

Number: WG36695



Llywodraeth Cymru
Welsh Government

Welsh Government

Petroleum Extraction Policy Consultation: Response

Date of issue: December 2018

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview	<p>Petroleum Extraction Policy Consultation: Response</p> <p>Welsh Government petroleum extraction policy consultation outcome and response</p>
Action Required	<p>None - for information only.</p>
Further information and related documents	<p>Large print, Braille and alternative language versions of this document are available on request.</p> <p>This document can be accessed from the Welsh Government's website at https://beta.gov.wales/petroleum-extraction-policy-wales</p>
Contact details	<p>For further information:</p> <p>Address: Fossil Fuel Policy – Petroleum Consultation Division of Decarbonisation and Energy Department for Energy, Planning and Rural Affairs Welsh Government Cathays Park Cardiff, CF10 3NQ</p> <p>email: YmatebionYnni-EnergyResponses@gov.wales</p>

General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:
Data Protection Officer:
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

e-mail:

Data.ProtectionOfficer@gov.wales

The contact details for the Information Commissioner's Office are:
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.uk/>

Welsh Government petroleum extraction policy Consultation Outcome

The Wales Act 2017 was an important step in handing further control to Welsh Ministers for the consenting of energy projects in Wales including the future onshore licensing of oil & gas extraction. The new powers were an opportunity to consider what the appropriate balance of energy sources in Wales should be now and in the future.

To inform the development of a policy for onshore petroleum licensing Welsh Government commissioned reports to examine the evidence and then sought views on the evidence through a consultation. The consultation collated the existing evidence relating to onshore petroleum extraction and set out the risks and opportunities which could apply to the extraction of onshore petroleum reserves in Wales.

Where evidence was not available on the types of petroleum and associated extraction techniques used in Wales, additional advice was commissioned and published alongside the consultation.

The analysis of the evidence set out in the consultation was also informed by our duties under a number of important pieces of legislation. The Wellbeing of Future Generations Act requires us to demonstrate how the actions we take will improve the well being of Wales. The Environment (Wales) Act 2016 has placed a duty on Welsh Ministers to ensure Welsh carbon emissions in 2050 are at least 80% lower than the 1990 baseline. Finally, the statutory Natural Resource Policy sets out our approach and priorities to sustainably managing our natural resources.

The consultation considered the impact of future petroleum extraction and set out an analysis of the evidence. The consultation also set out a proposed petroleum extraction policy for Wales which was not to undertake any new petroleum licensing in Wales or support applications for hydraulic fracturing petroleum licence consents. The 3 month consultation sought views on the draft petroleum policy, on the evidence and analysis upon which it is based and also provided an opportunity for the public and organisations to put forward additional evidence.

1,964 responses were received in response to the consultation. Welsh Government commissioned Miller Research to collate, evaluate and analyse all the consultation responses. A copy of the Miller analysis report is published today and can be found located at; <https://beta.gov.wales/petroleum-extraction-policy-wales>

The majority of responses expressed support for the proposed Petroleum Extraction policy as set out in the consultation. However, some respondents disagreed with the proposed policy. A summary of the key issues raised in consultation responses regarding the evidence and the proposed policy are set out at Annex 1, along with our response to these issues.

Consultation Outcome

The majority of responses expressed support for the draft policy to not undertake any new petroleum licensing in Wales or support applications for hydraulic fracturing “fracking” petroleum licence consents.

A majority of responses expressed opposition not just to the process of fracking but also methane extraction, including Coal Bed Methane, from coal seams. Some respondents indicated additional evidence was required on Coal Bed Methane extraction and its associated fugitive emissions. Without such evidence, respondents felt unable to give their support to future extraction.

The vast majority of individual replies and campaign responses concluded socio-environmental impacts would be numerous and predominantly negative with petroleum extraction. Many of the responses also noted transport impacts would be negative in the areas local to drilling. Concerns were raised about the short and long-term effects of petroleum extraction on physical and mental health and wellbeing.

