



Department for
Business, Energy
& Industrial Strategy

The Rt Hon Claire Perry MP
Minister of State for Energy and Clean Growth

Department for Business, Energy &
Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Kevin Hollinrake MP
House of Commons
London
SW1A 0AA

T +44 (0) 20 7215 5000
E enquiries@bis.gov.uk
W www.gov.uk

Our ref: MCB2018/06354/ss



10 April 2018

Dear Kevin,

Thank you so much for your letter dated 5 March 2018, addressed to Greg Clark MP, about shale gas licences and exploration in your constituency. I am responding, as this matter falls within my portfolio.

Your letter highlights some pertinent issues and I thank you for setting out your recommendations as you have. As my Department has previously communicated to you, all onshore oil and gas projects, including shale gas, are subject to scrutiny through the planning system, which addresses impacts on local residents such as traffic movements, noise, and working hours. Any separation distance between shale gas sites and other developments can be set by local planning authorities through planning conditions.

In relation to your concerns around the cumulative impact of shale sites, National Planning Policy is clear that Local Authorities have the power to assess and restrict the cumulative effects of shale sites, including any adverse impacts on the natural or historical environment. The Government continues to hold the view that these protections are sufficient and there should be no arbitrary "buffer zone" enforced between shale gas sites and residential areas, because what may work for one community may not work for another.

Planning conditions can also be set in relation to site abandonment and surface restoration, and this includes the provision of security by shale gas operators to fund such restoration. In the unlikely event that a shale gas operator was to become insolvent, and no previous operators of the well could be found to decommission it, the liability for decommissioning could ultimately pass to the landowner. My Department is working closely with the shale gas industry to deliver an industry-led solution to mitigate this risk.

One of the central aims of the current regulatory framework is ensuring that wells are appropriately designed and operated and that when operations cease they are properly decommissioned. The Health and Safety Executive (HSE), scrutinises the plans for the well at the outset, including the plans for decommissioning and the operator reports to them during the decommissioning process.

It is an Environment Agency (EA), requirement that a site condition report is submitted by the operator as part of its Environmental Permitting regime, that demonstrates that the site is in a satisfactory state when they surrender their environmental permit. It is important to note that, when operations finish, the licensees are responsible for the safe decommissioning of wells and for restoring the well-site to its previous state or a suitable condition for re-use.

HSE and the EA have confirmed they have sufficient specialist inspectors to deliver the regulatory regime they are responsible for during the current shale gas exploratory phase. If a large number of wells are drilled in order to produce shale gas (the production phase) HSE and EA may need to increase resource accordingly. There are plans in place to review their resource at the relevant times.

There is no risk of production increasing too quickly for regulators to keep pace, as happened in some cases in the United States. Before activities can begin the operator will need to have received the relevant permits from the regulators, any excess applications would be held until the regulator was able to take a decision. The Government (including devolved governments) funds the work of the environmental regulators up to the point at which a company applies for a permit. The permit charge the operator pays is designed to cover the cost of permitting a facility.

Community engagement during the early stages of industry advancement is vital. My Department is working with the regulators to ensure that the public understand how our regulatory regime works, and with the industry to encourage effective engagement which addresses local communities' concerns.

There has been substantial national debate on shale, both in the media and Parliament. My Department will continue to be proactive, clear about the actions we take to enable development, and challenge myths and misconceptions. We will continue to engage with local communities and do more to ensure the public has the opportunity to hear from independent experts best placed to comment, based on factual evidence.

Thank you again for taking the time to write. I hope you find this information useful.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'CP' followed by a long horizontal stroke.

THE RT HON CLAIRE PERRY MP
Minister of State