewables, do a long term deal and we achieve the same result with no risk of massive investment in unproven resources)*. This would be around 40% of all the gas we are projected to consume and result in our import dependency falling to 34%, compared to current projections that net imports could reach 75% in 2030.

Shale gas can **create a bridge** *(new research challenges as bridge fuel – speed with which other countries have achived this?)* while we develop renewable energy, improve energy efficiency and build new nuclear generating capacity. Studies have shown that the carbon footprint of electricity from UK shale gas would be likely to be significantly less than unabated coal and also lower than imported Liquefied Natural Gas[9].

The Government therefore considers that there is a clear need to seize the opportunity now to explore and test our shale potential. *(Why not North Sea and renewables? Also may be a need to explore and test but further debate re production – also why the industry and not the Government as in Germany?)*

Safety and environmental protection will be ensured through responsible development and robust regulation – Not in place
(What does this mean? 3 new reports show this is not possible in current position)

This must and can be done whilst maintaining the very highest safety and environmental standards, which we have established with a world-leading framework for extracting oil and gas for over 50 years. *– (Very different, destroys geology and longer term contamination degrading wells, impact in 10,20,50 years ? Leaking wells)*

Reports by the Royal Society and Royal Academy of Engineering, Public Health England and others have considered a wide range of evidence on hydraulic fracturing in the UK context, and concluded that risks can be managed effectively if the industry follows best practice, enforced through regulation[10],[11].

- *Over what term did they review? 30 – 50 years timeframe of degrading wells?Also challenge on whether this can be done at all – some is just unable to be regulated, self-regulation not gold standard – compare to Austra?*

The Government is confident *(but research isn't and neither is the populations affected so need for further review)* we have the right protections in place now to explore shale safely (see Annex). Planning authorities can also have confidence that the regulators will enforce safety, environmental and seismic regulation effectively. But we are not complacent. We will continuously look to strengthen and improve regulation where necessary as the industry develops.

Transparency and information for the public

It is also important that the public has objective information about shale and that communities where shale development is proposed are effectively engaged, with the opportunity to hear from the expert regulators at the Health and Safety Executive and the Environment Agency.

The Government allocated £5m for 2015-16 in the last Autumn Statement for this purpose (see Annex).

- *Not happening and communities being overruled – no social licence and no information – being stopped – where is the message 'no reduction to bills?'*

Planning

The Government is committed to ensuring that local communities are fully involved in planning decisions that affect them. We are also making the planning system faster and fairer for all those affected by new

development. No one benefits from the uncertainty caused by delay. This is why we expect every planning application or appeal, large or small, to be dealt with as quickly as possible.

- *Hypocritical*

There is a clear expectation that local planning authorities should ensure that decisions on planning applications are made within statutory timeframes: 16 weeks where an application is subject to Environmental Impact Assessment. This should be supported through an upfront timeline agreed with the applicant including the anticipated decision date.

To avoid unnecessary work causing delay, when determining planning applications**, local planning authorities should carefully consider which issues can be left to other regulatory regimes,** taking full account of the Government's planning guidance on this issue.

- *How do these engage local communities ensure transparency etc., - clear attempt to disenfranchise an 'prefer oil and gas lobby'*

We also expect local planning authorities to make full use of the funding available for 2015/16 through the £1.2m shale support programme. This will ensure there are adequate resources locally to enable the timely determination locally of planning applications for shale gas. Local planning authorities should also agree to Planning Performance Agreements where this is appropriate.

But we cannot be complacent. Therefore:

· Appeals against any refusals of planning permission for exploring and developing shale gas, or against non-determination, will be treated as a priority for urgent resolution. The Secretary of State for Communities and Local Government may also want to give particular scrutiny to these appeals. To this end he will **revise the recovery criteria and will consider for recovery appeals for exploring and developing shale gas.**

- *Presumption of approval – how when there can be no presumption at local level?- legal challenge?*

This new criterion will be added to the recovery policy issued on 30 June 2008 and will be applied for a period of two years after which it will be reviewed.

· The Secretary of State will also actively consider calling in shale applications. Each case will be considered on its individual merits in line with his policy. Priority will be given to any called-in planning applications.

- *Presumption of approval – how when there can be no presumption at local level?*

· The Government commits to identifying underperforming local planning authorities that repeatedly fail to determine oil and gas applications within statutory timeframes. When such applications are made to underperforming local planning authorities, the Secretary of State will consider whether he should determine the application instead.

- *Presumption of approval – how when there can be no presumption at local level?*
- *Legal appeal?*
- *Removal of local democracy how does this now fit with PM May vision – appeal?*

· The Government has published its response to consultation and will take forward **amending permitted development rights** to allow the drilling of boreholes for groundwater monitoring. The Government is also inviting views on proposals for further rights to enable, as **permitted development**, the drilling of boreholes for seismic investigation and to locate and appraise shallow mine workings. These proposals will speed up the delivery of essential monitoring information for safety and environmental protection and free local resources for where the express attention of the local planning authority is required.

- *Removing totally democratic rights and views of local communities*

My Rt Hon Friend Greg Clark (Secretary of State for Communities and Local Government) will be laying before Parliament a written ministerial statement setting out more detail.