The long-term benefits to local communities were not expected to be transformative and it was expected there would be risks to the local environment. The majority of responses stated if no extraction took place then monitoring operations, decommissioning and aftercare was not required. Concerns were raised that the evidence, presented by the Regulatory bodies, which stated harmful emissions could be mitigated was insufficiently robust.

A small number of respondents, mainly from industry, disagreed with the draft policy. Respondents indicated petroleum extraction would deliver benefits, including economic growth and reduce Wales’ reliance on imported energy, whilst transitioning to low carbon energy.

Companies and bodies related to the petroleum industry consider gas and oil essential to Wales’ energy mix which is proven by the current levels of imported gas. Responses from a number of organisations and licence holders considered the risks from climate change, health and decommissioning were predictable and controllable.

To meet climate change targets, Wales has made a long-term commitment to remove fossil fuels from the energy mix and *Taking Wales Forward 2016-2021* set out the Welsh Government’s opposition to fracking, subject to evidence.

The analysis of the evidence and consultation responses supports our conclusion that in sustainably managing our natural resources Wales’ interests will not be served by exploring or developing new sources of petroleum extraction. There was strong support for the proposed position of not allowing fracking.

In conclusion the policy set out in the consultation will therefore be adopted which is;
To not undertake any new petroleum licensing in Wales, or support applications for hydraulic fracturing petroleum licence consents.

The definitions relating to Oil & Gas policy remain as outlined in the consultation;

- Any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata (Petroleum Act 1998)

- Oil or gas extraction” means a development connected to the exploration, appraisal or extraction of oil and gas.

Exceptions will only be considered where the recovery of oil or gas is required for mine safety or scientific purposes as set out in the consultation.

Annex 1: Welsh Government Response to the Petroleum Consultation

Q1. Do you have a view on the climate change evidence?	
Issues Raised	Welsh Government Response
The existing regulatory framework, monitoring requirements and available technologies are sufficiently effective and robust to minimise the potential climate change impacts.	<p>We recognise the view of industry, the Health and Safety Executive and Natural Resources Wales that the technology and regulatory framework exists to allow for safe extraction of petroleum reserves and to minimise the release of greenhouse gases during production.</p> <p>However, it is important to recognise gaps in the evidence base do exist and more knowledge is needed to better understand the technology to minimise risk and how current regulations can best be applied.</p> <p>The preferred policy approach allows for purely scientific research that would improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p>
Other industries have a greater impact on greenhouse gas emissions while petroleum production emissions would be relatively small.	<p>We recently consulted on a low carbon pathway for Wales. The consultation sought views on what actions we should take to reduce greenhouse gas emissions by 2030. The pathway consultation highlights Wales's current emissions and the challenges and opportunities of decarbonising across different sectors.</p> <p>The consultation can be found here. The consultation presents ideas for action on the transition from fossil fuels and increasing renewable energy production. The consultation considers carbon capture and storage options, and the decarbonisation of power, transport, buildings, agriculture, industry, the public sector and waste.</p> <p>Although petroleum production emissions are likely to be relatively small they will still be additional emissions within the Welsh inventory.</p> <p>In broad terms, extraction of petroleum will contribute to the additional supply of petroleum within the energy system and it is difficult to know whether such a supply will displace imported petroleum or simply depress existing prices and create additional demand.</p>
A reliance on imported petroleum	UK Government remains responsible for energy policy, including the sourcing and

