

21st May 2018

Key points from Minister's presentation:

- UK has amongst the best regulated gas supply in the world and minister stressed our world leading regulatory credentials
- As per CCC reports, gas will remain an important part of our energy mix as we de-carbonise (firm commitment to phase out coal by 2050)
- We are moving to a position of being a net importer of gas
- Shale gas industry provides an opportunity for job creation
- Minister stressed potential economic benefits and the role the 'Shale wealth Fund' will play
- Hoping that we can be successful and create a 'UK model' for Shale extraction which can be exported around the world
- [REDACTED] [REDACTED – EIR Regulation 12(4)(d)]
- Minister said that we will consult on the need for a new, single regulator for Shale, but noted that the current arrangement with a 'virtual regulator' is working well
- Campbell Keir [DIT] – spoke about the requirement to try and show that Shale Gas is a robust and sustainable industry – used the example of UK wind to demonstrate the power of foreign direct investment and the ability for the UK to become an export of skills
- Spoke about industry growth and the ability for Shale Gas to replace older, declining industries

Key points from questions:

- Group were welcoming of the WMS and the renewed focus of the Government and the Minister on this topic. Answers below were made by The Minister and Senior Officials present:
 - **Q1** [REDACTED] [Redacted – EIR Regulation 12(5)(f)]
Jobs to UK companies?
 - **A1** – Need to make the case for Shale clearly and get past myths on the topic. It is not only that a growth in the industry can create jobs, but also the location of those jobs which is important.
 - **Q2** [REDACTED] [Redacted – EIR Regulation 12(5)(f)]
WMS welcome, but communication and engagement has not been explicit enough to date. What will change?
 - **A2** – Sequence is important and now that official Whitehall statements have been made we can start the process of working together to better communicate the benefits of carefully and safely growing the industry. Indeed, the case for Gas in general will be key to this.

- **Q3** [Redacted – EIR Regulation 12(5)(f)]
- Agreed that facts about the debate have been missing and keen to stress the need to grow the industry and keep as many of the associated jobs within the UK as possible – is this being considered as the industry grows?
- **A3** – Agreed that it will not be appropriate if we allow UK energy policy to be made on the basis of those groups which shout the loudest and that evidence must be the basis
- **Q4** [Redacted – EIR Regulation 12(5)(f)]
What does the Minister see as ‘success’?
- **A4** – Several wells in production; adequate support from the government, industry and regulators resulting in confirmation that the system is working; working in partnership to make the case for Shale Gas and have line of sight to commerciality
- **Q5** [Redacted – EIR Regulation 12(5)(f)]
Wanted to ensure that the regulation is appropriate as the industry is a difficult one from a commercial perspective
- **A5** – Be clear that the intention is to streamline regulation and ensure that there is a lead person available to help navigate the regulation. We will consult on the case for a standalone regulator. Also, we need to make a virtue of our good regulators as this can help us export expertise abroad
- **Q6** [Redacted – EIR Regulation 12(5)(f)]
Stressed that planning is the problem and we need to work out how the system has been used by those blocking progress and understand why it takes so long. Also, need to educate people that we need more than just renewable energy at the moment.
- **A6** – Believes the MHCLG are doing a good job and used the example of the speed with which Hinkley Point C was passed through planning under NSIP as an example of how things can be accelerated. Stressed that diversity of our own UK energy sources is a virtue as move towards a lower carbon economy
- **Q7** [Redacted – EIR Regulation 12(5)(f)]
[Redacted – EIR Regulation 12(4)(d)]
- **A7** – The challenge is recognised and there is no single solution. [Redacted – EIR Regulation 12(4)(d)]. Facilitation via the Shale Brokerage, supported by robust decision making and up-to-date guidance will help. View that once first well is in production and the case can be made based on live examples, we will be in a better position.
- **Q8** [Redacted – EIR Regulation 12(5)(f)]
As the industry is slow to grow, how do we build a wider, multi-skilled group coming through schools / education?
- **A8** – Need to take away and understand the specific skill needs of the industry and how these can best be met

- **Q9** [Redacted – EIR Regulation 12(5)(f)]
Belief that if we don't produce we will still need to import, but concerns that this will not count against UK carbon emissions and therefore may hide the real carbon impact of not having a native industry?
- **A9** – UK has grown economy more and cut emissions more than any other. Point made that by improving our gas industry we have an opportunity to decarbonise heavy industry more broadly and see even more benefit
- **Q10** [Redacted – EIR Regulation 12(5)(f)]
As government has withdrawn support from former coal producing areas more money needs to be put in ahead of the growth of this industry to build appropriate skills ahead of industry arrival
- **A10** – Take offline to understand what more can be done. Also, demonstrates that there needs to be support across industry and other bodies for the growth of the industry to help re-generate areas where it can replace older, diminished industries.