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Local Plan
Planning Policy and Programmes
Warrington Borough Council
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Dear Sir/Madam,

RE: Warrington Local Plan

UKOOG is the representative body of the onshore oil and gas industry, including operators and its supply chain and we welcome the opportunity to comment on the Warrington local plan (the Plan).

UKOOG generally supports the policies of the Plan, but we believe that a number of clarifications and modifications are required to make the plan sound. Specifically, the policies relating to climate change and hydrocarbons. **In addition, the Plan should have regard and specifically refer to the May 2018 written Ministerial Statement by the Secretary of State for the Ministry of Housing, Communities and Local Government and the recent publication from the Committee on Climate Change Net Zero report (highlighted here in our context section).** UKOOG would welcome the inclusion of a statement expressing support for the development of onshore oil and gas, as set out in the NPPF.

The Plan sets out the vision for Warrington, stating the desire for the town to '*consolidate its position as one of the most important economic hubs in the UK*'. We support this vision, and firmly believe that the continued development of onshore oil and gas in the region will be instrumental in driving sustainable development in a key region of the northern powerhouse. UKOOG is also supportive of the proposal to '*minimise the impact of development on the environment through the prudent use of resources*'.

Context:

The Need for Oil and Gas Today

Oil and gas are critical to the UK economy, providing 75% of primary energy demand. Natural gas is used for more than 45% of territorial power generation, used for heating in 84% of UK homes and is a key feedstock for industry. Oil is used for 97% of transportation energy demand and is a key source of heating for rural communities, as well as being used to manufacture products we utilise every day, such as toothpaste and clothes.

In 2017, the UK consumed around 2.5 trillion cubic feet of natural gas, however we import 50% of that demand. The majority of these imports come from Norway, however over the coming decades our import sources will be more carbon intensive, deriving from far field countries, such as Russia, Qatar and Peru. As gas sources within the UK's local gravity decline, such as the North Sea, Norwegian continental shelf and the Netherlands, the UK must seek to ensure it has a sustainable supply of natural gas. UKOOG firmly believe the UK should exploit its very large natural gas resource (1350 trillion cubic feet) in the Bowland Hodder shale to prevent growing imports of liquified natural gas and long-distance pipeline gas. The development of domestic oil and gas resources prevents the offshoring of the UK's environmental responsibility and economic opportunity. For example, the UK spends £7 billion a year (£13 million per day) on natural gas imports and in 2018, 20% of our LNG imports were sourced from the Yamal Peninsula in the Russian Arctic. The UK paid £1 million per day to import Russian LNG, and no domestic tax receipts were generated, as is the case with all imported fuels. From 2020 to 2050 under a 2°C carbon budget, the UK is forecast to import over 50 trillion cubic feet and 6.8 billion barrels of oil (while satisfying UK carbon targets). These imports would represent an offshoring of \$800 billion; UKOOG sees this as capital which should instead be invested into the UK, including Warrington, which hosts Petroleum Exploration and Development Licenses (PEDLs) operated by IGas Energy and INEOS.

The Committee on Climate Change – Net Zero Report

The recent Committee on Climate Change report highlighted the need to move to hydrogen as a low carbon fuel source in heat, transport and industry and for natural gas directly in the power sector with Carbon Capture Utilisation and Storage (“CCUS”). The Committee stated that the least cost option for hydrogen production is steam methane reforming, or more efficient auto thermal reforming of natural gas combined with CCUS. As the Report notes on page 252 *“Significant reductions in natural gas consumption across buildings, industry and power in our net-zero scenarios are somewhat offset by new demand for gas to produce hydrogen”*.

The CCC forecast that the UK will require 600 TWh (1.9 tcf) of natural gas in 2050. This equates to a 32% reduction in UK gas demand from today. Based on forecasts by the Oil and Gas Authority for the UK continental shelf natural gas production (i.e. offshore), the UK would be reliant upon imported gas to meet 86% of demand by 2050.

The CCC's assessment in their 2016 report was that UK onshore gas would have a pre-combustion footprint of 28g CO₂/kwh, compared to BEIS's own figures for liquefied natural gas and long-distance pipeline forecasts of between 57g CO₂/kwh and 89g CO₂/kwh. These figures have been further backed up by a recent study for BEIS in April 2019.

In their net zero report, the CCC states very clearly that offshoring of emissions is simply not acceptable *“The design of the policy framework to reduce UK industry emissions must ensure it does not drive industry overseas, which would not help to reduce global emissions, and be damaging to the UK economy.”*

It is now beyond argument that the UK needs a secure long-term supply of methane to meet our net zero targets. It should be logical that the UK sources that methane not only from a diverse supply but also with the lowest emissions footprint – that being domestically produced onshore gas. Not doing so will ensure that the CCC recommendations are not met.

