

Roseacre Wood Community Liaison Group

Meeting: Third meeting Wednesday 28th May 2014

Venue: Boys Brigade Hall, Carr Lane, Treales, PR4 3SS

Time: 7.00 – 9.00 pm.

Attendees:

Heather Speak Chair
Barbara Richardson
Joyce Stuart
Elizabeth Warner
Gordon Smith
Jane Barnes
Peter Marquis
Mark Reed
Sam Schofield (Cuadrilla, Lancashire Communications & Public Affairs Manager)
James Adam [JA] (Cuadrilla, Bowland Project Delivery Manager)

Mark Kerr [MK] Secretariat (PPS Group)

In attendance:
Martin York (Centrica)
Will Armstrong (Cuadrilla)

Item	Action
<p>1.0 Welcome and introductions</p> <p>Apologies were received from Angela Livesley, Emma Smith and Liz Oades.</p> <p>2.0 Minutes of previous meeting</p> <p>The minutes of the 29th April 2014 meeting were approved subject to the following discussion:</p> <p>Item 4.0: SS and JA reconfirmed that Cuadrilla would not be re- fracking the wells but in light of concerns expressed by CLG members, JA agreed to ask LCC planners if re-fracking would be allowed without additional permissions. Cuadrilla confirmed that they would not be prepared to make a legally binding condition that would prevent any refracking to take place by anyone at the Roseacre Wood site in the future.</p> <p>Item 6.0: JA stated that Cuadrilla's insurance brokers, Willis Energy, had confirmed that the cover was in the upper quartile but that further details were commercially confidential. In light of comments from CLG members JA agreed to get this confirmed in writing from Willis Energy. JS commented that this issue would need to be revisited until CLG members were happy with the information provided.</p> <p>Item 7.0: JA confirmed that Arup's commitment to produce a note about traffic management measures still stood and would be made available as soon as</p>	<p>JA</p>

practicable.

JA also confirmed that the vehicles to be used to take away the flow back water would have a capacity of 25-30,000 litres. HS commented that such large vehicles would not be able to navigate the narrow lanes in Treales and GS added that the use of smaller vehicles would increase traffic movements and PM observed that use of an alternative route could help.

JA/ARUP

3.0 Programme update

Roseacre Wood application: JA confirmed that progress since the last meeting had comprised tidying up the Environmental Impact Assessment into an Environmental Statement for inclusion in the planning application., JA confirmed that the target date for submission was now the second week of June. In response to questions from members JA confirmed that Cuadrilla was engaged in positive discussions about possible alternative traffic routes but that it was too early to provide further details.

Preston New Road: JA also confirmed that submission of the Preston New Road planning application would be on the 29th or 30th May.

5.0 Community update

Noise: BR commented that providing noise levels in terms of decibels didn't mean anything to the layperson and that an easier to understand context was required.

SS confirmed that there was a chapter in the ES about noise but that this was technical in nature. He said he would ask Arup for a response to this point and report back. JS and PM observed that the prevailing wind would take much of the noise through the Inskip camp.

SS/ARUP

GS added that a there was a YouTube video on fracking noise which was

most people's experience of the issue. GS sought a commitment that noise would be restricted to within the site and that there would be a noise reduction programme and that lighting could also be controlled. He thought that if appropriate mitigation was put in place these issues would go away. JA acknowledged that mitigation measures would assist in reducing impacts. EW also asked about the impacts of generators and compressors. SS confirmed that generators were very quiet and JA commented that it was not anticipated that the use of compressors would be required.

Working times: BR asked about the times when fracking would take place. JA confirmed that the details of hours of work would be a condition of the planning permission and that drilling was less noisy than fracking. The electric generators were well sound insulated. The fracking would be of a limited duration.

Vibration: In response to a question from EW, SS explained that vibration had not been raised as an issue in previous comparable operations.

Number of wells: GS asked if there was a limit on the number of wells to be drilled and MR commented that planning applications would be required for any and all additional wells.

