



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

Clive Betts MP
House of Commons
London
SW1A 0AA

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

4 December 2018

Dear Clive

Thank you for your letter of 23 October to Kit Malthouse and me, regarding the recent shale gas consultations, the creation of the Shale Environmental Regulator Group and the appointment of a Commissioner for Shale Gas. I am writing to you as a number of these policy developments fall within my portfolio.

Consultations and the Written Ministerial Statement

The consultations on Permitted Development Rights for non-hydraulic shale gas exploration development (MHCLG-led) and on whether production phase shale gas projects should be moved into the Nationally Significant Infrastructure Project (NSIP) regime (BEIS-led) closed on 25 October. Our Departments are now in the process of analysing the large number of consultation responses which have been received.

The Government cannot pre-judge the outcomes of these consultations, however we have been clear that in order to implement any of the proposed changes, new secondary legislation would be required, and further consultation(s) would need to be carried out.

As you have clarified in your letter of 5 September, our NSIP consultation document explains that "*we are not proposing, or seeking views on, a National Policy Statement (NPS) for shale gas production at this stage*". It is not a requirement to have an NPS to support a NSIP. However, we will review this as part of our consideration for any future consultation.

In accordance with commitments made in the Written Ministerial Statement of 17 May, to which you refer, the Government has recently launched a further consultation seeking views on whether applicants should be required to conduct pre-application consultation with the local community prior to submitting a planning application for shale gas development. The consultation is open until 7 January 2019, and I would be grateful if you could draw this to the attention of your Committee members: www.gov.uk/government/consultations/compulsory-community-pre-application-consultation-for-shale-gas-development

Further to a commitment made in the May Written Ministerial Statement, on 5 October we launched the Shale Environmental Regulator Group (SERG). The SERG will bring the regulators (Oil and Gas Authority, Health and Safety Executive and Environment Agency) together as a virtual body for the environmental aspects of regulation, including the regulation of induced seismicity from such operations. It will act as one, coherent face for local authorities and industry, helping to resolve regulatory issues on sites and sharing best practice with local authorities considering shale gas applications.

As you have noted, the www.gov.uk webpage entitled 'Guidance on fracking: developing shale gas in the UK'¹ was updated on 11 October to announce the launch of the SERG and the appointment of the Commissioner for Shale Gas. The webpage was also updated to include the Oil and Gas Authority's infographic on seismic activity and the traffic light monitoring system. We are currently in the process of updating the Regulatory Roadmap which provides detailed information on the process operators must follow when seeking to drill for any form of onshore oil and gas in the UK. The update will consolidate regulatory changes made in recent years, such as the process of applying for hydraulic fracturing consent. My officials will ensure that your Committee is notified of the updated document once it is finalised and uploaded on the webpage.

The appointment of the Commissioner for Shale Gas

With regards to your interest in the recent appointment of the Commissioner for Shale Gas, a selection process was run in accordance with the governance code on public appointments. This included the use of an online public advert for the role on the Cabinet Office public appointments page and an appropriate advisory assessment panel, including a senior independent panel member, to conduct both the sift and interview stages. Candidates were judged solely on whether they were deemed to meet the essential criteria for the position. In total there were 18 applications received and four candidates were taken through to interview. Two candidates were deemed to be appointable.

Natascha Engel was announced as the successful candidate on 5 October. The commissioner will be a contact point for residents, to listen to their concerns, refer them to relevant and factual research and help improve communication with regulators and industry. Natascha has been appointed for a two-year term and will be remunerated at the level of £500 per day with an expected annual effort of 96 days, which is subject to review. Remuneration levels were subject to BEIS SCS Recruitment Panel scrutiny and approval.

As you will be aware, Natascha Engel was Member of Parliament for North East Derbyshire from 2005 to 2017. She has first-hand experience of the local impact of shale gas developments and also has experience of working closely with industry, regulators and government on how to best engage local communities on this important topic.

The monitoring of seismicity

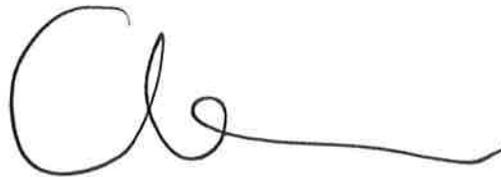
Finally, let me turn to the subject of seismicity monitoring at the Preston New Road site. Our regulations ensure that the risk of seismic activity during hydraulic fracturing is assessed and that operations are monitored to allow action to be taken where necessary, as set out in an agreed Hydraulic Fracture Plan (HFP). The HFP must be approved independently both by the Oil and Gas Authority (OGA) and by the Environment Agency (EA), with the Health and Safety Executive (HSE) having the opportunity to comment too.

¹ <https://www.gov.uk/government/publications/about-shale-gas-and-hydraulic-fracturing-fracking/developing-shale-oil-and-gas-in-the-uk>

The OGA has been satisfied that to date all recorded events at the Preston New Road site have been in line with the geological understanding set out in the Hydraulic Fracture Plan and that Cuadrilla are managing the risk of induced seismicity.

As I have recently stated in the House, the Government is not considering weakening the monitoring controls on seismicity.

Yours ever,

A handwritten signature in black ink, appearing to be 'C. Perry', with a long horizontal flourish extending to the right.

THE RT HON CLAIRE PERRY MP
Minister of State

