

Cabinet

Dorset County Council



Date of Meeting	<ul style="list-style-type: none">• Economic Growth Overview and Scrutiny Committee – 15 October 2018• Cabinet - 17 October 2018
<p><u>Cabinet Member</u> Daryl Turner - Cabinet Member for Natural and Built Environment</p> <p><u>Local Members</u> ALL</p> <p><u>Lead Director</u> Mike Harries – Environment and Economy</p>	
Subject of Report	Proposed response to two national consultations concerning shale gas development: <ul style="list-style-type: none">a) MHCLG consultation on permitted development for shale gas exploration; andb) BEIS consultation on inclusion of shale gas production projects in the Nationally Significant Infrastructure Project regime
Executive Summary	<p>The Government recognises that shale gas development has a potentially significant role to play nationally in delivering economic benefits and energy security. As part of a desire to streamline the planning system and realise the benefits of shale gas development the Government (Ministry for Housing, Communities and Local Government) is proposing to introduce permitted development rights for the exploration phase of shale gas but only where it does not involve hydraulic fracturing ('fracking'). Proposals for onshore shale gas development phases, including any development involving hydraulic fracturing, would still require planning consent in the normal way.</p> <p>Running parallel to the permitted development proposal, the Department for Business, Energy and Industrial Strategy is also carrying out a consultation in which it is asking whether major shale gas development should be included within the Nationally Significant Infrastructure Planning Regime.</p> <p>The proposed responses (Appendices A and B) on behalf of Dorset County Council:</p> <ul style="list-style-type: none">a) object to the former; andb) consider that the case for the latter needs to be more fully justified,

	<p>for reasons set out in this report.</p> <p>It should be noted that Dorset has not seen any applications for shale gas development, nor is there any indication that shale gas resources would be a viable source of energy here. Nevertheless, DCC has extensive experience of dealing with conventional hydrocarbons – notably at Wytch Farm – and there are matters in these consultations that are relevant to DCC’s role as the Mineral Planning Authority.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>This report concerns a response to two national consultations and it does not raise any equalities issues.</p> <hr/> <p>Use of Evidence:</p> <p>This report has been prepared having regard to relevant planning legislation, including the Town and Country Planning (General Permitted Development) (England) Order 2015 and National Policy Statements on Energy.</p> <hr/> <p>Budget:</p> <p>This report does not raise any budgetary implications.</p> <hr/> <p>Risk Assessment:</p> <p>This report sets out a proposed response to two Government consultations. Any risk assessment is a matter for Government in preparing national policy.</p> <hr/> <p>Outcomes:</p> <p>Corporate Plan Objectives Framework: Dorset’s economy is prosperous.</p> <p>The recommendations set out in this report recognise the important role of planning in managing the environmental consequences of development and are consistent with the Corporate Plan’s outcomes-based accountability.</p> <hr/> <p>Other Implications:</p> <p>The recommendations presented in this report promote the role of planning in balancing economic, social and economic aspirations and delivering sustainable development.</p>
<p>Recommendation</p>	<p>That:</p> <ol style="list-style-type: none"> 1. Economic Growth Overview and Scrutiny Committee considers the responses and offers any comments it wishes to be taken into consideration by Cabinet (these will be reported verbally at the meeting on 17 October); and