<p>conflicts with our decarbonisation policies and relies on countries with inferior regulatory controls.</p>	<p>import of oil and gas from outside of the UK.</p> <p>However, the Welsh Government has set a target of generating 70% of electricity demand from renewable sources by 2030.</p> <p>Whilst we acknowledge the role for gas as a transition fuel until it is replaced by renewables and low carbon nuclear generation, introducing an additional supply of petroleum to Wales could displace investment in renewable energy systems.</p>
<p>A petroleum industry would decrease the dependency on other more polluting energy sectors, such as the coal.</p>	<p>The UK Government recently consulted on the cessation of unabated coal generation by 2025, which we support. It is already part of UK and Welsh Government energy policy to remove the role played by coal in energy generation.</p> <p>More broadly, fossil fuels, including shale gas and coal bed methane, will not usually be compatible with Welsh Government decarbonisation targets. The Welsh Government's policy objective is therefore to avoid the continued extraction and consumption of fossil fuels.</p>
<p>Evidence from the USA suggests that exploiting domestic sources of petroleum would result in reduced emissions.</p>	<p>Caution is required when extrapolating evidence from other countries to Wales since the data used are country-specific and the mode of operation, underlying geology, local site specific factors, local socio-political demographics and the regulatory regime are likely to be very different.</p> <p>The Welsh Government evidence reports do incorporate evidence from outside of Wales, but only following a thorough review of its applicability by relevant technical experts.</p> <p>Evidence from the USA does indicate they have benefited from an overall reduction in greenhouse gas emissions. However, the USA is also a significant exporter of its petroleum and coal (which has been displaced by shale gas), and these exports contribute significantly to global greenhouse gas emissions.</p> <p>Furthermore, a growing body of evidence suggests in addition to replacing coal, natural gas in the USA has crowded out other technologies such as renewables and nuclear.</p>
<p>Renewable energy requires a back-up energy system based on gas-powered</p>	<p>As the energy system decarbonises, gas generation is expected to continue to play a role in the energy mix, for example, providing peak power to meet periods of high</p>

<p>generation.</p>	<p>demand and variable supply. The extent of this role and the likely scale of gas plant deployed varies under different future energy scenarios. Carbon Capture and Storage (CCS) technology could reduce the carbon impact of fossil fuel generation; however, to date this technology is unproven.</p> <p>As considered in the low carbon pathway for Wales, we need to continue to develop and support new forms of renewable energy to create a balanced multi-vector energy system.</p> <p>The Welsh Government is committed to reducing fossil fuel generation to decarbonise energy generation in Wales.</p> <p>Wales generated an estimated 32.5 TWh of electricity in 2017, more than twice what it consumed. Wales is, therefore, a significant net exporter of electricity to England, Ireland, and the wider European network.</p> <p>Welsh renewables generated electricity equivalent to 48% of Wales' consumption in 2017. Our target is to generate the equivalent of 70% of the electricity we use from renewables by 2030.</p> <p>The Energy Generation in Wales 2017 report can be found here.</p>
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Q2. Do you have a view on the Socio Environmental evidence?	
Issues Raised	Welsh Government Response
<p>Your evidence does not provide any irrefutable argument against the pursuit of petroleum on environmental grounds.</p> <p>There is no evidence that petroleum extraction will result in ground water pollution and that existing regulations would be effective.</p>	<p>We recognise the view of industry, the Health and Safety Executive, Public Health Wales and Natural Resources Wales that the technology and regulatory framework exists to allow for safe extraction of petroleum reserves and the potential risks to public health from exposure to the emissions associated with petroleum gas extraction should be low if the operations are properly run and regulated.</p> <p>However, it is important to recognise there will be environmental impacts from production, transport, processing and site construction, and gaps in the evidence base do exist and more knowledge is needed to better understand the technology to</p>

	<p>minimise risk and how current regulations can best be applied.</p> <p>The preferred policy approach allows for purely scientific research which would improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p> <p>The consultation and the proposed preferred policy sought to consider not just the environmental issues and regulation of the industry, but also it's wider potential impact on society, the well-being of Welsh citizens and our role as a global citizen. We do not believe the evidence set out in the consultation, alongside the analysis, presents a compelling case that the benefits of petroleum extraction outweigh our commitment to sustainably manage our natural resources.</p>
<p>The socio-environmental evidence was based on a broad range of assumptions and is therefore unreliable.</p>	<p>This socio-economic research was undertaken by Cardiff University using the best available information and data. The analysis tools utilised have been subject to a thorough peer-review in the academic literature and have been applied successfully to other industry sectors.</p> <p>It is a necessary requirement of all modelling, especially where there is little real-world data, to apply assumptions. The assumptions utilised in the socio-economic report are the product of a thorough investigation by Cardiff University and are supported by a large body of peer-reviewed research.</p> <p>The sensitivity of the model outputs to assumptions used was analysed to ensure balanced conclusions.</p> <p>All assumption applied are available for scrutiny via the consultation evidence reports and the associated references:</p> <ul style="list-style-type: none"> • Irfan, M., 2014. An integrated, multi-criteria, spatial decision support system, incorporating environmental, social and public health perspectives, for use in geoenery and geoenvironmental applications, Cardiff University. • Irfan, M., Koj, A., Sedighi, M., Thomas, H.2017. Design and development of a generic spatial decision support system, based on artificial intelligence and decision analysis. GeoResJ,14,pp. 47-58.

