

CER Press Release – 8th June 2012

CER Publishes the Decision on the New Petroleum Safety Framework

The Commission for Energy Regulation (CER) has today published its decision on the high-level design of the new petroleum safety system that will apply in Ireland. This Petroleum Safety Framework sets the safety regulatory system that will be operated by the CER for oil and gas exploration and extraction activities in Ireland, both on-shore and off-shore.

The Petroleum Safety Framework will cover oil and gas exploration and extraction in Ireland. This includes the existing off-shore Kinsale gas field and the proposed Corrib gas field. It would also include any potential hydraulic fracturing operations (“fracking” as it is commonly known) associated with shale gas, if licensed.

Under legislation passed in 2010, the CER is required to establish and implement a risk-based Petroleum Safety Framework. As a result the CER commenced a public consultation process on the matter last August, followed by a detailed Draft Decision published in February. Today’s decision on the Framework was arrived at after careful consideration of the comments received during this consultation process. Over 130 responses were received from the public and industry.

Commenting on the CER’s decision on the high level design of the Petroleum Safety Framework, the CER’s Commissioner Garrett Blaney said:

“The CER is pleased to announce the Decision Paper on the High Level Design of the Petroleum Safety Framework, which is a significant milestone in providing for a robust regulatory system in petroleum safety. Following careful consideration of the consultation responses received, the CER is confident that the new Petroleum Safety Framework provides a strong regulatory basis for a petroleum exploration and extraction industry in Ireland which is safe and is fully in accordance with best international safety practice.”

The core focus of the CER’s Petroleum Safety Framework is to regulate petroleum undertakings in oil and gas through a risk-based system, in a manner that protects life. The key elements of the Framework are:

- The requirement for petroleum undertakings to submit safety cases to the CER for assessment;
- Petroleum undertakings will be prohibited from carrying out specified activities, including the drilling of wells or the production of oil/gas, without a safety permit from the CER;
- If the CER issues a safety permit, there will be an extensive CER monitoring system of the petroleum activities; and,

- The CER has extensive enforcement powers available to it which it will exercise to ensure compliance by petroleum undertakings with their safety obligations. The eventual action that may be exercised is criminal prosecution against a number of criminal offences, which can result in a fine of up to €3m or a term of imprisonment of up to 3 years.

With the Framework now decided upon, over the next 18 months the CER will develop and publically consult on a number of technical procedures and regulatory guidance documents that are necessary to fully implement this new Framework.

The CER will shortly publish a programme which will outline the timescale and consultation process for the publication of each of these documents. The CER expects the new regulatory Framework will begin operation before the end of 2013.

Ends.

For further information, please contact:

Andrew Ebrill, Press Officer, CER
Phone: 01 4000 800
E-mail: aebrill@cer.ie

Notes to Editors:

- The CER is Ireland's independent energy regulator. The CER has economic responsibilities, where the focus is on protecting the energy customer, and energy safety responsibilities where the focus is on protecting life and property. For further information please see the CER's website at www.cer.ie, with safety-related information detailed at www.cer.ie/en/safety-overview.aspx.
- The CER's role in creating and implementing a new safety regime for petroleum activities in Ireland builds on its existing safety responsibilities in regulating natural gas undertakings, natural gas & LPG installers and electrical contractors. For a background guide to the CER's role as a safety regulator, including petroleum safety, please see the CER's factsheet at:

<http://www.cer.ie/GetAttachment.aspx?id=f5decf38-b6f2-4c13-ba49-3c0d9959e0d8>
- In addition to the Decision Paper on the Petroleum Safety Framework, the CER has published today a report entitled "Draft Decision Response Paper for High Level Design of the Petroleum Safety Framework", which addresses all the responses received from the general public, industry and other interested parties. This paper, the individual responses from interested parties and the minutes to any meetings held can also be found on our website at www.cer.ie.
- The CER will develop in detail the procedures and regulation documents, as referenced in the Decision Paper, in the coming 18 months. These detailed regulatory documents, many of which will be published for further consultation, include:
 - Safety Case Guidelines;
 - Audit and Inspection Scheme;

- Verification Scheme;
 - Petroleum Incident Regulations.
- The CER expects to be in a position to receive its first safety case for assessment by the end of 2013. The Department of Communication, Energy and Natural Resources (DCENR) will continue to regulate the safety of petroleum exploration and extraction up until that point.
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