	<p>2. Cabinet agrees the proposed responses to the two consultations, as set out in Appendices A and B, having regard to any comments made by Economic Growth and Scrutiny Committee (to be reported verbally). In summary, these responses:</p> <p>Object to the MHCLG consultation’s proposal to grant permitted development rights to (non-hydraulic fracturing) shale gas exploration on the following grounds:</p> <ol style="list-style-type: none"> a) there are significant planning issues raised by exploratory wells which indicate it would be inappropriate to extend permitted development rights in this instance; b) there is no planning justification to treat shale gas exploration any differently to conventional hydrocarbons with regard to the exploration phase; c) any concern with slow decision making or refusals of permission can be appropriately redressed through existing planning legislation via an appeal against a refusal or non-determination of an application; and d) a prior approval process is not appropriate for this form of development and would place a significant resource burden upon mineral planning authorities. <p>Raise concerns about BEIS’s consultation proposal to include major shale gas development in the NSIP regime on the grounds that:</p> <ol style="list-style-type: none"> a) a clear justification as to why major shale gas development will be treated differently to major conventional onshore oil and gas development should be set out; and b) evidence in support of an appropriate definition of thresholds for major shale gas development is required. <p>Without addressing these concerns there is a risk that the proposal will be perceived to undermine local democratic accountability and integrity in the NSIP regime.</p>
Reason for Recommendation	<ul style="list-style-type: none"> • To ensure that permitted development rights for onshore oil and gas are dealt with consistently at the national level and to maintain important local scrutiny of exploration phases of such development • To ensure that the consistency and scope of the Nationally Significant Infrastructure Project regime is properly justified and appropriately applied.
Appendices	<p>Appendix A: Permitted development for shale gas exploration – consultation response from Dorset County Council;</p> <p>Appendix B: Inclusion of shale gas production projects in the Nationally Significant Infrastructure Project regime - consultation response from Dorset County Council</p>

Background Papers	Web link to consultation papers: <ul style="list-style-type: none">• MHCLG – Permitted development for shale gas exploration – Consultation• BEIS - Inclusion of shale gas production projects in the Nationally Significant Infrastructure Project regime - Consultation
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1. Context

- 1.1. The Government, through separate departments, is carrying out two consultations, both of which relate to onshore shale gas. The first of these is a consultation from the Ministry of Housing, Communities and Local Government (MHCLG) which seeks views on a proposal to grant permitted development rights to the exploration phase of shale gas which does not involve hydraulic fracturing. To enact such a change would require an amendment to the Town and Country Planning (General Permitted Development) (England) Order 2015 (GPDO) which performs the role of 'granting' planning permission for certain forms of development without the need for a planning application. The proposal would exclude any exploration involving hydraulic fracturing.
- 1.2. Schedule 2 of the GPDO sets out permitted development rights. Part 17 (Classes J and K) deals with mineral exploration, and specifically excludes boreholes for petroleum exploration from the permitted development rights conferred by Classes J and K. As a consequence, a planning application must be submitted to mineral planning authorities for all phases of oil and gas development, whether from conventional or unconventional sources, including the exploration phase. The GPDO would be amended under the Government's proposals so that exploration for shale gas that does not involve hydraulic fracturing would be permitted subject to certain limitations (for example that it would not require Environmental Impact Assessment).
- 1.3. Running parallel to this is a consultation from the Department of Business, Energy and Industrial Strategy (BEIS) which proposes the inclusion of major shale gas development within the Nationally Significant Infrastructure Projects regime. The Planning Act 2008 created a planning process for Nationally Significant Infrastructure Projects (NSIPs) in fields of development including energy, water, waste water, road and rail transport and hazardous waste disposal. For projects classed as NSIPs this regime becomes the only route for obtaining planning consent. The Planning Act 2008 defines the type and scale of infrastructure developments considered to be nationally significant. The final decision for granting development consent rests with the relevant Secretary of State depending on the type of infrastructure project.
- 1.4. If the Planning Act 2008 was amended to include major shale gas production projects as a Nationally Significant Infrastructure Project, then all future shale gas production projects that met defined thresholds would have to apply for development consent within the Nationally Significant Infrastructure Project regime. This would only apply to production phase projects, however, and not exploration or appraisal projects for which planning applications would continue to be considered under the Town and Country Planning Act 1990.
- 1.5. Local authorities would be a consultee under the NSIP regime. As part of the examination process, the Examining Authority will invite relevant local authorities to submit Local Impact Reports (LIRs). After the examination has been concluded, the Examining Authority will make a recommendation to the Secretary of State, who will make the decision on whether or not to make a development consent order authorising the project. In coming to a decision, the Secretary of State must have regard to any LIRs that are submitted.