Well head pressure: JB asked about well head pressure and HS asked what contingency plans were in place for any problems that could be experienced with gas under pressure and fire risk. JA commented that the well head pressure could be approx. 4,000 psi but would not be known until drilled. Wellheads would be equipped with valves to shut in the flow if necessary. The emergency incident plans would be developed in liaison with the District and County Councils emergency planning.

Electric supply: GS questioned the use of an electric drive for drilling as there was no access on site to an electricity supply. JA identified a high voltage supply was required and that potential local supply was under investigation.

Community benefit: GS asked if the 1% community benefit was triggered if

Cuadrilla was paid to supply gas to the national transmission system. SS confirmed that this was under consideration.

JS wanted confirmation that the community benefit monies were the same for the North West as for the South East. MY confirmed this was the case as it was a national proposal from UKOOG currently out for consultation.

JS also asked who had decided that 1% was adequate compensation for local residents and GS calculated that this would represent some £207 per household per year.

SS commented that the 1% was of total revenue, not profit, and that there were jobs and training benefits as well as other taxes paid to the Government. JS opined that pot ash mines in Yorkshire generated more generous community benefits.

EW suggested that the community benefit monies would be better spent on improved mitigation measures before the event to reduce nuisance rather than post-event compensation. SS commented that the EIA mitigation measures would do a good job and that it was sometimes a question of working more cleverly rather than simply spending more money. However, he maintained that there should be a financial benefit to the local community.

Smell: BR asked if there was any smell nuisance associated with fracking sites. JA confirmed there should not be any smells as methane was unoderised, diesel would be stored on site and used in generators and that no sulphur was expected.

Rig height: GS suggested that the rig height could be reduced by digging it into the ground and that there was £2m available from the Technology Strategy Board that could be used to implement Dutch standards of noise and light mitigation and that Cuadrilla should invest in engineering to take problems away.

Response to consultation: In response to a question from GS that alternative traffic routes had only been considered when pushed by residents, SS observed that steps had been taken in this regards as a legitimate response to comments made during consultation on the proposals.

HS suggested that details of how Cuadrilla had changed its plans should be made available in order that people saw benefit in talking to Cuadrilla,

Access to planning application information: GS commented that the planning application would include a great deal of information for LCC officers to absorb and given the timescales for submission by Cuadrilla, 95% of the information must already be known so why couldn't Cuadrilla release the information now to give people more than the statutory 21 days in which to comment.

JS commented that all planning applications must be complete before they could be scrutinised by LCC and JA added that LCC's validation of the application was the appropriate trigger for this. SS commented that if changes were subsequently made to the application there would be significant knock on effects to other elements of the application, e.g. traffic route changes would impact on ecology reports.

Centrica's role

MY explained that Centrica had a 25% interest in Cuadrilla's operations in the Bowland and was a non-operational partner. The relationship was governed by licences issued by DECC and the Department had approved Centrica's financial and technical standing.

He added that Centrica had a joint operating agreement with Cuadrilla and there was a committee structure to oversee progress and discuss issues. Centrica reviewed all aspects of the EIA/EA and the detailed planning application.

GS referred to an e-mail he had sent to MY and asked for confirmation about Centrica's joint and several liability in relation to Cuadrilla's proposals.

MY explained that there were three parties to the licence and that if one defaulted any liabilities fell to the other two etc. He stated that if required DECC would carry out any necessary works and charge the relevant parties. He had confidence in this process and confirmed that Centrica had never defaulted on any licence conditions and that DECC should be approached, as the approving authority, for any clarification.

MY confirmed he would provide a letter to GS giving Centrica's approval of such an approach to DECC.

MY

In response to a question from MP, MY confirmed that Centrica's was an unlimited liability.

