



Department for the

Economy

An Roinn

Geilleagair

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Dear Peter

FEEDBACK ON THE CONSULTATION ON PETROLEUM LICENSING

Please see briefing paper below for the upcoming Committee for the Economy Meeting on 12 June 2024. Parts of this briefing may be withheld – Environmental Information Regulation 12(4)(d) - Material in the course of completion under Freedom of Information.

Yours sincerely


Departmental Assembly Liaison Officer

Request

As part of the Committee's forward work programme, the Department for the Economy has been asked to provide written and oral briefing on the work the Department is undertaking on the consultation on petroleum licensing

Response

Set out below is a written briefing paper.

Officials Attending

Jimmy Graham, Head of Business, Gas, Minerals And Petroleum
Lorraine Fleming, Grade 7 Minerals and Petroleum Branch
Michael Bradley, DP Minerals and Petroleum Branch

WRITTEN BRIEFING FOR ECONOMY COMMITTEE - ONSHORE PETROLEUM LICENSING POLICY CONSULTATION REPORT

A briefing on the recent consultation exercise in relation to Onshore Petroleum Licensing Policy is scheduled for the Committee meeting on 12 June 2024. In advance of that meeting, a consultation analysis report is attached for the Committee's information. This gives details of the responses to the questions in the consultation and the comments made by those who responded. It also addresses some of the issues raised in response to the consultation.

Next Steps

A paper will be brought to the Executive seeking approval to implement the preferred option of a moratorium followed by a legislative ban on all forms of onshore petroleum exploration and production. If approved, this will start the moratorium where no petroleum licence applications will be accepted or processed.

It will also start the legislative process to draft legislation to bring in a ban by amending the Petroleum (Production) Act (Northern Ireland) 1964 and associated regulations with a view to introducing the legislation to the Assembly by early in 2025.

There are two petroleum licence applications currently with the Department. One application is for the Lower Lough Neagh area (PLA 1/16) and the other is focused on County Fermanagh (PLA 2/16). If the preferred policy option is adopted by the Executive, the Department will inform the current licence applicants of the changes. Any future decisions on these applications will be made by the Executive as a whole when the legislation is enacted.



Onshore Petroleum Licensing Policy

PUBLIC CONSULTATION REPORT

JUNE 2024

Contents

1.	Background to Onshore Petroleum Licensing Policy Consultation	3
2.	Public Consultation Process	4
3.	Summary of Responses	5
4.	Analysis of Responses to questions asked in the Consultation	6
5.	Departmental response to issues raised in the Consultation	11
6.	Conclusion	14
	Annex A: Friends of the Earth template response	15
	Annex B: Template 2 Response	16

1. Background to Onshore Petroleum Licensing Policy Consultation

Under the Petroleum (Production) Act (Northern Ireland) 1964 the Department for the Economy (the Department) has responsibility for licensing of petroleum exploration and development. In 2019, the Department began to review the current onshore petroleum licensing system to assess its effectiveness and impact on sustainability, particularly in light of the UK's net zero carbon commitments.

To inform the review, the Department commissioned independent research into the environmental, social and economic impacts of onshore petroleum exploration and production to gain regionally specific knowledge. Consideration of the regional position was set against the backdrop of local and international efforts to combat climate change (e.g. the Paris Agreement, UK Net Zero Commitment by 2050). This intensified following recent reports from the [Intergovernmental Panel on Climate Change \(IPCC\)](#) and recommendations on the oil and gas industry from the [International Energy Agency \(IEA\)](#). There is also considerable public interest in this issue, especially concerning the potential use of hydraulic fracturing (fracking).

In October 2020, the Northern Ireland Assembly supported a Private Members Motion calling for a moratorium on petroleum licensing for exploration, drilling or extraction of hydrocarbons (oil and gas). The Climate Change Act (Northern Ireland) 2022 was also passed.

2. Public Consultation Process

This report is an analysis of the responses to the Department's public consultation on onshore petroleum licensing policy carried out between 15 January and 12 April 2024.