2. Planning Background

- 2.1. The National Planning Policy Framework (July 2018) states that mineral planning authorities '*...should...recognise the benefits of onshore oil and gas development, including unconventional hydrocarbons, for the security of energy supplies and supporting the transition to a low carbon economy...*'. Planning policies '*should be put in place to facilitate their exploration and extraction*', and when planning for such development, mineral planning authorities should '*...clearly distinguish between, and plan positively for, the three phases of development (exploration, appraisal and production*' (para. 209).
- 2.2. As regards NSIP development, it is relevant to note that whilst some major energy-generating infrastructure falls within the NSIP regime, the extraction of fossil energy sources does not. In this context Dorset County Council is the Mineral Planning Authority for major onshore oil and gas development.
- 2.3. The adopted Minerals Strategy (May 2014) plans positively for onshore hydrocarbons and policies in this plan distinguish clearly between the three phases of development. Dorset is host to one of Western Europe's largest onshore oilfields at Wytch Farm and permission has recently been granted to extend the life of this oilfield until 2037. The County Council in its capacity as the Mineral Planning Authority therefore has a track record of positive planning for oil and gas development. It is in this context that the responses to the two consultations are framed.

3. Proposal to include shale gas exploration within permitted development rights

- 3.1. The purpose of the GPDO is to grant planning permission for certain forms of development that are generally of a more minor scale, or of a form, as to not warrant a formal planning application. In its proposal to include shale gas exploration within permitted development rights, the Government has expressed frustration that determination rates for planning applications involving shale gas exploration have been disappointingly slow, and that it also values the important role that shale gas can play in terms of economic development and energy security.
- 3.2. In the view of your officers, only those forms of development that are sufficiently minor in scale or impact should be granted permitted development rights. DCCs experience of the exploration phase (for conventional hydrocarbons) is that whilst its impact is likely to be of a lower magnitude (and for a shorter period) than the production phases, there is nevertheless the potential for significant planning implications that require careful evaluation before a consent can be issued. There is no evidence that this would be any different in the case of shale gas exploration, even where it does not involve hydraulic fracturing. Exploration phases are likely to involve temporary drill rigs, well pads, a fenced compound, subterranean drilling (sometimes at great depth or distance from the well site), logistical (access and delivery) challenges, and a need to engage with various consultees to understand potential impacts upon habitats, groundwater, heritage, amenity and so on. This would appear to fall outside the scope of what the GPDO is designed for and the proposal could result in development avoiding proper and appropriate scrutiny.
- 3.3. Your officers are also concerned that there is no justification in the Government's consultation as to why shale gas should be treated differently to the exploration phase for conventional onshore oil and gas. It is not considered that the Government's desire to speed up the delivery of shale gas development is a reason to circumvent due planning process for a form of development that could raise

significant material planning issues that need careful appraisal. Such issues may not be substantially different to those experienced with conventional oil and gas exploration which would continue to require express planning consent. Whilst the Government has expressed concern about slow progress in dealing with shale gas exploration applications, it should be noted that developers already have recourse to appeal against refusals or non-determination of planning applications.

3.4. A further concern expressed in the proposed response is that the consultation suggests a form of prior approval may be an option. It is the view of your officers that this is not appropriate for a type of development that requires careful scrutiny. Nor is it reasonable to place what would be a significant burden upon mineral planning authorities without any associated planning fee. This is particularly a concern given the controversial nature of shale gas where the demands upon the mineral planning authority in dealing with prior approval are likely to be similar to those it would experience if dealing with a planning application.

3.5. A proposed response to the consultation is attached at **Appendix A**.

4. Proposal to include major shale gas development in the NSIP regime

4.1. The Government (BEIS) is also consulting on a proposal to include major shale gas development within the NSIP regime which recognises that shale gas is seen by the government as a nationally significant potential energy resource. As part of the consultation the Government is seeking views on the scale of possible development thresholds for when the NSIP regime would apply. This approach is consistent with other forms of development that are currently within the NSIP regime.

4.2. Electricity generating infrastructure from fossil fuels in excess of 50 MW falls within the NSIP regime (National Policy Statement for Fossil Fuel Electricity Generating Infrastructure (EN-2)). This includes oil-fired power stations but does not include oil and gas extraction. Onshore wind or energy from biomass or waste also falls within the NSIP regime for development generating over 50 MW of energy (National Policy Statement for Renewable Energy Infrastructure (EN-3)). These examples are not directly comparable with energy extraction such as onshore shale gas development when attempting to define major development. Scale and impact would need to be quantified differently and so an appropriate definition would be required.