The Council may wish to consider how it would accommodate hydrogen production sites or sites created to facilitate hydrogen production such as gas production sites within the plan.

Recent Written Ministerial Statement

The Secretary of State on May 23rd 2018 reiterated support for the onshore oil and gas industry in planning terms. UKOOG believes it would be useful to update the local plan to reflect the statement:

On the 6th of March 2019, Mr Justice Dove handed down his judgment in the case of Stephenson vs SoS MHCLG [2019] EWHC 519 (Admin). In accordance with the terms of the Court Order, paragraph 209(a) of the National Planning Policy Framework has been quashed.

For the avoidance of doubt the remainder of the National Planning Policy Framework policies and, in particular, Chapter 17 on 'Facilitating the Sustainable Use of Minerals' remain unchanged and extant.

For the purposes of the National Planning Policy Framework, hydrocarbon development (including unconventional oil and gas) are considered to be a mineral resource. Specific policy on the planning considerations associated with their development is set out at paragraphs 203-205 and the remainder of 209 of the National Planning Policy Framework. In particular, paragraph 204(a) of the National Planning Policy Framework states that planning policies should "provide for the extraction of mineral resources of local and national importance" with paragraph 205 stating that "[w]hen determining planning applications, great weight should be given to the benefits of mineral extraction, including to the economy".

In addition, the Written Ministerial Statements of 16th September 2015 on 'Shale Gas and Oil Policy' and 17th May 2018 on 'Planning and Energy Policy' also remain unchanged and extant. The Written Ministerial Statements sit alongside the National Planning Policy Framework. Planning Practice Guidance is also unaffected by the ruling.

This suite of policies and guidance remain material considerations in plan making and decision taking for hydrocarbon development and they should be afforded appropriate weighting as determined by the decision maker.

We remain committed to the safe and sustainable exploration and development of our onshore shale gas resources.

Policies:

Our comments on the specific policies are as follows:

Policy DEV4 - Economic Growth and Development

UKOOG support the proposals to ensure economic growth and development in the Warrington area. UKOOG agrees with the justification that *'The National Planning Policy Framework (2019) states that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.'*

Onshore oil and gas production can bring significant economic benefits to the local area, including employment and tax revenue for the local council.

UKOOG also agree with point 4.2.23 which states *'The Policy also seeks to ensure that local residents have the opportunity to benefit from Warrington's economic growth and development.'* As part of the UKOOG community engagement charter, our operators have committed to giving 1% of the revenue of shale gas production sites to the local community and £100,000 for exploration sites that involve hydraulic fracturing. These funds can be used for local projects or can be given directly to families.

Point 20 of Policy DEV4 states that *'When the genuine needs of local rural businesses cannot be accommodated within settlement boundaries, and development would be located within the Green Belt, proposals will need to demonstrate that 'Very Special Circumstances' exist to warrant the granting of planning permission.'* UKOOG wish to reiterate that minerals including oil and gas can only be worked where they are found. In particular at an exploration stage sites are chosen principally on being able to map the geological structures and formations in order to choose sites for future development – without this ability to enhance the geological knowledge at exploration, further development would not be possible. Beyond the geological considerations, UKOOG operators will choose the most appropriate location to minimise local and wider social and environmental impact and to facilitate economic recovery, taking into account local transport accessibility, access to water and grid networks. **We believe the council should provide further information regarding this important distinction for minerals and particularly onshore oil and gas exploration, which can be undertaken on relatively very small sites over short periods of time and only where the resources are found.**

Point 4.2.24 and .25 of the supporting text to Policy DEV4 highlight that Fiddlers Ferry power station is likely to be decommissioned over the coming years, and the land could *'come forward for development and represents a major future brownfield redevelopment opportunity for new employment uses'*. SSE have recently announced that the plant will be shut.

It is also noted that the region is *'ideally suited to power generation, being connected to the National Grid with supporting infrastructure on-site, having rail and road transport links, benefiting from a supply of cooling water and having a skilled workforce.'* UKOOG believe these factors makes the region very suitable for onshore oil and gas extraction if the geology is suitable. It would also be possible, as mentioned in the policy, that the site could be redeveloped into a natural gas fired power station, which could be fuelled using locally produced natural gas.

Policy GB1 - Green Belt

The Plan's vision and spatial strategy details that:

'In the short term the Council considers that Warrington's economic strength and attractiveness will result in ongoing development pressure. This may initially be accommodated in the existing urban area through higher density development but these options still require Green Belt release. A lower level of development may reduce the ability of the Council to plan comprehensively for growth and as a result infrastructure delivery could be piecemeal and reactive' and that *'If the Council does not release additional land for employment, then the Council is concerned that in the medium and longer term Warrington's status as a key driver of the North West economy will be threatened'*.

