

Summarised Position Statement Caerphilly Local Development Plan



Appeal Reference 4209 – Centrica Energy (Geddes Consulting)

Date of Hearing Minerals & Waste (25 May 2010)

Introduction

Centrica Energy sought to engage with Caerphilly County Borough Council and agree a Statement of Common Ground. This would be presented to the Inspector prior to the Hearing. Unfortunately, a suitable level of common ground for this Statement could not be reached and the Council withdrew from discussions.

This Summarised Position Statement is issued as a replacement to the Statement of Common Ground which was initially intended for the attention of the Inspector.

LDP Progress

Policy support is also being sought in neighbouring development plans for longer term CBM operations. Merthyr Tydfil LDP now includes a development management policy which includes CBM (Policy TB 8).

Centrica Energy has been awarded 3 PEDLs in South Wales by DECC. Centrica has commercial interests as a joint venture partner in a further 4 PEDLs with Coastal Oil and Gas and Eden Energy. Dwg No. 08027/025, in Appendix 1, shows the extent of these PEDLs within the coalfield and the administrative areas for each of the councils.

Of the 3 licenses awarded to Centrica Energy, PEDLs 221 and 223 are partially within Caerphilly County Borough. These PEDLs also cover the administrative areas of Merthyr Tydfil and Rhondda Cynon Taf.

Centrica Energy's commercial interest in these Licence Areas is the extraction of CBM. It now intends to embark on a series of exploration and appraisal wells to ascertain the potential of CBM in each of their PEDL areas.

A comprehensive desk top appraisal is underway with initial exploration wells planned for 2010 in the coalfield.

It is of particular importance that the connectivity of the extraction, production and supply process is recognised by the planning process. Each Council area and its Local Development Plan need to facilitate the processes by enabling inter connectivity of operations.

There is also a need for a consistent approach to the information requirement necessary for determining future planning applications.

Centrica has made objections and is seeking to have the PEDLs designated in the Proposals Map as the areas of search for CBM in the LDP and a policy reference for development management purposes.

This Summarised Position Statement is made following representations to the Caerphilly Local Development Plan (LDP) by Geddes Consulting, on behalf of Centrica Energy, and responses to those representations from Caerphilly County Borough Council.

Position of Agreement

1. Both parties agree that CBM is a non renewable energy and can be considered as a local, sustainable source of energy.

2. Both parties agree that the relevant national guidance for CBM is set in Minerals Planning Policy Wales (MPPW) (2000) (Examination Document Ref: W.32).

Paragraph 64 states :

Where oil and gas operations can be carried out in an environmentally acceptable way and consistent with the principles of sustainable development, there is no case in land use planning terms for placing more restrictions on the development than are necessary to ensure the protection of the environment. Development plans should indicate those areas where oil and gas operations are likely to be acceptable in principle subject to development control criteria being met in a particular case, as well as those areas where operations are unlikely to be acceptable. Policies should distinguish clearly between the three stages of exploration, appraisal and development. Mineral planning authorities should establish with the Department of Trade and Industry the areas which are licensed, and identify any environmental and other constraints on production and processing in those areas. The industry has an important role to play in making available to authorities information on their forward plans and the extent of known resources.

3. Both parties agree that the exploration and development area is potentially the coalfield but that DECC's licensing process will restrict the areas of search for commercial reserves of CBM to PEDLs 221 and 223 (Drwg. 08027/025).
4. Both parties agree that the CBM extraction involves four stages:
 - A. Desktop analysis
 - B. Exploration and appraisal stage - temporary vertical coring boreholes
 - C. Pilot Test stage – establishing commercial extraction from a cluster of wells through dewatering
 - D. Production stage – establishing the commercial cluster of wells, pipeline interconnections and producing the gas.

Stages B, C and D have physical planning implications as part of the development process and these three stages are referred to in MPPW (2000).

Centrica is undertaking work for Stage A and is progressing to Stage B. Significant investment in CBM exploration is anticipated over the next 4 years to establish commercial development of CBM across the South Wales Coalfield. It may take 3 to 5 years to reach full production stage (Stage D). It is the intention that wherever possible all wells drilled in during this staged approach will go into full production.

5. Both parties agree that the Council's LDP does not include any specific mention of CBM and no specific policy applicable to CBM exploration and development.
6. Both parties agree that the Council in making its response to objections made by Centrica Energy was not aware that Merthyr Tydfil LDP has now introduced a development management policy for CBM (Policy TB 8).

Position of Disagreement

1. The Council disagrees with the need for the Proposals Map to show the two PEDL areas (PEDL 221 and 223).

Response - Centrica considers that PEDLs 221 and 223 can be shown on the Proposals Map (Representation Ref: 4209.A1 – Site Ref: MN99.2).

2. The Council disagrees with the need to have specific policy on development management relating to CBM or at least acknowledgement in the supporting text of a relevant policy which is applicable to the determination of applications for the exploration and development of CBM.