4.3. Dorset County Council has considerable expertise in dealing with conventional onshore oil and gas but has not dealt with shale gas development proposals. Notwithstanding this, it is recognised that factors such as the number and density of well sites (potentially significantly higher than for conventional oil and gas) could be used as part of a measure of significance, as well as the scale of the proposal. DCC also recognises that liberating shale gas through hydraulic fracturing is a largely unproven source of energy in this country and is also highly controversial. This is likely to require a national pool of expertise, significant resources in handling publicity and policing, and potential liability risks associated with restoration or remediation.

4.4. However, the consultation does not fully explain the case as to why major shale gas proposals might be treated differently to major conventional oil and gas development, nor does it give sufficient evidenced consideration to thresholds that might be used to identify a scale of development that is genuinely of national significance. It is the view of your officers that a case could be made but this should be clearly justified in the interests of transparency, local accountability and

maintaining the integrity of the NSIP regime. This will also be relevant to those mineral planning authorities dealing with conventional sources of hydrocarbon development who need to build trust and understanding with local communities in relation to onshore oil and gas.

- 4.5. Your officers suggest that Dorset County Council raises its concerns with the proposal to include major shale gas development within the NSIP regime on the grounds that:
- a) it has not been accompanied by a clear justification as to why shale gas is treated differently from conventional onshore oil and gas development; and
 - b) there are no detailed options or supporting evidence presented in the consultation with regard to thresholds for nationally significant shale gas development. Without well-reasoned thresholds it is difficult to comment, and the proposal risks being perceived as undermining local democratic accountability. It could in turn affect the integrity of the NSIP regime.
- 4.6. The proposed response suggests that further consultation on these matters should be done in advance of implementing the proposal, if the decision is taken to adopt it. The proposed response is attached at **Appendix B**.

Mike Harries
Director for Environment and the Economy
October 2018

APPENDIX A

Permitted development for shale gas exploration – [Consultation](#) (Ministry of Housing, Communities and Local Government) Consultation Response from Dorset County Council

Question 1

a) Do you agree with this definition to limit a permitted development right to non-hydraulic fracturing shale gas exploration? ~~Yes~~/No

Dorset County Council considers that this question is ambiguous as, to answer 'yes' could be taken as an implicit agreement that it is acceptable in principle to allow permitted development rights to encompass non-hydraulic fracturing for gas exploration purposes. Dorset County Council does not support the proposal to grant permission for non-hydraulic fracturing shale gas exploration through permitted development rights and it does not consider that the definition is appropriate in planning terms. This is for the following reasons:

- i) Schedule 2 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (GPDO) allows, in Schedule 2 (Class K) for the drilling of boreholes, seismic surveys or certain excavations for the purposes of mineral exploration. However, it specifically excludes drilling of boreholes for petroleum exploration. This also applies for temporary uses of land (Class J). The current proposal to allow permitted development rights for shale gas exploration would result in an inconsistent approach between shale gas and other sources of oil and gas but without any specific planning justification for making such a distinction. Notwithstanding the well-established regulatory regime that exists in the UK, oil and gas exploration introduces potentially different surface and below-ground infrastructure requirements from non-energy minerals such as sand and gravel. This can include well pads and drilling equipment, drilling to significant depths (including directional drilling), compound security, logistics for delivery and removal of drills and other infrastructure, lighting and so on. DCC therefore considers the current distinction in the GPDO is a sensible one to ensure that planning impacts can be properly managed even at the exploratory stage.
- ii) Conventional oil and gas reserves often exist together, and oil companies will normally use the exploratory phase to test for both. It would be very difficult to make any planning distinction between oil and gas at this stage as both can lead to the same planning implications when exploration takes place. Furthermore, shale beds may overlay conventional hydrocarbon reservoirs. This adds to DCC's concern that allowing for PD rights for non-hydraulic shale gas exploration could cause difficulties for mineral planning authorities when considering whether a proposal is permitted. It also has the potential to undermine public confidence in the planning system. This is likely to cause difficulties for mineral planning authorities when dealing with conventional oil and gas applications as there may be a widespread perception that all proposals have the propensity to lead to shale gas 'fracking' development.

b) If No, what definition would be appropriate?

