



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**Feedback on
Consultation Questions from the Consultation Paper
on the High Level Design of the Petroleum Safety
Framework**

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List of Consultation Questions

The following list of questions was included in the Consultation Paper on the High Level Design of the Petroleum Safety Framework (CER/11/137) as Appendix III. The aim of this document is to facilitate the process of responding to the Consultation Paper by allowing respondents to electronically complete the questionnaire.

Respondents are invited to complete the table to indicate their position on the questions being asked. Respondents should outline YES or NO answers to each of the questions listed. If you have a further comment which will clarify your answer, this should be included in the Comments box.

Please note respondents are in no way obliged to respond to the questionnaire provided and are welcome to submit comments in their preferred format. However when preparing responses respondents should indicate which question or proposal their text refers to.

Question/ Proposal		Do you agree?		Comments
		Yes	No	
Section 4. Proposed Scope & Components of the Framework				
1.	Please comment on the CER proposal to define the scope of the Petroleum Safety Framework to include all of the CER's functions under Part IIA of Act?	Yes		However I feel that the breadth of the framework should also include a sixth element (bullet) : Gathering and Reporting on Environmental Information from Operators and Service Companies especially in a Post Macondo Regulated Industry
2.	Please comment on the CER proposals to have a specific focus upon major accident hazards for the safety regulation of designated petroleum activities under Part IIA of the Act.	Yes		Need to expand on EPA reporting
3.	Do you agree with the proposed definition of major accident hazard, set out in section 3.2.2.3, in the context of the CER safety regulation of designated petroleum activities? Please comment.		No	A Major accident hazard could have a very detrimental effect on the Environment. Is the Environment covered as Thrid Party Property?
4.	Do you agree with the CER's proposed approach to carry out its function to monitor compliance by petroleum undertakings' with their general duty in co-operation with other existing statutory authorities?	Yes		
5.	Please comment on CER proposals for the main components of the Framework as: a) A Statement of Strategic Intent; b) ALARP Demonstration Guidance; c) Agreed Interfaces, Co-operation & Co-ordination with Regulatory Authorities;			You also need another component called Performance Management System which would track and report against KPI targets set for Operators that carry out Exploration and also their major Contractors (Service Companies)

Question/ Proposal		Do you agree?		Comments
		Yes	No	
	d) A Permissioning System; e) A Compliance Assurance System; f) An Incident Investigation System; g) An Enforcement System; h) A Safety Reporting and Published Safety Information System; and i) A Continuous Improvement System.	Yes		In todays environment the need to have a proven performance track record against KPI's would help CER approve Safety Permist with assurance that contracted service companies have the relevant past track record. Most of the major Operators have SPM systems in place that they have such data available to support a Safety Permit application being conducted by a Service Company.
6.	Are there additional high level components which the CER should consider for inclusion within the Framework?			As Above Performance Metrics, TRIR, See OSHA in the US as a framework.
Section 5: Strategic Intent of Petroleum Safety Framework				
7.	Do you agree that the proposed vision for the Framework should be: <i>A safe Irish petroleum exploration and extraction industry.</i>	Yes		
8.	Do you agree that the proposed mission statement for the Framework should be: <i>To independently regulate petroleum exploration and extraction activities to protect life.</i>	Yes		Please add ...to protect life and our environment.
9.	Please comment on the proposed five key roles of the CER under the Framework as follows: <i>1. Foster and encourage safety in petroleum exploration and</i>	yes		Agree with all

Question/ Proposal		Do you agree?		Comments
		Yes	No	
	<p><i>extraction activities;</i></p> <p>2. <i>Actively monitor & enforce compliance of petroleum undertakings with their obligations;</i></p> <p>3. <i>Promote a regulatory framework that encourages continuous improvement of safety;</i></p> <p>4. <i>Work with other authorities to achieve our vision; and</i></p> <p>5. <i>Provide safety information to the public.</i></p>			
10.	Are there additional CER roles which should be set out in defining the strategic intent of the Framework?	Yes		<p>Provide a yearly report broke out by Operator and Service Cos to Public on any Safety and Environmental Incidents. This would then be a driving force to ensure that Players know that public outcry would be a huge reputational cost. It would also force them to stay within set KPI limits.</p> <p>Colourcode this report for ease of public interpretation. Red Amber Green.</p> <p>Even hold an Industry Award Ceremony for safest Operators.</p>
11.	<p>Please comment on the proposed three regulatory goals for the Framework:</p> <p>1. <i>That petroleum undertakings reduce risks to safety to a level that is ALARP;</i></p> <p>2. <i>That petroleum undertakings achieve safety performance commensurate with the best internationally; and</i></p>	Yes		