Further information, on the public consultation and the evidence supporting the consultation and the Department's stated preferred option i.e. **a moratorium and eventual legislative ban on all forms of onshore petroleum exploration and production**, can be accessed using the following link: [Onshore Petroleum Licensing Policy](#)

As part of the consultation process, the Department permitted submissions to be provided through a variety of channels but to make it easier for the public to submit responses the Department also utilised 'Citizen Space'. Citizen Space allowed the Department to seek views directly from respondents on very specific aspects of onshore petroleum licensing. The questions posed on Citizen Space, and in the consultation, were:

- Do you agree with the assessment of the policy context and potential for onshore oil and gas resource in Northern Ireland?
- Do you agree with the assessment of the economic impacts of potential onshore oil and gas exploration and production in Northern Ireland?
- Do you agree with the assessment of the potential social and environmental impacts of onshore oil and gas exploration and production in Northern Ireland?
- Do you agree with the preferred option for onshore petroleum licensing policy?
- Do you think there are alternative options for onshore petroleum licensing policy in Northern Ireland which should be considered?

Citizen Space also allowed the Department to seek information from respondents in terms of age, their location by County or elsewhere, whether they lived in an urban or rural area and if their response was from them as an individual or if it was on behalf of a group or organisation. Where appropriate, this information is used in the analysis in this report.

3. Summary of Responses

By the close of the consultation i.e. by 12 April 2024, the Department had received a total of 382 responses: 311 via email and 71 via Citizen Space.

Of the total 382 responses, 361 (95%) indicated that they fully agreed with the Department's preferred option of a moratorium followed by a legislative ban. A further analysis of the other 21 respondents is contained in Section 4 below but it is worth noting at this stage that many of the 21 agreed that petroleum licensing should be banned while only one respondent indicated support for the continuation of onshore petroleum licensing.

In total 311 responses were received via email.

- Of the 311 email respondents, 287 (92%) respondents used a template from Friends of the Earth (Annex A). From the analysis, the Department also recognised the use of a different template with a further 12 respondents using the same wording to structure their answers (Annex B) and the remaining 12 respondents provided unique individual responses.
- Of the 311 email respondents, 297 (95%) respondents provided a location. Of those providing location information, 252 (85%) reported their location as being in the North of Ireland and the other 45 (15%) indicated locations in the UK, other parts of Ireland and Europe.
- Of the 12 respondents identifying that they were representing a group or organisation, five indicated that they represented community organisations, three indicated environmental organisations, two were from local councils and two from local political parties.

In total, 71 responses were received via the Citizen Space survey.

- All 71 of the respondents using Citizen Space answered the questions posed in the consultation.
- 69 of the 71 respondents using Citizen Space indicated their location in the North of Ireland, with the remaining indicating a location in other parts of Ireland and one in Scotland.
- Of the 10 respondents using Citizen Space that indicated that they were representing a group, six represented community organisations, two represented environmental organisations and two represented local councils.

It should be noted that a total of six responses were received after the closure of the consultation which have not been included in this analysis.

4. Analysis of Responses to questions asked in the Consultation

This section of the report focuses on the responses provided to the five questions (as listed in Section 2 above) asked by the Department in the consultation.

Do you agree with the preferred option for onshore petroleum licensing policy?

All 382 respondents answered this question (71 Citizen Space, 311 other). 361 (95%) agreed with the preferred option for onshore petroleum licensing policy.

Those who agreed provided reasons such as:

- the strength of opposition to previous onshore petroleum activity by local people.
- the potential environmental risks posed by onshore petroleum licensing.
- the need to meet Climate Change Act targets and the importance of Net Zero.
- the need to link policies across government.
- there should be a clear focus on renewable energy.

The remaining 21 (5%) respondents indicated that they disagreed with the preferred option for onshore petroleum licensing policy. However, while disagreeing with the Department's preferred option, 12 of these respondents provided commentary indicating their support for a total ban on petroleum licensing. Examples of that commentary include that they would like to see a ban on petroleum exploration (particularly fracking) and learned experience from other jurisdictions of the impacts of petroleum licensing.

Of the remaining 9, only one indicated clear support for the continuation of petroleum licensing and provided a reason that so long as we are still reliant on oil and gas we should be supporting licensing. The remaining 8 responses, all of which were submitted on Citizen Space, simply answered 'No' to all 5 questions posed without providing any commentary to support their position.

Do you agree with the assessment of the policy context and potential for onshore oil and gas resource in Northern Ireland?