For reasons set out in response to Question 1a Dorset County Council does not consider that there is a suitable definition to limit a permitted development right to non-hydraulic fracturing.

Question 2

Should non-hydraulic fracturing shale gas exploration development be granted planning permission through a permitted development right? ~~Yes~~/No

Dorset County Council has considerable experience in dealing with applications for conventional hydrocarbons and recently granted planning permission to extend the life of one of the largest onshore oilfields in Europe (Wytch Farm) until 2037 – a complex site involving nearly 40 separate planning applications covering over 100 well sites. The Council has also dealt positively with contentious applications for exploratory well sites in sensitive locations. This is in an area containing a World Heritage Site, two Areas of Outstanding Natural Beauty and an extensive network of Natura 2000 habitats. In its dealings with such applications nothing has led the Council to a position where it feels permitted development rights ought to be extended to oil and gas development. It is recognised that exploration is distinct from appraisal or development and usually will only be for a very limited period. Nevertheless, DCC's experience has been that there are often significant material planning matters that need to be examined when considering proposals for exploration; as a consequence, proposals that are granted planning are likely to have very specific planning conditions attached to them to properly manage the risk of potential impacts. It follows that there are risks associated with permitted development in this context.

Dorset County Council recognises the Government's position that domestic onshore gas production has the potential to play an important major role in terms of energy security and economic growth. The consultation document also expresses the Government's frustration with 'disappointingly slow' progress in the determination of applications for shale gas exploration. It is DCC's view that neither of these considerations should be used to circumvent the need for a planning application.

Developers can take issue with slow determination rates through the due process of appealing against non-determination and are also able to appeal refusals of permission. The fact that decisions take a long time may in fact reflect the often complex and challenging technical and environmental issues that need to be assessed even for exploratory wells. For example, when recently considering (and granting) planning permission for an exploratory well for conventional hydrocarbons, Dorset County Council screened the proposal negatively in relation to Environmental Impact Assessment but nevertheless faced a strong lobby that it should be screened positively. To reach its judgement the County Council needed to have a robust understanding of the environmental implications of the proposal.

To summarise, Dorset County Council does not support the introduction of permitted development rights in this instance because:

- There is no planning justification to treat shale gas differently to other conventional hydrocarbons (see DCC's response to Q1a)
- DCC's experience is that the exploration phase can raise significant environmental issues that need to be considered and potentially mitigated even at the exploratory phase such that it would be inappropriate to grant permitted development rights
- Any concerns over the length of time over decision-taking can be addressed through existing processes.

Question 3

a) Do you agree that a permitted development right for non-hydraulic fracturing shale gas exploration development would not apply to the following? Yes/~~No~~

- Areas of Outstanding Natural Beauty
- National Parks
- The Broads
- World Heritage Sites
- Sites of Special Scientific Interest
- Scheduled Monuments
- Conservation areas
- Sites of archaeological interest
- Safety hazard areas
- Military explosive areas
- Land safeguarded for aviation or defence purposes
- Protected groundwater source areas

b) If No, please indicate why.

c) Are there any other types of land where a permitted development right for non-hydraulic fracturing shale gas exploration development should not apply?

Notwithstanding Dorset County Council's view that permitted development rights should not apply in this instance, if the decision is taken to apply permitted development rights, any consideration of types of land should take account of proximity to sensitive land uses (residential, schools, etc.) and where such development would be screened positively under the Environmental Impact Assessment regulations.

DCC also notes that Provision 3 (paragraph 10) of the Town and Country Planning (General Permitted Development) (England) Order 2015 excludes development that is deemed to be EIA development within the provisions of Schedule 1 or 2 of the EIA Regulations unless it has been screened negatively or is otherwise exempted from the application of the EIA Regulations. It is understood that there is no proposal in the current consultation to alter this position. DCC considers that this position should remain unchanged in relation to permitted development rights and thus considers that EIA development should continue to be excluded from permitted development rights.

Question 4

What conditions and restrictions would be appropriate for a permitted development right for non-hydraulic shale gas exploration development?