<p>Respondents believed that evidence from other countries reflected overwhelmingly negative social and environmental impacts.</p>	<p>Caution is required when extrapolating evidence from other countries to Wales since the data used are country-specific and the mode of operation, underlying geology, local site specific factors, local socio-political demographics and the regulatory regime are likely to be very different.</p> <p>The preferred policy approach allows for purely scientific research which would improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p>
<p>Communities can be impacted positively by petroleum extraction sites, through for example, a community benefits package.</p>	<p>The evidence from the 2015 Regeneris study presented in the consultation is that economic impacts are likely to be short-lived and transitory, with many of the high-paid technical roles being filled from outside of the local community.</p> <p>We are unwilling to risk the future well-being of communities when the potential for long term jobs is small.</p> <p>We do recognise a community benefit package, similar to the Shale Wealth Fund, could benefit local communities. However, such a package would not negate the potential environmental and climate change impacts that petroleum production would create.</p>

Q3. Do you have a view on the Health evidence?	
Issues Raised	Welsh Government Response
<p>Regulation could overcome any negative health implications.</p> <p>No credible or irrefutable evidence has been put forward to prove any of the “wild health scare claims that are being bandied about.”</p>	<p>We recognises the view of industry, the Health and Safety Executive, Public Health Wales and Natural Resources Wales that the technology and regulatory framework exists to allow for safe extraction of petroleum reserves and the potential risks to public health from exposure to the emissions associated with petroleum gas extraction should be low if the operations are properly run and regulated.</p> <p>However, it is important to recognise gaps in the evidence base do exist and more knowledge is needed to better understand the technology to minimise risk and how current regulations can best be applied.</p> <p>The preferred policy approach allows for purely scientific research which would</p>

	<p>improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p>
<p>A large amount of more up to date, peer reviewed health evidence is available than what was presented in the health evidence report.</p> <p>It is sensible and right to base public policy on sound scientific data.</p> <p>What are the 'gaps' in the data, especially in the context of the UK's regulatory environment?</p> <p>Additional evidence through progressing the industry in Wales is required.</p> <p>Future policy cannot be based on the little Wales specific evidence that is currently available.</p>	<p>The evidence provided by Public Health Wales was intended as only an initial review. Public Health Wales recommended should petroleum extraction progress in Wales, a detailed Wales-specific review to better understand the environmental and wider health implications of petroleum production should be undertaken.</p> <p>We agree should petroleum extraction be permitted in Wales, such a detailed review should be undertaken. This review would be the mechanism to identify new information, and how to best address any gaps. Such a review would generate and analyse Wales's specific data.</p> <p>The preferred policy approach allows for purely scientific research which would improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p> <p>Whereas we recognise that the health evidence provided was only an initial consideration, our preferred policy position was determined against multiple legislative and policy requirements, and evidence covering socio-economic, economic, climate change, after-care and planning impacts.</p>
<p>Respondents were concerned about industry and the government ignoring or covering up health evidence.</p> <p>There is not the resource required to monitor all aspects of petroleum extraction and self-monitoring was seen as unreliable.</p>	<p>The environmental permitting regime requires petroleum operators to monitor and report on emissions to water, surface water, ground and air if:</p> <ul style="list-style-type: none"> • The permit allows ongoing releases to the environment; • There is a particular risk of release to which we need to be alerted; or • To check the effect of the activities on the environment is as predicted. <p>Natural Resource Wales, the environmental regulator, applies a monitoring certification covering the monitoring systems (for example, instruments, analysers and equipment), the competency certification of personnel, the accreditation of laboratories and organisations involved in sampling.</p> <p>All monitoring data is collected and reviewed by Natural Resources Wales to ensure compliance with the permit conditions. Much of this data is available via the Public</p>