Question/ Proposal		Do you agree?		Comments
		Yes	No	
	3. <i>Engender confidence that the regulatory framework is protecting the public.</i>	Yes		<i>Engender confidence that the regulatory framework is protecting the public and our environment</i>
12.	Are there additional high level regulatory goals which should be set out in defining the strategic intent of the Framework?			Performance Benchmarking Reports
Section 6: ALARP				
13.	Please comment on whether you consider the proposed basis of assessment that risk has been reduced to a level that is ALARP (as summarised in Figure 7) to be appropriate.	Yes		
14.	Please comment on whether you consider it appropriate to set upper limits of tolerability for the following risk metrics relating to petroleum activities: <ul style="list-style-type: none"> • Individual risk to workers; and • Individual risk to members of the general public. 	Yes		Most Definitely And <ul style="list-style-type: none"> • Individual risk to our environment
15.	Should societal risk be addressed within the Petroleum Safety Framework? If so, should it be treated implicitly and/or explicitly?	Yes		explicitly
16.	Are there any other risk metrics which you consider should be adopted for the control of risks generated by designated petroleum activities?	Yes		Environmental Risks
17.	Do you consider it reasonable for the CER to align proposed risk criteria introduced under the Petroleum Safety Framework with criteria adopted by the HSA for land-use planning purposes?		No	The Upstream Exploration Industry is significantly different from Onshore or Downstream Activities. Therefore different criteria in addition to onshore

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		Yes	No	
				<p>should be used.</p> <p>Most Major Operators use an 8x8 risk matrix showing Risk Probability V Impact with Cost being the size of the risk bubble. A fourth dimension colour is also widely used to characterise risk type, ie</p> <ul style="list-style-type: none"> • Operational, • Financial, • Health Safety, • Security, • Environmental, • also Reputational.
18.	<p>Please comment on whether you consider the Petroleum Safety Framework should introduce a lower ALARP limit in terms of individual and societal risk. If so, whether the lower limit should be:</p> <ul style="list-style-type: none"> • left to the petroleum undertaking to set; or • advisory? 	Yes		<p>Both but same levels for all Operators. Have different Targets for Onshore, Nearshore V Deepwater.</p>
19.	<p>If upper limits are introduced for either individual or societal risk, please comment on whether the limits should be:</p> <ul style="list-style-type: none"> ▪ left to the petroleum undertaking to set; ▪ advisory; or ▪ mandatory? 	Yes		<p>Mandatory</p>

Question/ Proposal		Do you agree?		Comments
		Yes	No	
Section 7: Permissioning System and Designated Petroleum Activities				
20.	<p>Having regard to the requirements of the Act, please comment on the CER's proposed criteria for the designation of petroleum activities and associated infrastructure as follows:</p> <p>In order to be designated, a petroleum activity is required to meet each of the following criteria:</p> <ul style="list-style-type: none"> (i) the activity and associated infrastructure requires a petroleum authorisation. (ii) the activity has the potential to generate petroleum related major accident hazards. (iii) the activity and associated infrastructure is connected to, or has the potential to be physically connected to, the reservoir; and (iv) The petroleum activity is not entirely regulated by or under another Act of the Oireachtas and its designation allows for the optimum operation of the permissioning regime 	Yes		Agree with i) to iii) but unsure of your stance on point iv) please clarify?
21	Respondents' views are invited as to the specific application of the designation criteria to the construction and installation of petroleum infrastructure.	yes		But why should the actual activity of construction and installation not be designated. This makes little sense. See your last line on page 55. As a Safety Permit may well be related to the Instalation or Workover of Infrastructure during Extraction.
22.	Please comment on the application of the proposed designation			You need to follow what the Operators themselves

Question/ Proposal		Do you agree?		Comments
		Yes	No	
	criteria to exploration activities.			measure as KPI's. If a Drillship in transit to and from the locations, ie different drill locations while it is contracted to the Operator and caused a major accident, spill then such data should be designated . I fail to see why you would eliminate these. Why create a loophole for Operators and Service Companies.
23.	Please comment on the application of the designation criteria to extraction activities.	Yes		Agree
24.	Please comment on application of the designation criteria to conveyancing activities.		No	Again see my comments on Question 22
25.	Please comment on application of the designation criteria to decommissioning activities.		No	<p>During the towing of Instalations during decommissioning could cause accidents / spills /environmental damage.</p> <p>I have worked on Decommissioning KPI's for Operators managing Supplier Performance for Decommissioning so why if they are awarding and retracting contracts on the basis of performance, then why should CER give towing an exemption.</p>
26.	Please comment on the CER's proposed approach to dealing with connected activities within the appropriate safety case rather than designation of such supporting activities.	Yes		<p>Agree.</p> <p>Having worked and devised Aviation KPI's for two Major Operators it is key to ensure that all these</p>