UKOOG agree with both of these statements and welcome recognition of the need for sustainable use of land. UK onshore oil and gas sites are temporary in nature and once operations have ceased well sites will be restored to their former use, or agreed enhanced new use, in line with best practice required by the UK's strict regulatory regime.

As is detailed in the UKOOG report *'Developing shale gas and maintaining the beauty of the British countryside'*, a typical 10 well shale site will be very discreet. In terms of land use, in order to generate the same amount of energy from a wind or solar farm as that from a shale gas site – the land use required would for wind and solar are 450 to 750 times as great.

The UK onshore oil and gas industry has a long and proud history, having drilled over 2100 wells. Today there are 120 onshore oil and gas sites in the UK quietly producing around 25,000 barrels of oil equivalent per year.

Policy INF3 – Utilities and Telecommunications

As part of Policy INF3, the Plan describes that utilities in this circumstance would refer to:

- a. Water;
- b. Sewerage and surface water drainage;
- c. Gas;**
- d. Electricity; and
- e. Telecommunications.

UKOOG supports point 6 of the Policy:

'Development proposals for new, expanded or improved utility service infrastructure providing essential services and facilities, including electricity supply, gas or heating supply, water supply and waste water management, that comply with other relevant Plan policies will be permitted provided they can demonstrate that there is an identified need for such a facility within the Plan area, which cannot be met through existing facilities and that they minimise environmental harm, and provide adequate mitigation measures, in light of operational requirements and technical limitations.'

Policy DC3 – Green Infrastructure

Under Policy DC3 (4), the council will work to;

- a. secure a net gain in biodiversity;**
- b. to expand tree cover in appropriate locations across the Borough;
- c. to improve landscape character, water and air quality;
- d. to help adapt to flood risk and **mitigate the impacts of climate change;**
- e. to contribute to the development of the Northern Forest; and
- f. to contribute to the wider regional nature recovery network of wetland sites by enhancing the wetlands across Warrington.

Whilst the policy appears to be only relevant for green infrastructure projects, UKOOG wish to comment on the two objectives highlighted in bold.

UKOOG work closely with Natural England (a statutory consultee for onshore oil and gas development), and are generally supportive of net-gain proposals. Whilst we agree in principle, it may not always be appropriate for exploration sites, which are temporary in nature. In such cases, other options should be considered in dialogue with the planning authority and Natural England.

To 'mitigate to the effects of climate change' – UKOOG operator sites are managed to minimise environmental impact, governed by strict environmental permits administered by the Environment Agency, applying best available techniques.

As highlighted elsewhere in this document the council should make clear the role of the other regulators for onshore oil and gas, who perform their regulatory functions which the council can rely upon as set out in planning practice guidance.

Policy DC4 - Ecological Network

The Plan details that the borough contains;

- a. European Sites of International Importance
- b. Sites of Special Scientific Interest
- c. Regionally Important Geological Sites
- d. Local Nature Reserves
- e. Local Wildlife Sites
- f. Wildlife Corridors/Natural Improvement Areas

There are strict conditions already set out within legislation, such as that accompanying the Infrastructure Act 2015 as to where onshore oil and gas sites, particularly for the development of shale using HVHF can be located. For example, development in sites of special scientific interests are not permitted. UKOOG operators will work closely with the Council to identify suitable site locations in line with planning guidance and other regulatory requirements.

Policy DC6 - Quality of Place

Point 4 'Energy Efficiency' requires development proposals should:

- a. Encourage the introduction of environmental design principles and climate change adaptation features in the orientation of buildings and spaces and other detailed design;*
- b. Reduce energy and water use through appropriate design;*
- c. Encourage the use of renewable/low carbon technology as appropriate.*

UKOOG agree with the above statements. For example, the shift to condensing boilers in the UK has been a significant factor in gas demand reduction, and therefore energy use. It is also worthy of note that throughout the transition to a low carbon economy there will remain a significant proportion of homes connected to the gas grid.

UKOOG also wish to highlight that the growth of renewables and onshore oil and gas are not mutually exclusive. Under the deepest decarbonisation pathways outlined by the Committee on Climate Change, there is still a;

- recognised demand for the products and
- recognised significant import dependency without increases in domestic production

Policy ENV3 - Safeguarding of Minerals Resources

Para 9.3.8 states:

'Minerals are finite resources and their conservation and waste minimisation are important planning considerations. In order to conserve mineral resources every effort must be made to ensure that where practicable mineral bearing land is not sterilised by development and the value of mineral is identified for appropriate end uses.'

UKOOG fully supports the above statement. However, point 4 of Policy ENV3 states that;

*'Planning applications for development **within 250m of safeguarded areas** will need to demonstrate that impacts, e.g. noise, dust, light and air emissions, that may legitimately arise from the activities taking place in safeguarded areas would not be experienced to an unacceptable level by occupants of the proposed development and that vehicle access to and from the area would not be constrained by the development proposed.'*

We note that safeguarded areas do not include PEDL licence areas, we believe PEDL areas should be included.