DCC does not consider it is appropriate to use conditions and restrictions for a form of development that should not be treated as permitted development. The matters identified in the consultation, such as restoration, time limits, agreements with landowners and consulting relevant bodies are matters that properly should be dealt with through a planning application. It is likely that the exploration phase for oil and gas may require all such measures which would suggest that permitted development is not appropriate for this form of development.

Question 5

Do you have comments on the potential considerations that a developer should apply to the local planning authority for a determination, before beginning the development?

Prior approval will impose a resource demand upon planning authorities without any planning application fee income. It is also inevitable that any proposal involving shale gas will be highly contentious. Any form of prior consultation with the planning authority to look at conditions or restrictions would attract the same level of public attention adding disproportionately to workloads without any financial recompense. DCC has experience of conventional planning applications for exploratory wells that have taken up significant resources and required high-level engagement with police authorities and the media as well as high levels of public interest, and similarly for EIA screening/scoping opinions for such development. It is highly probable that shale gas proposals would create even greater resource demands.

Question 6

Should a permitted development right for non-hydraulic fracturing shale gas exploration development only apply for 2 years, or be made permanent?

DCC would not support a permanent permitted right.

Question 7

Do you have any views the potential impact of the matters raised in this consultation on people with protected characteristics as defined in section 149 of the Equalities Act 2010?

No comment

APPENDIX B

Inclusion of shale gas production projects in the Nationally Significant Infrastructure Project regime - [Consultation](#) (Department for Business, Energy and Industrial Strategy) Consultation Response from Dorset County Council

Question 1

Do you agree with the proposal to include major shale gas production projects in the Nationally Significant Infrastructure Project regime?

Dorset County Council (DCC) considers that there may be justification for including major shale gas proposals in the NSIP regime. However, this case has not been made in the consultation proposals. DCC is concerned that the NSIP regime should not be used to intervene in matters that could or should be determined at the local level, and is also of the view that no consideration has been given to the fact that shale gas would, under these proposals, be treated differently from conventional oil and gas development.

DCC therefore considers that, if major shale gas development is to be brought within the NSIP regime, this should be justified by a clear and evidenced narrative which:

- explains why the NSIP regime would apply to major shale gas development but not major conventional oil and gas development;
- uses appropriate thresholds for major development which are particular to shale gas.

Question 2

Please provide any relevant evidence to support your response to Question 1.

DCC has significant expertise in dealing with conventional hydrocarbons as it is the responsible Mineral Planning Authority for an area that includes Wytch Farm oilfield. DCC does not have any experience of shale gas applications. Notwithstanding this, DCC understands that the method of exploiting shale gas differs from conventional oilfields in relation to two important factors: the number of well sites that may be required; and the extensive use of hydraulic fracturing to liberate the shale gas. It may follow that these two factors are sufficiently different to make a distinction in planning terms between conventional and unconventional sources. (Note that this case is not so apparent for the exploration or appraisal phases.) However, this needs to be backed up by suitable justification if the Government is to proceed with the proposal to include major shale gas development within the NSIP regime. To do otherwise will be seen as an attempt to bypass local democratic accountability and could harm the integrity of the NSIP regime. It is also important to present a case for suitable thresholds for 'major' shale gas proposals to an extent that they are of national significance.

DCC considers that the definition of 'major' should encompass the key distinguishing arguments for it being both a nationally significant issue and distinct from conventional onshore oil and gas. DCC believes the following considerations could also be addressed in this justification:

- a) The extent to which a national imperative for a consistent approach to shale gas proposals is required in order to meet a (relatively) short term energy security need from what is currently an untested and unproven energy source;
- b) the rationale for any thresholds that are proposed;
- c) any potential risk for the mineral planning authority in dealing with restoration or remediation liabilities in the event of a failure on the part of a site operator to restore the site or deal with significant environmental breaches that might warrant a national approach;
- d) the technical resource implications of dealing with nationally significant projects, including any seismic, environmental or geological knowledge that could need access to a national pool of experts; and
- e) a specific need for the well-resourced management of high degrees of contention, public interest and media involvement.