Question/ Proposal		Do you agree?		Comments
		Yes	No	
				<p>and other operations such as ROV , Catering are covered.</p> <p>Refuelling Spills by Helicopters are common and dangerous risks.</p> <p>An outsourced contract to a uncertified Catering Company could equally go wrong as Kitchens Instalations exist on every rig. Likewise Waste management.</p>
27.	Please comment on the six proposed principles underpinning the design of the permissioning system.	yes		Agree with all
28.	Please comment on the proposed approach for a Well Work Safety Permit and supporting safety cases.	Yes		But I think you should have a look at what http://www.petrotechnics.com/ offer as they specialise in this worldwide especially Exploration and Workover Permits worth a look anyway.
29.	Please comment on the proposed approach for a Pre-Construction Safety Permit and supporting safety case.	yes		See My response above to Question 28
30.	Please comment on the proposed approach for a Production Safety Permit and supporting safety cases.	yes		See My response above to Question 28
31.	Please comment on the proposed approach for a Combined Operations Safety Permit and supporting safety case.	yes		See My response above to Question 28

Question/ Proposal		Do you agree?		Comments
		Yes	No	
32.	Please comment on the proposed approach for a Decommissioning Safety Permit and supporting safety case.	yes		See My response above to Question 28
33	Comments are welcome on how the CER should approach safety case assessments.	Yes		You will however always need third part resources outside the CER for certain complex assessments.
34.	Respondents' views are invited on how the 5 year safety case review process should be implemented, including comment on the options presented for the review process, and suggested alternatives.		No	5 years is way to long. There should be a real time system for the review of Safety Cases on a yearly basis. Most major operators review their Contractors Safety Data ad cases on a Quarterly Basis. Why should CER be any different in its approach. My recommendation is have the operators enter safety data on a Yearly basis.
35.	Please comment on the above proposals regarding co-ordination of the CER permissioning system with other statutory processes.	Yes		Agree with the linkup between safety permits and licenses across statutory agencies. Also like the idea of reciprocal Notification.
Section 8: Compliance Assurance				
36.	Please comment on the CER's proposed broad scope and approach to audit and inspection of petroleum undertakings?	Yes		The Audits and inspections system should also help feed the lessons learned and best practices DB.
37.	Please comment on the proposal that CER's inspectors can be a mixture of both in-house staff and third party independent competent persons.	Yes		Yes Totally agree. CER should not try and recruit every expert on a just in case basis. Outsource as and when needed.

Question/ Proposal		Do you agree?		Comments
		Yes	No	
38.	Should the CER seek to co-ordinate its audit and inspection activities with other statutory bodies where possible?	yes		And reciprocal coordination for better overall cross fertilization of information. 2+2=5
39.	The CER is interested in respondents views on whether the audit and inspection schedule should be risk-based and involve a few visits per facility per year, or should be undertaken on a prescriptive frequency and, if so, what frequency?	yes		It should be quarterly just like the Major Operators do.
40.	Please comment on the CER proposal that a Verification Scheme should form part of the Compliance Assurance system of the Petroleum Safety Framework.	Yes		Agree. For compliance there always needs to be some sort of Verification Performance Standards for the SCE's are responsibility of the Operators. Assurance should suffice but routine verification to ensure they are as defined would best be done on an adhoc unplanned frequency, or as required.
41.	Do you agree that if verification is adopted, that the verifier should be a third party independent person referred to as an Independent Competent Person (ICP)? Please comment.			Best it is a third party. I doubt if CER would have the resources and technical expertise to cover all scenarios of verification. Especially the ICP's experience in terms of time to close out the issue.
42.	If the ICP approach is adopted by the CER, who should contract the ICP – the CER or the petroleum undertaking?			The CER , but invoice the petroleum undertaking. "He who pays the bills has influence" the CER should contract the ICP once Operator has agreed to pay for such an engagement.
43.	Do you think that approval of the ICP is required and, if so, by whom?			Yes. By CER on basis of ICP experience, and recommendations as well as the verbal and written

Question/ Proposal		Do you agree?		Comments
		Yes	No	
				tender process.
44.	Should the CER, or a 4 th party audit the verification scheme?			4 th Party
45.	Do you agree with the CER proposal that the Scope of Verification should be hardware Safety Critical Elements?	yes		
46.	Do you agree with the CER proposal to apply the verification scheme offshore and onshore?	yes		
47.	Do you agree with the CER proposal to apply the verification scheme throughout the lifecycle of petroleum infrastructure? Please comment.	yes		
48	Do you agree with the CER view that a separate well examination scheme and well management audit scheme should operate? Who should conduct this scheme? Please comment.	yes		ICP
49.	Should ALARP be explicitly included within the verification scheme guidance? Please comment.	yes		
50.	The CER is interested in respondents views on whether the CER should approve the verifications scheme in the scenario where the petroleum undertaking contracts the ICP?	yes		Ownership is not a bad thing, you will have cases where Operators already have a LT engagement with ICP's given that the verification is a live document a joint approach may be best.
51.	Do you agree with the CER proposal to introduce a balanced set of leading and lagging indicators within the Safety Case Guidelines for routine reporting by the petroleum undertaking to the CER? Please	yes		These should be quarterly KPI's. The CER should also hold Quarterly Performance Reviews with each petroleum undertaking. This is especially