Policy ENV5 – Energy Minerals

Exploration and appraisal of hydrocarbons

This policy states:

2. Planning permission will be granted for proposals for exploration and appraisal of oil and gas resources, within areas benefiting from a Petroleum Development Licence (PEDL), provided that:

a. the site and equipment is sited at a location where it can be demonstrated that it will accord with all other policies of the Local Plan in relation to the protection of the environment, public amenity and sustainable transport;

UKOOG agree with this statement, but note our previous statements that sites are chosen based on where the minerals are found and the plan **must recognise this distinction**. It is also worthy of note that it is not always possible for developments to accord with all policies in a local plan and weight must be attached having regard to the degree of inconsistency and mitigation proposed. In circumstances such as these, greater weight should be attached where development proposals are in the national interest.

b. the proposal provides for appropriate baseline monitoring prior to commencement of development;

We agree baseline monitoring of sites prior to commencement is important and is already subject to industry best practise and is a requirement of the environmental permitting system, regulated by the environment agency. In accord with PPG paragraph 113 the local authority should leave this to the Environment Agency as part of their regulatory remit. Paragraph 113 states...." they should not need to carry out their own assessment as they can rely on the assessment

of other regulatory bodies.” This paragraph should therefore be removed or amended to reflect the EA role. A remit for various types of monitoring also lies within other regulators., this should be made clear.

c. the timely restoration and subsequent aftercare of the site is secured, whether or not oil or gas is found.

UKOOG agree with this proposal. It should be noted that below the ground activities are governed by the Health and Safety Executive and the Oil and Gas Authority as part of their ongoing regulatory remits and therefore local authorities are only required to look at surface issues.

Commercial exploitation of hydrocarbons

3. Planning permission will be granted for proposals for commercial exploitation of oil and gas, provided that:

a. a full appraisal programme for the oil or gas field has been completed;

A full appraisal programme within a licence area, which may include a “field development plan” (FDP) or more than one FDP is a regulatory function of the Oil and Gas Authority through their licencing process. Where such a plan is available the operator will look to engage strategically on such plans.

b. the proposed location is the most suitable, taking into account environmental, geological and technical factors;

The term ‘most suitable’ requires further clarification and must recognise that oil and gas can only be extracted where it is found. UKOOG suggest that the words ‘most suitable’ are removed.

c. the cumulative impacts of the development of the gas field and essential associated infrastructure have been assessed;

Applications for onshore oil and gas should be treated on their own merits but plans will take into existing cumulative developments.

d. proposals accord with all other policies of the Local Plan in relation to the protection of the environment, public amenity and sustainable transport.

UKOOG firmly believe that the local plan should reiterate that Warrington should ‘plan positively’ for onshore oil and gas development, as well as distinguishing the phases of development.

UKOOG also notes that ENV5 supports coal mine methane applications. We support this proposal as by extracting and utilising the methane that would otherwise be vented into the atmosphere, it performs an important environmental service in the abatement of a potent greenhouse gas.

Policy ENV6 – Restoration and Aftercare of Mineral and Waste Sites

Policy ENV6 states that:

1. Applications for mineral extraction and/or landfill/land raising of waste sites will be permitted where they are accompanied by appropriate proposals for site restoration and aftercare. This should include the following:

- a. Details of the final restoration scheme and proposed future land use;*
- b. Details of timescales for completion of restoration including details of completion of individual phases of restoration where a progressive restoration scheme is proposed;*
- c. Details of aftercare arrangements that are to be put in place to ensure the maintenance and management of the site once restoration is complete; and*
- d. Details of community liaison measures to be put in place during the operation of the site including mineral extraction (and/or landfilling/land raising), restoration and final land use.*

UKOOG agree with the above requirements but requests the Council to note previous comments made above having due regard of the roles of the other regulators.

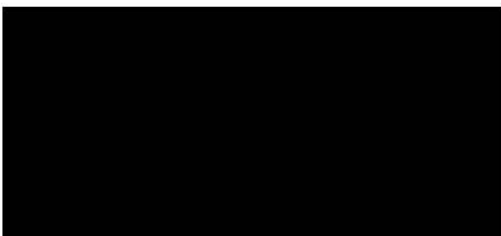
Policy ENV8 - Environmental and Amenity Protection

ENV8 outlines general principles of environmental protection which appear sensible. However as per previous comments regarding site location and other regulators, UKOOG believe the following points are relevant:

- **Minerals can only be worked where they are found – the geology first approach**
- **Matters such as air quality and water quality are considerations for other regulators namely the Environment Agency.**

We would be pleased to continue to engage on the future development of the local plan and if you have any questions, please do not hesitate to contact us.

Your faithfully



Steve Thompsett
Executive Director
UK Onshore Oil and Gas