Question 3

If you consider that major shale gas production projects should be brought into the Nationally Significant Infrastructure Project regime, which criteria should be used to indicate a nationally significant project with regards to shale gas production? Please select from the list below:

- a. **The number of individual wells per well-site (or 'pad')**
- b. **The total number of well-sites within the development**
- c. **The estimated volume of recoverable gas from the site(s)**
- d. **The estimated production rate from the site(s), and how frequently (e.g. daily, monthly, annually or well lifetime)**
- e. **Whether the well-site has/will require a connection to the local and/or national gas distribution grid**
- f. **Requirement for associated equipment on-site, such as (but not limited to) water treatment facilities and micro-generation plants**
- g. **Whether multiple well-sites will be linked via shared infrastructure, such as gas pipelines, water pipelines, transport links, communications, etc**
- h. **A combination of the above criteria – if so please specify which**
- i. **Other – if so please specify**

DCC considers that the case has yet to be made to justify treating shale gas differently to conventional hydrocarbons, and that if this approach is adopted, care will be needed to ensure thresholds are at an appropriate level. This is difficult to determine without extensive knowledge of shale gas development and it would have been helpful for the consultation to have included some detailed threshold options with some justification behind these.

As a general principle, DCC considers that the criteria used ought to reflect:

- Those aspects of shale gas that distinguish it from conventional onshore hydrocarbons;
- A threshold that can be reasonably deemed to be in the national interest to deal with via the NSIP regime, or which poses significant technical/liability issues that ought to be covered by the NSIP regime.

DCC's view is that this is likely to include a combination of a, b, c and d, as well as restoration and risk liabilities, particularly given the relatively unproven technologies involved. Criteria relating to pipelines is already covered by the existing NSIP regime.

Question 4

Please provide any relevant evidence to support your response(s) to Question 3.

DCC recognises that unconventional hydrocarbons are of interest nationally as a potential source of energy. Given that extraction techniques for shale gas on a large scale are generally unproven and contentious, proposals could pose significant challenges including matters relating to public interest/concern, national/international campaigning and lobbying, and the need for police involvement. Furthermore, shale gas development is likely to bring about different environmental and physical challenges in relation to the method of extraction and this would require significant technical expertise. It is possible that these factors could be used to argue in favour of a national approach under the NSIP regime for major shale gas development. However, this case needs to be made, both in relation to the differences between shale gas and conventional oil and gas, and the thresholds that would qualify for the NSIP regime.

Notwithstanding this, DCC can share its experience of dealing with conventional hydrocarbons as this may be helpful in illustrating some of the considerations that could be taken into account in setting a suitable threshold.

DCC is the responsible Mineral Planning Authority for Wytch Farm oilfield and has recently granted 39 separate planning applications to extend the life of the operation until 2037. This encompasses over 100 well sites across an area in excess of 2,400 hectares, with well pads covering about 11 hectares of this plus a further 10 ha of land at the gathering station. Being one of the largest onshore oilfields in Western Europe (producing between 14,000 and 16,000 barrels of oil a day), Wytch Farm can reasonably be classified as nationally significant. It is sensible for DCC to deal with applications for this site, given the authority's historical expertise and knowledge of the site.

Wytch Farm has about 1 ha of developed surface per 219 ha of land across the wider onshore operating area. This density rises to 1 ha of developed surface per 115 ha if taking into account the gathering station. This density of development is designed exclusively to deal with conventional oil and gas reserves and, in the light of modern practices, it is feasible that newer developments could achieve similar extraction rates with a smaller developed footprint.

It is understood that shale gas requires more well sites to achieve comparable outputs when compared with conventional oil and gas reservoirs. Density of well sites could therefore be a distinguishing feature for shale gas development in relation to the NSIP regime, and, when combined with scale of the proposal, could form part of a threshold.

Question 5

At what stage should this change be introduced? (For example, as soon as possible, ahead of the first anticipated production site, or when a critical mass of shale gas exploration and appraisal sites has been reached).

DCC would favour a further consultation in advance of implementation on:

- i) the case for including major shale gas development within the NSIP regime (taking account of some of the issues raised in this response); and
- ii) proposed thresholds for NSIP projects, the justification for these.

Question 6

Please provide any relevant evidence to support your response to Question 5.

It will be important to offer an opportunity for stakeholders to consider appropriate thresholds and any evidence as to why major shale gas development can be treated differently to other conventional hydrocarbon development. This will assist in terms of both the transparency and integrity of the regime.