	<p>Register.</p> <p>All operators must comply with their permit conditions which stipulate the monitoring and reporting requirements. Further information on how to comply with an environmental permit can be found here.</p> <p>Welsh Government is committed to open and transparent decision making. Information on how we will determine petroleum consent applications can be found here. This web-page will also contain the technical guidance supplied to petroleum operators.</p>
<p>There was concern about regulation and the ability of the Welsh Government to effectively regulate and monitor the industry.</p>	<p>Welsh Ministers are responsible for the administration of existing licenses, covering exploration, production and decommissioning. We are currently developing the necessary processes and guidance to manage existing licences, and will work with Natural Resources Wales, Health and Safety Executive and local planning authorities to ensure the regulatory framework is effective.</p> <p>Such a framework is required for the ongoing administration of existing licences.</p> <p>Information on how we will determine petroleum consent applications can be found here. This web-page will also contain the technical guidance supplied to petroleum operators.</p>
<p>The extraction methods, de-watering and hydraulic fracturing are not relatively new as the evidences states and that the coal mining that took place in Wales was far more invasive than the drilling techniques used in the conventional and/or unconventional gas industry today.</p>	<p>We recognise the drilling of a borehole is a common and well understood activity. However, it is our view de-watering and hydraulic fracturing in the context of petroleum extraction, while not necessarily modern techniques, can generate potentially significant environmental hazards.</p> <p>We have not considered the impact of petroleum extraction relative to other extractive or mineral industries (current or historic); rather, we have considered its specific impact in terms of the role of fossil fuels in Wales. In particular, we have considered the role of petroleum in light of the current climate and environmental concerns and Wales' commitment to move towards renewables and contribute to the global need to reduce carbon emissions.</p>
<p>Multi-national companies operating within the regulatory frameworks from outside of the UK could apply business and</p>	<p>All companies operating within the UK are subject to UK laws. Their business and operational performance must conform to UK law, including through planning consents,</p>

operational practices from other countries.	environmental permits, petroleum licences and Health and Safety Executive consents.
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Q4. Do you have a view on the Transport and Planning evidence?	
Issues Raised	Welsh Government Response
Effective control measures could mitigate against the impact of traffic movements.	<p>We recognise the view of local planning authorities that for specific developments the technology, processes and regulatory framework exists to allow for safe extraction of petroleum reserves and the potential risks to public health from exposure to petroleum extraction traffic movements should be low if the operations are properly run and regulated.</p> <p>The preferred policy approach allows for purely scientific research that would improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p>
Transport and planning concerns are not reasonable grounds for the preferred policy positions.	<p>The consultation evidence provided an opportunity to consider transport issues in combination with climate change, socio-economic, economic and decommissioning issues.</p> <p>Whereas we recognise the transport impacts could be mitigated against, our preferred policy position was determined against multiple legislative and policy requirements, and evidence covering socio-economic, economic, climate change, after-care and planning impacts.</p>
Why does the draft Planning Policy Wales: Edition 10 propose treatment of the extraction of onshore oil and gas within the planning energy hierarchy to reflect their position as the least preferred source of fuel for power generation.	<p>The Welsh Government has set challenging targets for decarbonisation and increased renewable energy generation. The continued extraction of all fossil fuels, including shale gas and coal bed methane, will not usually be compatible with those targets.</p> <p>The Welsh Government's policy objective is therefore to avoid the continued extraction and consumption of fossil fuels. In relation to existing PEDL, when proposing the extraction of on-shore oil and gas, robust and credible evidence will need to be provided to the effect that proposals conform to the energy hierarchy, including how they make a necessary contribution towards decarbonising the energy system.</p>