Sharing shale income with communities

We also strongly believe that communities **hosting** *- (why use hosting when the word is 'over-ruling')* shale gas developments should share in the financial returns they generate. The Government welcomes the shale gas companies' **commitment** to make set payments to these communities,

- *Costs to communities much higher and not a requirement*

which could be worth **£5-10m** for a typical 10-well site, and we want to go further. As announced by the Chancellor in the 2014 Autumn Statement, and set out in our manifesto, we are determined to ensure that local communities share more of the proceeds and feel more of the benefits, using a proportion of the **tax revenues** – *tax revenues unlikely at all – initially just sleight of hand* - that are recouped from shale gas production. We will present our proposals later this year for how we intend to design the **sovereign wealth fund.**

ANNEX

This Annex contains supporting material for the main statement.

Safety and environmental protection

· Our regulatory **system is robust** – *unproven for shale and reports show lacking, even UN see the difference and recommend not in areas of population density or agriculture – how is this reflected?-* and we are proven world leaders, with a 50 year track record, in well-regulated, safe and environmentally sound oil and gas developments. We have strict requirements through environmental permitting and DECC licencing for on-site safety, to prevent water contamination, air pollution and mitigate seismic activity.

· The Health and Safety Executive and the environmental regulators (the Environment Agency in England) are independent and highly specialised regulators. They will enable the development of shale gas in a safe and environmentally sound manner.

· The Environment Agency assesses the potential use of chemicals used in hydraulic fracturing fluids on a case-by-case basis. The use of hazardous chemicals will not be permitted **where there is a risk** – *always a risk with fracking so how ensure?* that they may enter groundwater and cause pollution.

- *Too few and no shale gas experience also new research shows this can't be done and time frame to new horizon*

· The Health and Safety Executive scrutinise well design and require week by week written updates on drilling progress.

- *What about after decommissioning? Also look at what happened at Pease Hall and allowing gas industry to 'self-regulate'.*

· DECC has implemented a thorough system of rigorous checks before any drilling or fracking and a live traffic light system during the actual operations, to ensure earth tremors will not occur – *Unproven*

To reinforce the existing regulatory regime further, the Infrastructure Act 2015 brought forward a range of additional requirements and safeguards if an operator is to carry out hydraulic fracturing.

· These include taking account of the environmental impact of development, baseline monitoring of methane in groundwater in the 12 months preceding hydraulic fracturing operations, disclosure of all chemicals, community benefits and the **exclusion of protected areas. –** *Under is not exclusion, and what about SSI etc.,*

· Draft regulations, laid on 16 July, defining the protected areas in which fracking will be prohibited as specified areas of groundwater, National Parks, Areas of Outstanding Natural Beauty, the Broads and World Heritage Sites. **Fracking can only take place at depths below 1200 metres in these areas. – *STILL AT RISK***

- ***What about Amenity zones?***

· Ministers also set out their clear commitment to ensure that hydraulic fracturing cannot be conducted from wells that are drilled at the surface of National Parks and other protected areas. This is not intended to impact on conventional drilling operations.

Transparency and information for the public

Following the Autumn Statement announcement of £5m for 2015-16 to **"provide independent evidence directly to the public about the robustness of the existing [shale gas] regulatory regime",**

- *What about ensuring public hear clear messages re health, environmental, cost impacts of shale – Government controlling the message.*

DECC received £1.7m to establish independent environmental monitoring and is working with a research consortium led by the British Geological Survey to expand an existing Lancashire-based programme for gathering baseline environmental data to North Yorkshire, where a planning application for a shale gas project is being submitted. The data produced would be made available to the public *– where is this?*

In addition, DCLG announced in March a £1.2m fund to support Mineral Planning Authorities dealing with shale planning applications. The Health & Safety Executive has received £0.5m to increase the availability of inspectors for onshore oil and gas operations and to double its local engagement capacity. The Environment Agency received £1.5m to undertake pro-active local engagement by deploying dedicated local officers. The Government is also publishing factual material on shale, including web documents and videos.

- you are funding shale but taking subsidies from renewables – short-term thinking

[1] DECC, Digest Of UK Energy Statistics, July 2015

[2] DECC, Digest of UK Energy Statistics, July 2015

[3] DECC, UK Oil and Gas Production Projections, March 2015 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414172/Production_prjections.pdf

[4]Ibid

[5] EY, Getting Ready for UK Shale Gas, April 2014 http://www.ey.com/Publication/vwLUAssets/Getting_ready_for_UK_shale_gas/$FILE/EY-Getting-ready-for-UK-shale-gas-April-2014.pdf

[6] BGS/DECC, Bowland Shale Gas Study, June 2013 https://www.gov.uk/government/publications/bowland-shale-gas-study

[7] Based on DECC, Digest of UK Energy Statistics, July 2015

[8] National Grid, Future Energy Scenarios, 2015 - CHASE

[9] Mackay-Stone report (requested by DECC), Potential Greenhouse Gas Emissions Associated with Shale Gas Extraction and Use, Sept 2013 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/237330/MacKay_Stone_shale_study_report_09092013.pdf - REVIEW

[10] The Royal Society and The Royal Academy of Engineers, Shale gas extraction in the UK: a review of hydraulic fracturing, 2012 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/256359/Publication_RoyalSociety_2012-06-28-Shale-gas.pdf - REVIEW

[11] Public Health England, Review of the Potential Public Health Impacts of Exposures to Chemical and Radioactive Pollutants as a Result of the Shale Gas Extraction Process https://www.gov.uk/government/publications/shale-gas-extraction-review-of-the-potential-public-health-impacts-of-exposures-to-chemical-and-radioactive-pollutants - **REVIEW**