GS queried Centrica's technical ability and legal obligations in relation to Cuadrilla's operations. MY commented that Centrica would ensure compliance with all aspects of the licence, that Centrica is the 6th largest producer in the UK with the relevant operating capacity and experience, and that Centrica's technical input included reviewing Cuadrilla's work programme to ensure it complied with published operating practices. He added that a significant part of Centrica's operations was providing gas to its customers.

In response to a request from GS, MY agreed to provide written confirmation of Centrica's role in the Joint Venture with Cuadrilla.

GS cited Centrica's operating principles included on its website and its approach to mitigation measures.

MY said that Centrica stood firmly behind all Cuadrilla was doing and that it reflected industry best practice in managing the impacts and mitigation as far as was possible with proven technology.

GS suggested that any gas extracted during the exploratory phase could be taken a mile or so up the road to Elswick and utilised. MY questioned the practicality of this suggestion.

GS thought it was not that it couldn't be achieved but that it was seen as too complicated.

HS raised the question of the advantage of working with the community and asked about the long-term benefits to the community, particularly the local villages, rather than Blackpool and Preston.

MY explained that the exploration stage would determine the longer-term viability of the operation. In that event employment could be a significant benefit and that work was underway with local colleges to maximise the opportunities and that the recent supply chain conference was another example of identifying the scope of employment opportunities.

MY

HS also asked if neighbouring residential properties would be financially compensated.

MY said that it production stage was reached 1% of revenues would go into a community benefit fund.

GS calculated that this was worth c. £207 per household per year, based on 1,000 households and was inadequate.

SS commented that the way the money would be spent would be a matter for the Community Foundation for Lancashire and questioned the assertion of it applying to 1,000 households.

GS commented that the equivalent payments in relation to HS2 were significantly more generous and SS observed that HS2 was a permanent feature so was not a comparable example.

BR added that £100,000 per well during the exploration phase was too little in light of it being the most disruptive stage.

PM observed that BNFL did not pay any compensation to the community and MR commented on the impact on houses prices but that this was an unknown factor at the moment.

EW asked how many staff would be on a 4 well site on a daily basis.

JA confirmed that at peak, during drilling, there would be c. 45 people on site, covering a wide range of skill sets. He added that employment numbers were included in the ES.

PM commented that people think Cuadrilla "is coming" and want to know what's in it for them and MR thought that was why Centrica had become involved too.

MY said it was too early to know what success looked like and there were too many potential outcomes. In the end he suggested the project must working for local people, the Government and investors.

GS opined that if Centrica thought there would be no impact on house prices why didn't it buy the houses concerned?

It was agreed that Community benefit would be a topic for further discussion at the next meeting.

JB suggested that in comparable circumstances United Utilities had provided valuation certificates to house holders before it commenced work as a base line to assess any negative impacts on which compensation levels could be assessed. She considered this as more appropriate than the “propaganda” Cuadrilla distributed to the local community.

SS explained that the ES would include details of independent base line monitoring, monitoring during operations and monitoring on cessation of activities. This process followed industry best practice.

EW suggested that if Centrica/Cuadrilla considered themselves to be “cutting edge, innovative” they should follow the United Utilities approach even at this late stage in order that they can be seen to be a good neighbour now and in the future.

SS added that Cuadrilla would seek corroboration of United Utilities’ policy about the example given by JB and comment at a future meeting.

[POST SCRIPT: In following up this issue with United Utilities Cuadrilla found it difficult to find examples of the approach identified. As a consequence the Secretariat asked JB to provide further information for consideration.]

6.0 Any other business

In response to a question from GS, WA commented that there was no firm intelligence on planned protestor activity but that this might be more likely if permission were granted and when work started on site.

Agenda items for next meeting: It was agreed that the invitation to the Police to attend the next meeting should be withdrawn but would be re-issued by the Parish Council in order that time at the next CLG meeting could be spent discussing:

Community benefit

Changes to the proposals following public consultation

7.0 Date of next meeting

7.00 pm, Wednesday 2 July May 2014

Venue: Boys Brigade Hall, Carr Lane, Treales, PR4 3SS.

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