<p>The evidence is generic and applicable to every vehicle movement across every sector, including the general population's use of the roads for commuting and/or leisure purposes.</p>	<p>We recognise the transport evidence utilised a broad range of data which would be applicable to multiple scenarios. However, the report was commissioned in the specific context of petroleum extraction and utilised the best available information to determine the potential impacts. The transport evidence utilised similar evidence to the recent Scottish Government Talking Fracking consultation, however, the report authors determined the data was appropriately reflective of conditions in Wales.</p> <p>We sought the advice and analysis of experts in this field to determine the most robust conclusions from the evidence and data available.</p>
<p>The approval of Transport Management Plans demonstrates that authorities are satisfied with the ways in which the operator proposes to safeguard road infrastructure and users.</p>	<p>It is the responsibility of Welsh Ministers to consider issues that may be of national significance and therefore outside of the scope or expertise of local planning authorities. Whereas a local planning authority may determine a development has acceptable impacts, the industry at a regional or national scale may still create an unacceptable impact when cumulative impacts or national policies are considered.</p> <p>Local planning consent approvals may not always be compatible with wider national policy, hence the ability of Ministers to "call-in" applications.</p> <p>The consultation evidence, across the subject areas considered, provided an opportunity to consider transport issues in combination with climate change, socio-economic, economic and decommissioning issues.</p>
<p>The transport evidence was based on Scottish and United States information, which may not be applicable to Wales.</p>	<p>The Welsh transport evidence report was undertaken by the same authors who prepared the analysis and conclusions for the Scottish Talking Fracking consultation report. The authors determined the Scottish evidence and conclusions were applicable in Wales based on a re-analysis of the data.</p> <p>Overall, the report authors determined to there be a Medium level of confidence in the applicability of the conclusions put forward in the Scottish Government report, regarding social and environmental impacts, and regarding the suitability of controls, to conditions in Wales. The lack of operational evidence for petroleum sites in the UK was identified as presenting a degree of uncertainty.</p>
<p>New technology could dramatically reduce the number of traffic movements.</p>	<p>We recognise new technology could increasingly mitigate the potential risks to public health and the environment from exposure to the transport associated with petroleum</p>

	<p>extraction.</p> <p>However, our preferred policy position was determined against multiple legislative and policy requirements, and evidence covering socio-economic, economic, climate change, after-care and planning impacts.</p>
<p>Operators would soon be able to explore potential sites without planning permission.</p> <p>Currently, the UK government is consulting on the potential for non-hydraulic fracturing shale gas wells to be included as part of permitted development and is investigating whether shale gas production sites should be included as part of the nationally significant infrastructure project scheme.</p>	<p>Planning is the responsibility of Welsh Ministers in Wales.</p> <p>The UK Government's proposals for exploratory oil and gas boreholes to be classed as permitted development would not apply in Wales. Full planning scrutiny and consent, combined with effective public engagement, will continue to be a requirement in Wales for any proposed exploratory borehole as such developments can have a significant impact on local communities.</p> <p>The inclusion of shale gas developments in the Nationally Significant Infrastructure Projects regime would also not apply in Wales.</p>
<p>Increasing use of electric vehicles would require a very substantial upgrading of the electricity grid in South Wales which would be extremely costly and time consuming as well as disruptive.</p>	<p>We recently consulted on a low carbon pathway for Wales. The consultation sought views on what actions we should take to reduce greenhouse gas emissions by 2030. The pathway consultation highlights Wales's current emissions and the challenges and opportunities of decarbonising across different sectors. The pathway consultation considers what changes in transport might we need to see by 2030.</p> <p>At the moment, large parts of Wales lack the supporting infrastructure which is likely to be required for a major roll-out of electric vehicle charging points. This means more preparatory work needs to be done if a fair and equitable charging network is to be created across Wales. This preparatory work is being considered as part of the low carbon pathway for Wales consultation.</p>