In this question respondents were asked for their views on the analysis provided by the Department in the consultation documentation of current policies and the potential oil and gas resource.

A total of 76 respondents provided a direct answer to this question (71 citizen space, 5 other):

50 respondents agreed with the assessment of policy context and potential for onshore oil and gas resource and provided reasons such as:

- the need to address the climate crisis by meeting the carbon emissions reduction targets in the Climate Change Act.
- the uncertainty around local oil and gas resource.
- the environmental benefits of banning oil and gas exploration.
- the negative impacts on local communities

The remaining, 26 respondents did not agree with the assessment of the policy context and potential for onshore oil and gas resource providing reasons such as:

- the independent research was too focused on economic factors.
- the consultation document did not take into account more localised studies.
- the uncertainty about the oil and gas resource was not a reason to introduce a ban.

While the remaining 306 respondents did not directly answer the question, some highlighted additional issues relevant to the question such as:

- the trend away from onshore petroleum licensing in other jurisdictions.
- the difficulty in accessing onshore petroleum because of local geology.
- the need for coherence across all energy policies.

Do you agree with the assessment of the economic impacts of potential onshore oil and gas exploration and production in Northern Ireland?

In this question respondents were asked for their views on the economic impacts of oil and gas exploration and production. This was covered in section six of the consultation document and in greater detail in the Hatch Regeneris research report.

A total of 76 respondents provided a direct answer to this question (71 citizen space, 5 other).

Of those, 51 respondents agreed with the assessment of the economic impacts of potential onshore oil and gas exploration and production and provided supporting comments such as:

- the potential damage to the local tourist industry.
- the lack of a local oil or gas industry.
- any benefits would be for companies rather than local people.
- The need to invest in sustainable energy options.

The remaining 25 respondents who directly answered the question indicated they did not agree with the assessment of the economic impacts of potential onshore oil and gas exploration and production and provided reasons such as:

- any economic benefits of petroleum exploration would be short lived and not worth the environmental or tourism impacts.
- the job estimates were too high.

Do you agree with the assessment of the potential social and environmental impacts of onshore oil and gas exploration and production in Northern Ireland?

In this question respondents were asked for their views on the social and environmental impacts of oil and gas exploration and production. This was covered in section six of the consultation document and in greater detail in the Hatch Regeneris and British Geological Survey research reports.

A total of 76 respondents provided a direct answer to this question (71 citizen space, 5 other):

Of those directly answering this question, 51 respondents agreed with the assessment of the potential social and environmental impacts of onshore oil and gas exploration and production and provided supporting reasons such as:

- the need to meet the targets in the Climate Change Act.
- petroleum exploration and extraction will have a detrimental impact on the environment and nearby communities.
- concerns about the impact of petroleum exploration on public health.
- the need to invest in renewable energy technologies.

The remaining 25 respondents to this question disagreed with the assessment of the potential social and environmental impacts of onshore oil and gas exploration and production providing reasons such as:

- the research underestimates the negative impacts on health and does not show the benefits of banning petroleum licensing.
- there will be negative impacts on the environment and local communities.
- questioning the assumption that regulations and best practice will be observed.

While the remaining 306 respondents did not directly answer the question, some highlighted additional issues relevant to the question such as:

- there is no social licence for onshore petroleum exploration.
- the growing political opposition at local and national government level.

Do you think there are alternative options for onshore petroleum licensing policy in Northern Ireland which should be considered?

In this question respondents were asked if they thought there were other options for future onshore petroleum licensing policy not already considered. The policy options were covered in section seven of the consultation document.

A total of 75 respondents provided a direct answer to this question (71 citizen space, 4 other).

Of those 75, 58 reported that they agreed with the options considered and outlined by the Department.

While the remaining 17 disagreed with the preferred policy option, only a small number provided alternative options such as an immediate ban and further investment in renewables.

One respondent commented that there is lack of understanding about how much we depend on the resources from extractive industries and that we must accept those industries in our area as we should not expect others to provide resources for us.

5. Departmental response to issues raised in the Consultation

Further to the analysis of the questions posed, respondents also had the opportunity to provide any further comments that they believed to be relevant. This section considers those further comments and deals with them in two parts: those relevant to petroleum licensing and those more general comments around the Executive's Energy and Economic strategies.