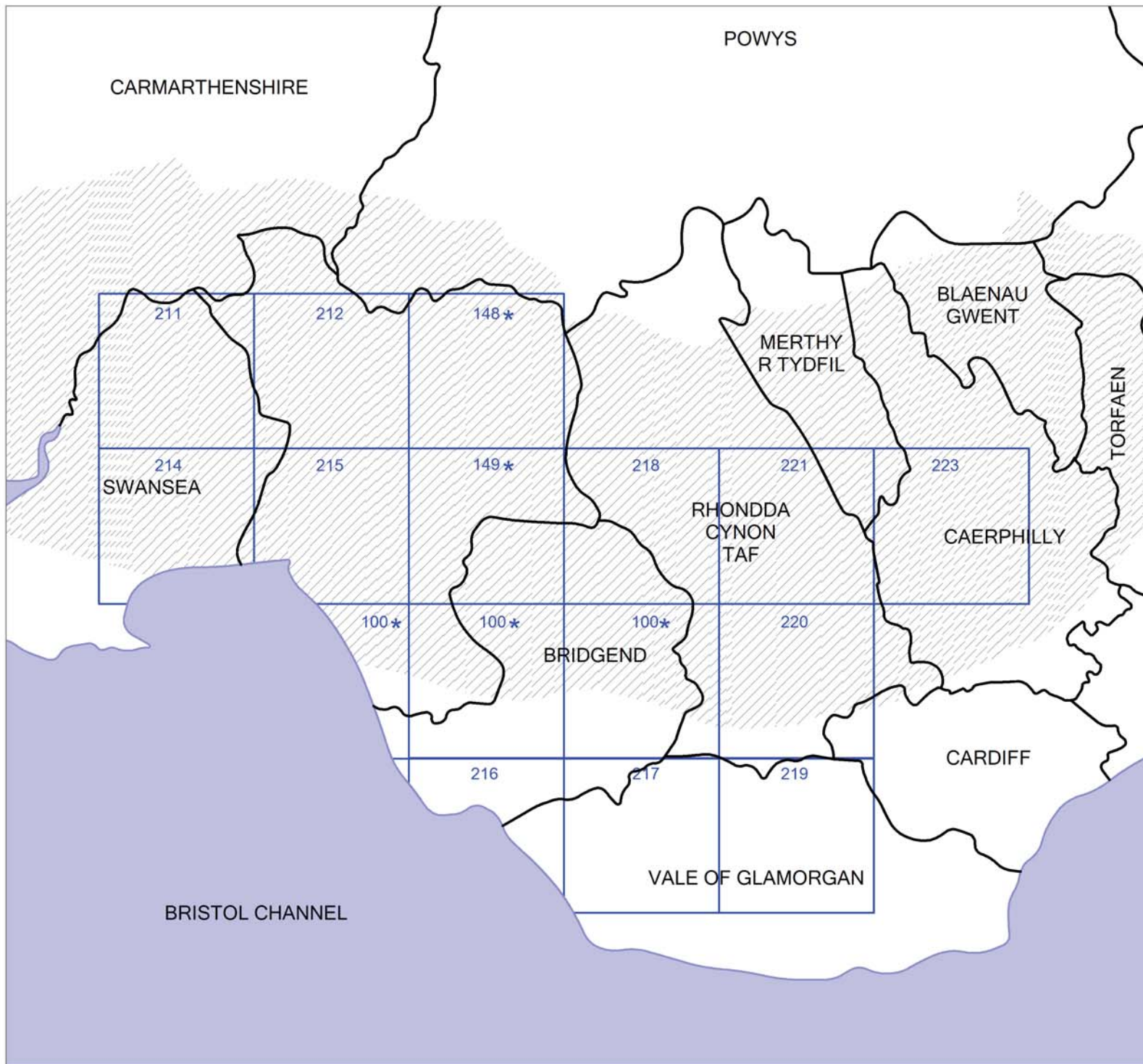
Response – Centrica Energy is seeking the introduction of a new onshore gas extraction policy (Policy SP 9a – Representation Ref: 4209.D1) in the LDP and a further coal bed methane policy (Policy MN 3 – Representation Ref: 4209.D2). This new policy framework is required in order to differentiate CBM's development process from minerals such as coal, sandstone and other aggregates because of the substantially different method of working and consequently different planning and environmental implications. CBM is recognised as an energy mineral.

3. The Council disagrees that it needs to facilitate the exploration, and production processes for CBM within its LDP to enable inter connectivity of operations and consistency in approach, even though Merthyr Tydfil CBC is now introducing a policy for the development management of CBM into its LDP.

Response - Centrica considers that the response to 2 above would also address the need to have reference to the ongoing exploration and development process for CBM in the LDP.



4. The Council disagrees that the Consistency Tests C1 and C2 are unsound and that the Coherence and Effectiveness Tests CE1 and CE2 have not been complied with in terms of the future development of CBM.

Appendix 1 – PEDL Areas in South Wales Coalfield




Drawing No. 08027 / 025
 PEDL Areas in South Wales Coalfield

Key:

-  PEDL Boundary
- 223** PEDL Licence No.
- *** Awarded prior to 13th landward licensing round
-  Extent of coal fields

Status : Preliminary
 Subject to verification

scale 1:250,000 @ A3
 0 2.5km 5km 10km 24.11.08 



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