Question/ Proposal		Do you agree?		Comments
		Yes	No	
	comment.			relevant in giving an early indication of deterioration in KPI and risk management system results
52.	Please comment on the appropriate means for ensuring compliance by petroleum undertakings with their general duties, and the CER's proposed approach to monitoring.	yes		Agree with approach
Section 9: Petroleum Incidents				
53.	<p>Please comment on the proposals for the following to be to be classified as petroleum incidents to be notifiable to the CER:</p> <ul style="list-style-type: none"> • All events/occurrences that result in the loss of human life; • Those events/occurrences which result in a personal injury to a member of the general public; • Those events/occurrences which result in personal injury which relate to a major accident hazard; • All events/occurrences that result in damage to the structural integrity of petroleum infrastructure; • All events/occurrences that result in the structural integrity of petroleum infrastructure being compromised; and • Near misses which have the potential to cause a major accident including the failure of plant and equipment or procedural failures which could have the potential to cause a major accident or could significantly impair an undertaking's response to a major accident. 			<p>You should also track Stop Cards this is where an Operator staff member issues a stop card for a potential accident / near miss.</p> <p>If CER decides to track Environmental then the petroleum incidents should be expended to include these Enviromental KPI's</p>

Question/ Proposal		Do you agree?		Comments
		Yes	No	
54.	Please comment on the CER's proposed approach to the investigation of petroleum incidents and follow up actions.	yes		Yes there must be a balance between the need to learn from incidents and appropriate action but if you don't have a means of enforcing new practices for better safety then no Operator will adopt. Lessons learned unless communicated and enforced are as good as useless data.
55.	Please comment on the proposal that the CER will seek to liaise and co-operate with other relevant authorities in the incident investigation process?	yes		Please ensure that lines of communication and responsibility are clearly defined.
Section 10: Agreed Regulatory Interfaces and Co-operation				
56.	The CER are interested in respondents' comments on the proposed interface, co-ordination and co-operation arrangements. Specifically are such arrangements beneficial and are there other authorities the CER ought to have such arrangements in place with?	yes		Transparency between regulatory bodies is a must.
57.	Please comment on the proposals for information sharing under the interface, co-ordination and co-operation arrangements?	yes		As above
58.	Please comment on the proposals for greater alignment of the permissioning processes under different statutory regimes and inclusion for the interface, co-ordination and co-operation within arrangements with other statutory authorities.	yes		As above.

Question/ Proposal		Do you agree?		Comments
		Yes	No	
59.	Please comment on the proposals for co-ordinated audits/inspections and related information exchange under the interface, co-ordination and co-operation arrangements.	yes		Especially EPA and HAS...and Aviation.
Section 11: Enforcement				
60.	Please comment on CER's proposals on enforcement. In particular the proposals with respect all persons included on a petroleum authorisation submitting a joint safety case	yes		Need to set an example early on revocation of safety permits as it will set example that the CER are not to be taken lightly. All of the petroleum undertakings will fall into line very quickly. Especially the number of JV partnerships. This has a multiplier effect in communicating CER decisions between JV partners.
Section 12: Safety Reporting and Published Safety Information				
61.	Please comment on the CER proposals for the publication and content of the Annual Report on the Petroleum Safety Framework	yes		You should also include Performance KPI's across a range of Petroleum Undertakings. Let the Operators and their partners know that you will be publishing these KPI's yearly for Public consumption. As Operators are now tracking Reputational Risk even more post Macondo they will want to ensure their KPI's fall in the Green range, especially for HSE.
62.	Please comment on the CER proposals for the information it intends to publish	yes		Yip agree and include above.

Question/ Proposal		Do you agree?		Comments
		Yes	No	
63.	The CER is interested in respondents views on the criteria the CER should apply when considering an application by petroleum undertakings on the exclusion of certain information.	yes		Yes agree especially where it could have an impact on an up coming legal case. Ie where an Operator intends suing a Service Company for such a Safety / Environmental incident.
Section 13: Continuous Improvement				
64.	The CER is interested in respondents views on the proposed approach to continuous improvement			You can track Continuous improvement as part of your Performance Management KPI's ie how lessons learned help drive up the compliance and safety ratings. You also need to show Operator X v Operator Y v Operator Z across a range of KPI's that is what Operators do with Service Companies to Drive Compliance and Performance Improvements. It also helps the probability of risks Materializing.