Issues directly related to the Onshore Petroleum Licensing Consultation

Consult on draft legislation to ban onshore petroleum licensing

Some respondents indicated that they believed that the Department should carry out further public consultation on the draft legislation. The Department intends to carry out further public consultation on any new legislation at the relevant stage in the process.

Impacts of fracking on local health, human rights and local communities

The Department is aware of the range of research concerning the impacts of onshore petroleum activity (including fracking) on health, human rights and on local communities. The Department contends that, given that the preferred policy option bans onshore petroleum licensing regardless of whether or not the development method includes fracking or not, that sufficient weight had been given to these issues in the consultation.

Immediate ban on onshore petroleum licensing

As already indicated, some respondents have called for the ban on petroleum licensing to begin immediately. However, the Department is required to work within the current governance and legislative framework. Banning onshore petroleum licensing requires changes to the Petroleum (Production) Act (Northern Ireland) 1964 and other regulations. The legislative process takes time to allow for proper scrutiny, therefore an immediate ban is not possible. There are no current active petroleum licences and the proposed moratorium will mean no applications will be accepted or processed whilst the legislation is progressing.

Existing petroleum licence applications

As would be expected, some respondents were concerned about the fact that two applications have already been submitted to the Department and have not yet been concluded. If the preferred policy option is adopted by the NI Executive, the Department will inform the current licence applicants of the changes. Petroleum licensing is considered controversial and cross cutting and therefore any decisions on future licensing and the current applications will be made by the Executive as a whole.

Align petroleum policy with the rest of Ireland

If the preferred option is implemented by the Executive, the policy will bring us into line with both Ireland and Wales.

Join the Beyond Oil and Gas Alliance

Some respondents called on the Executive to join the Beyond Oil and Gas Alliance (BOGA). BOGA is a group of governments and stakeholders “working together to facilitate the managed phase-out of oil and gas production”. As there is no oil and gas production here membership of BOGA will not further the preferred option outlined in the consultation documentation.

Update Hydrocarbons Guidance for Local Councils

Some respondents called on the Department to update the guidance on this issue for local councils. The Department recognises that if and when any change to onshore petroleum licensing and legislation occurs, the local councils will require updated guidance. As key stakeholders, councils will be kept informed of developments with this issue.

Compensation to communities for impacts of licence applications

Some respondents stated that there should be compensation for local communities impacted by licensing. The Department understands the concerns that local communities have about onshore petroleum licensing. The Hatch report highlighted the difficulty in obtaining the social licence for petroleum development and the social impacts of petroleum exploration. These potential negative social impacts are part of the reason for the preferred option and therefore consideration of compensation would only be applicable should a different policy direction be implemented.

Focus on renewable energy sources (including green hydrogen, energy efficiency, smart grids, electric heat) and protecting the environment

The Department is currently undertaking many different projects under the Executive's Energy Strategy that focuses on renewable energy sources. More detail on the Energy Strategy, and the supporting Energy Action Plans can be found on the [Department for the Economy](#) website.

Issues raised but not directly related to Onshore Petroleum Licensing consultation

Many of the respondents used the opportunity to provide comments to the Department on many other aspects of energy and economic policy that they believed to be linked to climate change and the continuing use of fossils fuels.

Ban offshore oil and gas exploration

Licensing offshore oil and gas exploration and production is not a devolved matter and is overseen by the North Sea Transition Authority. Furthermore, based on the knowledge of the offshore areas near the North, it is highly unlikely that there will be requests to explore for oil or gas.

Ban should be extended to include solid fuels like coal, lignite, and peat

The Energy Strategy for Northern Ireland commits to phasing out the use of coal and other solid fuels for domestic heating purposes. Since 23 September 2004 the Department's policy has been to not grant mineral prospecting licences for lignite exploration. The Department does not envisage any circumstances in the foreseeable future whereby the development or extraction of lignite would be permitted in the North. The Department is currently undertaking a review of its mineral licensing policy and these issues will be dealt with in more detail as part of that review.

Educate the public on importance of mineral resources, look at positive impact of exploration on tourism, prospectivity should be investigated by oil and gas industry

As stated above, the Department is currently reviewing the minerals licensing policy and the issues, concerns and impacts of mineral licensing will be considered in greater detail as part of the review. As with onshore petroleum, the mineral licensing review will be subject to public consultation.