Q5. Do you have a view on the Decommissioning evidence?	
Issues Raised	Welsh Government Response
<p>Insufficient evidence was provided to suggest that petroleum extraction should not be explored on the grounds of decommissioning, especially as Wales has an existing body, Natural Resources Wales, to integrate pollution control, to mitigate potential risks to groundwater integrity and any other ecological concerns.</p>	<p>We recognise the view of industry, the Health and Safety Executive and Natural Resources Wales that the technology and regulatory framework exists to allow for safe extraction of petroleum reserves and the potential risks to public health from exposure to the emissions associated with petroleum gas extraction and decommissioning should be low if the operations are properly run and regulated.</p> <p>However, it is important to recognise gaps in the evidence base do exist and more knowledge is needed to better understand the technology to minimise risk and how current regulations can best be applied.</p> <p>The preferred policy approach allows for purely scientific research which would improve the available evidence base. We will review any substantive new evidence as it emerges to inform future policy decision.</p> <p>Whereas we recognise the impact associated with decommissioning can be mitigated against, our preferred policy position was determined against multiple legislative and policy requirements, and evidence covering socio-economic, economic, climate change, after-care and planning impacts.</p>
<p>Operators must provide financial resilience documentation to demonstrate to regulators that they have the capacity to decommission sites if necessary.</p>	<p>Wales, in common with the rest of the UK, has a framework for the regulation and control of decommissioning and aftercare of petroleum development comparable with good regulatory systems in other countries</p> <p>The devolution of the Oil and Gas Authorities powers to the Welsh Ministers offers the opportunity to test the financial robustness of operators both during licensing and during licence transfers.</p> <p>The financial resilience and capacity tests which will be applied to petroleum operators seeking consents from Welsh Ministers will be outlined in technical guidance which will be made available on the Welsh Government petroleum web-page.</p>

Q6. Do you have a view on the economic evidence?	
Issues Raised	Welsh Government Response
<p>A view on the economic impact of the industry has been derived before the exploration process has been allowed to proceed.</p>	<p>We recognise the evidence was based largely on desk studies or from the experience of other countries. However, in commissioning the evidence work we sought the expertise of an organisation with a track-record of assimilating such data and making robust models and conclusions.</p> <p>The evidence work also utilised the numerous planning and permit applications have been submitted over the past decade to better understand proposed petroleum developments.</p>
<p>The economic evidence has taken a too-narrow view point that failed to look at the wider positive effects; especially considering Welsh reserves could play a part in the UK and EU market.</p> <p>There is a need for indigenous energy development of all kinds (e.g. oil, gas, nuclear and renewables) to negate the high import dependency.</p>	<p>UK Government remains responsible for energy policy, including the sourcing and import of oil and gas from outside of the UK.</p> <p>Wales generated an estimated 32.5 TWh of electricity in 2017, more than twice what it consumed. Wales is, therefore, a significant net exporter of electricity to England, Ireland, and the wider European network.</p> <p>Welsh renewables generated electricity equivalent to 48% of Wales' consumption in 2017. Our target is to generate the equivalent of 70% of the electricity we use from renewables by 2030.</p> <p>We need to continue to develop and support new forms of renewable energy to create a balanced multi-vector energy system.</p> <p>Whilst we acknowledge the role for gas as a transition fuel until it is replaced by renewables and low carbon nuclear generation, introducing an additional supply of petroleum to Wales could displace investment in renewable energy systems.</p>
<p>Communities can be impacted positively by petroleum extraction sites, through for example, a community benefits package.</p>	<p>The evidence from the 2015 Regeneris study presented in the consultation is that economic impacts are likely to be short-lived and transitory, with many of the high-paid technical roles being filled from outside of the local community.</p> <p>We are unwilling to risk the future well-being of communities when the potential for long term jobs is small.</p>

	<p>We recognise a community benefit package, similar to the Shale Wealth Fund, could benefit local communities. However, such a package would not negate the potential environmental and climate change impacts which petroleum production would create.</p>
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