Don't increase capacity of Cloghan Oil Terminal

The Department recognises that the Cloghan Oil Terminal is an important issue. However, this issue falls within the remit of the Department for Infrastructure and Mid and East Antrim Borough Council.

Impact of Islandmagee gas caverns

The Department is aware that the proposed Islandmagee Gas Caverns are a major project in the context of Energy. However, the project is currently under review by the Utility Regulator. This project is subject to a framework of statutory permissions and conditions that do not fall within the remit of the Department.

6. Conclusion

This public consultation has clearly indicated to the Department that the vast majority of respondents support the Department's preferred option and believe that a moratorium leading to a full legislative ban is the most appropriate future policy for onshore petroleum licensing.

Annex A

Friends of the Earth template response

Dear team at Minerals and Petroleum Branch,

I agree with the Department's recommended option. There should be a complete moratorium on all onshore oil and gas exploration and production. New legislation should be introduced to make the ban permanent.

The exploration and extraction of fossil fuels is contrary to the greenhouse gas reduction targets of the Northern Ireland Climate Change Act. Energy generation is responsible for around 14% of Northern Ireland's greenhouse gas emissions. Energy related emissions have been steadily dropping. This trend must continue, particularly given the reduced methane target in the Climate Change Act, which means other sectors will have to pick up the slack of agriculture's special exemption. Allowing fossil fuel extraction would risk reversing that trend.

It's unlikely extracting oil and gas in Northern Ireland will make any difference to fuel prices or energy security. There is no guarantee the fossil fuels will be kept for use in Northern Ireland but likely will be sold at international market prices.

Northern Ireland doesn't have the wide-open spaces of the world's major oil and gas producers. Exploration and extraction operations will always be close to where people live, with the risk of contamination of drinking water and pollution of our air.

Every effort to explore for oil and gas in Northern Ireland has been met by determined opposition from local people. It's clear that fossil fuel operations have no community support.

For these reasons, I support option 4, to introduce a moratorium on all onshore fossil fuel exploration and production, and a new law should be written to ensure the ban is permanent.

Annex B

Template 2 Response

Dear Sir/Madam,

Thank you for the opportunity to comment on this petroleum licensing consultation.

As I understand it there are two elements to this consultation.

a) Policy Change

The first involves a change of policy - in other words changing policy from a current position of supporting the creation of an oil and gas industry onshore and in the inshore waters in Northern Ireland, through the exploration and extraction of Northern Ireland's oil and gas resources, to a position where this is no longer supported by the Northern Ireland Government. To implement this policy change an official moratorium on licensing would replace the current unofficial moratorium on the granting of petroleum licences.

b) Legislation to support the policy change

Once the policy change above is implemented, there follows a commitment to legislate for this policy change by removing the petroleum licensing regime. The legislation would mean that no onshore petroleum licences for exploration for, and the development of, or extraction of petroleum (Oil & Gas) could be granted for onshore and in the inshore waters of Northern Ireland. It would also make it an offence for anyone to explore, or get petroleum in those areas. No details of exactly how this would be achieved, eg by repeal of the petroleum production legislation 1969 and/or petroleum licensing regulations 1987 has been identified within the consultation. I make the assumption that any such legislation will be subject to a meaningful public consultation with Aarhus rights to information on the environment, meaningful public participation and access to justice that is not prohibitively expensive, central to that issue.

Whilst the consultation points the way to the future plan to legislate it does not at this stage determine exactly what that process would look like.

I support the change of policy and have given a number of reasons and also some caveats below.

Change of Policy

The change of policy is welcomed, even if late. An unofficial moratorium is already in place, and this will strengthen protections for those communities where oil and gas exploration and extraction could occur. It should be noted that our current policy comes originally from the 1960's and was adopted when petroleum exploration and extraction was seen as a significant economic driver. This is no longer the case, as the long-term effects of this industry on climate, on the environment, on indigenous industries such as tourism and agriculture and forestry are well documented. I acknowledge this is a consultation which looks at economic drivers under the Department for the Economy but the public health impacts of an oil and gas industry in Northern Ireland cannot be overlooked.

Public Health

Northern Ireland's onshore oil and gas resources may be expansive but they are very hard to access, being mainly in tight formations, or underlying basalt formations. This requires an extensive industrialised approach in order to even explore for these resources (due to their non-uniformity and imaging problems) never mind to extract. The result would see the encroachment of industry right next to communities and the associated impacts on public health, with everything from air quality, noise, light pollution radiation, exposure to chemicals and possible water contamination known issues. (Concerned Health Professionals of New York - Compendium)¹ Whilst these studies focus on 'fracking' their results can be extrapolated to the type of intensive oil and gas development that would be needed here.

Lack of Regulation and Enforcement

The lack of an effective planning system with proper regulation and effective enforcement has seen the demise of our biggest lake to such an extent that if we take action now, then we are looking at 20 years before it recovers. There are numerous other examples where regulation and enforcement has failed us. Therefore it is very unwise to support an industry with known public health, environmental and climate change impacts.

Gas Policy is not coherent

Whilst I support this change of policy with regards to petroleum licensing, I cannot help but notice the Department has also other policies which requires changing, or one risks having incoherent or opposing policy. This refers to the Department's policy with regards to the promotion of gas as a fuel. I believe there's a legal obligation for the Department to promote gas, and this legal obligation also extends to the Energy Regulator (something which I find inconsistent with independence of regulation and thereby enforcement in this jurisdiction). While this policy of promotion of gas is in place, along with its associated legislative underpinning, we cannot effectively plan for, nor implement the emissions reduction plans necessary under the climate change act recently passed by the Assembly. Worryingly we have seen and continue to see the build out of gas networks in Northern Ireland with Government support and subvention. This is endangering the energy transition to wholly renewable sources and while this policy/legislation remains in place, both the energy transition, and energy security will be undermined.

Current Licence applications

There are two current petroleum licence applications, one for around Lough Neagh, the other for almost half of Fermanagh. Those applicants will no doubt want to try and sue for compensation - in fact at least one of them has mentioned this. They will use our incoherent policy above as one basis for claim. However I would point out that the UK climate Act was implemented in 2008, and the commitments to reduce emissions were agreed at Paris in 2015. Therefore at the time of the submissions by the applicants in 2016 the UK, and wider world, was already on a path to emissions reduction and by far the greatest source of climate damaging emissions come from the burning of fossil fuels such as oil and gas.

1 [Compendium of Scientific, Medical, and Media Findings Demonstrating Risks and Harms of Fracking and Associated Gas and Oil Infrastructure. Ninth Edition, October 19, 2023 - concernedhealthny.org website](#)

Finally there is the work of Howarth et al from 2011 onwards which shows that gas can be worse for the climate than coal in the near term if fugitive emissions are not kept below 3.5 percent for the whole system, including from drilling, gathering, transmission and the burning of gas. His work over the years has shown leaks at all stages of the process and real world figures rather than industry estimates show that the industry cannot control fugitive emissions. Given net zero targets are now in the 20 year window, or just outside it, there is clear evidence that gas cannot be used as a transition fuel to achieve net zero.

Reserves v Resources v economically feasible resources

We also need to be clear about the difference between reserves and resources - Reserves are estimates of the whole basin. Resources are figures which the Oil and Gas industry can claim about what's feasible to extract with today's and also with as yet unproven future technology, whilst economically feasible resources are what one could feasibly extract today. As already mentioned, Northern Ireland's Oil and Gas reserves are in places where formations are tight, or where imaging of those formations is made extremely difficult by the overlying Basalt formations. More extensive exploration would be required than normal to prove any resource exists and I note that at least one of the applicants proposes novel and intensive methods to do so. Given there has been no economic production oil or gas well onshore in Northern Ireland ALL proposed extraction methods are novel to the area.

So to summarise

I support the introduction of an official moratorium to prohibit the granting of any petroleum licences onshore and in the inshore waters of Northern Ireland.

I support the introduction of legislation to this effect, although any such support is contingent on ALL my Aarhus rights being respected.

I strongly recommend removing the current promotion of gas policy and legislation to ensure coherency with this approach.

I strongly recommend that the current applications be dismissed as soon as possible and that no compensation be payable either in a Northern Irish court, or under the Energy Charter Treaty.